Informal Sector

1992

SEPT. — DEC.

Insurance could be the answer

153A

STAR 1/9/92

THE proposed stokvel unit trust (see story alongside) will experience problems if a member of a particular stokvel suddenly passes away or becomes permanently disabled while owing the stokvel some money. How will the person's loan be repaid? This question has occupied Andrew Lukhele's mind for some time and the National Stokvels Association of SA (Nasasa) has emerged with a good answer for such an eventuality.

Says Mr Lukhele, the Nasasa president: "Financial institutions, including insurance companies, are beginning to take us seriously We are currently involved in discussions with one of the insurance companies that has a specialised division catering for Credit Protection Insurance We can buy insurance from this company to insure the saving club against death or diablement of members"

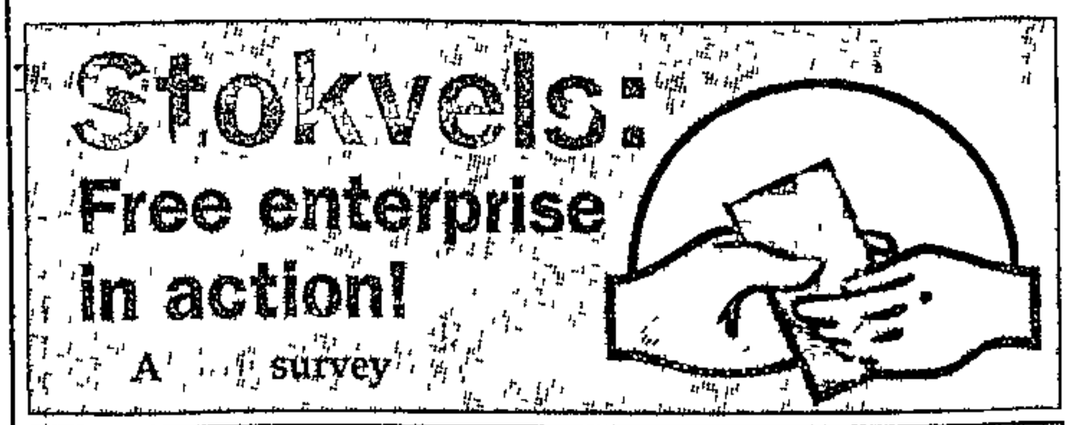
Premium

How will this work?

The stokvel will pay a single premium for the credit protection policy that will cover the total amount of members' loans granted to them by the saving club from the unit trust

Mr Lukhele says the premiums and the extent of cover will be highly competitive and provide cover for the whole loan period This will enhance the viability of the unit trust

Here's the mechanics of the scheme: The stokvel will use a unit trust certificate as collateral to acquire a loan for a member from the bank The loan will be in the club's name while contributions will be from the member, who will be under peer pressure to meet repayments Then in the event of a member passing away or becoming disabled, the insurance company in question would pay out the total amount owing on the loan by that member to the club The club would then remit the cash to the bank in settlement of the loan. No one would suffer This is a nice clean deal, says Mr Lukhele



EMMANUEL LEDIGA reports on the important economic role played by stokvels, which have a well-established place in black communities.

Unit trusts a growth area

THE growing influence of unit trusts (see main report alongside to see how unit trusts could be used by stokvels) is clearly reflected by research done by the Markinor Group, independent research consultants

The 1991 study reveals that membership of stokvels increased from 680 000 in 1989 to 989 000 by the end of 1991 — a growth of 45 percent And this number constitutes about 29 percent of the black metropolitan population

Andrew Lukhele of Nasasa says this represents the tip of the iceberg considering there are many stokvels in rural areas where the majority of the black population — about 60 percent — still live

It is estimated that R83 million a month — a cool R996 million a year, this has probably reached a billion rand by the time of writing — is collected by stokvels

Exciting plan to boost black home-ownership

STAR 1/9/92

ANDREW Lukhele, president of the National Stokvel Association of South Africa (Nasasa), is disappointed about the Government's and formal businesses' role in alleviating the severe housing crisis in black communities

As a result he has embarked on a misssion for stokvels to play a leading role in easing this plight

He has in the pipeline exciting projects for the development of solutions to the housing problems in South Africa

He offers a sensitive argument from the black community "Financial institutions such as banks and building societies, which are mostly run by whites, have been sitting with million of rands invested by black people in the form of pension funds, savings, including stokvel accounts.

"Yet they haven't made efforts to extend credit to black people to enable them to be property owners And Nasasa is going to correct this situation"

Millions

He says because of the collateral requirement of financial institutions, this had the effect of excluding millions of blacks from the formal financial system It also means that savings by blacks are largely used as loans to relatively affluent whites

Very little, if any, of this money is ploughed back into the community which provides it and needs its most

Thus these institutions offer little incentive for saving because there's little or no connection between individuals' saving effort and their ability to improve their housing conditions

"We have come up with a partial answer to the housing problem Taking a lead from the highly successful Resident Management Committees (RMCs) in the United States, whose task it is to transform public housing into decent and affordable homes for the poor, Nasasa has, in conjunction with Tremsen Brokers Services, launched a number of building material depots in Soweto and the East Rand to provide cheap material to residents

"We have entered into an agreement with building material manufacturers and expect this venture to be a substantial money-spinner and so contribute to the funding of other ventures"

Mr Lukhele believes the housing crisis could be alleviated by innovative approaches to financing housing projects

And he has a big spectacular project on the cards to support his assertion The stokvel association is planning to divest a sizeable proportion of stokvel money from commercial banks and building societies to unit trust certificates that can be used as collateral for home loans from such institutions

This is not only to meet the security requirement, but to beat inflation that has been steadily eroding stokvel monies over past years

Unit trusts are preferred because their returns have consistently outstripped inflation

"Because poor people have no conventional collateral an adequate substitute would be a personal credit history offered with a stokvel's guarantee.

"A key feature of this unit trust concept is that the financial risk will be moved away from the bank and assumed by the stokvel

"The bank will be lending money to the stokvel rather than individuals Stokvel members will, in turn, ensure loan repayments by means of peer pressure," he says

And this idea is already getting support from financial institutions

First National Bank general manager Jimmy McKenzie is quoted as saying the plan was excellent and his bank supported it The bank would certainly consider accepting unit trust certificates as collateral for home loans

"Should the scheme get off the ground, it would make low-income earners 'bankable' by enabling them to acquire assets and build up a track record of payment"

Johan Kruger, GM at the Development Bank of South Africa, said any move to divert funding into black housing was to be welcomed from a development perspective and represented a praiseworthy use of the stokvels' financial clout

He added "The initiative will create an interface between sophisticated financial institutions and the less sophisticated community in a way that is financially acceptable"

This new scheme, says Mr Lukhele, will be co-ordinated by stokvels, which will determine the credit status of members and then ensure they meet their repayments A borrower's ability to pay, rather than collateral, will be taken into account. Even the unemployed may be granted loans provided the total household income is sufficient to meet repayments

A number of investment companies in the US and Europe have signalled they would invest in the unit trust if it yielded good returns and benefited the people on the ground, says Mr Lukhele

This will enhance the investment capability of the unit trust and ensure good capital injection from overseas investors And Nasasa will be lobbying hard to get this capital

It pains Mr Lukhele that the Government has not taken any meaningful steps in easing the housing shortage For instance, while billions are set aside by the Government for black housing, only 10 000 houses have been built in 1991

He believes little or no progress will be made in the construction of the country and development of its communities until the housing crisis is addressd and resolved

Everyone must be involved in the provision of shelter This may range from private entrepreneurs in the formal and informal sectors, to non-governmental organisations, and co-operatives, community groups and individual households

This issue of collateral for loans has long been a talking point between black and white businessmen, with the latter claiming it is a proven method of reducing the risk of non-payment and the former saying it excludes many people who have been denied the chance to accumulate resources to fully participate in the formal economy

Praise

Mr Lukhele praises Professor Mohammed Yunus, of Bangladesh's Grameen Bank, who criticised the notion that credit should be the exclusive privilege of the rich because they can provide conventional collateral The professor said "If collateral can provide the basis for the banking business, then society should mark out the banks as harmful engines for creating economic, social and political inequality by making the rich richer and the poor poorer"



"Mr Stokvel" . . . Andrew Lukhele, founder member and president of the National Stokvels Association of SA.

What's in a name? (153A)

STAR 1/9/92

It can mean a lot in the world of stokvels

ONE of the striking features of the stokvel movement is the creativity and ingenuity they display in giving names to their stokvels

Members realised long ago that for a stokvel to be famous and attract patrons, it needs to have a catchy name

It's not surprising then, that stokvels boast names like Codesa II, Heaven Can Wait, Santa Cruz, Brotherhood, Iphindela (where's the way), Pretty Channel, Spiced Gold

According to Andrew Lukhele, president of the National Stokvels Associations of SA, stokkies are identified mostly by names, ranging from the bland to the colourful

"One stokvel in Kagiso on the West Rand is known as 'Fatuku', which simply means 'dishcloth' According to its members, it was their wish to have a name with no serious connotations They initially called themselves 'serope', which means 'thigh'

"The dishcloth is this stokvel's mascot and it is produced when things are hot During my visit to one of their meetings, a popular tune was playing everybody took to the floor, and we were all dancing, going up and down like yoyos, when one enthusiastic gentleman went to the kitchen and returned with a dishcloth

"Looking from side to side, he started shouting 'fatuku' to the amusement of us all

"Other names include Dallas, Stock Exchange and Zola Budd Some groups identify with a liquor brand name and make sure the product is available at their parties Charles Glass, Hansa Inn, Smirnoff, Southern Comfort Syndicate, Hunters Gold and Pushkin are all names of stokvels operating on the Reef

"Stokvels are becoming increasingly popular among young upper income blacks whose clubs are fashion-oriented Some of them select, as their alter egos, shops in Johannesburg's northern suburbs

"Thus there are clubs called Benetton, Palazzo Pitti, Lacoste, Bear, Le Gym, Daks of London, and Kappa Sport Members often wear clothes from these shops, and occasionally invest in a kind of uniform of T-shirts and caps with the logo"

It is clear that shops and companies that own these brands are benefiting from this free advertising But because they know nothing about stokvels they end up being unable to cash in on this bandwagon They should sponsor stokvels that display their brand names

He relates a particularly sad story "One lady from a stokvel in Soweto named after an expensive Johannesburg shoe store told me that she was sent to the store by her fellow members to ask its manager if he would give them a tablecloth with the names of the popular shoes in the store Her request was turned down because the management did not understand the stokvel concept and was unaware of the extent to which the store was benefiting from the group's patronage

"There are stokvels that operate on weekday evenings, which are collectively called Malamogodu (entrails) This is interesting if one notes that even today, when a black urban family is struck by a series of misfortunes in the form of accidents, loss of property, fire in the home, constant family quarrels or mental derangement, a goat or sheep is usually slaughtered to appease the ancestors

"Invitation cards are printed to notify people about the stokvel meeting The host member prints an average of between 200 and 300 cards depending on his or her popularity The information that goes into the card contains four elements, namely the name of the group, the name of the hosting member, the address where the party is going to be held and the date, usually with an 'onwards' notice to indicate that the party could be prolonged if the atmosphere allows"

This card system has been replaced or supplemented by the "Stokvel Corner", which appears on The Star's sister newspaper, Sowetan

Out to promote a positive image

STAR 1/9/92

(153A)

THESE are the aims and objectives of the National Stokvels Association of SA (Nasasa)

- To serve as the mouthpiece for all stokvels affiliated to Nasasa
- To promote a positive perception of the stokvel movement in the community as being an integral part of the economic mainstream, and as a potential creator of jobs and wealth
- To research, formulate and implement development plans in order to improve the operational efficiency and effectiveness of stokvels
- To help stokvel members to promote the stokvel concept as a valuable self-help scheme
- To arrange better deals with shops and other suppliers, such as furniture stores, hotels, supermarkets and liquor stores
- To provide an educational counselling service for members on a variety of subjects, such as housing, financial management and legal advice
- To provide training for members to enable them to operate in a professional and profitable way, including education and training on different forms of investments and to negotiate on behalf of members for better deals with financial institutions
- To work in close cooperation with other business bodies to stimulate business skills among members
- To serve as a marketing vehicle to facilitate the interface between black informal financial schemes and all interested parties.
- To assist and encourage stokvel members in starting business ventures and cooperatives
- To initiate, promote or oppose legislation which affects stokvels.

To create a spirit of belonging and togetherness among all stokvels in South Africa.

- To create our own financial institutions that will correctly and relevantly serve the needs of our communities

Name reflects cultural roots

STAR 1/9/92 (1531)

THE National Stokvel Association of South Africa (Nasasa) had its beginnings about four and half years ago at Soweto's Funda Centre.

Today, it has grown to be one of the most powerful financial forces in the informal sector Andrew Lukhele, founder member and now President of Nasasa, looks back with nostalgia on its formation and outlines his involvement the and now

"When one talks about stokvels today, Nasasa comes to mind. The general public knows very little about its origins, which is surprising when one considers the hundreds of millions of rands its members handle every year," he writes in his book "Stokvels in South Africa', published by Amagi Books

'My own involvement in the stokvel movement would not have been possible without the experience I gained while working as a research assistant for the National Institute for Personnel Research (NIPR), a branch of the Human Sciences Research Council."

It was at the NIPR where he gained insight into the informal financial structures in black communities, where he was involved in a project dealing with this aspect in 1987

The project was aimed at examining "processes and mechanisms of informal housing finance' and included an analysis of the dynamics of stokvels which made him view stokvels in a new light.

Though he had grown up surrounded by such structures, he says, he had always taken them for granted, and never considered their importance in the community

He was also involved in a second NIPR project, on "urban black versus non black business, economic systems and cooperatives", which also examined routes stokvels could use to gain momentum within black communities

Those two projects were great eye-openers for him and prompted Mr Lukhele to think hard about forming a formal general stokvel body

'As a result of my involvement in these studies and my natural understanding of the stokvel concept as a township man I decided to scrutinise the internal operations of these structures more closely by using the participation and observation method One way of doing this, I believed was to establish an association for stokvels in the townships

"Not only would such an organistion help in researching stokvels it would also help stokvel members in fighting for their rights and promoting recognition of stokvels as important sources of informal credit."

Reluctance

What also reinforced his decision to form such an association was his observation, during research on the above studies that because of the perception of illegality most stokvel members showed a marked reluctance to divulge turnover figures, margins and so on.

This, he says, is typical of the attitude of chief actors in the informal sector generally

It is a striking co-incidence that the first association of stokvels was formally launched on February 14 1988 (Valentine s Day) at Funda Centre because very often partygoers bring loved ones to stokvels to enjoy themselves

At the first meeting Mr Lukhele and his colleagues thought of giving the new organisation a fancy name like the Association of African Credit Unions

"However, several people at the meeting thought that this name obscured the cultural overtone and connotations of stokvels so to maintain the cultural origin of the concept, we decided to call ourselves the Soweto Stokvels Association

As a result of ever growing national demand this soon became the National Stokvels Association of South Africa '

At the launch there was good turnout of influential black business personalities, who would later be elected to the governing Interim Committee

Mr Lukhele who holds a BA degree was elected chairman The committee boasted top names like Gaby Magomola (then Chief Executive of the African Bank) Moss Leoka (director of Corporate Image), Pogiso William Modise (senior manager with the African Bank), Mandi Maepa (Standard Bank manager) and other black business luminaries He laments the fact that due to various reasons most of them could not stay with Nasasa for long

There were problems at the beginning Because of the lack of permanent offices and secretarial help it was impossible for the association to communicative effectively with members The new organisation had to get publicity to grow, thought Mr Lukhele

"One day, as I perused the invitation cards which stokvel members use to invite patrons to their parties, it occured to me that the association should try to get some publicity — free if possible, given our financial position — for its members activities

After much haggling with City Press, Nasasa published information about stokvels every Sunday in that newspaper and this enabled the body to command broad support in the black community

Thus Nasasa grew from strength to strength



What a beauty Nonhlanhla Luthuli was crowned Miss Nasasa East for 1992 Beauty competitions are just one of the "fun" aspects of the stokvel philosophy

Concept is based on trust, honesty and reliability

STAR 1/9/92 (1531)

THE stokvel concept is not hard to understand It is a means of mobilising funds by the black community

And stokvels have long been a tradition among blacks streching back many years Stokvels are based on black communalism and trust

Andrew Lukhele, president of the National Stokvels Association of SA explains

"A stokvel is a type of credit union in which a group of people enter into an agreement to contribute a fixed amount of money to a common pool weekly, fortnightly or monthly

'Then depending on the rules governing a particular stokvel, this money or a portion of it may be drawn by members either in rotation or in a time of need This mutual financial assistance is the main purpose of stokvels, but they also have valuable social and entertainment functions

"Membership in a stokvel is voluntary The introduction of a new member is made on personal recommendation

Honesty and reliability are important requirements for membership, as most stokvels do not have written agreements This is one of the reasons why stokvels are often formed by neighbours, by people working at the same place by members of the same family, or by members of a church congregation

"Because of these common bonds, some stokvels have been in existence with more or less the same membership for 10 years or even longer

'Stokvels are found in rural and urban areas in squatter camps, mine hostels factories and police barracks amongst the employed and the unemployed

"Some groups meet on weekends as a way of passing time away from work while others operate at the workplace often on pay days

On their way home from work many workers exchange money in buses, taxis and trains These same workers may contribute to other stokvels on weekends

There is no doubt that forced removals have had a negative effect on the operation of stokvels

"For example when blacks and coloureds were removed from Sophiatown in 1955 no organised attempt was made to preserve the community by encouraging friends and neighbours to settle near each other

'However, it seems Marabi jazz culture was stronger than the forced removals the Kutlwano (which means unity or peace) Burial Society of Orlando East Soweto was formed in August 1987 by former residents of the old Sophiatown Western Native Townships and Orlando

Stokvels cannot easily be counted in the same way as other businesses such as shebeens and taxis

Categories

' The word stokvel is used broadly to refer to numerous different categories of co-operative societies operating in a variety of ways Most stokvels in fact, have different names such as kitchen birthday and wedding parties or burial societies"

A Markinor study revealed that of the estimated 44 000 stokvels in metropolitan areas over 40 percent are saving clubs and 27 percent are burial societies On average, 80 people belong to a burial society, while other types of stokvels average 16 members.

About 60 percent of stokvel members are female and most members are in the higher income bracket (over R1 000 per month).



Party time at a stokvel in Diepkloof

Stokvels and shebeens go back a long way

(153A) STAR 11/9/92

STOKVELS and shebeens have always been bedfellows — so much so that confusion has reigned as to whether there s any real difference between them

A shebeen is a sort of African pub, where friends gather to drink and talk about latest news and events

"Because stokvels have always been associated with shebeens and liquor and the Government having prohibited blacks from drinking "European liquor', Andrew Lukhele president of the National Stokvels Association of SA, reveals in his book how adventurous Jewish and Portuguese bootleggers broke the law in supplying blacks with booze

This ensured the survival of the shebeens of the past decades and also boosted the growth of stokvels in those hard times of the prohibition era And these sub cultural twins survive to this day

"It is difficult to draw a hard and fast line between stokvels and shebeens because there is a lot of overlap between the two,' says Mr Lukhele

"For example, many shebeens are stokvel members Also, some shebeens allow stokvel members (for a fee) to host their parties at their venues"

Too quiet

Week nights are often too quiet for a shebeener's taste says Mr Lukhele and on one of these nights the shebeen operator would sometimes organise a stokvel

How will this stokvel operate? Members would each bring a stipulated sum of money ranging from R100 to R1 000 at an agreed interval and hand it to the host or hostess

They then buy food and drinks at inflated prices to boost the takings of the host or hostesss For example, if there [illegible]

ning, as well as a percentage of the profits on the food and drink, he explains

'The next week however on the appointed day — usually a Sunday or Monday night — it will be his turn to show up with R100 and spending money Few people ever risk breaking the stokvel chain that is why the stokvel is such an effective way of raising interest free capital quickly

This is a matter of great importance to people who often have very limited access to formal sector financial facilities And that is why they are sometimes called rotating credit clubs

Traditionally and especially in those grand apartheid days a stokvel member had his liquor brought to him by a runner

Runners were unlicensed wholesale distributors who served shebeeners and stokvel members, says Mr Lukhele

During those days runners were even more shadowy groups than shebeeners runners would usually buy from retailers in the metropolitan areas and then sell to shebeens and stokvels in the townships This

hannesburg pub Jewish immigrants used to supply runners in the early years of the Witwatersrand, who were then succeeded by many Portuguese immigrants in this trade

'The history of the trade makes fascinating reading It began when the prohibition law of 1897 imposed severe restrictions on liquor consumption by black mine workers

"Prohibition here had the same effect as prohibition in America, the liquor trade boomed

'One group of people who benefited from this illegal trade with Africans were poor Jewish immigrants

'Many of whom had come to the Witwatersrand from Russia and Eastern Europe hoping to build new lives for themselves in the City of Gold

"But they were discriminated against by wealthy established whites, who mockingly called them Peruvians (from Polish and Russian Union) and they received little sympathy from the Kruger Government So when prohibition was introduced many of them decided to risk involvement in the illegal

gers

'Soon well organised liquor syndicates emerged with bosses known as Liquor Kings

"Hundreds of poor Jewish immigrants became soldiers in the armies of Liquor Kings such as Sam Nathanson

'Drink was sold from well guarded liquor forts' next to licensed liquor premises

"Underground tunnels, hidden by clever false doors linked the legal show with the fort, and alcohol passed along those tunnels

"Dealers sold bottles of drink from hatches or windows in the fort The dealers could see their black customers when clinching transactions, but they remained hidden

"These syndicates survived many police raids, partly because the poorly paid policemen (called the ZARPS then) often accepted bribes from dealers But during the Anglo-Boer War the Liquor Kings were finally crushed By that time many of the 'Peruvians' had made enough money to open legal businesses

"The overlap between stokvels and shebeens has created confusion about the reasons for police harassment of stokvels And the Liqour Squad has always harassed people at stokvel parties and shebeens

Liquor

"Some believe it's because they contravene the Usury Act, while others see the Liquor Act as the main problem

"It seems the latter are correct because the only stokvel that are harassed are the ones that sell liquor as a secondary feature"

The police say Liquor Squad raids are carried out because stokvel members sell liquor without licences

Mr Lukhele says this is unfair if it is taken into account that

Parties play a key role in this tradition

STAR 1/9/92 (15 3A)

"I'M talking about money, money!" It is nighttime, deep in the heart of Soweto, and the song by rock group Simply Red is blaring out of the powerful speakers from one of the many stokvels in full swing

Stokvels, or "stokkies", as they are sometimes referred to in the black townships, are more than just money-making ventures They are also about fun chatting, drinking and dancing Over the years a whole sub-culture of fun and merriment has formed around them

"The party-oriented stokvels tend to restrict membership so that each member gets the chance of hosting a party at least twice a year," observes "Mr Stokvel", Andrew Lukhele

"The reason is that the host can make more money from the party than through the savings procedure

"Total contributions may amount to R2 000 per meeting if there are 20 members who each contribute R100, but this can be more than doubled by a "swinging" bash that has some vibe and relevant people

Weekend-long celebrations

"These big bashes, which can often go on from Friday afternoon to Monday morning, are not restricted to members of a particular stokvel

"Invitations to these parties are extended to outsiders as well, and the more patrons there are, the more money the host is likely to make The element of reciprocity is important at these stokvel parties

"A member of a stokvel who supports the parties of another stokvel stands a greater chance of support when he hosts his own party than one who attends only the compulsory meetings of his own group

"For this reason, the host, with the assistance of other members of his stokvel, does a subtle check to see who supported him and who did not It is therefore imperative for members to display their support

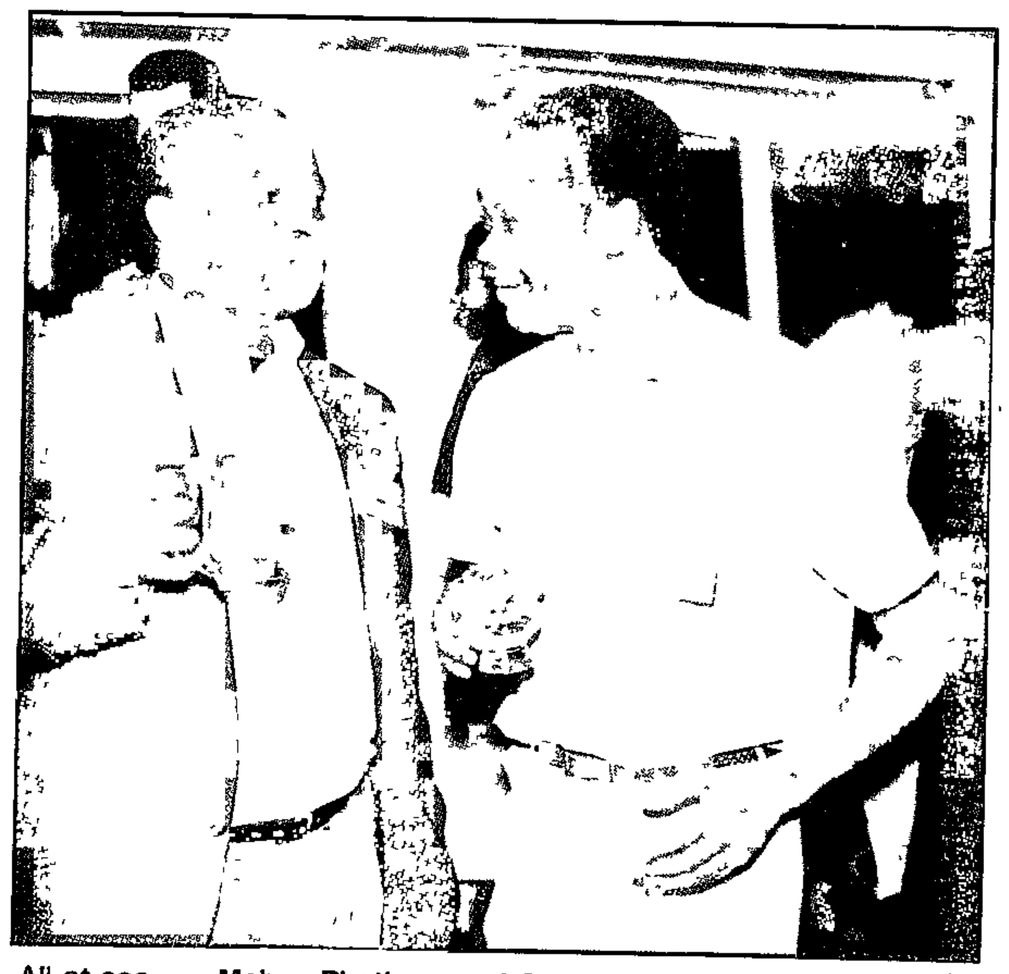
"Similarly, lack of support for other stokvels can result in the decline of the standard and status of that stokvel

"The more outgoing the members of a particular stokvel are, the more powerful and popular it becomes Thus most stokvels apply certain controls to ensure that their members support other members and other stokvels regularly

"First, there is a financial penalty if one does not attend a party hosted by a member If, for instance, members are expected to contribute R100 each, then R70 will go to the host's coffers as a fixed contribution while R30 is for compulsory expenditure at the party



Let's party TV star Magic Hlatswayo gets together with members of the "Stock Exchange" stokvel for some fun and merriment



All at sea Mohau Phatlane and Oupa Temane at a celebration on a boat in Durban with members of a PWV stokvel.

As a rule, contributing members hand R10 each to the host, who gives him or her a membership card on which food and drink ordered by the contributing member are recorded

"The food and drinks must add up to R30 altogether, after which the member can buy from his pocket or leave the party

"If a member for any reason cannot attend the party, he may send his contribution with another member but he must pay the full amount of R100 In other words, he forfeits the R30 earmarked for refreshments he could have enjoyed

Table money

"The compulsory amount to be spent by each member — R30 in this example — is called a 'bill' in Soweto stokvel language The money contributed to members is referred to as the 'table money'

"Another kind of 'bill' involves relationships between different groups Often two stokvels strike an agreement whereby each is obliged to support the other's parties regularly Say, for instance, that stokvel X and stokvel Y both meet fortnightly, but on alternative weekends They agree that on the week when stokvel X is not operating, its members are obliged, as a group, to go and support stokvel Y Such an agreement is called a 'contract'

"The support they render is in the form of consumption they do not make a financial contribution to the hosting member of the other stokvel They go there to have fun and enjoy the party

"Depending on the agreement, the members of stokvel X might be expected to spend a compulsary total amount of R200 when it is their turn to honour the contract with stokvel Y

" Expenditure may be made on one day or may be spread over the duration of the party, which may last for two or three days

"When the food and drinks purchased by the supporting stokvel members cannot be finished, they are allowed take-aways

"Take-aways, however, are not encouraged among members of one stokvel

"When members of one stokvel go to honour their contractual agreements at another stokvel, they are in most cases allowed to bring their partners along with them, even if their partners are not members

"There are certain people in the stokvel fraternity who are referred to as sub-members

"In simple terms, a sub-member is a close friend of a fully-fledged member of a particular stokvel

"He or she may not want to be a full-time member by way of contributing a regular sum of money, but may want to participate on the refreshment and enjoyment side

"He benefits when a stokvel of which he is a sub-member honours its contractual support

Meetings

"While members may be called upon to pay R25 towards the bill to be spent on refreshments at another stokvel, he may be expected to pay R15 a day or R25 for two days

"The sub-member does not face any fines from the stokvel, nor does he attend meetings at which their serious activities are discussed

"Most stokvels fine their members for absenteeism, late payment, fighting, abusive language and bringing stokvels into disrepute

"A fine is usually imposed on a transgressor after a disciplinary meeting held by the entire group"



Music, fun and laughter . . all important ingredients for a successful and prosperous stokvel party.

Asian traders are under fire

B/DAily
13/9/92 153A

THEO RAWANA

HAWKERS have demanded the Johannesburg City Council push Asian pavement traders off the city's streets within two weeks — or they will do it themselves

President of hawkers' organisation Achib, Lawrence Mavundla, said yesterday members of his organisation were opposed to the operations of a group of Asians, who were chased out of Lesotho during riots last year.

"We believe in free enterprise, but it should not mean that people can come from anywhere in the world and swamp the local market Big business is protected from such invasions by laws. Why can't the same apply to small business?" said Mavundla.

"What's more, if it's so easy for Chinese to get licences, why can't the same apply to Mozambicans and Swazis. Blacks have to go through a process of proving they have been in SA for some years, establishing storage facilities and having them inspected."

A hawkers' meeting has given Achib a mandate to demand the removal of the Asians.

The council had promised to send a representative to the hawkers' meeting, but had not done so, Mavundla said.

Sapoa offers food for thought

153A
FM 419192

The SA Property Owners' Association's (Sapoa) first African shopping centre conference has lived up to its name — "Marketplace Africa" The congress, which was held in Sun City last week, has even been described as a watershed.

For the first time, an SA forum has gathered together retailers and developers to pool US, UK, European, SA, Zimbabwean, Kenyan and Indian Ocean Island shopping centre experience

But it was the overviews of the economic and architectural realities on the larger continent, plus an examination of the burgeoning informal trading in SA centres, which provided the "African" perspective

Affordability, or rather the lack of it — as Stauch Vorster executive chairman Robin Vorster and American University African & Development Studies assistant professor Fantu Cheru pointed out — may require a revised look at future development

The most immediate retail issue in SA is the rise of the street vendor Johannesburg City Council chief officer for informal trading, health and housing Dinkie Pillay noted that hawkers were not going to go away He also made a direct appeal to delegates and Sapoa to work with hawkers and local authorities to improve hawking standards and eliminate cause for complaint

Pillay's own efforts to raise hygiene and aesthetic standards have been exemplary For instance, he motivated the manufacture of what are known as "Munch Hut" mobile vending carts — mobile kiosks which offer storage and weather protection — and in turn got them sponsored by companies such as Nestle. About 400 have been donated so far to Johannesburg traders

Pillay produced a video, which he showed to delegates, designed to help hawkers run their businesses better

It was clearly demonstrated that blacks prefer the open marketplace to enclosed malls Two successful examples of this are modern centres in Windhoek and Old Mutual Properties' new Chitungwiza shopping centre outside of Harare

This new centre, while a singular example of community, developer and retailer working together, raises the question of whether SA will have to wait for a post-independent era to be able to develop centres in black townships under similar, harmonious circumstances

From International Council of Shopping Centres executive vice-president John Riordan, delegates learnt of the progress of the "big box, small price tag" stores — big stores offering heavily discounted merchandise — and how they have taken a considerable amount of business away from many national department store chains They are often situated in shopping centres comprising only this kind of retailer, at other times, they are stand-alones

Riordan's concern about the future of such developments is because he doubts the con-



Conference chairman Patrick Flanagan *. justifiably proud*

tinued ability of retailers to produce such quantities of merchandise at low prices

But discussion of this trend was enough to prompt the question as to what SA is doing in this regard Ailing shopping centres, such as Golden Walk in Germiston, could increase their pulling power enormously in the altered form of a centre specialising in factory outlets

Design International & Development Consultants president Roy Higgs's slides on imaginative US merchandising display methods — raises the need for SA retailers to travel overseas to garner new ideas, or, failing available funds, for shopping centre managers to expose tenants to slide shows to improve the overall appeal of their goods

Vegetable displays using sacking and other artistic approaches as seen in US Food Courts, symbolic of the trend towards individualisation in the US, are examples of imaginative retailing

Of all shopping centres in SA, the architecture of the Village Walk in Sandton and the merchandising and entertainment approach of the Victoria & Albert Waterfront in Cape Town most closely resemble the best of overseas retailing

Current trends in northern America which are having the greatest impact on design are not too distant from the SA experience They are the

- ☐ Development of the "value" projects, which include factory outlets, power centres, designer direct, mills and other forms of discount retailing (the rise of SA retailer Queens Park is one example),
- ☐ Demand for increased density (expanding horizontally or vertically) on to existing successful projects with retail and sometimes non-retail use (the refurbishment of Eastgate and Sandton City),
- ☐ Urgent need for the continued revitalisation of urban centres, using retail development as a catalyst (Maritzburg's sale of its judicial buildings offers such an opportunity),
- ☐ Growing sophistication and acceptance of the entertainment, amusement and leisure industry (most often referred to as "family amusement centres") in a retail context,
- ☐ Proliferation of suburban and regional developments in terms of new towns, town centres and stand-alone developments (Midrand City),
- ☐ Challenge of redeveloping existing vacant retail and department store spaces in urban and suburban locations, through un-enclosing (or "tear-offs"), expansions, re-merchandising or other innovative approaches,
- ☐ Continuing debate over the merits of large or mega-developments versus smaller, some say more user-friendly, developments;
- ☐ Environmental issues that have produced an increased acceptance of impact fees and growth management tools, and
- ☐ The need for more research-driven design and planning decisions as opposed to fly-by-your-pants or ego-driven approaches seen in recent years

These are just some of the inputs made at what was a highly successful conference

Small businesses optimistic

SMALL business prospects in a future SA were positive, according to 66% of respondents to a Business and Marketing Intelligence (BMI) survey released yesterday

The survey found only 27% of the sample of 1 000 small businesses believed their prospects would decline, while 7% said they did not know what the future held

Companies with an annual turnover of less than R5m were defined as small businesses for the survey.

BMI researcher Bets Nel described the survey results as surprising "I think a lot of them are positive because they've just got to be"

Seventy percent of those in the financial, insurance, community and social fields were positive, the survey showed. The least positive sectors of small business were construction (47%) and manufacturing (64%)

The most important reasons cited for optimism were that the economy would improve or at least remain positive in the future.

RAY HARTLEY

But, despite their optimism, an average of 86% of respondents said the small business sector needed assistance to ensure future growth

A significant 67% of respondents said they needed financial assistance while 32% expressed the need for business information, advice and training

Banks, the Small Business Development Corporation and government, in that order, were responsible for addressing financing, advice, training and information needs

The survey said there were about 157 000 small businesses in SA Of these 43 290 were involved in financing, insurance, real estate and business services.

About 42 200 were involved in community, social and personal services

Hawkers invited for talks on trade rivalry

THEO RAWANA

153A

THE Chinese Association of SA (Casa) has invited hawkers' organisation Achib to talks on rivalry in pavement trading.

B/DAY 8/9/92

Casa said yesterday if Asian hawkers were in SA legally, and subscribed to all municipal regulations, "there can be no question as to their right to trade".

It said the Chinese community understood and supported the efforts of black informal business to establish a means of living, as the Chinese community itself had been in transition in a society which in the past restricted general economic advancement.

"Casa is willing to discuss all issues and problems with all concerned regarding this matter, so that an amicable settlement may be reached. The aim of everybody must, of course, be to develop the economy, in both the formal and informal sectors, to the benefit of all SA's citizens."

Casa added that a measure of competition would result in consumers getting better value and that many of the Asian hawkers traded in goods which were not in direct opposition to other hawkers.

Achib president Lawrence Mavundla last week warned the Johannesburg City Council to remove Asian traders because they competed unfairly.

If the council — which Achib alleged gave trading licences to foreigners — did not get rid of the Chinese and Koreans, the hawkers would do the job themselves, Mavundla said.

No such thing as free beer, shebeens told

BDAY 9/9/92 153A

SA BREWERIES has invited shebeen owners to discuss allegations that it is flooding township drinking places with free beer in order to destroy the market for the National Taverners' Association's own, imported brand.

The association, which imports Zambezi lager from Zimbabwe, meets today to discuss its dissatisfaction with SAB. The association says the company has overreacted to the "breaking" of its monopoly.

SAB public affairs manager Adrian Botha said he was surprised by the association's accusation because the issue had not been brought up at recent meetings the company had held

THEO RAWANA

with the taverners

"We spoke only about responsibility in the use of alcohol I don't know about this breakdown in communication, because they know how to contact me. I would be happy to set up a meeting with them"

Botha said he did not know if SAB representatives did supply free beer "But if you give beer away you are not making money

"We need to get together and talk to these people — they are our customers.

"We welcome competition, but I won't say 'You can take my market'," Botha said

Soweto shebeen 'mass action' targets SAB

SOWETO shebeen operators are to launch "mass action" against SA Breweries — accusing it of lacking social responsibility and being discriminatory in granting discounts. They say their campaign could culminate in a boycott of SAB products.

The Soweto branch of the National Tavemers' Association decided at a meeting yesterday to remove all SAB adverts from shebeens in the township.

Association chairman David Mokoena said the executive committee would investigate insurance policies SAB had allegedly insisted on as collateral for credit.

THEO RAWANA

"SAB refuses to have any other policy as collateral, and . holders are not insured for the stated amount for the first three years. If anything happens to you in that period and you owe SAB R240 000, you are paid out only the premium and still owe the money to the brewery," he said.

SAB was doing nothing in the way of social responsibility and did not contribute to the black community in times of disaster, Mokoena said Instead, it pumped millions into soccer sponsorships. He also claimed black liquor dealers were not getting the same discounts given to Portuguese- and Jewish-owned outlets

The association's executive said it had been trying to arrange a meeting with SAB for the past 10 months, to no avail

SAB public affairs manager Adrian Botha said he would respond to the allegations after an investigation, "and we will be very happy to meet the association I categorically deny that we have refused to meet these people. No approach has been made to SAB head office for talks on matters of this nature."

Reef plan ready by year end

STAR 10/9/92

By Louise Marsland
Municipal Reporter

An interim strategic development plan for the greater central Witwatersrand should be in place by the end of the year, the Central Witwatersrand Metropolitan Chamber heard last night

Wits Professor Alan Mabin, who led the chamber's Land Task Team which identified land in the region suitable for low-cost housing, said an interim document containing proposals for a regional development strategy would be available soon

Metropolitan Chamber chairman Dr Frederick van Zyl Slabbert, attempting to allay the fears of landowners and other stakeholders, stressed that the land availability study was merely a "land audit" of existing vacant land in and around the central Witwatersrand and should only be seen as an input to a future strategy plan

Professor Mabin said the report was the first study undertaken in SA to be funded by a public authority — the Central Witwatersrand Regional Services Council (CWRSC) — in which community participation was an integral part

Chairman of the chamber's physical development working committee, Graham Phirie, said their challenge was to manage the urbanisation process

The Land Task Team comprised representatives from the Urban Foundation, the Development Bank of Southern Africa, the Johannesburg City Council, the Transvaal Provincial Administration, the CWRSC and Johannesburg civic bodies

● Urbanisation boost - Page 11



Worries of the world can wait a scrap-metal collector stops to take a pinch of snuff and smoke a cigarette next to some newspaper posters in President Street, Johannesburg
Picture Ken Oosterbroek

Taverners air grievances against SAB

STAR 10/9/92

By Montshiwa Moroke

The love-hate relationship between the National Taverners Association (NTA) and South African Breweries (SAB) came out into the open at a meeting of shebeen and tavern owners in Soweto yesterday

The meeting was attended by hundreds of members of the Soweto Taverners Association at Uncle Tom's Hall in Orlando West to discuss, among other things the conduct of SAB crime and legal constraints created by the Liquor Act

A string of complaints were voiced by members against SAB, including the 'insensitivity of SAB when dealing with shebeen and tavern owners and failure to consult operators when the brewery increases prices'

Several resolutions were passed, including one to pull down SAB posters in shebeens and taverns and burn them if SAB refused to hold discussions with the NTA

The meeting also called on SAB to offer discounts and introduce incentives and that the NTA executive should seek an urgent meeting with SAB within 10 days

Executive NTA members claimed they had tried to meet SAB for the past 10 months

NTA public relations officer Saint Madlala told members that a delegation of NTA members would meet Deputy Minister of Trade and Industries Dr Dawie de Villiers in Pretoria on September 23 to discuss the constraints in the Liquor Act

It was resolved that the formation of defence units be discussed speedily so as to combat crime especially hold-ups

by David Walsglass



First National Bank has been forced to move two recently planted willow trees from their positions outside the new Bank City complex. The trees, which were found to be in the way of tunnel excavations at the building site, have been donated to the Kelland Bird Sanctuary in Randburg. Watching the relocation operations yesterday were FNB project manager Mel Buckley, top left, and Bruce Davidson of the Wildlife Society, and Miss Randburg Caron Saunders.

Pictures: ROBERT BOTHA

Electricity the key for entrepreneurs

B'DAY 11/9/92

WILSON ZWANE

ISAAC Madisa is disabled and illiterate. Yet he conducts a roaring business in the tiny settlement of Elandskraal in the sweltering northern Transvaal.

Madisa owns a smart home, a bakery, a general dealer store, three trucks and a bakkie He estimates his monthly turnover at more than R100 000. He employs 20 local people, who were unemployed before he started his businesses.

And Madisa is not the only entrepreneur in Elandskraal. Fellow residents have set themselves up in manufacturing, retail and entertainment.

This does not sound like a normal picture of SA township life.

And, indeed, all this prosperous commercial activity was not in evidence in Elandskraal a mere 20 months ago

Before December 1989, the township did not have electricity. Sources of energy were wood, paraffin, coal and gas.

Madisa and his fellow businessmen agree that electricity has been a transforming experience for them.

They point to the great advantages afforded to communities with electricity. As they have shown, people can start small businesses, thereby creating job opportunities in their midst.

ANC secretary-general Cyril Ramaphosa said in July last year the country could begin tackling the huge unemployment problem if electricity was provided to all South Africans

Manufacturing and mining were areas where there would be most benefits, Ramaphosa said

Eskom public affairs executive Johan du Plessis concurs, but says more than just electricity is needed to develop communities both the public and private sectors have to share in providing underdeveloped communities with skills and resources they need to start their small businesses.

Du Plessis says with a bit of help from the public and private sector, small businesses can mushroom everywhere in the country where there is electricity.

But he points out that Orange Farm, south of Johannesburg, is one example of a community developing at a snail's pace despite having electricity

In sharp contrast to Elandskraal — which has fewer than 2 000 households — Orange Farm is a sprawling township with more than 70 000 people living in 12 000 homes.

Unlike Elandskraal, Orange Farm does not have a dry cleaner, a disco, a bakery or a shopping centre

Orange Farm has been electrified to a large extent, but it has only one general dealer. There are two properly built schools, but also four pitifully shabby schools which have been converted from chicken runs and horse stables.

So what is the essential difference between Elandskraal and Orange Farm, that is preventing the latter from developing as a commercial and light industrial centre? Most experts grope for an answer.

Maybe the relative "youth" of Orange Farm — it sprang up only in 1989 — is a factor. Many of the squatter community there are displaced individuals and the community lacks cohesion.

Du Plessis also believes Orange Farm people are hindered from starting their businesses by a lack of funds from financial institutions

Much of the reluctance of business to lend to township residents, or invest in squatter areas, has stemmed from the violence. Although Orange Farm — unlike its neighbouring townships, Sebokeng, Evaton, Sharpeville and Boipatong — has been relatively quiet in recent months, it has been tarred with the same brush.

According to a recent survey conducted for a business development organisation, the Get Ahead Foundation, only 9% of informal entrepreneurs were able to get loans from banks.

But Du Plessis is confident that Orange Farm's size and its proximity to Vereeniging give it great potential for a business boom — if only there were sufficient confidence to get investment going.

Ironically, Madisa and the other Elandskraal entrepreneurs obtained loans from the now defunct Development Aid Department, closed down as a result of widespread corruption among its officials

SAB to talk to taverners in a froth

STAR 11/9/92 153A 2256 1552

SA Breweries will meet a National Taverners' Association (NTA) delegation on Tuesday in an effort to avert criticism of its social-responsibility profile among Soweto shebeen owners and a possible boycott of its beer.

SAB public affairs manager Adrian Botha yesterday confirmed that a meeting had been arranged for next week.

The talks were called after the NTA Soweto branch's announcement on Wednesday that all SAB adverts would be removed from shebeens in the township.

The shebeen owners accused SAB of lacking social responsibility and also of being discriminatory in granting discounts.

They also mooted a boycott of SAB products.

Yesterday, Mr Botha categorically denied the claim that his company had refused to meet the NTA "for the past 10 months"

He scoffed at the claim that SAB lacked social responsibility, saying there might be some other reason behind the NTAs moves

The NTA also said that it would investigate insurance policies that SAB had allegedly insisted on as collateral for credit. — Sapa

Gwynne fights the small man's battle

S/Times (Buss) 13/9/92, 153A (@ Mgt) (Pg 8)

Many laws inhibit business and growth. But the Sunnyside Group, SA's answer to America's Ralph Nader, is here to break down regulation and bureaucracy. By CIARAN RYAN.

APARTHEID may have disintegrated, but small entrepreneurs are still battling against restrictive laws.

The Sunnyside Group, formed in 1987 under the auspices of the Urban Foundation, gave voice to about 250 000 small businesses, many of which ran foul of the law in a battle for survival.

Sunnyside co-ordinator Gwynne Main says "With employment running at about 40% we need to remove obstacles which inhibit job creation"

She spends her days in battle with regulators and an assortment of vested interests with no desire for economic deregulation She has only one helper and Miss Main commissions expert reports to help her in the battle against hide-bound authority

Prime

Sunnyside's latest success was a demonstration of the cost of regulation in the meat trade Meat was sent from an abattoir to a Randburg butchery by the Organisation of Livestock Producers, bypassing the normal marketing and distribution channels Prime cuts were sold for R9 a kilogram — half the normal retail price

Miss Main says "This shows what meat would cost if we didn't have inappropriate regulations"

She says meat prices shot up by 40% last year and look set for a similar jump this year

The Randburg butcher was threatened with prosecution by the Meat Board in the face of mounting public opposition to its control of the trade and the effect it has on prices

More than 1 000 regulations govern the red-meat trade, which is worth R3-billion a year at the producer level and R8-billion at the retail counter The difference is the cost of intervention, regulation and retailers' mark-up



GWYNNE MAIN A battler

Red meat is the largest part of the farming sector The effect of controlled marketing and price-support schemes in the red-meat trade resulted in per capital consumption declining from 41,9kg in 1956 to 25,1kg in 1988, according to research by the University of Pretoria on behalf of privately funded Sunnyside Group

Relief

The Meat Board is expected to implement some of Sunnyside's deregulatory proposals soon

Miss Main is unconvinced about retailers' protestations of innocence about rising prices She says "There is a high degree of concentration in the food industry, coupled with extensive vertical and horizontal integration Everyone in the food chain is contributing to price rises"

Miss Main says that until the Competition Board has the power to enforce its recommendations, State-sanctioned monopolies and cartels will continue

The liquor trade is also receiving attention from the Sunnyside Group An Ennerdale shebeen operator's application for a liquor licence was refused without reason by the Liquor Board, even though all the conditions set by the board were met

There are an estimated 100 000 shebeens in Soweto and few have licences Countrywide, shebeens net an estimated R65-million a month, a cause for concern among licensed liquor outlets

Miss Main says "Because of the proliferation of shebeens there has been a shift in trade from formal outlets Police harass the shebeen owners, confiscate their liquor and offer bribes for the drink to be returned"

One of the successes of the Sunnyside Group was to influence Government to raise the threshold at which VAT applies to small businesses from an initial R50 000 to R150 000 Sunnyside proposed a threshold of R500 000

Another success was the acceptance by the National Manpower Commission of several Sunnyside recommendations on labour legislation It was recommended that small businesses be granted relief from the Unemployment Insurance Act and the Workman's Compensation Act on the grounds that the costs of compliance were too onerous

Sunnyside has asked the Government to exempt very small businesses from certain requirements in labour law on the basis that emerging entrepreneurs may be illiterate and do not have the capacity to comply with complicated laws

By exempting small businesses from income tax, the estimated loss of revenue to the fiscus would be less than 1,5% The move would benefit 180 000 registered vendors and 900 000 individual taxpayers

But given the revenue shortfall, the proposals are likely to fail

Banging heads with the regulators throws up some interesting anomalies Tax, labour, health and safety and municipal by-laws are widely ignored in the townships which have become virtual no-go areas for the authorities

Roads

But there seems to be no shortage of manpower to harass entrepreneurs in other areas

An entrepreneur trying to run his business from home in a northern Johannesburg suburb is threatened with closure by a local authority after a two-year unsuccessful wait for the go-ahead and R25 000 in legal fees

Miss Main says "This area has no services to speak of and no tarred roads You'd think the local authority had better things to concentrate on"

Next on the battle list is the Public Accountants and Auditors Board Miss Main says many accounting services are reserved for chartered accountants Other accounting professionals are equally capable of carrying out the task, but are precluded by law

153A AUG 15/9/92

Small businesses defended

Business staff

SMALL and medium-sized businesses tend to have strong payment records, and finance houses should not be reluctant to lend to them, according to a senior official of the World Bank's International Finance Corporation.

"Time and time again, we have been told by bankers and other investors that the payment record of small and medium businesses is better than that of other sectors," said Alexander Keyserlink, general manager of the IFC's African Project Development Facility, in Johannesburg yesterday.

The creditworthiness of smaller businesses should be assessed in a non-traditional manner.

"The small and medium business sector is the surest way to assure that an economy grows and prospers in a healthy and positive manner," he said.

Small and medium-sized businesses created employment far quicker than the more formal sectors of the economy and also had the capacity to absorb a larger proportion of the non-skilled labour force.

Large scale projects required long planning periods, while a smaller project could be running within six months after funding was obtained.

"These projects do not use high-tech machinery They can and do tend to hire labour, which can easily be trained on the job" he added.

Small and medium-sized businesses were likely to perform optimally in a context of low inflation and of consistent, predictable monetary policies, according to the Reserve Bank's deputy governor, Dr Jaap Meijer, who defended the central bank's policy of stern interest rates, which some analysts believed had sent many small and medium business enterprises to the wall.

It was true, he said, that smaller businesses had limited financial reserves and limited access to emergency financing in difficult times. But many small businesses in the formal sector could be gravely disadvantaged by a relaxation in Reserve Bank policy.

The small business sector stood to gain from periods of steady economic expansion, which would enable viable businesses to survive difficult beginnings.

"Small and medium-sized businesses, who can move and operate where the big ones will not or cannot, have a role to play in the optimum allocation and utilisation of our resources," Dr Meijer said.

Financial sector 'misguided'

JOHANNESBURG — The reluctance of the financial sector to lend to small and medium-sized businesses is misguided as these enterprises tend to have strong payment records, according to a senior official of the World Bank's International Finance Corporation

Speaking in Johannesburg yesterday, GM of the IFC's African Project Development Facility, Alexander Keyserlink stressed established financial institutions need to become more familiar with lending to the small and medium business enterprise (SME) sector

"Time and time again, we (the APDF) have been told by bankers and other investors that the payment record of the SME is often better than that of other sectors," he said

The creditworthiness of an SME needed to be assessed in non-traditional manner

"It requires more judgement of the client than is needed to decide whether to increase the line of credit of an already established client

"It requires a different type of person to properly assess a SME type of project, as the financial assessment may be less important than the human assessment of the promoter," Keyserlink said

It was vital that equity funding be available and be allowed to flow smoothly to the SME sector to gaurantee a country's economic health.

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grows and prospers in a health and positive manner," he said

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promote small and medium-sized businesses



Miss Rachel Maimane (extreme right) of Soweto won R15 000 worth of furniture in the Sowetan/Ellerines stick-a-pic competition. With her are (from left) the winner of furniture worth R2 000, Miss Elizabeth Khumalo, the manager of Ellerines store in Commissioner Street, Johannesburg, Mr Mark Maponya, and Sowetan's advertising manager, Mr Steve Serfontein. Mr Sipho Mnisi who came second and won furniture worth R3 000 was unable to attend.

Small business boost

Sowetan 15/9/92 153A

■ AFFIRMATIVE ACTION Must be a top priority for African states:

By Joshua Raboroko

AFFIRMATIVE ACTION needs to be taken by African governments, financial institutions and private sector to promote small and medium enterprises

This was heard at a business and entrepreneurial developments conference in Johannesburg yesterday

Small and medium-sized businesses were the surest way to expand the economy and to create jobs

Leading the discussion on the SMEs, World Bank official Mr Alexander Keyserlingk said these businesses were the surest way to assure economic growth

The conference, held at the Eskom training college in Midrand, is a joint effort of *Sowetan* and the Development Bank of Southern Africa It is being attended by delegates from African states and overseas

He said "There is much talk in the world today of finally empowering men and women I believe by helping and supporting entrepreneurs in all our countries we are empowering people to live productive and useful lives which contribute to the well-being and growth of our countries "

The International Finance Corporation, the United Nations Development Programme and the African Development Bank had decided to assist entrepreneurs in Africa, and would establish offices in South Africa as soon as the political climate was conduciveto it.

Various speakers said SMEs absorbed non-skilled labourers who would otherwise be without a means of earning a livelihood

Regional manager of APDF in Harare Mr Omari Issa said governments should minimize, and to the extent possible, eliminate studies related to SME

Small business hamstrung

Sowetan 17/9/92

■ Lack of management skills and financing identified as the main inhibiting factors:

By Joshua Raboroko

SEVERAL factors which hamstring small black business development came under focus at the three-day Business and Entrepreneurial Development Conference held in Johannesburg this week.

Among them were the lack of management skills and the lack of financing of small businesses by the government and the private sector

It was also the concern of many that management skills were lacking at individual business units and at the macro levels

Transkei University Economic Management lecturer Mr Sipho Tshabalala said "A genuine concern exists in our country about the lack of management skills in small businesses."

Tshabalala pointed out that small business enterprises were seen as vehicles for economic development and the rationale for their support included the following

A seed-bed for socio-development and growth,

A means through which indigenous African entrepreneurship can be stimulated, nurtured and consolidated,

Small enterprises can be developed on a decentralised basis in rural and semi-urban areas to meet local demand,

They contribute to a more equitable distribution of icome and wealth in the country,

The promotion of small industries is also seen as more reliable and a quick means for the generation of employment; and

Small enterprises are also seen as a means of promoting integrated rural development programmes and "generally raise the level of popular participation in the economy"

He said that entrepreneurial development programmes needed to be taken with social and political objectives that would empower the disadvantaged

Managing director of Baffoe and Associates (Pty) Ltd Mr Frank Baffoe said the challenge was to develop an economy and society aimed at the enhancement, rather than crude exploitation, of man and nature

National Sorghum Breweries executive chairman and chief executive Professor Mohale Mahanyele said the development of black business was being hamstrung by a lack of financial backing

The government and the private sector should play a major role in the development of small business

Chairman and chief executive of the Premier Group Mr Peter Wrighton said there was a need for a massive campaign for affirmative action in the corporate world as well as small business

Small business hamstrung

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JOB CREATION

Funds for budding entrepreneurs

153A

W/Mail 18/9 – 24/9/92.

A NEW IDT portfolio has been established, and R100-million set aside, to promote job creation and support entrepreneurs in poor communities.

Professor Len Konar, an IDT trustee on secondment from his post as head of accounting at the University of Durban-Westville, has been appointed executive director in charge of the portfolio.

Konar will be emphasising entrepreneurship in determining how the IDT allocates funds.

"Entrepreneurs," he says, "are people who rise to the occasion. In the community they are the engine for development."

He defines an entrepreneur as anyone who can identify potential in a market and has the possibility or capability of addressing that potential. Hawkers, brickmakers, shoemakers, dressmakers and small builders all qualify.

By the end of July, more than R52-million had been allocated to 17 projects, including support for 15 000 small sugar cane producers. To qualify for funds, projects must benefit disadvantaged people, be sustainable when the funding stops, and be community-driven.

A guiding principle will be the empowerment of entrepreneurs as individuals, by giving them access to services that increase their chances of success. While other agencies provide microloans, most of the IDT's funds are earmarked for organisations that support potential entrepreneurs by developing their business skills in, for example, budgeting, costing, licensing, marketing and financing.

"Therefore," says Konar, "the prototype applicant for funds would be an organisation providing support to potential or existing entrepreneurs emerging from disadvantaged communities. Capital requirements will only be financed if no other appropriate sources are available. All funding beyond one year will depend on the results achieved."

African hawkers warn of last day

STAR 19/9/92. (153A)

JOE LOUW

CHINESE and other non-African hawkers who earn a living trading on the streets of Johannesburg received threatening notices yesterday warning them that they were "on their last day" of trading in South Africa

The notice, distributed all over the city unsigned, said: "This is a final notice, today is the last day that you can sell in the streets of South Africa Failing which there is another step that will be taken So please leave in peace"

Chairman of the Chinese Society of South Africa Rodney Man said he had discussed the matter of foreign Asians trading in the city with Lawrence Mavundla, president of the African Council of Hawkers and Informal Business

See Letters on Page 10.

Two weeks ago, Mavundla's organisation vowed to rid the city of what they called "illegal immigrants" giving African hawkers a rough time through "unfair competition"

Man said "I pointed out to Mavundla that goods sold by Chinese and other non-African hawkers were not in competition with what Africans are selling

Surely, if these people are here legally and have valid trading licences they do have the right to trade.

"This whole issue is now being turned into a racial thing. In a new non-racial South Africa we need tolerance and working in harmony, not confrontation and threats," Man said.

At the time of going to press, no ACHIB official was available for comment

Vendor finds it difficult to whip up business

STAR 19/9/92

JOE LOUW

CHARLES Mbatha, a Johannesburg street vendor, can't understand why business is so bad As far as he is concerned there should always be a demand for his commodity, especially in this day and age when people are wont to step out of line

His commodity? Sjamboks — that dreaded instrument of punishment that leaves an indelible impression on body and mind Anyone who has ever had a lashing can tell you about the scars they carry

Every day Mbatha, festooned with about a dozen whips, walks several kilometres around the city peddling his dreaded wares (153A

'Fun'

A few months ago he used to sell as many as 300 a week at as much as R15 apiece. "But business is so bad these days," said Mbatha "If I manage a hundred I'm lucky."

And who are his best customers? "Mostly women and businessmen," he replied "But really, it can be just about anybody. Most people buy them for fun

"But a few are serious. They feel threatened, so they carry them in their cars." Hostel dwellers are his most consistent customers.

Mbatha is blissfully unaware of the symbolism of his merchandise. I asked him whether he considered the sjambok a "cultural weapon", and he replied with an amused smile: "No sir. I think of it as a 'correctional weapon'

"Parents don't actually have to hit a child who misbehaves with a sjambok," Mbatha told me. "Its mere presence in the house is enough. All the parent has to do is to point to it."

The sjamboks he sells are not made of the authentic rhino or hippo tails, but are plastic or rubber substitutes. He does not make them himself, but helps to decorate the handles.

Asked who his supplier was, he was reluctant to reveal his source "I import them," he told me, "from Natal."

Mbatha has never felt the whip "But then, I hardly ever misbehave."



TAKING A BEATING. Charles Mbatha and his fearsome sjamboks, sales of which have been hit by the recession and are down from 300 to 100 a week. ● Photograph. STEVE HILTON-BARBER



IN THE DARK: Electricity will change the lives of township residents

Banks funding small business

South 19/9-23/9/92.

153A

WHILE civics campaign for better and easier access to bank finance for grassroots communities, five major banks have joined forces with the Small Business Development Corporation to raise over R500 million over the next three years for small business.

Obviously aimed at combatting rising unemployment by encouraging small businesses to expand operations, the scheme is being underwritten by the government to the tune of R20 million.

The scheme underwrites a portion of the risk to which banks are exposed when considering small business loans This enables bankers to retain their normal credit standards while reducing the collateral which small businesses usually have to supply.

To date, the scheme has provided loans worth R28 million to more than 130 small to medium-sized businesses, giving an average loan size of about R200 000

The maximum loans allowed are for R400 000 A fee of 0,75 percent a year is levied on the amount granted and the interest rate cannot be higher than the prime overdraft rate plus four percent.

The banks involved are the African Bank, Boland Bank, First National Bank, Nedbank and Standard Bank.

SA taxi drivers battle Swazis

THEO RAWANA

SA taxi drivers were engaged in their second cross-border feud in three months when fighting broke out between SA and Swazi operators in Manzini at the weekend

Minibus operations into Zimbabwe are still on hold after SA operators clashed with the Zimbabweans and SA vehicles were stoned in Bulawayo two months ago

Sapa reports several people were injured at a Manzini terminus when taxi drivers fought over the transportation of mineworkers Swazi police had to fire warning shots.

The Swazis are reported to oppose SA minibuses taking their business Government efforts to resolve the dispute have failed

SA taxi boss Peter Rabali, who is chairman of the National African Federated Transport Organisation, yesterday confirmed reports of the fighting, but said he did not have details Reports said combatants hurled stones at each other and then fought with fists. At least 100 people were involved

After the fighting, police and the knobkierie-wielding mineworkers escorted the SA minibuses out of Manzini

Leon attacks govt over gambling Bill

BILLY PADDOCK

THE controversial Gambling Amendment Bill designed to shut a loophole in the Act which allows hundreds of "illegal" gambling dens to mushroom throughout SA is expected to be approved next week by the standing committee

In the interim, President F W de Klerk and his government have come in for severe criticism by the most vocal opposition on the parliamentary standing committee on justice — MP Tony Leon (DP Houghton)

Leon has opposed the Bill most fervently because it "flies in the face of free market principles", and he complained yesterday that government had excluded him from attending the vital session through its lack of sensitivity and bigotry

He said the committee was meeting on Monday and Tuesday, two of the three most important Jewish religious holidays, Rosh Hashanah, which meant no self-respecting Jew could attend to testify.

He accused De Klerk of flaunting both democracy and "the free market principles he has so recently come to espouse"

"De Klerk operates with clear contradiction and deliberate sleight of hand, committing his government to free market principles and then ordering that legislation be passed effectively in favour of the Sun International cartel," he said

He pointed out that De Klerk, in his speech to the NP Transvaal congress last week, was in favour of gambling continuing in the TBVC states, while he was busy negotiating the reincorporation of these into SA

Former chairman of the committee and now Law and Order Deputy Minister Gert Myburgh said the Bill was not amending the principle of the Act which was to prohibit hard gambling, and he expected Parliament to pass it in October

He said all the parties in the other two houses had indicated their support for the change in definition of hard gambling to bring it in line with the Interpol definition.

"The principle of the Act remains and the NP is opposed to hard gambling But because there were no prosecutions being brought because of the loophole in the Act we have had to shut it down," he said.

Trader facing illicit gem deal charges

STEPHANE BOTHMA

DIAMOND dealer Maurice Katz was arrested by gold and diamond branch detectives moments after allegedly concluding an illegal diamond deal worth R530 000

Katz, 44, and co-accused Louis Auttard, 38, both of Bedfordview, appeared briefly in the Johannesburg Regional Court yesterday on a charge of illicit diamond dealing.

The two men were released by Magistrate H Wolman with a warning to appear on October 28.

Katz, a businessman and registered diamond dealer, and Auttard were arrested on Friday when they allegedly bought diamonds — 189 carats worth R530 000 — for R275 000 from undercover detectives, Witwatersrand police liaison officer Capt Eugene Opperman said.

The arrests took place minutes after the conclusion of the alleged illegal deal, and followed months of investigation

Officials check on Chinese hawkers

ADRIAN HADLAND

HOME Affairs Department inspectors were sent to Johannesburg's CBD yesterday to check on Chinese informal traders' work and residence papers, department spokesman Chris Pretorius said.

The move followed complaints from the African Council of Hawkers and Independent Business last week that Chinese hawkers had access to duty-free goods and were undercutting local traders without the required permits

Reports at the weekend also suggested some Chinese immigrants were being misled by promises of work and residence in SA by agents in their home countries

Civic and church leaders said tension between local and Chinese hawkers had increased dramatically in recent weeks.

A Johannesburg City Council licensing official said the number of informal traders in the city was swelling by almost 1 000 a month with about half of the new licences issued to Chinese traders Hawkers did not have to present work and residence permits to obtain licences

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Illegal hawkers fade away

B/Day 24/9/92 15.31

THEO RAWANA

FOREIGN Chinese who flooded Johannesburg pavements, allegedly competing unfairly with local hawkers, had faded from the scene after a government crackdown, black hawkers' organisation the African Council for Hawkers and Informal Business (Achib) said yesterday

Achib president Lawrence Mavundla, whose organisation had threatened to "run the Chinese out of town" if the authorities did not, said the Asians' numbers had dwindled from 450 to 25 after Home Affairs carried out a check on the immigrants' documents

Home Affairs spokesman Chris Pretorius confirmed yesterday that the Asians "just disappeared" when news of the inspection for work and residence permits reached the Johannesburg CBD

He could not say by how much the number had fallen, but said they had come down substantially "They knew what they were doing was wrong They must get permits before selling," he said.

Pretorius said the inspections were still going on, not only to check on hawkers, but also on companies to ensure there were no illegal workers on their staff.

Weekend reports said that the Chinese, desperate to escape communist China, had been conned by agents to whom they had paid fortunes for "passports" to SA where they were told jobs and accommodation were available.

Mavundla made it clear that his council was not opposed to foreigners investing in SA, bringing wealth and creating jobs.

"But we are engaged in job creation here and are not going to import more unemployment and poverty. These people could not get jobs in their countries and they come here and take what little we have in the way of employment," Mavundla said

"They disappeared because they knew they were here illegally"

SOWETAN Friday September 25 1992

BUSINESS Threats force non-African hawkers to leave their trading areas

Chinese traders forced to flee city

Sowetan 25/9/92 (153A)

By Joshua Raboroko

■ INTIMIDATION Non-African traders leave quietly fearing mass action or reprisals for competing:

MOST OF THE CHINESE and other non-African hawkers who earn a living trading on the streets of Johannesburg have left their small businesses after threats by the informal sector

They received notices last week warning them that they were "on their last days" of trading in South Africa

The unsigned notices warned that if they failed to heed the reprimand other steps would be taken

In a snap survey conducted by *Sowetan* in Johannesburg yesterday it was found that most of the Chinese who sold sophisticated jewellery, shoes and other goods had left their business premises - mostly at the city's street corners

There are 400 Chinese hawkers compared to 14 000 Africans who ply their trade in Johannesburg's Central Business District.

Chairman of the Chinese Society of South Africa Mr Rodney Man said many left because they feared violence

"We see the matter as very serious because it seems to have racial over tones," he said

He added "We want to trade in peace We are also keen to economically empower most of the hawkers as well as help uplift their standard of business"

Not in direction competition

He explained that most of the goods sold by the Chinese hawkers were not in direct competition with what blacks were selling

"Surely if these people are here legally and have valid trading licences they do have the right to trade The whole issue is now being turned into a racial thing

President of the African Council of Hawkers and Informal Businesses Mr Lawrence Mavundla said many "illegal immigrants" were given licences to infiltrate the informal sector

He found it strange that Chinese could be allowed to trade in the city, whereas people from Mozambique had been prosecuted and refused licences by the local authorities

"The whole issue has political connotations and is aimed at empowering white votes if elections are to be held in South Africa," he added

Chinese hawkers heed threats

(153A)

JOE LOUW

JOHANNESBURG'S streets were largely cleared of hundreds of Chinese street hawkers this week after a veiled threat was issued in an unsigned statement apparently from black hawkers demanding the Chinese "leave in peace or else" STAR

Only a handful of Chinese hawkers braved the area around the Jeppe Street post office and the Johannesburg Sun hotel where previously there had been 50 scattered between Park station and Eloff Street 26/9/9

The controversy started two weeks ago when Lawrence Mavundla, president of the Africa Council of Hawkers and Informal Busines (Achib), called for the expulsion of Chinese and other "illegal Asiatics whom he claimed were hawking without licences He complained about unfair competition and demanded that the authorities remove the traders or else his organisation would do so "by force"

A heated debate ensued between Mavundla's organisation, the Chinese Society of South Africa and various Government departments

This week the Department o Home Affairs stepped in, and according to spokesman Chri Pretorius, sent inspectors ou to check on work and residenc permits (153A)

By midweek, most of the Chinese and Korean traders ha disappeared Pretorius claime they had vanished "becaus they knew they were here illegally".

Mavundla claimed it was victory for his organisation "no-nonsense" stand

Rodney Man of the Chine Society believes the trade withdrew because of the thre of violence

"We have worked hard ov many years to build up th image of the Chinese commun ty here and we could neve condone these street hawke doing anything unethical or legal We had no vetting role their coming here, but as pe ple speaking the same langua and sharing the same cultur we were naturally concerned Man said

"We were especially co cerned about the threat of vi lence against the newcomers

"There are 18 000 Chine here, 10 000 of whom are thi and fourth-generation Sou Africans The rest are new i migrants — mostly industria ists — from Taiwan and Ho Kong"

Man insisted that most of t Chinese who were trading the streets were not competi with black traders and th most of their goods we sourced locally

After investigation, he sa the Chinese Society had esta lished that most of the stre traders were from mainla China and were trading on t street "only on a tempora basis They will move on wh they find their feet and oth forms of employment

"We will try hard as a co munity to settle and assi those Chinese who are here gally," he said

By the end of the week m of the tension had been defus Mavundla said his organisati had nothing against anybody vesting in the country to cre jobs

Eight days when small guy is tops

d Press 27/9/92

By ZB MOLEFE (153A)

NEXT Saturday will mark an unusual day in South Africa's business calendar when big and small business meet in a show of co-operation to mark the launch of the annual Small Business Week.

The national launch of the eight-day event, now in its fifth year, kicks off at Johannesburg's Bruma Lake fleamarket in a six-hour carnival atmosphere which will emphasise the nationwide event's aim of advancing the concept of "entrepreneurship and small business as an effective route to achieving both a healthy economy and individual prosperity".

Another big event will be on the following day – Sunday, October 4 – when a three-day conference will be held at Sun City.

Six regional committees and a national co-ordinating committee – made up of the Small Business Development Corporation (SBDC) and small and big businesses – will host and supervise over 100 events countrywide during the week.

Highlight of the Small Business Week will be a one-day skills' development seminar at Johannesburg's Milpark Holiday Inn on Thursday, October 8, which will be led by some of the country's prominent business personalities.

"There are nearly six million unemployed people in South Africa and the number is increasing," organisers of the seminar pointed out. "The one way of reducing the existing unemployment level is to stimulate the creation of small and medium-sized enterprises."

Southern Transvaal committee chairman Mandi Maepa said committee members were selected from various small and big businesses. This explains why the business week was mainly a small and big business effort and not a SBDC event, she pointed out.

"The Business Week generates awareness of the importance of small business It also aims to increase the level of awareness of small business in our communities, and at the same time to show the good small business can do to our economy, wealth and job creation."

Maepa said the Small Business Week was organised and managed by key players in the development of small business in SA who are represented in the regional and national co-ordinating committees.

These include well-known organisations in the SA business scene like Anglo American, SA Bank of Athens, SA Franchise Association, SA Builders' Association, *Enterprise* magazine and sewing machine company Elna.

Maepa said this year's Small Business Week had specific targets to achieve

One of these was to involve more than 100 institutions and companies nationwide.

She wanted to encourage them to involve their branch networks.

■ See "People's Diary" (this page) for Small Business Week events in your area

Hawking allowed anywhere 'for now'

S[Times[Cape Metro] (153A)

By EVE VOSLOO

HAWKERS, vendors and peddlers may sell their wares anywhere for the time being following an announcement by the Administrator of the Cape, Mr Kobus Meiring, that he is not declaring any prohibited areas. 27/9/92

But the Cape Town City Council has made representations to the Administrator to prohibit hawking in certain areas, including beaches and seaside resorts.

In his announcement, Mr Meiring said he had taken this decision, which affected the entire Cape, "in accordance with the national policy of economic development, competition and deregulation, as well as the promotion of informal trading".

Conflict

In terms of the Business Act of 1991, the Administrator may make regulations in which hawking can be prevented in certain areas, including verges close to certain buildings and places commonly used by the public or to which the public has the right of access "or a category of such places".

Mr Meiring said in his announcement that he had decided not to declare any area prohibited at present, and suggested that if conflict or disputes arose about any specific areas, local authorities should form discussion forums with the informal — and possibly formal — business sectors and deal with the problems.

"Such forums may, among other things, draw up codes for hawking," he said. "Where hawking in specific places creates serious problems, local authorities may apply to the Administrator to have them declared prohibited areas."

Mr Meiring said owners or occupiers of private land had the right to forbid hawking on their property.

The chairman of the City Council's executive committee, Mr Louis Kreiner, said this week there had been little time after the announcement to make respresentations, which meant hawking was allowed anywhere at present

Welcome

"Even though we want job opportunities for the unemployed, we have applied to prohibit hawking in certain areas," he said.

These included at seaside resorts and near merchants who paid high rentals, rates and taxes

Mr Niel King, an assistant general manager at the Small Business Development Corporation, said he welcomed the move to deregulate hawking as it would encourage more people "to look after themselves"

Mr King said the city council had always been co-operative and he believed it would apply for restrictions only in areas where hawking would cause obstruction or create a nuisance.

BUSINESS - NATION BUILDING *Kenny Hatta - Entrepreneu of the Month*

Candles from Cape to Cairo

Sowetan 30/9/92 153A

By Joshua Raboroko

WAXING MIRACLE *Soweto businessman was frustrated when he worked for white-owned business. He set out to build his own empire. Now, he has his company*

Sowetan
Building the Nation

CHARISMATIC AND INNOVATIVE managing director of Ukukhanya (meaning light) Soweto Candles manufacturing company Mr Kenny Hatta (33) has the interest of the black community at heart

"He said this after he was nominated winner of the August *Sowetan*/Sanlam Entrepreneur of the Month Competition which is part of our Nation Building campaign

On hearing the news that he was to compete against four other entrepreneurs for the end of the year competition, Hatta said "I am proud to feature in the competition which is designed to help emerging black businesses to grow"

He will be judged against owner of Sikhanyisile Dressmaking Shop Mrs Lena Catherine Khoza, manager of Million Dollar Furniture Manufacturing Company Mr Amon Buti Majola, director of Antique Furniture Manufacturer Mr Jose Ribeiro Isidro and owner of Speedy Waterproofing and Painting Mr Abbey Molefi Mokone

Exporting candles

The final selection for the *Sowetan*/Sanlam Entrepreneur of the Year Competition will be held at the offices of *Sowetan*, 61 Commando Road, Industria West, on October 7 All the five winners of the month are requested to attend this session

Hatta's first black-owned candle manufacturing company, is already exporting all kinds of blended candles to the Netherlands, Germany and Australia

"Now I want to expand the trade from Cape to Cairo by lighting the whole of Africa," he said in his opulent Soweto office this week

His latest problem is that big companies have locked the selling of the wax "I use for manufacturing the candles that have made my business a success

"Prices have gone up and it is difficult to operate in the present economic climate in South Africa"

However, Hatta is optimistic that as soon as sanctions have been finally removed his business will grow from strength to strength

He has manufactured candles for many organisations, including offering free 600 candles to the victims of the Boipatong massacre and when the lights were cut in Soweto during Sowetan National Day of Prayer he offered 500 candles

Business sense

Marital status: Married to Kelefang and the couple have a child
Company: Ekukhanya Soweto Candles that employs 27 people
Education: Passed matric and is studying management courses with two colleges
Business site: Rooms 61/2 Orlando West Industrial Park, Soweto Tel 936-1103/1550, Fax 936-1524

Hatta said he was waiting for most African states to open their doors to South African trade, and with the changes taking place "in our country at the moment, the chances are my dream will come true"

His company manufactures different kinds of candles for restaurants, hotels, funerals, personal use, festivals, spaza shops, just to name a few

As a youngster in the township Hatta never stayed out of trouble He was detained under the vexatious Internal Security Act for his involvement in the 1976 Soweto uprisings

Business management

Despite harassment that he suffered at the time, he continued his education and matriculated at Naledi High School in 1980 He holds several diplomas in business management and administration

He worked for numerous companies, but each time he quit the reason was "a white person was placed to be in charge, despite the fact that he taught them the job"

This often frustrated him and he decided to join his wife, Kelefang, who was running the small candle manufacturing company in 1989 The business previously belonged to Bishop David Nkwe, who is his father-in-law

Hatta said that his business was booming regardless of the fact that many blacks were now using electricity to light their homes.

Mr Kenny Hatta in his candle factory.

August CPI disappointing

(15A) CT 1/10/92

By AUDREY D'ANGELO
Business Editor

THE inflation rate as measured by the consumer price index (CPI) continued to move down in August But the year on year drop to 14,3% from 14,6% in July was disappointingly small

Economists forecast that the CPI will certainly drop below 14% in September, and lower still in October when the effect of introducing VAT has worked through the system

But, although the annualised trend is downwards, most think Reserve Bank governor Chris Stals will stick to his guns and wait until the CPI falls below 14% before cutting the bank rate again.

Amalgamated Banks of SA (Absa) economist Adam Jacobs, however, thinks the state of the real economy is so bad that Stals may not wait another month

Jacobs, a conservative economist who supported Stals' strict monetary policy at a time when some other bank economists said the country could not afford it, said yesterday "The time has come to consider reducing bank rate

"The underlying trend of inflation is down There is no excess demand and what is going on in the real sectors of the economy is hair raising"

Nedbank chief economist Edward Osborne, who thinks it doubtful that bank rate will be cut this month, "although next month it is pretty certain", commented "Certainly we need a cut now It is absurd to have high interest rates in a situation of deep recession"

Osborne forecast an inflation rate of 14,2% in August and has pitched the September figure at 13,5%

Metropolitan Life economist Chris Visser said it was significant that the food index "has turned at last I think we can expect it to come down gradually throughout the summer"

Pointing out that there was still a large component of VAT in the CPI figure, which will have worked its way through the system by October — a year after the tax was introduced — Visser said "The lower figures are coming"

Pointing out that the monthly increase was on the high side, Old Mutual chief economist David Mohr said "There are no indications that we are headed for 10% inflation, or even lower."

He expects the inflation rate to be "12-something by year end

"I think it could go a bit lower next year But given the weakness in the economy I would have expected it to be lower by now"

Sanlam chief economist Johan Louw said "The really good news will come next month

"Some of the effect of VAT will come out of the system because people started putting up their prices in September last year, in expectation of it And lower mortgage rates will play a part in bringing down the CPI.

"We expect the September CPI figure to be 13,6% and that will put Stals in a position to bring down the bank rate"

Boland Bank chief economist Louis Fourie said "From next month we will see a dramatic fall in the CPI, but I am still slightly pessimistic about the chances of a drop to 10% next year"

wealth and job opportunities for black entrepreneurs

NSB expands into the food market

Sowetan 1/10/92.

By Joshua Raboroko

■ JOB CREATION New products will mean more jobs for blacks

NATIONAL Sorghum Breweries, in its quest for black economic empowerment, has undertaken to create wealth and job opportunities for black entrepreneurs

It is hoping to empower black entrepreneurs who will distribute its range of newly-acquired Jabula Foods previously owned by the Premier Group.

This new addition to the NSB fold brings with it well-established brands like Jabula soups and stews, mageu, Lamabalazi solf porridge, Iqhawe beer power, Buma high energy beverages and a malt factory

At a press conference in Sandton this week, NSB's chairman and chief executive Mr Mohale Mahanyele said the take-over of Jabula Foods was an important milestone on the way to black economic empowerment.

Mahanyele, who has been appointed a director of the Premier Group, said the deal was part of the company's ongoing expansion programme

"We believe that we are on the right track. This will dispel fears and perceptions that blacks can't make it in business," Mahanyele said.



Mohale Mahanyele

The company, which last year increased its earnings by 54 percent and is the leading light of black economic empowerment, would acquire R500 million from a conglomerate for development projects

NSB has also donated R40 000 to *Sowetan* for its job creation project and will be looking at business operations for blacks

Chairman of the Premier Group Mr Peter Wrighton said he was delighted that Jabula would have the benefit of its new association with the NSB, a company which had a dynamic and progressive management.

He said. "It will no doubt take full advantage of the opportunities and synergies now available to it.

"We believe that Jabula, with its product range being further strengthened by those of NSB, will have an outstanding growth potential as we progress into the new South Africa," he said.

President of South African Black Social Workers Ms Fikile Mazibuko said the NSB takeover of Jabula Foods must be seen as a new era towards the creation of jobs.

Blacks involved in the transport industry would be expected to deliver the products to many destinations countrywide

Ups and downs of the CPI

CT 1/10/92

153A

Business Editor

HIGH costs for food, housing, power and fuel kept the inflation rate higher than expected in August, making a further cut in the bank rate unlikely this month.

The consumer price index (CPI) for August moved down to 14,3% year on year compared with 14,6% in July

But the monthly rise was a high 1,1% compared with 0,9% in July Food accounted for 0,3%, fuel and power another 0,3% and housing 0,2%.

The food-only index is still high at 28,5% year on year compared with 30,4% in July and 18% in August last year

But the monthly rise in the food only index was lower at 1,4% compared with the huge rise of 2,4% in July.

The cost of living for the lower income group went up by 15,3% compared with 15,1% for the middle income group and 13,3% for the upper income group

But the middle income group was the hardest hit on a monthly basis

● See Page 10

SAB boycott averted

B1 DAILY 1/10/92 153A

THEO RAWANA

A THREATENED boycott of SAB products by the National Taverners' Association was averted when the brewery agreed to most of the taverners' demands

Soweto tavern operators threatened "mass action" against SAB last month after complaining that SAB lacked social responsibility, was forcing operators to take up its own insurance policies as collateral for credit, and that it had a discriminatory discount policy

The taverners even took down posters advertising SAB products in their premises.

A meeting held in Soweto yesterday to report back on discussions between the association's executive and SAB was told that taverners who were not pleased with the SAB insurance policy should hand it to the executive as SAB had agreed to refund money paid.

Taverners' association executive committee member Phil Moatshe told the meeting: "Those who took the policies under duress should bring them to us They are not life cover, as you were led to believe. Bring them back so that money you have paid in can be refunded."

Moatshe said SAB had agreed to pay the taverners for the advertisements displayed in their premises. "But wait until we see what advertising experts say the rates should be, before putting them up again," he warned.

In view of the violence gripping the townships, SAB had also agreed to donate money in the event of the death of a tavern operator or a member of his family, and in the case of a massacre in the shebeen — as had happened in recent months. The funeral would be the responsibility of both the taverners' association and SAB, the meeting was told

SAB also agreed it would not introduce anything to taverners' association members without consulting the association, Moatshe said

SAB could not be reached for comment at the time of going to press

Plan to boost development has many aspects

STAR 2/10/92.

AS THE single largest shareholder of the Small Business Development Corporation the Sanlam group of companies is at the forefront of small business development.

Sanlam senior manager public relations Leon Koen says "We are fully aware of the critical importance of the small business sector in paving the way towards economic recovery."

The thrust of the group's corporate social responsibility programmes in relation to small business development is concentrated in two areas — the promotion of the concept of entrepreneurship and the advancement of this ideal through training.

To achieve the first objective, the company sponsors several competitions in conjunction with the Small Business Development Corporation and various individual newspapers to promote and encourage entrepreneurs and new business ideas.

In addition to Sanlam's annual corporate membership of the South African Free Market Foundation, it also supports a project which provides lectures on economics to black high school pupils.

Sanlam makes annual donations to the KwaZulu Training Trust aimed at assisting with the advancement of less privileged people in KwaZulu.

The group contributes each year to a project run by the South Africa Foundation for Entrepreneurship Development which assists uneducated, unemployed people to develop into self-sufficient workers through self-employment training programmes, which are also aimed at South Africa's returning exiles.

In regard to stokvels, Sanlam assists the Get Ahead Foundation with financing people setting up businesses based on the stokvel system.

The company's contributions to the Africa Co-operative Action Trust are used to advance needy rural communities through the provision of basic skills in a variety of agricultural and stock-breeding areas.

The Triple Trust uses cash from Sanlam to train uneducated people in a variety of business skills and it also sets up individuals in informal businesses.

Sanlam supports the Valley Trust in its efforts to provide medical, agricultural, technical, economic and educational advancement for black people in Natal and KwaZulu.

The Independent Business Enrichment Centre is also sponsored by Sanlam. This organisation concentrates on the advancement of less privileged people in the Eastern Cape and Border areas through a process of motivation, training, and assistance with setting up small businesses.

The Sanlam Centre for Small Business Management is situated at the Northern Transvaal Technikon and is used for management training.

Sanlam's contribution to the Informal Business Training Trust is used to provide basic management training for entrepreneurs and the course has become known as the Township MBA".

In addition, in a co-operative venture with the African Businesswomen's Development Forum, Sanlam is launching a regular flea-market in Khayelitsha.

It's not all bad news

STAR 2/10/92 (153A)

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 retrenched 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

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 employment. 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.

Shining a light on vast potential

STAR 7/10/92

(153A)

THE fifth annual Small Business Week organised by the Small Business Development Corporation will run from October 3 to October 10.

The Corporation points out that with unemployment running at record levels during the longest recession in decades, the Small Business Week will be aiming to create public awareness of the potential of small and medium sized businesses, in an effort to counteract these problems.

The theme is "Our Key to Wealth" and more than 300 events, aimed at small and medium enterprises, have been organised.

The events will involve both the formal and informal sectors and range from fairs, flea markets, fashion shows, exhibitions and township and rural shopping tours to conferences, seminars, workshops and training sessions

The Small Business Week was first introduced in 1988 in an effort to focus public attention on the fact that the small and medium business sectors have proved to be cost-effective job and wealth creators in the world's most successful world economies

Toni Kedzierski is Small Business Development Corporation senior general manager support services and chairman of the Small Business Week national co-ordinating committee

He says "Unemployment levels currently stand at around 50 percent of the economically active population, if the 3,5 million people active in the informal sector are excluded, or 20 percent if they are included

"In addition, more than 400 000 new job seekers are entering the market every year

"Currently less than 10 percent of these school leavers and tertiary students will find jobs in the existing formal sector

"In the '60s around 75 percent to 80 percent of the new entrants on to the job market were absorbed by the formal sector of the economy in South Africa

"The employment situation has changed dramatically and the majority of new job seekers will have to exploit self-employment as a career option

"Many of these will start off in the informal sector as a part of the learning process, before progressing to the formal sector

"The ideal situation would be for the aspiring entrepreneurs to go through an apprenticeship with established businesses before starting out on their own

"As such opportunities are now extremely limited, a special effort has been made to include activities for the youth in the Small Business Week's programme These are aimed at informing them about financing, and support and advisory facilities available to assist them in setting up their own businesses"

He says the South African economy needs to grow at a rate in excess of six percent for at least the next five years if it is to absorb the new entrants on to the market and make a dent in the existing backlog

However, he is not counselling doom and gloom He points out that a number of countries have faced similar circumstances and proved the goal can be reached, given a strong spirit of free enterprise and a government which restricts its interference in the free-market process

"Countries such as Thailand and Singapore have maintained growth rates in excess of five percent," says Mr Kedzierski

Ready for take-off at Rouna Lake

THE national launch of Small Business Week will take place at Johannesburg International Airport's Rouna Lake on Saturday, October 3.

It will take the form of a family fun day with special programmed activities including shadow boxing, gumboot dancing, drum majorette displays, live painters and puppet shows.

A number of business, television and radio personalities, including Bill Smith up to the moment, will participate in the event.

The Western Western on the lookout for Bill Smith at the Rouna Lake Market on Durban Dr. Ark the market in Pietermaritzburg and the Vaalmarina Craft market in Potchefstroom will host Small Business Week events on October 3.

Port Elizabeth begins its launch that week at the Kings Beach Carnival



Busy man . some people are forced to become entrepreneurs, then find they enjoy it.

Lending money, and a hand

STAR 2/10/92.

ONE OF the main problems facing budding entrepreneurs engaged in starting their own businesses is a lack of knowledge

This is one of the reasons for Standard Bank's creation of its Small Business Development and Advisory Department (SBDAD)

Starting out with the motto "We don't only lend money, we lend a hand", its specific purpose is to assist new ventures with both finance and training

The department assists new and existing small businesses through a regional network of small business development managers The purpose is to provide loans to businesses which do not qualify for loans under the bank's usual lending criteria, but show the potential to grow and succeed

When the department is considering whether to finance a venture, emphasis is placed on the business's demonstrated viability, management expertise, the amount of capital which the owner has personally invested in the business and any supporting security which may be available

The department's small-business development managers are trained to provide financial assistance to new ventures Their object is to develop and secure banking relationships with small businesses that have growth potential — this work is carried out in co-operation with the respective branch managers

The small business development managers are also there to advise on the type and amount of finance which the small business requires and to assist with the preparation of applications

'Get children to think this way'

STAR 2/10/92 · 1

EDUCATION is the key to developing a viable small-business sector and a prosperous South African economy

This is the view of Trust Bank and Volkskas head office general manager business services Dr Willie Conradie

"There is a strong need to educate South Africa's youth about the benefits of the free market system But this in itself is not sufficient They must be encouraged to participate in the free market as entrepreneurs.

"The education in this country, from the schools through to media input, is orientated towards encouraging children to obtain a good education so that they will be able to work for someone else

"This orientation is wrong Children need to be stimulated to prepare themselves to set up their own businesses later in their careers.

"It is interesting to note that people who set up businesses after gaining experience in a particular sector as an employee, have a 70 percent greater chance of success, provided their business relates to their previous experience," says Dr Conradie.

South Africa's future peace and prosperity rests on its ability to develop an economically active society and generate employment.

"The best system for creating such activity is the free market. This means that people must not only believe in the need for the free market system but they should also become involved as entrepreneurs in the system

"Only the free market creates wealth The less the Government interferes in business the more wealth is created. A government's measure of success should be the extent to which it keeps its hands off

"Central to the free-market system is small business A community where there is a large number of independent business operators, each in competition with the others, exemplifies the free-market system We must not retain this emphasis on only large companies with their tendency towards bureaucracy

"Both large and small business, operating as partners in the economy, are essential," says Dr Conradie

People need to be given the right role models to encourage them towards a belief and a willingness to participate in the free market

He suggests that people should be told of small business owners who have made it, from the major successes such as the person who started off in a small business and now heads a major corporation, through to the welder and the corner cafe owner

"I believe South Africa is going to follow the free-market system, though I am concerned that the current turmoil in this country will delay the process," says Dr Conradie

Controls are there to protect the entrepreneur

STAR 2/10/92



How to create REAL wealth

Creating wealth through entrepreneurial activity . other forms of activity are said simply transfer wealth from one place to another One of the major priorities in S Africa is to create a clear-cut small-business development policy Taxation is an issue Small businesses generally pay a higher rate than the larger firms.

THE entry of new entrepreneurs into the market in South Africa must be encouraged to promote a vibrant economy, but there are difficulties

First National Bank small business unit senior general manager Ali Mokoka says although small businesses are to be encouraged and in fact, are fast becoming a force in the market place, those seeking financial assistance still need to meet certain criteria when applying for a loan from a bank

The fact that many applicants have little or no financial track record is not necessarily a deterrent, but other parameters certainly apply STAR

Contribution 2/10/92

Says Mr Mokoka "Normal collaterals and guarantees are not very common

"What we do consider very important is the viability of the proposed business and what contribution the individual is prepared to make towards the venture

"We examine his qualifications and whether they apply to the type of business he wants to run

"We also want to know if he is prepared to make the sort of sacrifices in time and energy that are necessary from anyone who goes into a new business venture

"All this information should be contained in a business plan that the applicant will have drawn up before he approaches us."

He says the bank also considers the proposed location of the business and the demand for the product or service at that site

"This is particularly important, bearing in mind the competitive nature of small businesses, especially when there are a number of similar services competing for the same customers.

"We would decline a request for assistance, even if the applicant fulfilled all the criteria, if we saw that the competition was strong and that the players in that market place already were equipped to counter-act any new entrant," says Mr Mokoka

Reacting to criticism that the banks were sometimes too inflexible in considering applications for further credit, he says it is not the strictness in lending criteria which hinders the development of small businesses

He points out that many small businesses fail because of poor management rather than a lack of funds

"Advancing additional money is not the answer

"The Small Business Unit tries to find the cause of the failure and assist in solving the problem

"We place considerable emphasis on business education, and offer practical advice on survival for small businesses in difficulties as well as information on support services and training that are available to the aspirant small business entrepreneur

"We do not want our small businesses to fail and our people will help the businessman with every tool available to make his enterprise a success, says Mr Mokoka

He says the seemingly insurmountable wall of bureaucracy that potential entrepreneurs complain about is in fact a safeguard

"We do the informal sector and entrepreneurs a disservice by lowering our standards and making borrowing too easy

"This would lead to more businesses failing and getting themselves into debt, and reduce our financial ability to help the next man in the queue

"We seek to promote a culture of successful entrepreneurship amongst South Africans so that they will see self-employment as a viable career prospect, not just something to do until the job market improves

Wealth

"Small business is a most important generator of wealth and forms the cornerstone of a successful economy

"It is obviously in everyone's interest, not the least the bank's, that people with the courage and foresight to start small businesses should be encouraged to do so," says Mr Mokoka

★ First National Bank and auditing firm Deloitte Pim Goldby have recently published a set of books called "Basic Bookkeeping" which fulfills the urgent need for a simple and easy-to-follow workbook on how to perform the basic bookkeeping tasks needed in a small business The originators of the books believe they could have a significant impact on the ability of the formal and informal sector to control funds and contain costs

Waterfront will be abuzz

STAR 2/10/92 153A

TO CELEBRATE the launch of Small Business Week in Cape Town, special events have been arranged at the Victoria and Alfred Waterfront.

The week will feature more than 50 events in the Western Cape alone, kicking off at the Pier Head area on October 2 to October 3.

The mayor of Cape Town, Frank van der Velde, along with the glamorous Radio Xhosa announcer Pozi Matoti, will officially open Small Business Week at 11 am tomorrow.

The Pier Head area will be the centre of activity for the launch and a marquee will be erected for an exhibition of small business support agencies. There will also be a stage for a diverse programme that includes musical entertainment, fashion shows, street theatre and many other attractions.

Throughout the Waterfront, itself full of entrepreneurial activity, various other attractions are being staged to appeal to the visitor

In the Union Castle House there will be an exhibition of entrepreneurial success stories and photographs There will also be pictures from the popular "Cape Flats World of Business Tours" which will show the "other side" of business in Cape Town.

The Small Business Development Corporation believes the two-day launch programme will be an exciting event for both the general public as well as the entrepreneurs themselves.

Small business battles between employers', workers' interests

(1 S3A) ARG 3/10/92

Efforts to deregulate small business are being cancelled out in the clash between between employers' and workers' interests. This report by JEAN LE MAY, Weekend Argus Reporter.

EVERYBODY pays lip service to small business

In the Peninsula, there are thousands of such undertakings run by ambitious men and women determined to haul themselves and their families up by their own bootstraps

However, the small businessman is saddled with many problems not of his own making

He's the man in the middle Recent deregulating laws have gone a long way toward meeting some of the problems, but not all of them

One of the biggest problems, according to the Small Business Development Corporation, is that the small businessman is not catered for in wage agreements negotiated between trade unions and employers

The labour law unit at the University of Cape Town, in two studies published recently, said employers and labour seemed to be polarised on the question of deregulation

There was an underlaying clash between employers' and workers' interests, they said

The recent case of a small-scale clothing manufacturer in Mitchell's Plain who fell foul of the Industrial Council for the Clothing Industry has once again highlighted the problem

In this case, the manufacturer paid his 18 workers less than the negotiated minimum and neglected to pay contributions to the sick and provident funds The SBDC, from whose Mitchell's Plain "hive" he operated, backed his appeal for exemption, which was refused Eventually, the council took him to court for R2 900 and obtained a writ of execution against him personally Before all his household goods were sold up, he paid his debt, but the factory closed

As things stand now, small business is not represented on industrial councils, which see to the observance of wage agreements and of rules about working conditions laid down by law

The only way a small businessman can escape the onerous demands of such rules and agreements is by applying to the industrial councils for exemption

However, the councils are dominated by big employers, who can afford to pay much higher wages and who don't like competition anyway, and by the trade unions, who understandably don't want to see workers exploited

At present, 35 percent of the workforce in the Western Cape is unemployed One would expect trade union support for any organisation that created employment, but this has not been the case

Cosatu, in its representations to the National Manpower Commission inquiry into the accommodation of small business in labour legislation, said that, while it basically had no objection, it did not see that this would make "any significant impact on the growth and development of the sector compared with other measures which could be taken".

It would resist any measures which led to a reduction of basic rights such as adequate pay, health and safety, it said

Cosatu also expressed strenuous objection to subsidiaries of existing businesses being classified as micro-business, obviously to preclude big, rich companies from splitting their operations.

The subsequent report of the National Manpower Commission on the influence of labour laws on small business recommends that micro-businesses (with fewer than five employees) and other small businesses during their first year should get automatic concessions in terms of the Workmen's Compensation Act, the Unemployment Insurance Act and the Machinery and Occupational Safety Act

It also recommends that, where parties to an industrial council have reached a wage agreement, the Minister may refuse to promulgate it if the agreement has failed to meet the needs of small business

Mr Johan Naude, senior manager in SBDC's development promotion, said that relying on the existing exemption system was over-optimistic.

"Industrial councils are inherently biased against competition", he told Weekend Argus "The needs of small business are being lost sight of in centralised bargaining There should be more regional agreements"

Darcy du Toit and Deena Bosch of UCT's labour law unit found in their recent paper, *Workers In Small Business A Challenge To The Unions*, that there was a lot of hostility toward unions among small employers and that the unions themselves, in fact, had not bothered to do much organising in that quarter

According to statistics of the clothing industry provided by the Minister of Manpower, 123 employers in the Western Cape could be seen as small business, employing 1 328 people between them In all, the clothing industry in the Western Cape gave work to almost 98 000 people

"Unions are biased towards the bigger battalions of labour," wrote Du Toit and Bosch, adding that a union official had said that "it is a problem to go and organise small business"

Organising small business was not the most rational expenditure of union resources, they found, because "emphasis is always placed on the major manufacturers who carry most weight on the industrial council".

They recorded that most unions agreed that blanket exemption of specified categories of employers was unacceptable, but that some flexibility was possible.

However, there should be no compromise over minimum wages and no exemptions should be given without workers being consulted — which could be a problem in shops where the union was not organised

So, is there any way out of the problem?

Du Toit and Bosch suggest developing "a way in which workers themselves become part of the process of deciding what businesses can afford (in the way of wages and benefits)"

"It is possible," they wrote, "that partnerships and co-operatives could become more appropriate forms of launching small business ventures than sole proprietorships, which is the dominant form at present"

The SBDC, in fact, already might be thinking along those lines

Mr Naude said "We cannot go forward with a burdened small business sector There has to be consultation, negotiation and compromise in order to reach our goals of economic development."

Don't keep the Cape this shape

Sowth 3/10-7/10/92 (153A)

MAJOR changes in urban planning are needed to support the development and growth of small businesses

UCT urban planners David Dewar and Vanessa Watson believe the present spawling, low-density character of South African cities works against small business activity and promotes economic centralisation

Buying power is spread over large areas, reducing the amount of economic activity a local area can support This opens the way for what economic activity there is to be controlled by large businesses operating from a number of centralised points

"A more compact form of city development offers a number of advantages," they say in an article in a recently published book, "South Africa's Informal Economy"

"Large, easily accessible local markets promote economic diversification and specialisation They thus generate a wider range of economic opportunities They provide a greater range of viable trading and manufacturing locations, since their accessibility is not defined primarily by the configuration and intersection of transport routes, points which can be dominated by larger enterprises

"It reduces transport costs and enables an efficient public transport system which particularly benefits smaller operators It reduces service charges, and thus overheads It allows for more flexible service provision and it increases the convenience of consumers"

They believe new urban growth should not always be channelled to land beyond the urban fringe, but to "implode it and to encourage higher densities" A great deal of vacant residual land exists within the confines of South African cities for development of this kind, they say

Dewar and Watson are particularly critical of apartheid-inspired town planning where the planners think they can create a social "community" in new residential areas by designing them as separate and self-contained suburbs

"In reality, the practice is highly negative and detrimentally affects the ability of the urban system to generate employment opportunities"

A glaring example of this type of planning is Bonteheuwel on the Cape Flats

Lynda Loxton

The rapid rise of woman in business

South 3/10 - 7/10/92

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AN entrepreneurial "fever" has taken hold of women and they are emerging as business owners worldwide

According to Professor Ronel Erwee of the Graduate School of Management at the University of Pretoria, there has been a rapid increase in numbers of women business owners in Europe and the United States

There are no firm statistics available on what is happening in South Africa, but according to 1984 estimates about 70 percent of small businesses owned by blacks were run by women

The growth of women business owners is also reflected in competitions run by magazines — the Small Businesswoman Award drew 420 entries while the Business Starters award drew 1 000 entries over three years

The Small Business Development Corporation (SBDC) reports that 20 percent, or 3 600, of their clients are women The number of women entrepreneurs varies from region to region and they operate in different sectors

"The SBDC has realised that women are low-risk investments as they pay back loans on time and have a low bad debt ratio," said Erwee

"The small business units of banks and organisations involved in the training of entrepreneurs report that the proportion of women clients is increasing rapidly "

This trend can be attributed to several developments during the eighties

The Women's Bureau started a project in 1985 to stimulate women's interest in business Seminars were held countrywide on "Women Businesses" and about 2 000 people attended A congress on job creation was held to encourage women to become involved in business

By 1988 the first network of women entrepreneurs, the National Association of Women Business Owners (Nawbo), was launched by Erwee

This organisation is affiliated to the World Association of Women Entrepreneurs, an international network of 23 000 members in 30 countries

Erwee said there were four main kinds of women in business



TAKING CHARGE: An increasing number of women are running small businesses

Corporate high-flyers.

These are women working in independent units in large companies who are more likely to establish a small business than those working in the main body of a corporation

They tend to find that "glass ceilings" prevent their promotion beyond middle management levels Sheer frustration and a conviction that they have built up marketable skills prompt them to form a consulting company or specialist service. They use the professional networks they have built up to good advantage

Women who have gone through some traumatic life event:

A woman who is confronted by widowhood, divorce, separation, migration or refugee status may see this as a debilitating event — or a chance to find a new life by, for example, starting a small business

Women from an entrepreneurial family or environment

Women with parents, relatives or friends in business are more likely to establish a small business than those without such contacts

Re-entry women

Many women re-enter the workforce by starting a business from home after their childbearing years

This trend is growing stronger and Women's Enterprise magazine was launched to cater for this market.

But women's actual entry into business is also affected by several strong traditions in our society These include.

Career choice

Business is not a traditional career choice for women because they have grown up without any role models in this area But since women business owners have become the new media heroines, this has had a subtle effect on career choices Young girls are, for example, becoming more interested in the Junior Achievers' Programme, started by the Centre for Developing Business at the University of the Witwatersrand

Type of company

If women go into business, some still tend to choose traditionally "female" activities because of their skills base and experience Many women prefer businesses such as general dealers, personal services, clothes manufacturing, crafts, retail, PRO/marketing, personnel or business services, transport, design/art, estate agencies or legal and financial services

Major shifts in the types of companies or sectors in which women operate are now emerging

● Some are moving from the informal sector micro enterprises to larger informal outlets such as flea markets in cities or home industries

● The level of sophistication of applications for loans to start a business is increasing among emerging business owners Business plans are clearer and financing is sought from major banks or institutions

● Some women are moving from renting in shopping centres in townships or smaller centres to actually owning shops or renting in larger shopping centres

● Established businesswomen are diversifying into new or related services and multiple ventures

● The number of consultancy firms offering specialist services is increasing

● There is a greater awareness about the value of exporting

Training

The second largest source of high-level staff is women, white and black, who are interested in business As more women study economics and management sciences at universities, a bigger reservoir of potential women business owners is being created

But trainers have not realised the potential of this market For example, US Aid wanted to invest in training programmes for entrepreneurs if 50 percent of the trainees were women — and struggled to find anyone who could understand that there must be women in training programmes!

Financial acuteness

The SBDC (and the grapevine) indicate that the bad debt ratio among women business owners is lower than among male business owners This is because women tend to use more of their own funds when they start, and they save more Their companies are smaller than those of men They are involved in areas where the risk is lower and they tend to grow at a slower pace

Erwee believes that the value of women business owners should not be overlooked and that they should be encouraged at every level The future depends on it

Lynda Loxton

Celebration of entrepreneurship

Sowth 3/10-7/10/92 ,

THE energetic spirit of entreprenеurship will be celebrated during the fifth annual Small Business Week (SBW) which starts on Saturday and runs until October 10.

In the Western Cape alone, the SBW will include more than 50 events involving more than 35 organisations (see Calendar of Events)

Co-ordinated under the auspices of the Small Business Development Corporation (SBDC), the week aims to highlight ways in which small businesses can be promoted and developed — and to show what they can do

There will be seminars and training sessions, fun-filled flea markets and craft markets, open days at small business projects and general information days.

153A

The week will be launched in the Western Cape with a two-day programme of events at the Pier Head at the V&A Waterfront

Chamber calls for flexible approach in recession

Sowth 3|10-7|10|92

153A

AS THE recession bites deeper, greater flexibility is needed to help small and medium-sized enterprises stay afloat, reports the Cape Town Chamber of Commerce

According to the Chamber's human resources manager, Mr Charl Adams, 1992 has been "extremely tough" for small business

The number of bankruptcies in the first nine months of the year is expected to be about nine percent up on the 1 764 during the same period last year

"This is all the more reason why there should be greater flexibility in dealing with small businesses, in providing them with protection and support services," Adams says

Small businesses are inherently at a disadvantage Labour legislation, for example, is geared towards big business, which has a highly organised and unionised workforce Many small businesses cannot afford to meet all the health and safety regulations or the minimum wages laid down by the industrial councils

These councils often throw the book at small businesses instead of understanding their circumstances and being more lenient They should not let all standards go, or allow workers to be exploited, but should adapt the regulations to the needs of small businesses

The Chamber would like to see a "sliding scale" of legislation for the small business sector, which should also be represented on the National Manpower Commission (NMC)

A NMC report on this issue will be released shortly, but it is understood that the Chamber's recommendation has not been heeded

Adams says this negative approach to the small business sector springs from the fact that "big business still calls the shots, despite the fact that over 80 percent of our membership are small and medium-sized enterprises"

There should be a happy marriage between the two, but small business remains the abused partner. Although government could act as a marriage counsellor, it is not doing so

Instead, the Chamber is acting as a surrogate counsellor and 1992 has been one of the busiest yet for Chamber staff, who are dealing with more and more enquiries from members on how to deal with the difficult times

Unfortunately, at a time of rising unemployment, many of the calls from businesses seek advice on retrenchments to cut overheads. If labour laws were relaxed, these overheads could be cut without losing jobs.

"Ways of allowing people to move into self-employment have therefore become more important — entrepreneurship has become the name of the game

"But we are falling behind in this and we need to do much more to inculcate the ethic of entrepreneurship, from school level onwards Difficult times call for creative approaches," Adams says

Other problems that continue to plague small businesses include their difficult access to loans because of a lack of collateral

Banks are obsessive about minimising risks, and the small business sector is undoubtedly risky But, again, innovative approaches are called for and some are now being pioneered by a few banks in association with stokvels, hawkers' associations, the Small Business Development Corporation and others

The banks realise that today's small business can develop into the big businesseses of tomorrow — and need help But much more needs to be done **Lynda Loxton**

Informal sector needs government support

Sowth 3/10-7/10/92. (153A)

THE informal sector is no longer a fancy phrase for talking about people living in dire poverty, scratching a living where and when they can

But it is increasingly recognised that many working in the sector ARE poor and need social welfare support systems as much as they need credit and training They need more, not less, government help

This is because their pay is generally low, they receive no benefits and working conditions are often difficult and dangerous

According to Professor Christian Rogerson of the University of the Witwatersrand, the International Labour Organisation has said the ability of informal sector workers to earn a living is often affected by forces beyond their control

For example, if there is a drought or a bad crop, a fruit and vegetable hawker can be out of business This is a risk they take, and there is little practical that can be done about it

But for the poorest of the hawkers, without other means of supporting themselves, such an event could be disastrous and could make an already difficult life impossible.

It has therefore been suggested that special welfare packages should be created to help these groups live somewhat better lives Packages could include access to clean water, sanitation, health services, better shelter, education and transport

"One interesting idea for developing possible welfare assistance for the urban poor concerns improving their access to vacant land for subsistence food production Informal urban cultivation is probably the most important survival strategy for the urban poor, since it provides food, the basic neccessity of life," said Professor Rogerson

All these, plus usual credit and training programmes, could be of particular benefit for women, children and migrant workers, the most vulnerable groups in the informal sector

But, he said, informalisation "is not always bound to situations of sheer survival, drudgery and exploitation "

There have been several examples of successful "informal economies of growth", which have not only benefitted individuals but whole communities

He looks at examples in central Italy, Miami and Hong Kong and concludes the common feature has been that the informal economy has not been limited to producing labour-intensive and low-technology goods Instead they have been able to acquire skills and technology and move into the production of goods that earn more money

This has been made possible by efforts by governments to import new technology and make them available to the informal sector

Another factor has been that successful informal sectors elsewhere have concentrated on export rather than the local market, and that small businesses within that sector have been relatively independent rather than dependent on large firms sub-contracting work to them

Cut-throat

There has also been a strong entrepreneurial spirit, although this has tended to avoid cut-throat competition and looked at ways businesses can work together

Most important, however, has been the role of the state

"In each case, the actions of the government has not been limited to merely tolerating the informal sector as a survival mechanism (rather, there has been)

All this, he said, highlighted that "even the most promising informal initiatives cannot go very far in the absence of solid outside assistance Moreover, it underscores the vital point for policy makers that getting the government out of the economy through privatisation or deregulation is not a recipe for successful informal economies Indeed, it should be evident that a neccessary, though not sufficient condition for dynamic informalisation is getting the state into the economy in support of small-scale entrepreneurial initiatives "

Lynda Loxton

active state support through training programmes, the provision of credit facilities or marketing assistance "

For example, in Miami, a vital factor has been the extensive federal government refugee programmes for Cubans This included occupational retraining, education and commmercial loans

Public services

In Hong Kong, credit and marketing services were backed up by an extensive system of free or low-cost public services to ensure workers did not have the "features of extreme poverty and vulnerability to exploitation characteristic of informal sector workers elsewhere."

Little shop of affection

Sowth 3/10/-7/10/92. (153A)

By Juanita Williams

SMALL BUSINESS is serious business. This is what Mrs Fatima Norodien of Mitchells Plain has discovered

She runs a spaza shop from her home, selling everything from the basics, like bread and tinned foods, to luxuries like chocolates.

"I buy most of my supplies from Makro, but the cigarettes I get at the train station, where they are cheaper than anywhere else," Norodien said.

At first, Norodien sold chicken and eggs door to door. She even had a stall selling boerewors rolls at Mitchells Plain Town Centre.

The demand for her food increased so much that four years ago she started selling from home.

But, at that time, running tuckshops from a home was still illegal and she was fined R50. This did not put her off. She could not get any loans but she did so well that two years ago she had earned enough to extend the tuckshop. She built a garage, which was turned into a small games centre with a pool table and video games.

The children are sometimes at the games centre until closing time

Parents in the area seem to be happy about this because they know their children are somewhere safe

Pupils are not allowed into the games room during school hours, and troublemakers are not tolerated

Norodien runs the shop during the day and her son, Thabiet, helps out on weekends and at night.

The shop opens as early as 8am and closes at 11pm weekdays. Over weekends, it closes after midnight.

The late hours have disrupted family life, especially when "people knock on the door at 3am to get chasers for their liquor".

Not surprisingly, her husband has sometimes asked her to give up the shop.

"But I need my independence. It feels good to be able to buy something I want when I want it," Nordien said.

She has become "attached" to the children and enjoys the company of the continuous flow of people knocking at the window — every few minutes, it seems — wanting to buy something

It would appear the youths in the area return her affection They clearly prefer being sent to "Mrs Norodien's" than the shop up the street.

Metropolitan Life offers Dynamic Life health benefits Dynamic Life health

Western Cape trade body mooted

South 3/10-7/10/92

153A

MR SAM Tuntubele, national vice president of the Federation for African Business and Consumer Services (Fabcos), is spearheading a drive to unite business organisations in the Western Cape into a single, representative body.

The idea of a "Consultative Business Forum" has already been mooted among executive members of Fabcos, the Western Province Chamber of Commerce (Wepcec) and the Khayelitsha Business Association (Khaba) as well as various civic organisations

It is envisaged the new body will have a federal structure to "present a united voice for all businesses in the region since a medium-term goal of attracting the formal business chambers of Cape Town onto such a forum is a priority", said a Fabcos statement this week.

Fabcos is also actively involved in development of the informal sector It has formed a company, Kemfin Management Services, which will address the lack of business management skills among Fabcos members. It will contract accounting, consultancy, financial planning, project management and development and training for members

● Readers can get a glimpse of the informal sector in the townships during Small Business Week, when a special shopping trip to Khayelitsha, Guguletu and Langa will take place

Organised by the Herr Organisation and the Business Skills and Development Centre, the trip will be sponsored by the Energos Foundation and will be led by Mr Vuyani Qamata, an experienced tour guide who lives in Guguletu

Captour chief executive, Mr Gordon Oliver, will be on the trip too Visits are planned to flea markets, a shebeen and a tavern.

There will be opportunities to buy leather, wood, sculptures and garments of every description made by informal sector operators

Lynda Loxton

SBDC to highlight developmental role

Sowt 3/10 – 7/10/92. (153A)

THE promotion and development of small business should be included in regional development plans to ensure more integrated development in the region.

This is the view of Western Cape regional manager of the Small Business Development Corporation (SBDC), Mr Wolfgang Thomas.

Loans of about R5 million are approved monthly by the SBDC in the Western Cape and top R50 million yearly.

Some proposals are approved by commercial banks, highlighting that a number of proposals submitted to the SBDC do not fall within its developmental goals.

Thomas believes the funding squeeze experienced this year by the SBDC may lead to renewed emphasis on developmental projects.

There has been confusion about SBDC's financial position since it was announced that its allocation from government had been cut.

Half the SBDC's share capital of about R250 million is funded by government and the other half by the private sector.

But total capital employed is about R850 million, most of which has come from the government for special projects such as job creation and the construction of hives.

Over the years, SBDC has come to rely on government capital for special projects because its core business of mini-loans was risky.

Most loans went to small or medium-sized white-owned businesses, which led to criticism of SBDC's lending policies.

The criticism came from both small black businesses and banks furious that the SBDC was lending at lower rates to businesses which could have gone to them.

The SBDC was caught in a vicious spiral — its appetite for capital from the government was in proportion to the size of its loans, and the cut in allocation from the government brought it up short.

If the SBDC wants to maintain its present level of mini-loan lending, it will have to cut back on its bigger loans or find other funding for the bigger projects It will also have to find alternative sources of funding for its developmental programmes, such as job creation schemes in drought-stricken areas.

This calls for innovative thinking, and an indication that this is taking place emerged in the recently announced credit guarantee scheme with five major banks

Under this scheme, the SBDC will act as guarantor for the loans granted by the big banks to small businesses and this should make about R500 million available to small to medium-sized businesses over the next three years from commercial banks

For its developmental work, the SBDC is negotiating with various sources, including the Development Bank of Southern Africa and the Independent Development Trust.

Survivalism — the new ideology

South 3/10-7/10/92.

MOST people these days don't worry about capitalism or socialism — it's survivalism that matters

According to the Informal Business Training Trust's (IBTT) latest newsletter, "it is really a matter of survivalism for people who will never be able to obtain employment in the formal sector"

Self-employment might not be the ideal solution to South Africa's unemployment problem, but it is the only effective solution

"The mass aproach of IBTT is designed to make basic business training, mini-loan facilities and follow-up business counselling available to as many people as possible at the lower socio-economic levels of society — people who are willing to work, but are unable to find employment in the formal sector."

Many have been trained in various technical skills such as dressmaking, leather work or carpentry But they have never been taught how to make money from these skills and have not been able to get the generally small loans they need to start their own businesses

"It is estimated that there are about two million of these people who were trained through the Department of Manpower over the last few years — they have been unable to use people who were trained in technical skills due to the lack of simple business training and non-access to capital resources"

To date, nearly 5 000 people have gone through the IBTT's One-up Business Training programme, commonly known as the Township MBA.

The course has eight modules.

- using a calculator
- purchasing
- marketing
- managing weekly cash flow
- investigating the market
- costing and pricing
- working out plans and loan needs
- controlling stock

But one of the obstacles facing anyone who wants to start their own business is access to capital IBTT has joined forces with major financial institutions to provide working capital in a mini-loan scheme

Once trainees have started businesses, IBTT provides a follow-up counselling service to advise and help in planning, bookkeeping, costing, pricing, purchasing, marketing, stock control and other matters.

'Self-employment a vital necessity'

South 3/10-7/10/92. 153A

SELF-EMPLOYMENT is the cheapest and most effective way to create jobs

According to the Informal Business Training Trust (IBTT), it takes about R100 000 to create one new job in the formal sector, but only R1 000 in the informal sector

"Our involvement in this field has shown that, with basic business training and a mini-loan, on average each township entrepreneur is likely to employ at least one other person within six to 12 months," said IBTT

"It is therefore possible for the existing two million survivalist entrepreneurs to provide work for about two million of their unemployed kinfolk, provided that there is a strategic intervention to facilitate this development."

There are about six million unemployed people in South Africa today and this figure is rising by nearly 500 000 a year For most of these people, there is virtually no hope of obtaining employment in the formal sector of the economy

As a result, said IBTT, it is "vital that self-employment should not be seen as a quaint alternative, but as a vital necessity"

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It represents our commitment to our clients

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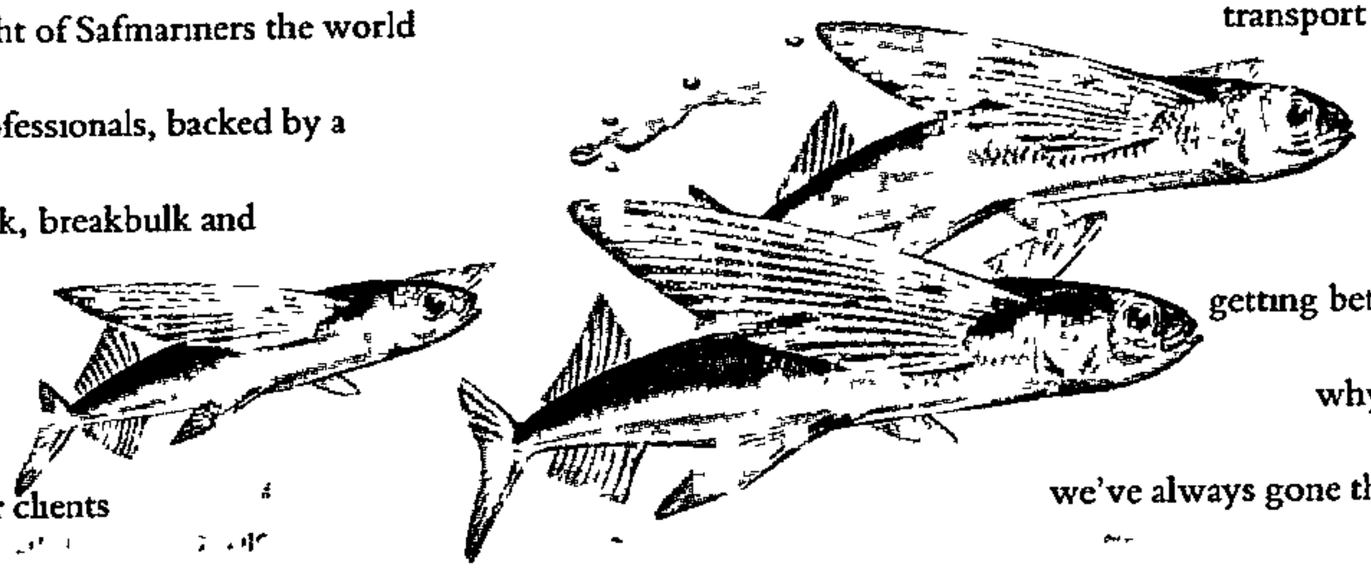


Safmarine

WE'RE GOING PLACES

CREAM 6621/E

Cape is on course with new forum

South 31/10-4/11/92

THE Western Cape has taken the lead in developing an economic strategy to create jobs and prosperity in the region while the proposed national economic forum remains in limbo

The Western Cape Economic Development Forum, which will be launched on December 3, has brought together representatives from trade unions to local government to map out an economic strategy for the region.

The national forum has become a stand-off between the government and Cosatu over the government's apparent attempts to unilaterally restructure the economy.

But the Western Cape forum seems confident such a situation will not arise here

Dr David Bridgman, chairperson of the interim steering committee, said at the committee's report back meeting last week, decisions would be based on consensus

Bridgman said this would prevent the forum's commissions, which will deal with specific projects, from becoming "bargaining" forums.

Local Cosatu official Ms Tasneem Essop described the move to launch the regional forum on December 3 as the "most concrete development in the Western Cape in a long time."

Essop said there would still be differences between Cosatu and big business on priorities for the Western Cape, but she was optimistic about the forum's future.

"There are some urgent short-term demands that Cosatu might have For instance poverty, not exports, might be the focus, but that will come out in discussions"

The forum is neither a funding nor executive body, but will focus on strategies to:

- Improve the competitiveness of business
- Promote housing
- Improve education and training
- Encourage economic participation of disadvantaged communities
- Alleviate poverty in the short term

The forum arose from the Growing the Cape initiative started in mid-1990 to focus on the economic needs of the region.

This led to the publication by Wesgro last March of "South Africa's Leading Edge". This was the work of over 30 researchers and was edited by Growing the Cape members Bridgman, Wolfgang Thomas and Ian Palmer.

The book was the first of a three-phase approach to explore the needs of the Western Cape economy.

The second phase was to identify existing trends and opportunities, which resulted in a 79-page report called "Growth Sectors and Key Development Issues".

The third phase, now under way, is to form a regional economic forum to implement and monitor strategies

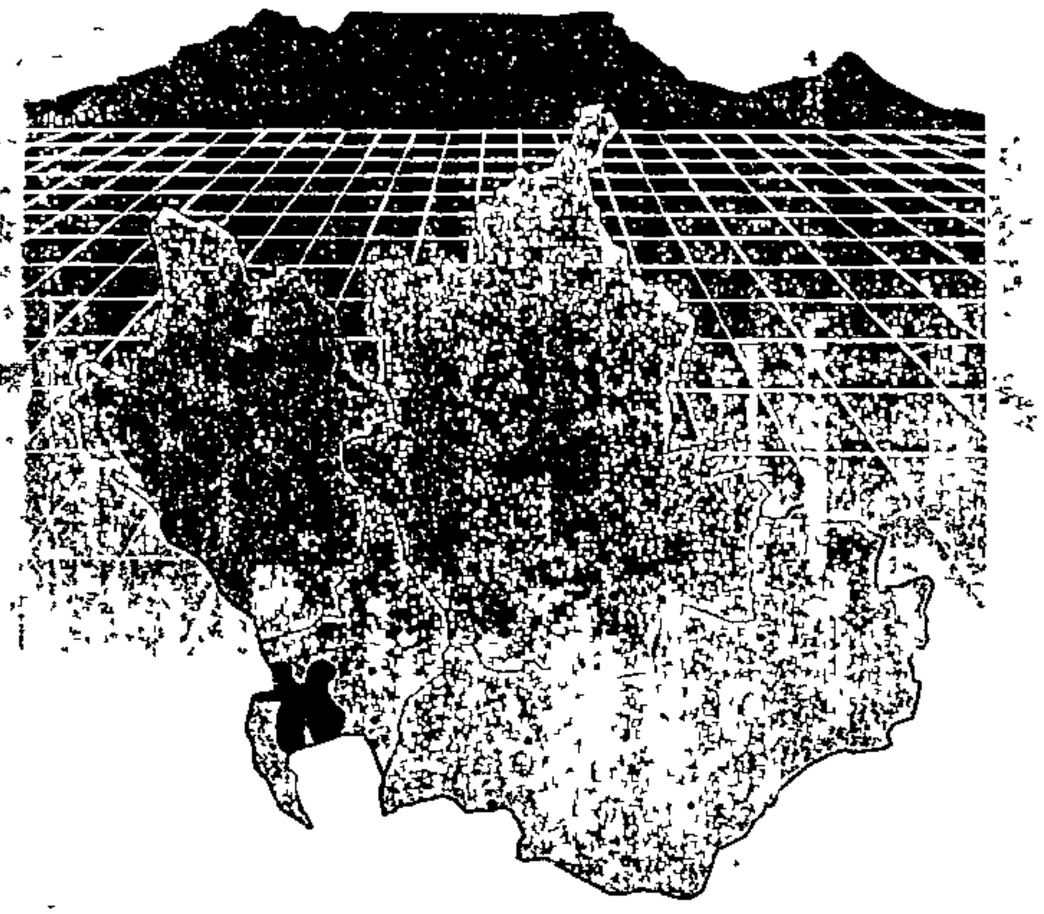
Bridgman said that the book and the document were not meant to be blueprints for the new body, and should be used as guiding documents

In the "Leading Edge", the Western Cape is identified as pointing the way for the country as it has a relatively skilled labour force, a strong small business sector, greater access to the international economy and tourism, an established export orientation, less dependence on the mining and mineral sector and less violence during the political transition period.

Key growth areas identified by the phase two report are tourism, food and beverages, agriculture, construction and the clothing industry.

Waghied Misbach

South Africa's Leading Edge?



A Guide to the Western Cape Economy

WESGRO
The Cape Means Business

Showcasing the true potential of the small man

Cliper 4/10/92. 153A

MORE than 300 events have been organised by 96 organisations to mark the fifth SA Small Business Week countrywide.

With unemployment at a record high, the business week – based on the theme "Our Key to Wealth" – is aimed at creating public awareness of the potential of small business to counter unemployment.

The event was introduced by the SBDC in 1988 to promote self-employment.

The project has since grown to enjoy the support of all major players in the small- and medium-enterprise development field in SA.

There are six regional committees which co-ordinate events to involve as wide a cross section of the public as possible.

The main sponsor of the business week is Southern Life. Other sponsors include the SA Chamber of Business, Anglo American, universities, major banks, the SBDC, the Urban Foundation, the Get Ahead Foundation, Fabcos; the National Association of Women Business Owners and the Women's Development Banking.

SBDC senior general manager and business week national co-ordinating committee chairman Toni Kedzierski said 50 percent of the economically active population was unemployed, if 3,5-million people active in the informal sector were excluded.

"In addition more than 400 000 job seekers are entering the job market every year, and less than 10 percent of school leavers and tertiary students will find jobs in the formal sector."

Kedzierski said the employment situation in SA had changed dramatically, and that the majority of new job seekers would have to look at self-employment as a career option.

He said it was ideal for aspirant entrepreneurs to undergo apprenticeships with established businesses before starting out on their own.

"As opportunities are limited, an effort has been made to include youth activities in the business week programme to inform them about financing, support and advisory facilities available in setting up their own businesses," he said.



DEAL STRUCK... The SBDC will make available its infrastructure to assist returnees.

Exiles to aid economy

THE SBDC is assisting the National Co-ordinating Committee for Refugees to process the reintegration of exiles into society.

SBDC managing director Dr Ben Vosloo said the SBDC was pleased to make available its infrastructure and countrywide facilities in setting up returnees in their own businesses.

Vosloo said the limited numbers of new entrepreneurs entering the economic arena by setting up new businesses was one of the major factors restricting economic growth in SA.

"We hope it will be the start of many similar co-operative development projects which will provide funding needed to unleash the entrepreneurial potential of South Africans and to create a healthier economic environment," he said.

Vosloo said most legislation which unneccessarily hampered the setting up of new businesses have been removed, making it much less cumbersome to get small businesses off the ground.

"What we need now to effectively set the process in motion is large-scale local and foreign investment in the small and medium sized enterprise development and, hopefully, this kind of investment will help to fill the gap."

DBSA opens up the doors

THE Development Bank of southern Africa (DBSA) is spearheading black economic empowerment by providing loans to people who once had no chance of getting started in business.

DBSA Business and Entrepreneurial Development Group manager, Mike Mohohlo, said the mission of DBSA was to promote socio-economic development by empowering people and communities.

Mohohlo said the bank supported the use of local resources, community involvement and job creation through business and entrepreneurial development.

"The beneficiaries are the developing communities of southern Africa," he said.

The implementing agencies of the bank include international, national, regional and local government authorities, their respective development agencies, parastatal organisations, and development community-based organisations

He said the bank mobilised resources to build human and institutional capacity through advice, information, policy dialogue and other means.

"The bank does not implement projects itself, but monitors the progress of projects implemented by borrowers and disperses loans according to the progress made.

"By fostering community commitment, people will be empowered to participate actively in development initiatives," he said.

The bank also identified existing and potential business and entrepreneurial opportunities to promote effective community participation and action.

The group interacts and co-operates with other development groups to ensure that development programmes have regional and sectoral balance.

Business and entrepreneurial development support programmes address issues such as policy and strategy formulation and provide access to finance, facilities for commercial and manufacturing purposes, effective networking of joint ventures, partnerships and subcontracting opportunities and to upgrade technical and business management skills.

Mohohlo said the bank was primarily a wholesale lending organisation. However, given its funding structure, limited grant finance was considered under certain circumstances.

He said the bank did not finance recurring costs, but could assist the borrower in leveraging or securing appropriate additional funding from other sources.

The bank financed the capital elements of projects, including skills development, training, and loans for working capital

Any project lodged with the bank is appraised in terms of an economic base, financial capacity of the implementing agency, community acceptance and involvement in the project.

For more information contact Mohohlo at (011) 313-3749, or write to him at PO Box 1234, Halfway House, 1685.

Politics upsets economic recovery

Cipher 4/10/92 (153A)

WITH SA deeply in the throes of a recession, experts have painted a gloomy picture on the short and long-term economic recovery

It is now that the small business industry must become self-sufficient and create jobs.

Findings of a survey released this week by the University of Stellenbosch Bureau for Economic Research has found that the sales volume of food, normally immune to recession, continued to drop – a motion which began in the last half quarter of 1991.

Expectations for (food) orders, sales and production are negative for the fourth quarter and beyond The net balance reported for business expectations over the next 12 months changed from 36 to minus 24 in the food sector.

Apart from the textile sector which reported a more or less neutral outlook, expectations in all the sectors are that the domestic sales and orders will deteriorate further.

Recent political developments contributed to the deteriorating assessment of conditions in the manufacturing industry. The influence of the general political climate was judged as the second most serious constraint on business activities in the third quarter.

Political uncertainty increasingly hampers the economy, while the result of a current survey confirms a dangerous downward spiral as economic conditions in turn have a negative impact on the political situation.

However, the Small Business Development Corporation has arranged a one-day workshop for small business enterprises on "How to survive and prosper in difficult times."

The workshop which will be held in Johannesburg, will be addressed by, among others, SBDC managing director Ben Vosloo, Business Challenge MD Phil Khumalo, Peter Feinbaerg of Top Achiever and Jeff van Rooyen of the Wits Business School.

Focus on skills, employment

Small firms' week lays foundations

Cl Pers 4/10/92

153A

REPORTS BY ELIAS MALULEKE

THE Small Business Week seminar at the Milpark Holiday Inn on Thursday will focus on skills development and job creation in small and medium-sized enterprises (SME).

The seminar is the major event for the week which started yesterday and runs until Saturday The event is held annually and is aimed at advancing the concept of entrepreneurship and small business as an effective route to achieving a healthy economy and individual prosperity.

Various events are held nationwide during the first week of October to make people aware of the importance of small and medium-sized enterprises, as well as to encourage those who have the skills and ambition to open their own businesses.

Some of the major highlights will include flea markets, fashion shows, competitions, seminars, workshops and training sesions.

The Small Business Development Corporation (SBDC), one of the major players in the development of small business, bankers, consultants and other small business development institutions will address various subjects including training opportunities, marketing techniques, funding schemes and tax strategies.

The SBDC estimates there are close to six million people without jobs in SA and says the figure is rising daily.

The SBDC sees the stimulation and creation of small and medium-sized enterprises as one way of reducing the existing and alarming levels of unemployment.

According to the SBDC, the majority of the SA population, through years of oppression, deprivation and sub-standard education, lack necessary business skills needed to create a viable SME sector.

The seminar will explore conventional and innovative ways of acquiring such skills to enable the unemployed to create wealth through viable economic activities.

In addition the seminar will encourage big business to get involved and to highlight ways in which they can assist the growth of small businesses.

Survivalism — the new ideology

MOST people these days don't worry about capitalism or socialism — it's survivalism that matters

According to the Informal Business Training Trust's (IBTT) latest newsletter, "it is really a matter of survivalism for ... people who will never be able to obtain employment in the formal sector".

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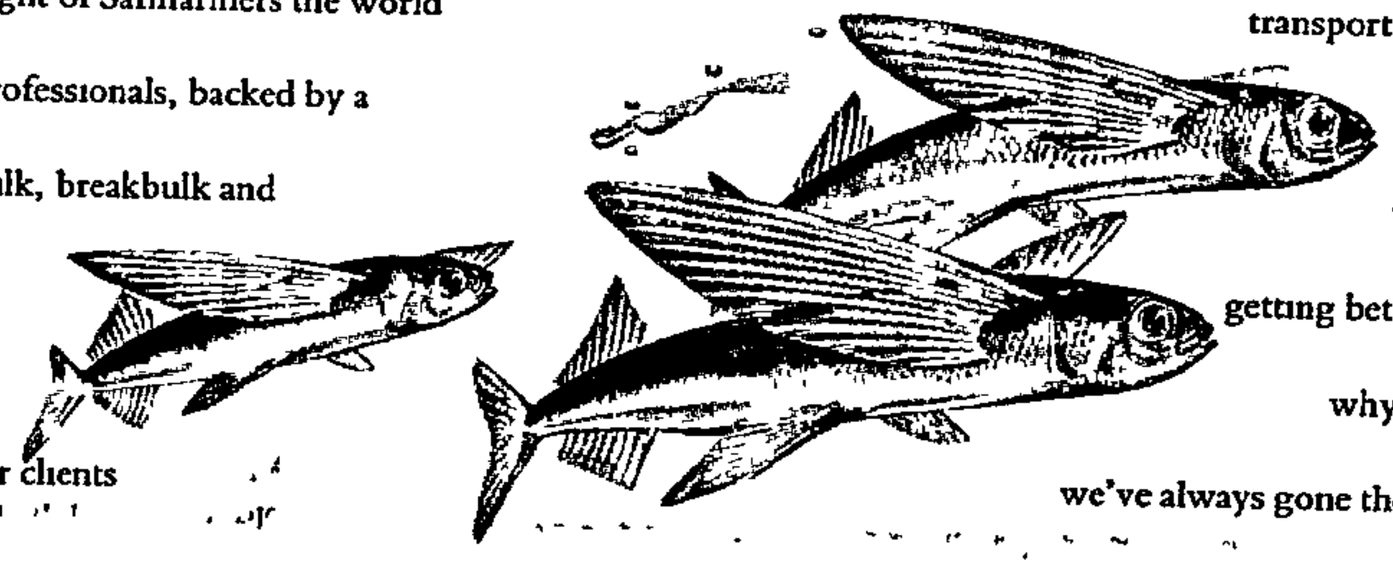
It represents our commitment to our clients

To providing them with an all-encompassing global transport service And it means we're always getting better. Which is why, since 1946, we've always gone the extra mile.



Safmarine

WE'RE GOING PLACES

BUSINESS Diary of events all over ● Sacob lends a helping hand to small enterpreneurs

the diary

Your update on what's happening in the business world from Joshua Raboroko



AN ecosomic and tax convention, Blueprint for Prosperity, at the Johannesburg Sun today, will be attended by delegates from the ANC, PAC, Inkatha, DP and Sacob and labour.

To mark the Small Business Week various meetings will be held today at Enkuthazweni Centre, Kwazakhele; and at Atteridgeville Community Centre.

Other meetings will be held tomorrow at Victoria Market in Durban, Stanza Bopape Square in Mamelodi and at Mapulaneng Technical College in Acornhoek.

●The Institute for Black Quality Management, an association of quality practitioners and aspirant personnel, will be launched at the Milpark Holiday Inn on October 15 at 6pm.

●The Tokoza Amalgamated Taxi Association will open a new route between the township and Alexandra tomorrow at 5pm

●The Southern Africa Black Taxi Association is to continue its three months anti-overloading campaign which started on October 1 and ends on December 31. For more information contact Sabta at (012) 327-1940

●The managing director of the Small Business Development Corporation, Dr Ben Vosloo, will focus on key economic issues, dealing with requirements for economic growth and development in South Africa at a seminar to be held at the Transvaal Automobile Club, 60-5th Avenue, Lower Houghton, on October 13 at 4pm

●A one-day workshop geared towards practical solutions to the problems faced by business entrepreneurs during South Africa's longest postwar economic recession has been arranged in Johannesburg for October 17.

●Business Challenge is to host a series of seminars to upgrade black entrepreneurs on how to find financial assistance from overseas The first of these will take place in Johannesburg on October 18

●The Black Lawyers Association's two-day conference at the Eskom Training Centre, Midrand, starts on October 17 The theme is Violence and Negotiations in the Transformation of South Africa to Democracy

●State President Mr FW de Klerk will officially open the three-day congress of the Afrikaanse Handelsinstituut at the Johannesburg Sun Hotel on October 19

●The Southern Africa Institute of Fundraising's second convention will be at the World Trade Centre from October 27-29 It aims to train people to assist disadvantaged communities and the needy. For more information contact Julian Blackwell at 683-3265.

●A conference on development and democracy is to be held at the Balalaika Hotel, Sandown, Sandton from October 14 to 17. Speakers will include the ANC's Dr Pallo Jordan and Mr Trevor Manuel, Professor Peter Vale of the University of the Western Cape and Dr MJ Balojum and Professor SKB Asante of the UN

Sacob to help the small man

Sowetan 8/10/92. 153A

■ Policy document to be presented to the Government:

By Joshua Raboroko

THE South African Chamber of Business (Sacob) is to investigate the development and support of small businesses.

It will also prepare a policy document and guidelines to be presented to the Government.

It will take the first step towards the development of a policy document when it releases the results of a quarterly survey of confidence levels in the small business sector.

This follows an announcement by the Department of Trade and Industry that a special unit is to be established to coordinate the affairs of small and medium sized enterprises.

Opening the Small Business Week Unity workshop this week, the Deputy Minister of Finance, Mr Theo Alant, said the unit would also oversee the allocation of funds channelled to small business development.

Sacob economist Mr Keith Lockhood said they felt that against the backdrop of a rapidly deteriorating economy, the small business sector deserved special support in these times.

For that reason, Sacob had formed a small business forum to ensure that issues of concern to small businesses were addressed.

That was done after consultation with the National African Federated Chamber of Commerce (Nafcoc) and the Foundation For African Business and Consumer Services (Fabcos) representing small businesses in the townships.

This view has been supported by the Young Entrepreneur Foundation (YEF) which aims to empower the economically and physically disadvantaged youths through entrepreneurial and business literacy.

YEF executive director Mr Oscar Mamba said there was a large number of school leavers who could not find employment.

...featured a surge of racism. Picture AP | There is no mention of sanctions ... own int...

'Respect for officers rests on lawful action

RAY HARTLEY

POLICE leaders needed to deal decisively with policemen who broke the law if they wished to retain community respect, Canadian police chief Jim Harding said in Vanderbijlpark yesterday.

Harding told an Idasa conference on policing that many people viewed senior officers as "determined to hide police wrongdoing from the public"

"Within a democracy, police cannot effectively discharge their duties without public consent," he said

"It must now be clear to even the most wooden-headed police leaders that if they don't change, someone else will do it and they won't like that very much," he said. Police traditions of "boldly leading police organisations into the past" had to be abandoned and new training standards were needed

Discipline was often mistaken for regimentation and visits to SAP colleges at Hammanskraal and Ulundi confirmed this

Policemen needed to be "progressive, visionary and broad-minded" if they were to be effective, Harding said SA police should consider special courses on racial and cultural sensitivity training, which Canadian police had recently undertaken, to help them cope with demographic changes in the force

"My advice to the SAP is that, as you move from totalitarianism to a democratic state, the police cannot be given permission to break the law to enforce the law," he said

Police forces around the world, including Holland, Canada and Britain, were facing financial constraints and needed to alter policing methods

"We cannot close our doors to the community It is a great and noble role for the police to play in designing the environment in which people can be just to one another," he said

Visiting Dutch police chief commissioner Jan Wiarda said police had to reduce violence by "not using it, not provoking it and if they have to apply it, applying it reluctantly"

Wiarda, recently involved in reforming former eastern bloc police forces, said community-police trust was vital.

"The very important thing is for the police to know the citizens," he said

Individual policemen were under enormous pressure to follow group cultures in their police force, he said

Small business was big business briefly

THEO RAWANA

SMALL business became big business for three days this week at Sun City when Potchefstroom University's Small Business Advisory Bureau hosted the small business unity workshop conference

Five workshops looked at deregulation, financing, sub-contracting/matchmaking, training/consultations and marketing.

The highlight of the conference was a satellite link-up with the US during which local panelists talked to US Small Business Administration (SBA) national programme manager John Bebris to get to know the American experience

An important outcome of the conference was the setting up of a national steering committee

The feeling was that since none of the major political players in SA had a policy on small business, and the Trade and Industry Minister to whose department small business was entrusted was still "trying to find his way", this sector would continue to be neglected The cry was for the creation of a specific ministry for small business

The five-man committee is to include SBAB director Piet Moolman, Sunnyside Group chairman Keith Foster, Matchmaker Services chairman Dick Robb, Volkskas Bank's Willie Conradie and Business Challenge CE Phil Khumalo.

The workshop on deregulation, headed by Foster, highlighted opposition to deregulation, especially from the trade unions, the bureaucrats and big business

Foster said the unions saw deregulation as loosening their control over workers and linked deregulation to privatisation, thus rejecting it as a cause of job losses

Bureaucrats supported it as long as it did not happen in their "backyard"

The sub-contracting workshop, headed by Robb, highlighted a need to look at sub-contracting the manufacture of parts or component parts that added value and contributed to an assembled product that could compete locally and internationally

"Right now there seem to be very few black manufacturers that can satisfy this need," said Robb

Reasons and benefits to sub-contract were. capital flexibility, labour flexibility, reduced working costs, profit improvement, reduction of administration, saving of management time, benefits to both parties and job creation

"The small sub-contracting business is often owner-managed and is more efficient than a big company in terms of its service and lower price"

The financing group, under Moolman, suggested the establishment of venture capital organisations, partnerships/franchise options, a central (and representative) development body to counsel small business and the educating of clients in financial matters by banks

The marketing workshop, chaired by Khumalo, concluded service and pricing were the main causes for the flight of customers to big business

Frozen yoghurt parlours voted tops

(153A)
CT 8/10/92

By AUDREY D'ANGELO
Business Editor

UNEMPLOYMENT is becoming "a time bomb which threatens the whole structure of society in SA and the success of political democratisation in this country," Johnny Roelofse, Sanlam regional GM in the Cape, warned yesterday

It can destabilise society, creating a situation which discourages foreign investment and plans

And developing the small business sector is one of the most effective ways of fighting this problem

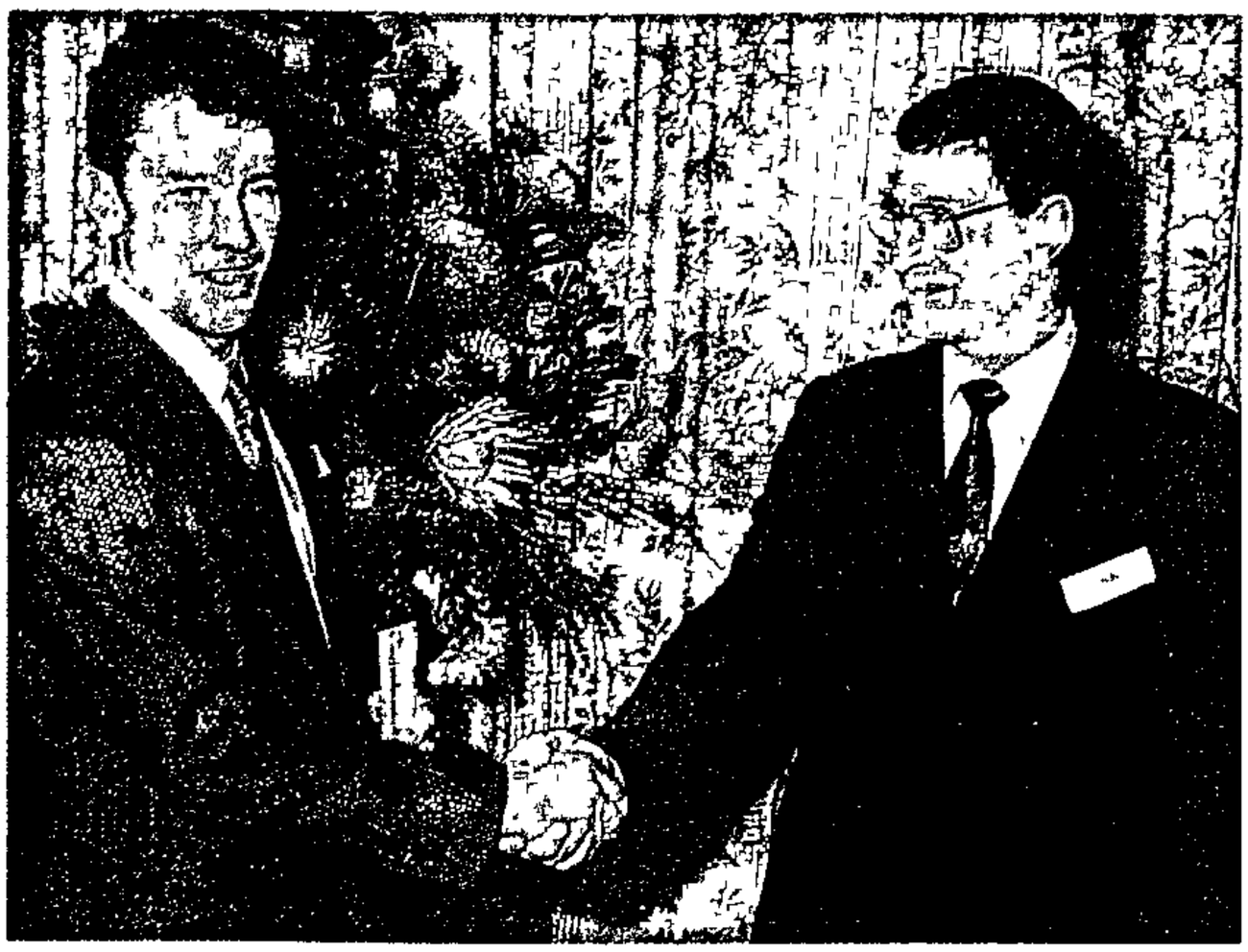
Roelofse was presenting the Sanlam/Small Business Development Corporation Entrepreneur of the Year award at a breakfast at the Mount Nelson yesterday

The function was one of the highlights of Small Business Week in Cape Town

The winner — chosen from among nine finalists — was Marcel van der Merwe, who has opened two frozen yoghurt parlours in Stellenbosch and Rondebosch and is now planning a third at the Victoria and Alfred Waterfront

Van der Merwe received a prize of R5 000 and will be the Western Cape nominee for the award of National Entrepreneur of the Year, to be presented at a banquet in Johannesburg

The R500 prize for Emergent Entrepreneur of the Year went to a family-owned business, Zamani Butchery, in Khayelitsha It was presented to one of the owners, Kenneth Sibaca



ENTREPRENEUR OF THE YEAR . Marcel van der Merwe (left), who is about to open the third branch of a chain of frozen yoghurt parlours, received the coveted Sanlam/SBDC Entrepreneur of the Year award at a breakfast at the Mount Nelson yesterday It was presented by Sanlam regional GM Johnny Roelofse (right) The prize for the Emergent Entrepreneur of the Year, given to a small business which shows most promise in spite of adverse circumstances, went to the Zamani Butchery of Khayelitsha and was collected by one of the owners, Kenneth Sibaca.

Roelofse said he believed SA was on the verge of achieving effective political agreement, peace and economic co-operation with neighbouring countries, the suspension of all sanctions, "foreign capital coming back and the economy surging ahead"

But this could be achieved only through believing in this vision and through hard work and planning

And "the promotion and development of entrepreneurship must receive our undivided attention

"Without entrepreneurs there can be no question of development and progress in a country"

Roelofse pointed out that nearly 1 000 new jobseekers were entering the market every day "Of these only 100 will find work in the formal sector Current unemployment estimates range from 2,5m to 7m"

Unemployment of this magnitude inevitably led to unrest. "The real solution to the problem of unemployment and unrest therefore lies in large-scale and rapid job creation"

This was why Sanlam and its group of companies were among the largest shareholders in the SBDC

"By supporting the informal sector, not only are jobs created but the formation of a middle class is promoted and participation in the free market system assured

"The more people participating in the benefits of a free market system, the fewer will take part in unrest or clamour for nationalisation as the only solution to the problem of equitably distributing wealth in this country"

Expenses in black businesses amount to 90 percent of turnc

Black businesses hit by mass action

Soweton 8/10/92

(153A)

By Joshua Raboroko

■ THUGS ENTER FRAY Businessmen intimidated by youths during boycotts and stayaways:

MANY black-owned retailers on the Reef are operating their businesses at a loss

In a snap survey of 100 outlets, the Soweto Investment Trust Company (Sitco) found that 94 percent of them are operating below their break-even points.

A spate of robberies, political unrest, taxation and statutory requirements such as rent owing and service charges have put most enterprises in the red, according to the survey.

The survey says the closure of shops as a result of either bankruptcy, looting and tax crackdowns have also added to the crisis

The findings of the survey have been supported by the Greater Soweto Chamber of Commerce and Industries, the Soweto Independent Shopkeepers' Association (Soinsa), the Katlehong Chamber of Commerce and the Vaal African Chamber of Commerce

Sitco managing director Mr McDonald Temane says while turnovers were well recorded, expenses were clearly high. In most cases expenses were about 90 percent of turnover

"When indirect expenses and incidental expenses such as shrinkage and disturbances of trading hours are added, the situation becomes very bleak," he said

Temane said that most of the older traders were left with no option but to sell their businesses because of cashflow problems

He said "Our view is that some form of Government relief has to come into effect

"We are mindful however of the fact that Government spending is already high, and that if we are to come out of the recession one of the measures that should be employed is the reduction of Government spending," he said

Soinsa general secretary Mr Thami Skenjana said that the escalating rate of crime and violence had serious effects on black business, although he did not have statistics

"I was personally threatened with death and forced by youths to close my supermarket. I was forced to pay protection money."

Skenjana said more than 40 of their members had been intimidated by youths The incidents occurred mostly during stayaway days

"We trade under strenuous conditions We are faced with difficult times and unless something is done, we will be forced to close our operations"

Executive director of GSCC Mr Max Legodi said that many black businesses were collapsing as a result of violence, boycotts and stayaways

He said that at least 10 tenants had closed their businesses at the Pimville Plaza because they maintained the shopping complex was not economically viable

President of Katlehong Chamber Mr Joshua Namane said eight businessmen had been killed in acts of violence on the East Rand since January.

"We are forced to close business early because we fear being attacked," Namane said.

ARE YOU WORRIED?

over

Off to a good start

(153A) (Sowetan 8/10/92)

■ **Small Business Week attracts lots of interest**

By Joshua Raboroko

THE National Small Business Week, aimed at creating public awareness of the potential of small and medium sized enterprises, got off to a good start

Based on the theme "Our key to Wealth", more than 300 small and medium events have been organised by 96 organisations for public participation countrywide

Activities involved both the formal and informal sectors and ranged from fairs, markets, fashion shows, exhibitions and township and rural shopping tours to conferences, seminars, workshops and training sessions

Speaking at the launch in Johannesburg, chairman of the Small Business Development Corporation (SBDC) Dr Ben Vosloo said the informal business sector was the way to the future for South Africa

SBDC senior general manager Mr Toni Kedzierski said "Unemployment rates stand at 50 percent of the economically active population.

"In addition more than 400 000 new job seekers are entering the job market every year," he said, adding that "currently less than 10 percent of these school leavers and tertiary students will find jobs in the existing formal sector."

He said with unemployment most job seekers would have to exploit self employment as a career option

Pessimists 11/10/92

SMALL businesses are pessimistic about recovery and do not seem to be planning for any expansion next year, says the first joint Sacob-SBDC quarterly survey of their business confidence. (1534)

Respondents are even more pessimistic about the influence of political and social conditions on their businesses. (ST Times (BUSS)

They expect input costs to rise in the next 12 months and to be passed to consumers. Most respondents identify market demand as the most restricting factor on increasing sales volumes.

Policy probe planned

THE NEED to urgently identify coherent policies to promote small business at all levels dominated this year's Small Business Week conference at Sun City

Instead of speeches the conference was organised into two days of intensive workshops dealing with training, marketing, deregulation, subcontracting and financing.

On Monday, the United States Information Service organised an hour-long satellite link-up with the national programme manager of the Small Business Association in Washington, Mr John Bebris

Participants in the workshops raised the main issues and Bebris gave details on how these had been dealt with in the United States

The 200 delegates decided that a steering committee should be established to formulate a policy framework for small businesses, which would be put to all political parties.

The Small Business Development Corporation/Southern Small Business Week runs until October 10.

Subcontracting a 'profitable' venture

THEO RAWANA

ANGLO American viewed subcontracting to small business as a good business deal, not as a charitable or social responsibility, Anglo gold division executive director Clem Sunter told executives yesterday

Addressing a Contracting Indaba gathering at the SBDC's Pennyville Hive in Johannesburg — part of the Small Business Week — Sunter said "We go to these entrepreneurs because they do jobs cheaper than we would have done them ourselves"

These ventures had saved Anglo R5m a year. The regionalised nature of the SBDC's operations allowed communities to uplift themselves

"There is a silent revolution taking place in SA. People in Khayelitsha (Cape Town) are turning over R74m a year on 300m of fertile land, and 70% of the houses have backyard businesses," he said.

● See Page 4

Wanted urgently: business supremo

STAR 12/10/92



Debate is in full swing in economic circles on proposals to press the Government to appoint a special national supremo to unleash the full potential of a new generation of small business entrepreneurs. Support for the idea is growing, reports MICHAEL CHESTER.

IT COULD read. "Wanted Minister of Small Business. Visionary able to identify and encourage radical new approaches to economic growth by unleashing the full potential of small and medium enterprises. A major task will be cutting bureaucratic red tape and cultivating the full co-operation of various government departments. Prospects of Cabinet status for ideal candidate"

No, unfortunately the announcement has not yet appeared in the Government Gazette. But there is a growing swell of opinion in economic circles that it is time it did

The idea of a specific new ministerial portfolio to encourage the expansion of the small business sector was among the top items on the agenda at a recent conference at Sun City run by the Small Business Advisory Bureau.

The Small Business Development Corporation has long underscored the crucial need for radical new thinking about strategies to bring budding entrepreneurs deeper into the economic mainstream.

The potential role of a Small Business Supremo was first identified when the National African Federated Chamber of Commerce (Nafcoc) invited Eric Forth, as British Minister of State for Employment, to launch the National Industrial Chamber a year ago.

Nafcoc learnt that Britain had already taken the lead by establishing such a portfolio — and Forth had been running it.

The programme introduced special government incentives to create more mini-businesses to test a new path to economic expansion — with the added bonus of lower unemployment. And Forth reported a whole string of successes.

The debate also fired the enthusiasm of SA Chamber of Business deputy director-general Ron Haywood when he heared how Britain had tackled the issue.

He learnt that.

- In Britain, with a member of government of ministerial rank acting as special guardian of the interests of budding entrepreneurs, the small business sector had grown by 30 percent or more in the 1980s No fewer than 373 000 new mini-ventures had been launched.
- New small businesses, with labour forces of less than 20 workers, had created more than a million jobs over the past 10 years — twice the total scored by larger companies
- The UK had made dramatic cuts in regulatory red tape to sweep away hindrances to allow faster development of small businesses in the manufacturing and service sectors
- Self-employment increased by 70 percent — and the number of women in the small business sector doubled
- Since 1981, no fewer than 28 000 mini-firms had benefited from a loan guarantee scheme by almost R4,5 billion
- The UK government had ploughed R40 billion into the nurturing of small businesses — and the private sector had topped it with R45 billion in training schemes

Haywood found that in Japan no less than 60 percent of industrial companies were small businesses, many engaged as subcontractors or jobbers to big business In Taiwan, the proportion climbed to 90 percent

"One also sees how the small-business formula is being copied at an increasing pace in more and more Western industrial nations as they find themselves slipping behind their Far Eastern rivals in competitiveness," Haywood said

"South Africa must follow suit Even if the creation of a special new portfolio may take time, we desperately need a 'Champion of Small Business' in the corridors of power

"Fortunately, there have been positive signals coming back from the Department of Trade and Industry But there are still dreadful frustrations when small businessmen are shuttled from one government department to the next on every move," he said

Sacob has already set in motion a number of initiatives intended to spur on big business to offer a helping hand to aspirant entrepreneurs — not least in handing many more subcontracts to mini-businesses to tackle the production of components or the provision of a wide variety of services

Not only has a special Small Business Committee been formed at national level to encourage the process, but scores of individual chambers are being asked to follow suit.

"South Africa still needs as many big corporations as possible to match the international giants by using economies of scale in industry and commerce," said Haywood "Equally important, though, as proved all around the world, we also need to mobilise all the potential resources of the small business sector. The ideal would be far more balance in the development of big business and small business — more harmony and more pooling of skills

"We have tremendous resources at our disposal We usually concentrate on our mineral resources when we weigh our relative advantages in global terms We need to give a lot more attention to our human resources"

Haywood likes to insert the reminder that when South Africa sells its basic chrome ore in its natural form, it brings in no more than about R600 a ton If the raw ore were processed all the way to the manufacture of finished products — stainless steel pots and so on — it would become worth tens of thousands of rands a ton

"The missing link is the required number of factories along the pipeline to handle the gradual beneficiation of the raw material. That's where countries like Japan, with few such natural resources of their own, weave the magic that makes them economic world-leaders

"South Africa needs to take a new count of its known and hidden resources The role of small business could be enormous"

"The answer would be the installation of a Small Business Supremo with the clout to clear all obstacles and define brand new ways to tap the full potential of our budding entrepreneurs." □

Dour outlook on economy from small business

153A
CT 13/10/92

By AUDREY D'ANGELO
Business Editor

HALF the owners of small businesses expect conditions to get worse in the coming year, with retailers and manufacturers more depressed than those in the wholesaling and service sectors

And those in the Western Cape are among the most gloomy Only those in the Transvaal, outside the PWV area, are more pessimistic

This has emerged from a quarterly survey carried out by the SA Chamber of Business and the Small Business Development Corporation.

It showed that only 23% of respondents expected conditions to improve in the year ahead, and 27% expected them to remain the same

Staff levels

Answers to the questionnaire showed that 57% expected their staff levels to remain the same but 25% expected to have to reduce them. Only 18% expected to employ more

The vast majority — 78% — expected their costs to go up and 64% of these planned to pass the increases on to their customers Only 6% expected the price of their products or services to come down

And 57% feared that political developments would cause a deterioration in business conditions. Only 6% expected political change that would have a positive impact.

Nature's costly bounty

STAR 13/10/92.

SHOP AROUND
Vegetables are rapidly becoming luxury items, beyond the reach of ordinary people. Even those street-side vendors are jumping on the price-hike bandwagon. **ZINGISA MKHUMA** reports.

THE price of fresh vegetables is becoming hard to digest for most consumers, making it more important than ever to shop around for nature's bounty.

Fresh vegetables now cost on average 80 percent more than they did last year. 13/10/92

A Trends survey shows the importance of comparing prices to benefit from low prices, be they from street vendors, the supermarkets or the fresh produce market

A 10 kg bag of large potatoes, selling for R18 at the Johannesburg fresh produce market, was priced at R21,99 at Pick 'n Pay in Rosebank A packet of the same brand weighing about 2 kg sold for R4,50 on the streets. This means the hawker is making R22,50 from the same bag of potatoes

A bag of eight cabbages cost R5 at the market (about 63c each). At Pick 'n Pay the same size cabbages were sold for 89c while hawkers sold them for R1,50 each Pick 'n Pay would make R7,12, while hawkers would make R12 from the same bag. Not bad going for vendors who have no overheads!

In general, we found it much cheaper to buy some vegetables, such as spinach, onions, broccoli and cauliflower from the market, rather than from Pick 'n Pay or the hawkers

A recent survey done by the Consumer Council shows that certain fruits and vegetables cost 40 percent to 221 percent more at supermarkets than at local fresh produce markets

The council looked at prices of fresh produce in supermarkets in Pretoria, Cape Town, Durban, Bloemfontein and Vereeniging Prices per kilogram at three supermarket chains were higher than at local markets

Potatoes were 40 percent higher, tomatoes 86 percent, onions 197 percent, bananas 68 percent, oranges 221 percent

Council executive director Jan Cronje says it is impossible to compare the prices of all fresh produce to market prices due to repackaging and because size and classification are often omitted

Pick 'n Pay general manager Malcolm Baxter says although he is in favour of regular checks on fresh produce prices, people have to compare like with like to know what is cheaper

Baxter says the council survey is meaningless because it is not clear if other attributes such as grade, size and variety of the product were considered

Baxter says street hawkers play an important role in today's fruit and vegetable market.

"Even though their prices per kilo are sometimes way, way up, it is still convenient for people walking along the streets to be able to see something they want and then buy it," he says

Consumers are warned that only bulk buying is allowed at the markets and stockpiling fresh vegetables is not often wise, especially in summer.

Council spokesman Paul Roos advises consumers to club together once a month and buy directly from the market to benefit from the cheaper prices

"Consumers should also look out for farmer markets — where farmers bring their produce to specific areas and sell directly to the public", he says



Forking out . . . the price of fresh vegetables has sky-rocketed. Picture: Joao Silva

Revolution in business

■ Move away from Marxism to entrepreneurship:

By Joshua Raboroko

A SILENT revolution is taking place in South Africa This is the growth of small business, according to Mr Clem Sunter, chairman of Anglo American's gold and uranium division

Addressing senior executives of 120 South African corporations in Johannesburg at the weekend, he said two trends had emerged around the world during the 80s.

These were the move away from collective Marxist ideologies and the move towards entreprenеurship

"The fastest growing sector of the British economy is self-employment," he said.

He noted that in Khayalitsha in the Cape Province, for instance, 70 percent of dwellings had a backyard business and that the annual turnover on those 3 000 hectares of sand dunes had been estimated at R74 million a year.

"This just shows," he said, "that if we unlock the door to entrepreneurship we will find the High Road to development in South Africa"

Sunter said that a "dual logic" economy was developing in South Africa It was necessary to have big business that could undertake the large projects and compete with big corporations in other countries

Big business could also provide an important multiplier effect, opening the way for many local sub-contracting opportunities

It was important to create a ladder of opportunity for all South Africans so that people of ability and ambition could climb from the bottom micro-business rung all the way to the Johannesburg Stock Exchange.

Small Business Development Corporation managing director Dr Ben Vosloo told the executives South Africa needed to cultivate a value system based on individualism, private ownership and self-reliance.



WINNER: Kenneth Sibaca (left) receives the SBDC Emergent Entrepreneur of the Year award on behalf of Zamani Butchery in Khayelitsha, from SBDC regional general manager Wolfgang Thomas

Classy ideas follow a week-long focus

South 17/10- 21/10/92 (153A)

THERE was something for everyone during last week's national Small Business Week, but the focus on small business development will not stop there.

Small Business Development Corporation (SBDC) senior manager in the Western Cape Mr Johan Naude says SBDC staff are considering several ideas generated during the week to promote small business.

In particular, the SBDC would like to do more to encourage the involvement of school pupils in small business development.

The sector would probably have to provide jobs for the majority of school-leavers in future — and the sooner the pupils start "thinking business", the better their chances of succeeding.

"Although we received more entries this year for our youth entrepreneurship awareness competition, we only received entries from 17 of the 180 schools canvassed," says Naude

"We will obviously have to do more to involve the schools next year."

SBDC would also have liked to have had crafters demonstrating how they make their goods at the Small Business Week launch at the Victoria & Alfred Waterfront. Permission for this could not be obtained. It hopes to have better luck next year.

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.

October 17 to October 21 1992

Small business faces tough times — mayor

153A South 17/10 - 21/10/92.

THE leading role the small business sector can play in revitalising the economy was a major theme of the Small Business Development Corporation/Southern Small Business Week which ended on Saturday.

But small businesses face tough times as the recession lingers, and need support if they are to survive and thrive, a joint SBDC/SACOB survey showed

This was stressed by Cape Town mayor Mr Frank van der Velde at the launch of the Western Cape Small Business Week programme at the Victoria & Albert Waterfront.

"The political challenges facing the new South Africa are huge, but the economic problems to be overcome are equally daunting," said Van der Velde

"The economic challenge facing South Africa in the nineties is to turn around the progressive deterioration in economic growth, living standards, job creation and inflation, as well as the relative deterioration in per capita income.

"The simultaneous challenge is to narrow the wide disparities in income and wealth in South Africa, but in such a way that the fundamental ability of the economy to create employment and higher living standards is not undermined"

As experience in other countries showed, an important way to boost the economy was to stimulate the informal sector and small business.

"It is ultimately medium, small and informal business that will make or break our unemployment and growth challenge," said Van der Velde.

He highlighted several areas which would need particular attention to ensure they were able to meet the challenge facing them

"With the promulgation of the New Business Act, deregulation of informal sector enterprises has entered a new era with direct controls reduced to the minimum.

"We now have to co-operate with informal sector operators and their lobbies to reach compromises on important side issues like traffic control and the prevention of nuisance effects of informal markets and street vendors."

He said it was unfortunate that little, if any, progress had been made in establishing job creation hives on the Cape Flats. He urged SBDC and council officials to explore practical steps towards more low-cost production units near residential areas in working class suburbs.

Council officials should also pay greater attention to subcontracting out some purchases to the small business sector, and to implementing some job creation proposals developed by the council's City Planning Department

There was criticism that the Small Business Week was launched at the V&A Waterfront, which is seen in some circles as being elitist and "for white business only".

Van der Velde acknowledged this criticism, adding that black informal sector operators had appeared reluctant to come forward as prospective tenants This had been either because rentals were high or because of tough competition from experienced operators — but there had been changes

"Black crafters now form a regular component of the weekend craft market while the SBDC has just finalised the rental of premises in the new permanent craft market, earmarking its space for emerging black crafters"

There could be no doubt, however, that the V & A development had been a major boost for small business development in Cape Town.

"Most of the 170-odd new shops in the Victoria Wharf block will be run as small businesses, be they franchises, subsidiaries of national chains or independent enterprises"

The first joint SBDC/SACOB survey of small businesses released this week found that confidence was faltering in the sector because of the recession.

Most respondents were pessimistic about the prospects for business over the next 12 months, with the retail sector showing the highest proportion of pessimism. Most small business owners/managers did not expect to increase investment over the next 12 months, but 57 percent did not plan to cut back on jobs offered.

Most also expected production costs to increase, which they said they would have to pass on to consumers. This suggests inflationary pressures will remain.

Most respondents remain worried about the political situation, with 57 percent saying they expected this to contribute to a deterioration of business conditions.

Mavundla joins big business ranks

Sowetan 22/10/92.

Achib leader opens detergent factory in Johannesburg CBD:

153A

By Joshua Raboroko

HAWKERS' supremo Mr Lawrence Mavundla has made a big leap by opening a household products manufacturing factory in the Johannesburg Central Business District.

Mavundla, who is president of the 14 000-strong African Council of Hawkers and Informal Businesses, plans to open five other outlets to serve the informal sector

Mavundla King Products factory is at 41 Plein Street and sells a wide range of products, including detergents

"I take the opening of the factory as a challenge to empower my members as well as to allow them to get products at a cheaper price," Mavundla said at the official opening of the factory this week

He started the organisation after hawking for a long time in the city because he could not find employment

He was sacked from his last job for protesting against low salaries on Reef mines

"I strongly believe the informal sector will help create jobs for thousands of disadvantaged blacks," he said

He learned to mix chemicals and fabric softener and other household products, while a hawker, from sheer desperation

Also speaking at the launch was the United States programme director of WK Kellog Foundation, Ms Freddye Webb-Petett, who said that her company would start an intensive programme to train the disadvantaged in many fields

The company was also prepared to train small entrepreneurs to develop their skills in business

She said she was impressed by the spirit of entrepreneurship which was emerging among the black communities, especially women in South Africa

Need to demand affirmative action ● Afri-Tour is aiming to redress imbalance

Nafcoc's call to business

Sowetan 29/10/92.

BLACK PARTICIPATION Demand for affirmative action to reduce 'corporate stranglehold' on economy:

153A

By Joshua Raboroko

BUSINESS people have been urged to demand affirmative action programmes to reduce the "corporate stranglehold" on the South African economy

Speaking at a conference held at the Wild Coast Sun, Nafcoc president Mr Archie Nkonyeni said that the organisation's "3-4-5-6 programme" aimed at increasing black participation in and ownership of South African business, could not remain a concept for "academics to play with"

The programme, approved at the 1991 Nafcoc conference, calls for, among things, a 30 percent participation of blacks in management boards and a 40 percent ownership by blacks of all JSE-listed companies

It also seeks a ruling that 50 percent of the value of outside purchases made by listed companies should be placed with black-owned suppliers and contractors

It suggests that 60 percent of top management and personnel should come from the black community within a 10-year time frame

Nkonyeni said there had to be a concerted effort to bring blacks closer to the centre of the economy

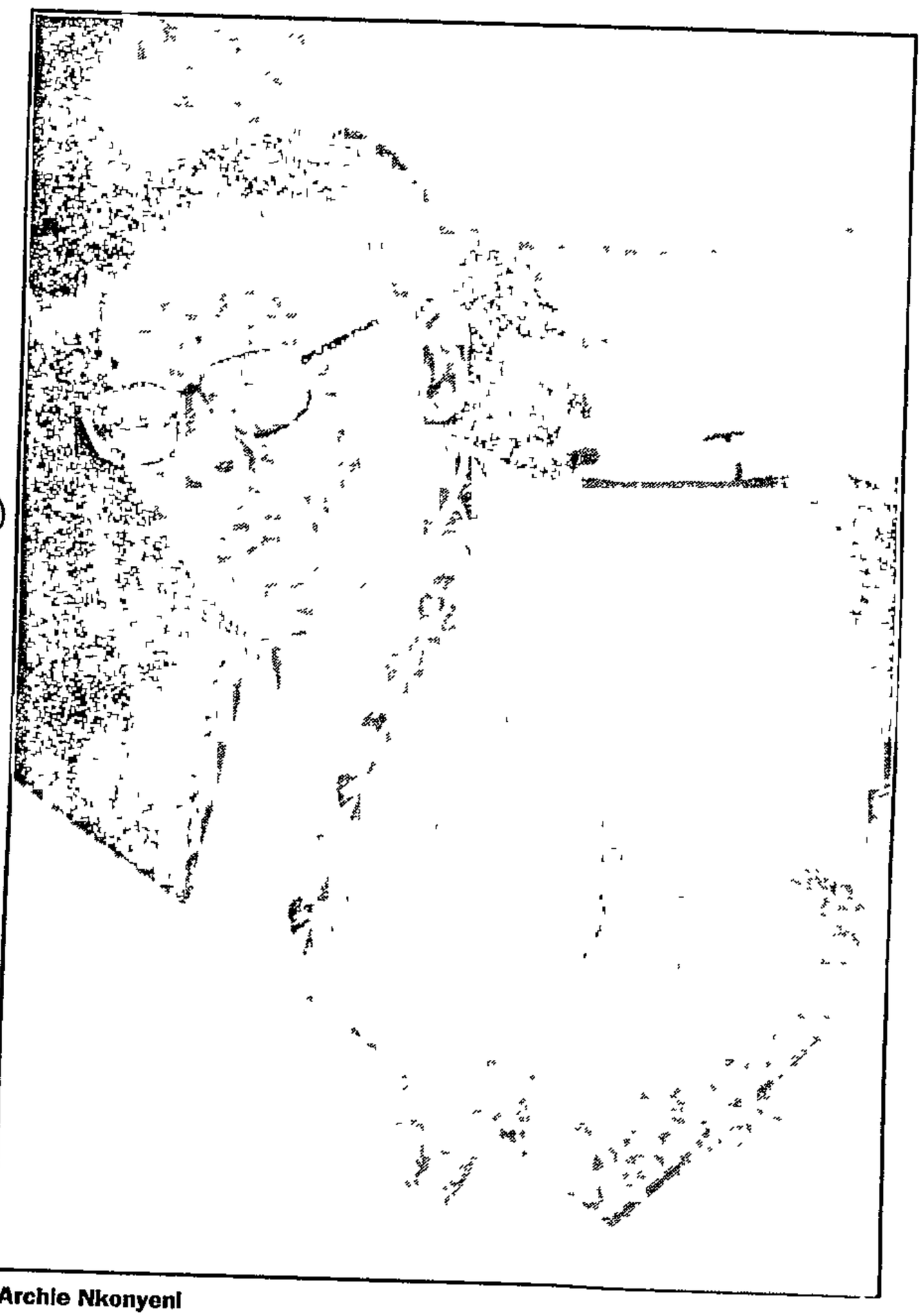
"The exclusion of blacks from the economic scene was calculated and implemented through apartheid Now a deliberate plan for black economic empowerment is called for

"Nafcoc is being restructured to carry black-led organisations into a new and liberated South Africa," he said

As the only true bridge between free enterprise and the needs of a society in transformation, Nafcoc was demanding black economic empowerment and a voice in management

"Today the organisation has become much more than an association of profit-motivated businessmen and businesswomen - it is an agent of development"

He said the role of Nafcoc was expanding into areas such as contribution to the formulation of economic policy, the development of strategies for social welfare and assisting in the creation of a non-racial, unified national employers' organisation



Archie Nkonyeni

Fair match makes big and small businesses

Sowetan 29/10/92

153A

■ Artistic textiles echo Africa:

By Joshua Raboroko

NUMEROUS small businesses hope to radically improve their turnover - in some cases by more than double - as a result of the Matchmaker Services Fair held at Nasrec last week.

Fair organiser Ms Judy Vorster said many of the 135 business exhibitors, from all over the country, received large numbers of inquiries and several entrepreneurs landed big orders ,

The Matchmaker Services is primarily aimed at linking entrepreneurs and corporates to the advantage of both.

One of the show's biggest success stories was newly-formed Natal based company Phakamani, which won the prize for best exhibition at the fair

Founded as an education project for unemployed women in January this year, Phakamani's artistic textiles have been widely acclaimed

It was founded by lecturer in fashion designs at Sultan Technikon in Natal Ms Gem Melville and co-founders are Mrs Busisiwe Bengu, Mrs Nokuthula Biyela, Mrs Mamile Mabasa, Mrs Mrs Makhosi Afrikaner and Mrs Sizakele Ntshangase.

Bengu is a 19-year-old woman with two children. She is a part-time model at the Technikon Art School, but has no other source of income. This is her first job "I like it because this is something that will help me in the future "

Biyela is 32 and has four children She has no formal training in any field "This is my first job I love it. This is the work I want to do forever I will also teach my daughter to do it," she said

Mabasa is 24. She did a computer course at a commercial college, but could not find any work She has since flourished at Pakhamani "This is the most wonderful job."

Afrikaner is 42 and has six children. To her Pakhamani means "a way to progress myself and my life and to make money without going all over to look for a job".

Ntshangase is 32 She said "When I was at school I was unable to draw, now I can draw and I am happy."

Each table cloth made by the women is hand-painted and has a unique design It has its own design style and is seen in some circles as the beginning of indigenous textiles

SBDC polls small man

Sowetan 29/10/92

153A

By Joshua Raboroko

■ Small business sector feels pessimistic about the recovery of the economy in the next twelve months:

SMALL businesses have been recognised as an important component of the South African economy

As a result the Small Business Development Corporation (SBDC) and the South African Chamber of Business (Sacob) have initiated a quarterly survey of prevailing perceptions of small business conditions

According to the survey

- Respondents feel pessimistic about a recovery in the economy,
- Respondents do not seem to plan for any expansion,
- The expected higher costs of inputs would be passed on to consumers;
- Respondents are even more pessimistic about the influence of current political and social conditions on their businesses,
- Respondents identified low market demand as the most significant restricting factor in terms of increasing sales

The vast majority (78 percent) anticipate increases in the price of inputs in the coming 12 months

Most respondents expect political conditions in the coming 12 months to have a negative effect on their businesses

blacks in business

Company provides loans to buy taxis

Sowetan 30/10/92

■ Members will also be helped to start other businesses:

153A

By Joshua Raboroko

THE Nafcoc-affiliated National African Federated Transport Organisation has launched a scheme involving millions of rands to help their members buy vehicles and start businesses.

The organisation has formed the Dewline Enterprise Long Distance Transport Company Ltd which will make loans available to potential taxi owners and shopkeepers.

The company already has R4 million in its coffers.

At a Press conference this week the company's managing director, Mr Lebina Mofokeng, said the company consisted of 28 Nafto associations in the Transvaal and Orange Free State who wanted to improve the standard and quality of the taxi industry.

Members were expected to buy the maximum of 6 000 shares. The money would be deposited in a bank and be used to buy vehicles.

About 150 of their more than 4 000 members had already benefited from the scheme, he said

The company offered security and provision would also be made for old vehicles to be improved and be insured against theft, riot damage and robbery

Lebina said that the association had built three large supermarkets in Petrus Steyn, Kroonstad and Vereeniging.

SA told to join Africa

Sowetan 30/10/92

■ Research shows this will create economic opportunities:

SOUTH Africa has been urged to enter into new economic pacts with the rest of the continent.

A study commissioned by the SA Chamber of Business and released in Johannesburg this week has outlined the crucial importance of co-operation with African States.

The Africa Institute of SA, which carried out the research, says progress towards full international acceptance will strengthen commercial and other bonds.

Researcher Dr Erich Leister says the African countries welcome these developments and look forward to South Africa joining regional groupings such as the SA Development Community and the Preferential Trade Area for Eastern and Southern Africa (PTA).

Western leaders and development agencies hope that South Africa will help to promote development and stability in the region.

the year ended

per share (1991 107 cents)

BUSINESS Building a stable future which will include b

Enemies of Caesar will be vilified

Sowetan 30/10/92

By Joshua Raboroko

CONDUCT CODE Companies will have to give blacks a real stake:

A DRAFT code of vigorous affirmative action to speed up economic empowerment of blacks has been proposed by small businesses.

In terms of the code, companies will have to subscribe to the advancement of blacks on their boards and in the ownership of a meaningful stake in commerce and industry.

The code was proposed by the managing director of Corporate Image, Mr Moss Leoka, when he addressed exhibitors at the Matchmaker Services Trade Fair in Johannesburg.

Many of the exhibitors at the fair agreed that a code be drafted and supplied to big companies with the aim of making them vigorously engage in empowering blacks.

The feeling was that small businesses created jobs at a time when the country was plagued by large scale unemployment. Some agreed that the informal sector should also be boosted by the Government instead of it (Government) spending millions of rands on defence.

"The war on our border is finished, we need the money to create jobs and wealth so that we can live peacefully in the new South Africa," one exhibitor said.

Leoka said: "This code should be voluntary only to the extent that companies will be able to set quotas and time tables themselves, to suit their own particular circumstances."

He warned that non-conforming companies would be publicised; their names be distributed to the nation that "they are not friends of Caesar".

The Government should not be let off the hook, and business should demand that part of the Government's huge buying budget be spent on black suppliers.

"It is only in this way that we can say we are building a stable future together."

He said that South African business, especially big business, stood accused of knowingly supporting apartheid. It was their responsibility to get rid of "this wicked system".

"My appeal to business is they should voluntarily search their souls and decide on programmes that will speed up the economic empowerment of blacks," he said.

He said most black business was under-capitalised because they did not have easy access to finance.



Moss Leoka

Black manufacturers, like all small businesses, could not afford to employ hundreds of workers, nor could they afford the high capacity production machines because they lacked money.

Black businesses could not distribute their produce nationally as a result of lack of distribution networks.

They have been hamstrung by political unrest, stayaways, strikes, to sudden and unannounced cuts in electricity and water.

Far East investment should be lured

AFRICA could attract foreign investment from Far Eastern textile and clothing companies if it offered the right incentives, Hong Kong Polytechnic academic C Chan said yesterday.

He told the productivity conference the countries of the Far East were some of the world's major sources of textile and apparel suppliers but they had to move to cheaper producing countries if they wanted to remain competitive.

Foreign direct investment by Hong Kong clothing manufacturers could

Business Day Reporter

be beneficial to up and coming Third World nations, said Chan.

While it was difficult to estimate foreign direct investment from Hong Kong, one source had estimated it at about HK$4,3bn, of which a third was textiles and clothing.

As existing textile and clothing manufacturing countries lost their comparative advantage and protectionism by industrialised countries continued to have a restraining effect, manufacturers would continue to look for replacement sources to set up their factories.

"The African continent is the one place on earth that has the potential to host the outflow of direct foreign investment on the basis that it has abundance of labour at a relatively cheaper cost," said Chan

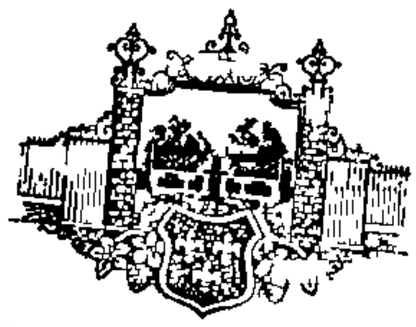
Africa needed to formulate an action plan to initiate foreign investment. African countries that had started up export processing zones with incentive packages would succeed depending on politics and infrastructure including government regulation and transport.

Generating jobs cheaply

Business Day Reporter

SMALL business development was a low-cost generator of employment, Small Business Development Corporation spokesman Edwin Basson told delegates.

The SBDC advised 2,5-million informal entrepreneurs, employing about 3,5-million people and generating about 15% of measured GDP. The process of entrepreneurship in generating growth and creating wealth should be allowed to mature at its own pace, without government intervention, he said.



La Motte 1695 Wine Estate

Now available in limited quantities
at select stores

La Motte
Cabernet Sauvignon 1986

Concern at increase in hawking

ARG 6/11/92

153A

CLIVE SAWYER
Municipal Reporter

SENIOR counsel are to brief the city council executive committee today on what can be done to control the mushrooming of informal trading in the central city

"We are getting complaints by the hundreds, daily," said exco chairman Louis Kreiner.

"These traders are blocking businesses, using their toilets as public conveniences, and will be in the way if emergency vehicles had to come through — it's third world and totally unacceptable."

Exco resolved yesterday to seek a meeting with Administrator Kobus Meiring over the spread of hawkers in streets such as St George's Mall.

Changes to informal trading in the light of the Businesses Act have caused concern to local authorities because of the loss of control over hawking

● It was possible a municipal lottery in Cape Town could follow the lines of Natal Lotto, started last month.

In touch

A sophisticated electronic trading service that relays tender information between suppliers and SA's main mining groups, industrial conglomerates and semi-State companies will provide a vital bridge between big business and the informal sector

Trade Net, which now links about 5 000 buyers at organisations such as Anglo American, JCI, Gold Fields, Transnet, Iscor and Eskom with more than 3 000 of their suppliers, is positioning itself to become a conduit for small firms to do business with the large conglomerates that dominate the SA economy

"It is estimated that the tender business in SA is worth at least R60m a day A significant slice of this could be opened to small businesses," says Trade Net MD Joe Brady

He points out that many big organisations have committed themselves to helping the development of the informal sector by placing an increasing portion of their purchases with small businesses. However, it is extremely difficult for these large groups to contact the appropriate informal suppliers, says Brady He adds that it is almost impossible for informal businesses to canvass any of the large industrial groups, mining houses or State corporations directly

* continue — D p82.

Computer technology, once regarded as the domain of big business, could provide the answer Trade Net, which is owned jointly by the *Financial Mail*'s publisher, Times Media, broadcaster M-Net and ISG, the sole distributor of IBM in SA, operates what is, in effect, an electronic marketplace

Buyers are able to use the Trade Net computer network to issue electronic information about the type and quantities of goods they want to buy Other information, such as the closing date of the tender and where the goods need to be delivered, is also supplied by the buyer

These electronic requests are relayed by Trade Net's central computer to SA subscribers able to supply the goods specified by the buyer Prospective suppliers are able to use the electronic service to tender for the goods requested They are later informed, through the network, whether their tender has been accepted

Brady says Trade Net's potential to cut buying costs, improve the efficiency of buying departments, reduce stock holdings and streamline administration is attracting large numbers of big buying organisations and their traditional suppliers to the service Many are already achieving significant savings and efficiency improvements, he says

But Trade Net also offers tremendous opportunities to small businesses, says Brady "While most buyers and suppliers use PCs to dial into the Trade Net network, there is also a fax link available for small businesses Requests for information issued on the network by large buying organisations are automatically faxed to the appropriate subscribers They are able to fax their responses back to the buyers or to the Trade Net head office in Randburg, where they are keyed into the computer network"

Purchasing organisations, he says, cannot distinguish between those responses that send directly to the network by computer and those first faxed to Trade Net. All the responses are delivered electronically to the buyer on the closing date specified on the call for tenders

"Trade Net offers the informal sector an ideal entry point into the world of big business," says Brady

The organisation has begun discussions with the SBDC and with the National Economic Initiative about the possibility of enabling the "hives" or entrepreneurial business units run by these two groups to gain access to Trade Net's network through PCs

The Trade Net service is already handling 50 000 transactions a day, up from 15 000 in January, and Brady says demand for the service, from large and small businesses, is expected to increase substantially in the next few years

Trade Net technical director Bruce Heath points out that one of the strengths of the service is its ability to link a broad range of businesses operating in diverse industries "While the fax link to the Trade Net service is opening up opportunities for small businesses, we also plan to offer new facilities



Brady *R60m a day*

tailored for large organisations"

The most important of these is linking Trade Net to a Value-Added Network service This will enable users of the Trade Net service to transmit and receive EDI messages (electronic documents that conform to a specific set of standards) between organisations in SA and elsewhere in the world

"Many organisations are not ready to make the large investment necessary to implement EDI but, by early next year, Trade Net will be able to accommodate those firms that want to go this route," says Heath Other new facilities under consideration include an electronic message service for Trade Net users, updating of contract price files, the creation of an on-line data base of suppliers and products and access to various commercial databases operated by organisations such as the CSIR and SA Bureau of Standards ■

R90 million created in Khayelitsha

(SBA)

CT 7/11/92

By BARRY STREEK
Political Staff

MORE than R90 million in business had been created in the 3 000ha of Khayelitsha, Anglo American's gold division chairman Mr Clem Sunter said yesterday.

This had been created without a single civil servant being involved, he told a Pam Herr Organisation seminar.

Mr Sunter said he had been informed by Mr Theo Rudman of the Self-Employment Institute that R91 million had been created in Khayelitsha. This, he added, was "brilliant, brilliant"

South Africa was a nation of entrepreneurs, apart from its civil service, and a revolution in the form of small business was taking place

Mr Sunter recounted that a Khayelitsha woman with little formal education left a clothing factory and bought an industrial design machine for R5 000 and then employed hundreds of women to make dresses She was now earning R50 000 a month or R6000 000 a year.

The small business sector had to be stimulated

Businessmen should also realise that they would make more money by using small businesses, Mr Sunter said

Govt depends on middle class

IF South Africa's middle class started leaving the country it would not matter who governed because the government would not have a chance, Anglo American's gold division chairman Mr Clem Sunter said yesterday.

South Africa still had a fairly vibrant economy and for competent managers it was one of the most exciting places in the world, he told a Pam Herr Organisation seminar.

He had no doubt that reason and consensus would prevail in the country.

However, it was essential that the skilled and professional middle class took the initiative to stimulate economic growth.

Singing crowd hails

News in Brief

Dagga: Search for blon

POLICE are on the
Smith

When going is rough, streets get busy

C/Press 8/11/92 (153A)

By JENNIFER GRIFFIN

MZIKAYIFANI Ndlovu quit his job as a security guard in January to set up shop on a Johannesburg street corner, where he now sells chocolate bars, peanuts and plastic earrings.

Ndlovu earned R500 a month as a security guard. Now he earns over R3 000 a month – six times more – by hawking his wares seven days a week on the crowded Johannesburg pavements.

Prior to the reform of apartheid, he would not have been allowed inside the city limits without formal employment in a white-owned business.

Rapid changes have transformed Johannesburg from the sterile white city that attempted for decades to imitate the West into a bustling, chaotic African metropolis.

Since 1986 when influx control laws disappeared, a flood of people emerged looking for work in the cities.

Population growth after years of forced overcrowding in the townships has led to a shortage of housing, a proliferation of shacks and increasing friction between the races.

White residents protest loudly against the creation of informal shack settlements when the government sets up "site and service" schemes (water taps and toilets) on tracts of land purchased near their properties.

The government no longer pursues its policy of forced removals, but that does not mean that removals do not take place at local level, says Rolf Dauskardt of the Urban Foundation.

"Informal housing is condoned if it occurs on the edge of some small township," says Dauskardt.

But many people cannot afford the cost of transport to work from distant townships.

Insted of spending most of their salaries on taxi fares, workers attempt to move closer to their jobs by setting up shacks anywhere they can.

White residents then fight local government to prevent them from settling squatters in areas that might cause property values to fall. The Nimby ("Not in my back yard") syndrome now afflicts Johannesburg.

With 17 different housing departments based on racial categories, decentralised decision-making backed by little real authority has ensured that informal housing and the problems associated with squatting have not been addressed by the government.

A housing freeze imposed in the 1960s and 70s confined the building of houses for blacks to the homelands and left the country short by 1.2-million units, according to the Urban Foundation.

"The government has shifted the responsibility for providing social services to the private sector," says Dan Mofokeng, general secretary of the Civic Associations of the Southern Transvaal, an umbrella group for shadow councils established by township residents.

He stressed that money allocated into the defence budget ought to have been spent on housing.

BIDM 9/11/92

153A

Informal business

SMALL and informal business must be supported at all costs, Vista University economics department head Prof Michael Levin told a Cape Council of Hawkers conference in Port Elizabeth.

He said the informal sector business was essential as it employed 33% of the labour force and produced 15% of GNP.

NATION BUILDING *How to start small but end up with a big future - with the Sowetan's ideg!*

Sowetan 11/11/92

Small and walking tall



Guests at the *Sowetan* Entrepreneurial Development Conference

By Joshua Raboroko

THE *Sowetan* Small Business and Entrepreneurial Development Conference last month was an important milestone for blacks in South Africa.

It rekindled the spirit of entrepreneurship among African participants who were also addressed by international speakers

Among the participants at the three-day summit were African entrepreneurs Commercial and Development Finance Bankers International Finance and Development Agencies representatives of the Africa Project Development Facility (APDF) and the World Bank

BIG PLANS *Conference was milestone in the history of the small business world:*

The conference sponsored by *Sowetan* and the Development Bank of Southern Africa focused on how indigenous African entrepreneurs could work together and promote and motivate the spirit of competitive business on the continent

It suggested that 'entrepreneurs will play a central role in the transforming African economies'

Africa's future

A consensus, increasingly reflected in policy reforms and other initiatives, was forming around that vision of Africa's future

It was contended that while more and more policy makers and aid donors believed that future development in Africa rested with entrepreneurs and markets, there were different views on how they could effectively lead that development

Create jobs

One of the speakers at the conference, APDF general manager Mr Alexander Keyserlingk, said as soon as a political settlement was reached in South Africa, we will enter with the aim to help small business people".

'Africa needs more entrepreneurs in order to be able to create job opportunities and wealth

"The continent will have to address the question of poverty in a more vigorous manner," he added

Worked on

The APDF has worked on 23 projects in African countries The projects in which about R144 million has been invested, are expected to result in the creation of 2 000 jobs

In its five years of existence, it has worked on 110 projects in various countries resulting in the creation of business opportunities for more than 11 000 people

Victim syndrome

"We are on the right track to economically empower the people to become job creators thus rejecting the victim syndrome and really trying to make them believe in themselves and to help growth in the country"

Speakers at this milestone conference included PAC economist Mr Sipho Shabalala, Nafcoc president Mr Archie Nkonyeni Fabcos' Mr Gaby Magomola, SBDC's general manager, Mr Joe Schwenke, and the APDF's Harare-based Mr Omari Issa-



Small business is a vital part of our economy.
Sanlam has been backing it for years.

Nearly all enterprises grow from small beginnings

Sanlam started the same way That is why we support entrepreneurship so actively.

The Sanlam group is one of the largest shareholders in the Small Business Development Corporation Helping emergent business people from all parts of the country

We also support the informal sector by sponsoring two schools of business practice – the Sanlam Centre for Small Business Management and the Sanlam Entrepreneurial and Management School

Furthermore, Sanlam encourages ongoing business initiative through competitions which recognise outstanding performance

In the interests of growth, Sanlam is here to offer helpful guidance and advice to all who are working towards the future

Essentially it is part of our mission To assure a better tomorrow for you, our country and all its people.

Sanlam
Assuring your tomorrow, forward!

LINTAS CAPE 7993/E

NATION BUILDING *Helping up the underdog with the assistance of a caring company*



Happy children at a creche in Guguletu near Cape Town admire the beautiful hand-made toys that have been donated to the school. All the toys were made by senior citizens who entered them for Sanlam's Pretty Things for Little Things Competition.

Banking on a growing society

Sowetan 11/11/92 (153A)

By Joshua Raboroko

REACHING OUT *Sanlam makes a commitment to helping the disadvantaged:*

THE DEVELOPMENT OF the small business sector for a sound and flourishing economy is just as important as education

Expanding the small business sector ensures participation in the free-market system, which is the sound basis for economic prosperity

As one of the largest shareholders of the Small Business Development Corporation, Sanlam is at the forefront of small business development in South Africa

Sanlam senior public affairs manager Mr Leon Koen says We are fully aware of the critical importance of the small business sector in paving the way to economic recovery "

The thrust of the company s corporate responsibility programme in relation to small business development is concentrated in two areas - the promotion of the concept of entrepreneurship and advancement thereof through training

To achieve the first end the company sponsors several competitions in conjunction with the SBDC and *Sowetan* to promote and encourage entrepreneurs and new business ideas

According to Koen, Sanlam's contribution in the area of training is diverse and includes support for organisations such as the South African Free Market Foundation, the South African Foundation for Entrepreneurship Development, Get Ahead Foundation, Africa Cooperative Action Trust, Triple Trust, Valley Trust, the Independent Business Enrichment Centre, Informal Business Training Trust and the African Businesswomen's Development forum

Moreover, in conjunction with the northern Transvaal Technikon the company established the Sanlam Centre for Small Business management, which provides vital training for business people in the informal sector

Sanlam has not only become an important player in South Africa's economy as a life assurer and investor of policy-owners' funds, but its involvement in social and business upliftment, as well as education and training, clearly illustrates the company's acceptance of a much wider role

' It shows our deep commitment to the future of all South Africans, Koen says

Referring to welfare and health-care, Koen says far-reaching political and economic change in South Africa, as well as unemployment and health and housing problems have placed unparalleled demands on welfare and health services

"Comprehensive political and economic changes provide massive challenges

"A shortage of job opportunities health problems such as tuberculosis, AIDS and malnutrition, as well as a shortage of housing, are making demands on the already-shrinking resources of the government and also on every individual

"This situation places a double burden on welfare and health organisations

"We regard it as our duty to help, so that all of us can look forward to a brighter future That is why Sanlam supports more than 50 welfare and health organisations We must help to pull the cart of economic upliftment, and this we do gladly," he adds

Regarding education, he says there are today many conflicting views on the future of South Africa

Politicians oppose one another and philosophers debate their divergent scenarios Even businessmen and the collective man-in-the-street are divided in their hopes and dreams for the new South Africa.

The only fact about which there can be no argument is that education and training will play a critical role in our shared future Every right-thinking South African will agree with this

"The factors which will determine our quality of life and standard of living are not simply technology, factories or equipment.

"Our major assets on which we must depend are our human capital - our individual and collective insights, abilities and skills These are the seeds which, if sown wisely, will blossom into a bright future for all of us," says Keon

"But to prosper and grow these seeds need nurturing - nurturing which can only be provided through education and training

"We at Sanlam realise this full well, which is why the major part of our corporate social involvement is allocated to education and training "

Sanlam supports education from preschool to tertiary level One of its most recent projects is the Sanlam Saturday School for black matriculants This rewarding project is run in conjunction with the University of Potchefstroom

To assist the company in its task of allocating funds for corporate social involvement, it conducts regular research to determine the areas in greatest need of its support.

In addition, the company conducts surveys among its policy-owners to ascertain their preferences with regard to the allotment of funds

Acting on the results of this research, the company extends financial aid mainly to education and training the development of small business sector, job creation, welfare and health-care

But it does not stop there It also supports nature conservation, sport, culture and several other community projects When Sanlam's name is mentioned, one can be forgiven for seeing a mental picture of a huge institution involved in many sectors of the economy But the truth is that it has - first and foremost, always been, and still is, a leading life assurer

It therefore seems reasonable to claim that it actually performs a social function, through helping people to help themselves and through providing financial peace of mind and financial growth

The company is owned and ultimately controlled by about two million policy-owners of all population groups

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LINTAS CAPE 3003576

NATION BUILDING *Helping up the underdog with the assistance of a caring company*



Happy children at a creche in Guguletu near Cape Town admire the beautiful hand-made toys that have been donated to the school. All the toys were made by senior citizens who entered them for Sanlam's Pretty Things for Little Things Competition.

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Assuring your tomorrow
For sure!
LINTAS CAPE 3000574

Big business urged to give blacks a chance

NATIONAL Sorghum Breweries chairman Mohale Mahanyele yesterday urged big business to ensure the growth of the SA economy by giving special attention to the development of black business

Addressing the SA Association of Business Management AGM in Johannesburg, Mahanyele also called on government to have a policy giving tax incentives to companies and opportunities to small business

"Business is part and parcel of

THEO RAWANA

society, and as such, is also responsible for the state of the nation. Business leaders must cease to blame political leaders for seemingly unrealistic economic solutions, when they themselves have failed to eliminate poverty," he said

Urging companies to step up the process of promoting blacks into top managerial positions, Mahanyele said "The saddest thing about SA is that there are millions of willing and capable blacks who are still denied opportunities."

His company had shown what could be done to boost the SA economy by scoring success after success with an entirely black executive and staff, he said

Big business could promote the development of small business through skills training, education, subcontracting and sourcing supplies from small companies, he said

SA man to study burial business

153A

THEO RAWANA

NATIONAL Association of Co-operative Societies of SA — an umbrella body for burial societies — is to study French coffin manufacture in a bid to grab a share of the R300m-a-year SA black burial business.

The association's CE Sam Muofhe said yesterday he would spend nine days in France from November 17 to examine coffin manufacturing, funeral undertaking services and catering.

Development company CBED — whose chairman is Soweto civic leader Nthato Motlana — directs the operations of the association, which has more than 1 000 funeral savings and women's clubs representing 300 000 members.

The idea behind the formation of the association was "to keep the black rand circulating among black hands", Muofhe said.

"Black funeral services are big business for other races, and our people pay out huge sums of money without any of it being ploughed back into the community."

The aim of forming the association in 1990 was to harness the R300m black burial industry, developing related businesses owned by members and thereby boosting black economic empowerment, Muofhe said.

12/11/92.

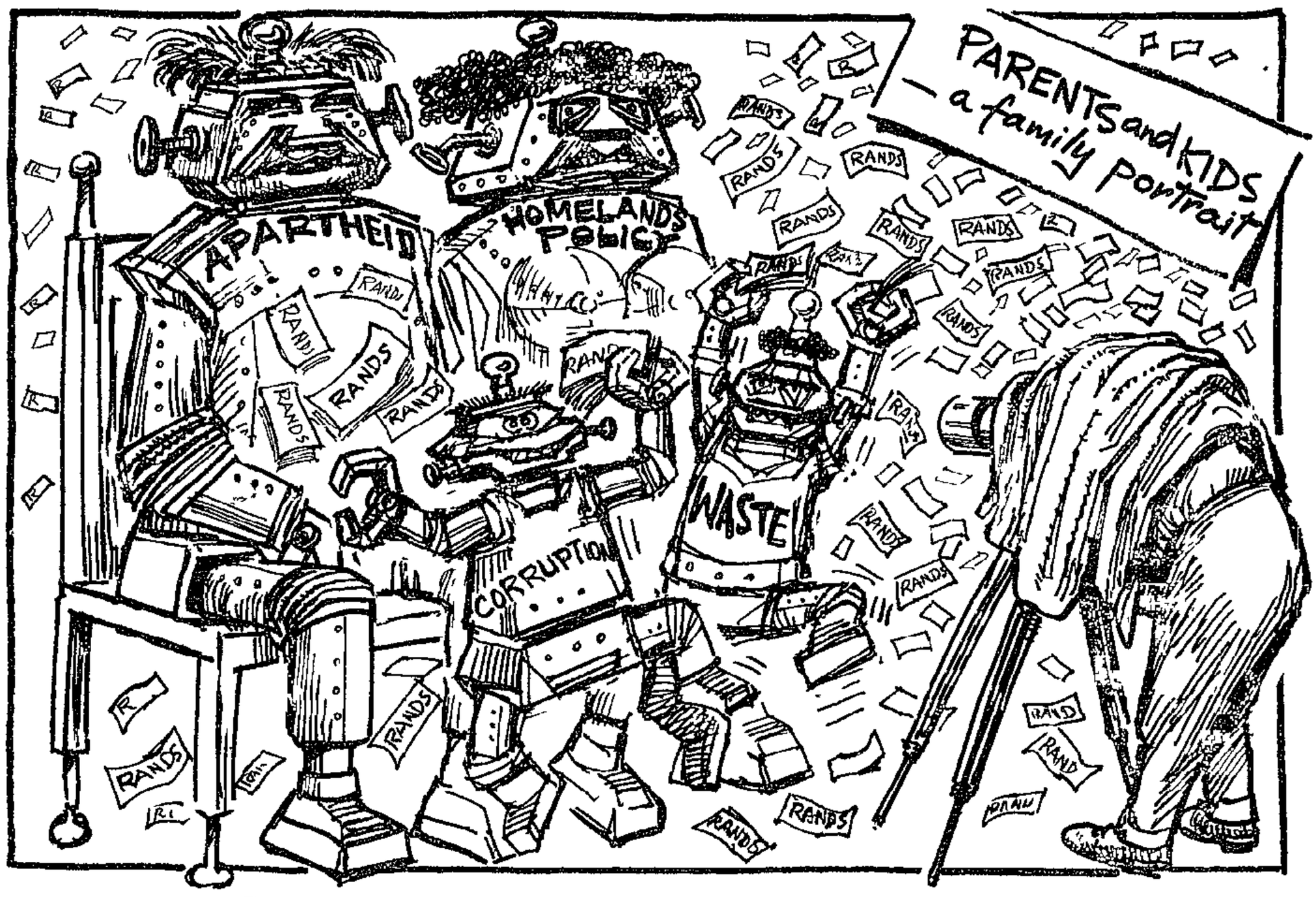
He added: "To this end the association has acquired a R100 000 coffin-manufacturing plant in KwaNdebele and has recently launched its catering services division to cater for members."

These were just beginnings and the trip to France was to get ideas on running a professional service.

"Black funerals have become flashy, empty events with no thought given by operators to quality."

The association would emphasise quality with more affordable services.

FOCUS *Power struggle is bringing about the collapse of Fabcos*

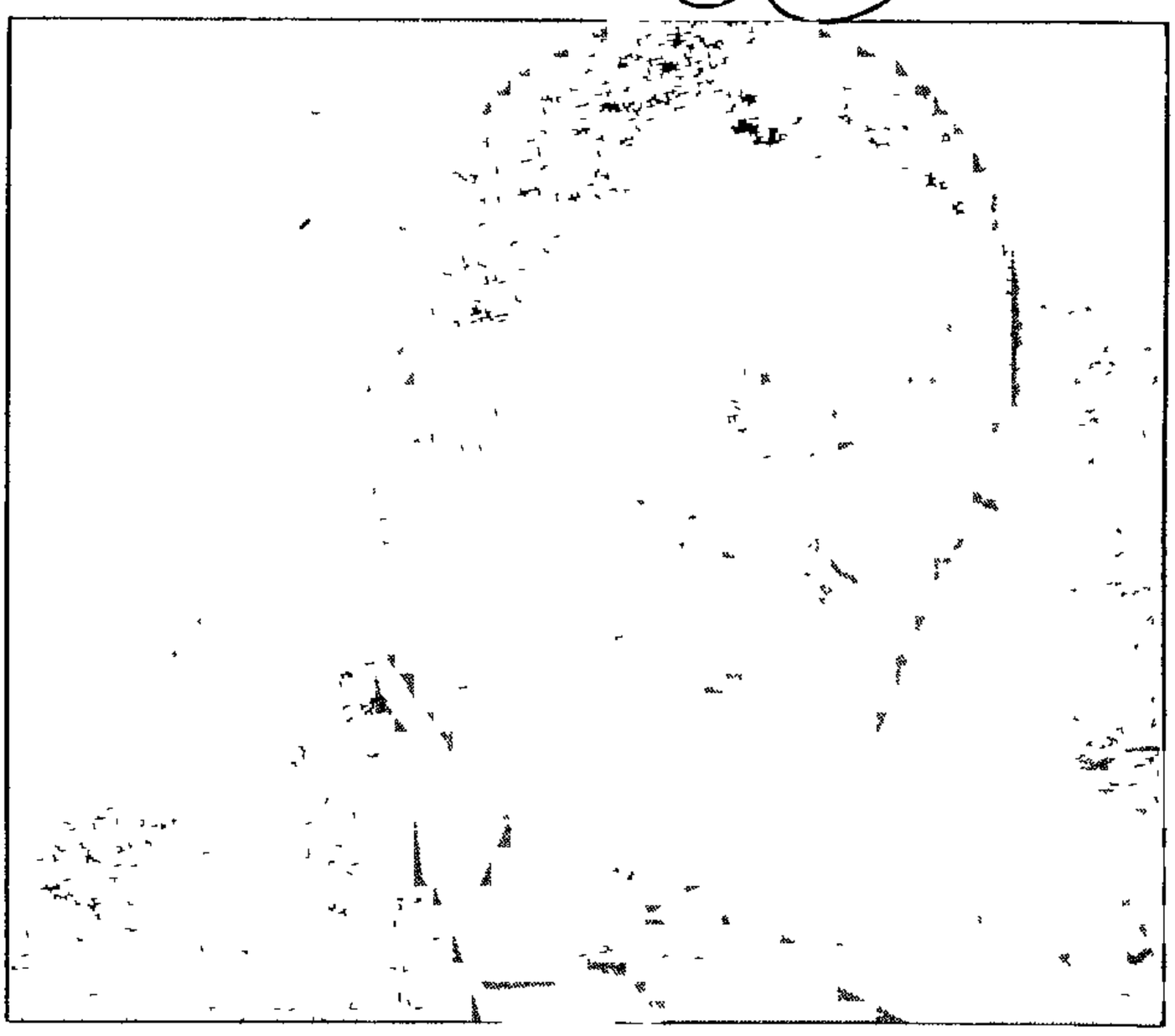


focus on Fabcos

Sowetan 13/11/92.

The Foundation for African Business and Consumer Services seems to be headed for disintegration as a result of an alleged power struggle among senior officials.

Mzimkulu Malunga reports:



Gaby Magomola ... cleared by Reserve Bank

PERSONALITY CLASHES BETWEEN three senior officials of the Foundation for African Business and Consumer Services (Fabcos) have thrown the organisation into a crisis

Two have resigned

At the core of the power struggle is the chairmanship of FutureBank and other problems regarding Fabcos' lifeline, the black taxi industry

None of the three officials has denied there has been disagreement on the issues

The three are Taxi SA Marketing chief executive Jabu Mabuza, the company's former joint managing director, James Chapman, and its non-executive chairman, Gaby Magomola

There are signs that the dispute is speedily seeping down to grassroots level and is threatening to bring down the whole edifice - painstakingly built up from modest beginnings

In the past two weeks three major incidents, which could have a bearing on the company's future, took place within Fabcos

Firstly, Magomola resigned - it is believed he was forced to do so - and at about the same time Project Spear, a taxi driver training scheme run by the company, closed down And early this week another company wing, Ads on Taxis, also folded

Ads on Taxis managing director Colin Judin said the project was scrapped because Fabcos could not raise enough cash to sustain it

Earlier this year Fabcos retrenched 143 of its staff, including senior officials, which effectively disbanded some of its departments such as public affairs

Branch offices in Cape Town, Bloemfontein, Durban and Johannesburg have also been shut down "Fabcos now exists in name only but in practical terms it is no more Funds began to dry up a long time ago," says a former official of the organisation who asked not be named

To compound matters, First National Bank is also reported to be angry with Fabcos following the organisation's failure to adhere to a promise to deliver stokvel members to the bank's club account scheme

The planned scheme with FNB was to have replaced the SA Perm's club account project with the National Stokvels Association of South Africa (Nasasa) after the former had pulled out Nasasa is one of Fabcos' affiliates

Fabcos' biggest affiliate, the Southern Africa Black Taxi Association (Sabta), is also reported to be in tatters

There is apparent national discontent with Taxi SA Marketing, which is accused of "dictating terms" to Sabta's elected leadership

"We started Sabta when apartheid was as hot as Indian chillis but these young men who arrived yesterday want to tell us what to do" says executive committee member of Sabta's Pretoria United Taxi Association (Puta) Mr S J Mgidi

And Puta chairman and Sabta executive committee member Mr Enos Makena says 13 of the 17 regions in the Transvaal are unhappy with both the provincial and the national leadership

"That is why we were picketing during both Sabta's and Transvaal Taxi Association's (TTA) annual meetings this year," he says

Moves are also afoot in the Western Cape to undermine Sabta's national leadership and launch a splinter group

Sabta officials in the region claim Chapman is poaching their members by using a coloured taxi association

Chapman has confirmed he is working with certain structures in the Western Cape but claims he was approached to do so

Speculation that Fabcos was on the verge of collapse increased after Chapman's departure early this year He is believed to have been instrumental in turning the taxi industry into a money-spinning machine

When Magomola announced he was stepping down at the end of the year an internal battle which had long been simmering, erupted into the open

"There is something seriously wrong within Fabcos You must note that it is no longer myself alone who has left the organisation Mr Magomola has resigned as well," says Chapman

Sources within the organisation are suggesting Magomola was "advised" to resign following suspicions he and Chapman were colluding to topple Mabuza

Initially, both Magomola and Fabcos had agreed to issue a joint statement "to avoid the negative impact" that his resignation announcement would have But the issue took a

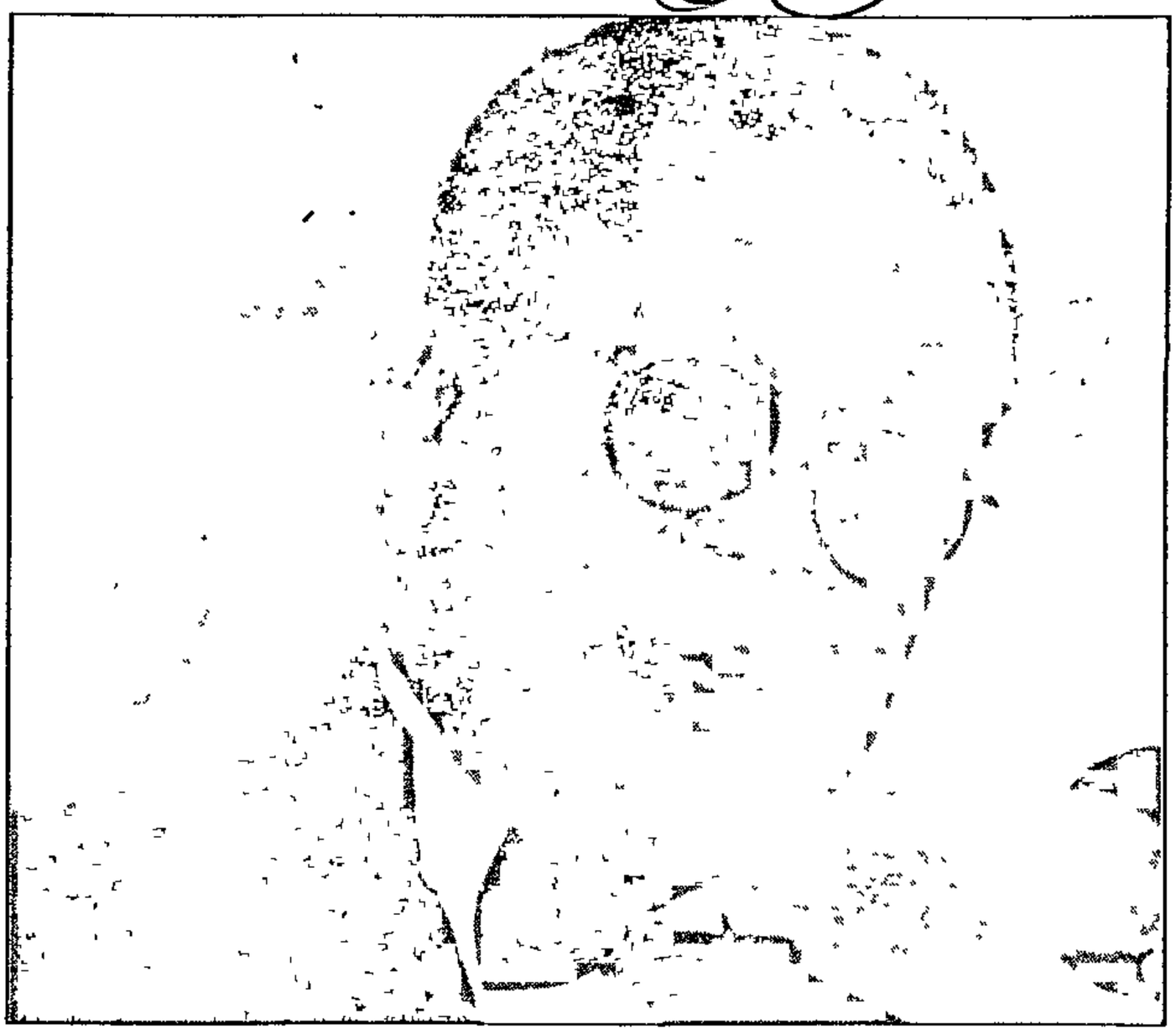
● continued on next page

focus on Fabcos

Sowetan 13/11/92.

The Foundation for African Business and Consumer Services seems to be headed for disintegration as a result of an alleged power struggle among senior officials.

Mzimkulu Malunga reports:



Gaby Magomola ... cleared by Reserve Bank

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Jabu Mabuza ... "refused to be a front"

Sowetan 13/11/92 (BB) (153A)

● continued from previous page

dramatic turn when Press reports indicated he would resign from the Fabcos board at the end of the year.

Magomola has denied he had violated the agreement by talking to the Press "I don't want to be involved in controversy but I can now confirm that I have resigned from the FutureBank board and I will be stepping down as a Fabcos board member at the end of the year," he says

He says he shares the belief that Fabcos is collapsing He will not elaborate until after the joint statement with Fabcos

However, Mabuza says Magomola had no respect for Fabcos' management

It is understood that when FutureBank was formed the three had agreed the chairmanship would go to one of them

Chapman stood no chance because he is white and Magomola was not suitable for the position because of the "suspicious" reasons why he had left African Bank in 1989 Mabuza had then become an "automatic" choice for the chairmanship

But insiders say the move was supposed to be a temporary one and Magomola was to take over later once a trading licence had been acquired and he had been cleared by the Reserve Bank

Things did not go as planned, however, when Mabuza refused to step down even after Magomola had submitted a certificate from the Reserve Bank clearing him from the African Bank "scandal"

Eventually, Mabuza managed to win the support of the board to oust Magomola.

On his resignation Chapman indicated he would sell all his shares in Taxi SA Marketing but later changed his mind He still has a substantial stake in the company He has also offered to act as consultant for Sabta but the offer was rejected

"Following that response, Chapman went on record during a shareholders meeting as being in direct competition with us Soon afterwards we got reports that he was interfering with our structures in Pretoria and the Western Cape," says Mabuza

Chapman has countered "How can I go out of my way to harm an organisation I helped build up?"

But Mabuza has not taken this lying down "If I had known that Chapman was just a white man involved in our activities to further his own personal interests, I wouldn't have defended him four years ago when he was heavily criticised

"I did not know that he wanted me to front for him and be executive chairman to everybody else but Chapman," he says

Informal sector's role will grow, says report

ADRIAN HADLAND

THE PWV's informal sector would have an increasingly important role to play in creating jobs, a Central Witwatersrand Metropolitan Chamber report has stated (153A) (B)

The report, the Interim Strategic Framework, suggests a number of policy guidelines aimed at land-use, infrastructure and transportation planning in the region BIDAY 13/11/92

The subject of months of negotiation within the chamber's physical development working group, the report is expected to have a major effect on urban planning during the interim period

The population of the PWV will increase by 80% from 8,9-million to 16-million by the year 2010

Of the 16-million people, 13,4-million will fall in the low income (R1 000 a month or less) bracket compared with 6,5-million at present.

In the central Witwatersrand area alone, an additional 1-million jobs will have to be created, a substantial number of which will have to be low income or informal employment opportunities.

"Almost four times more lower-income type jobs than exist at present will be required by 2010 for all economically active people to have a job"

The report says informal sector employment will have to play an increasingly important role in job creation

It pinpoints seven strategic objectives which will allow the region to cope with urbanisation, housing shortages, transport inefficiencies and growing demands on services and infrastructure

These include the development of vacant or underutilised land for residential and commercial use, the densification of inner city areas, the upgrading of township and informal settlement areas, improved services and the provision of an affordable, efficient transportation system

Civic associations, local authorities and government bodies represented on the chamber have until the end of January next year to comment on the proposals.

Meiring to stroll in 'hawker-land'

CT 17/11/92

By PETER DENNEHY

CAPE administrator Mr Kobus Meiring will take up a challenge by a city councillor today and take a lunchtime stroll down St George's Mall to examine the trading conditions of hawkers

Spokesman Mr Frikkie Odendaal said yesterday Mr Meiring had responded to Mrs Patricia Sulcas-Kreiner's call for him to have a look at the situation

The stallholders are expected to be there, because the council has merely "urged" the street vendors to establish themselves on Thibault Square.

According to stallholder Mr Grant McNevin, about 20 of some 100 traders started collecting signatures yesterday for a petition to allow them to remain in the mall.

Mr McNevin denied the council's claim that the mall was overcrowded He said it was not in the interests of the stallholders to crowd the mall to the extent that passersby had difficulty getting through

The council said in a letter to the vendors that it had received "a flood of complaints"

Storm brews as taverners opt for boycott

THE 25 000-member National Taverners' Association said yesterday a boycott of SAB products would go ahead because the brewer had "reneged" on agreements that had averted earlier action

Association PRO Saint Madlala said members would be selling Zambezi Lager, a brew the association began importing from Zimbabwe earlier this year

SAB refused to grant the "preferential discounts" it said the taverners demanded, and warned of the violence that might erupt if other people were forced to observe a boycott.

BDDM 19/11/92

THEO RAWANA

The parties seemed to have buried the hatchet at the end of September when the association's executive said the SAB had agreed to most of the taverners' demands. These included the scrapping of a requirement that taverners should take up an SAB insurance policy as collateral for credit, the brewer should pay operators for displaying its advertisements on their premises and should donate money in the event of mass killings at shebeens.

Madlala said the executive committee, which had been "reining in" members who had long demanded a boycott, would tell them to go ahead next week

SAB public affairs manager Adrian Botha said the brewery could not deviate from its policy of not giving preferential financial treatment. "Everyone gets the same treatment" He said SAB was worried about the possibility of violence the boycott might trigger.

Madlala said his organisation had "mobilised all the political, labour and other groups But we have left out schoolchildren and intimidation, it's all voluntary."

BUSINESS Selling idea of burial societies abroad

Nacssa looks abroad

Sowetan 19/11/92 (15 3A)

By Joshua Raboroko

■ Stokvel CEO looking for a French connection to expand business:

CHIEF executive of National Cooperative Societies of South Africa Mr Sam Muofhe yesterday left for France where he will try to sell the idea of burial societies overseas

Nacssa, a brainchild of the Centre for Black Economic Development representing burial societies and women's and mehodisano clubs, is gearing itself to participating in serious formal business

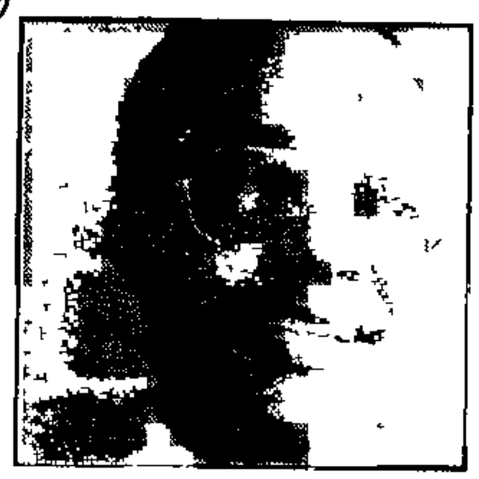
Explaining the purpose of the trip, Muofhe said the acquisition of a coffin manufacturing plant in KwaNdebele and the launching of Nacssa Catering Services meant that interaction and networking with external business would play a major role in helping the association to perfect its projects

"It is on this trip that contacts in similar businesses to ours - coffin manufacturing, funeral undertaking services and catering - will be established," he said

"It is our intention to look at the service we are in globally A mix of services will help to encourage our members to participate in business either on their own or through Nacssa's investment corporation called Letsema"

He said most of their members no longer experienced financial headaches when their relatives died since the funeral scheme was started two years ago

He was optimistic that they would have completed many projects within three to five years



Sam Muofhe

INFLATION FM 20/11/92 153A

Winning hearts and minds

Reserve Bank Governor Chris Stals is trying to please all of the people all of the time When he announced a Bank rate cut — from 15% to 14% — on Tuesday, he requested banks "to exercise caution in further reductions of their deposit rates." He is not only under pressure from borrowers to drop rates but from savers to hold them

Right now banks' margins may be comfortable enough to absorb an asymmetrical fall, but clearly these are contradictory objectives

Stals mentioned a number of "adverse factors" that might have prevented him from making the move.

☐ The deterioration in the current account of the balance of payments,

☐ A growing deficit in central government finances (see P38); and

☐ A continued rise in average salaries and wages in the first half of 1992 "at a rate in excess of the rate of inflation, despite the increases in unemployment"

However, these factors were seen in the context of.

☐ The sharp fall in GDP in the third quarter (see P32);

☐ Growth rates about 10% in credit creation and less than 10% in the broad monetary aggregate, M3, and

☐ A decline in consumer and producer price inflation and the expectation that "the rate of inflation will decline further"

This follows favourable figures on producer price inflation in September Despite the impact of the drought on food prices, the 12-month rate of increase in the producer price index has been below 10% since last November, when it hit a low of 7,9% and dropped further to 6,7% in January and February.

Though it showed signs of returning to double-digit levels in recent months, it subsided once again — to 8,8%, in September. That is 0,7 of a percentage point lower than in August and the lowest 12-month rise since May Month-on-month the index rose only 0,5% (down from 0,9% in August) Locally produced items rose 0,5% and imported 0,4% (1,1%, 0,4% in August).

Unfortunately, even if rainfall is normal this summer, the effect of the drought will continue to drive food prices for about a year But there are encouraging signs in other areas. Prices of

☐ Manufactured goods, with a weighting of 74% in the overall index, rose only 0,5% in the month and 7% over 12 months;

☐ Electricity, gas and water, with a weighting of 6%, rose 0,5% and 9,3%, and

☐ Mining and quarrying, with a weighting of 9,72%, reflected the poor prices of commodities on world markets, slumping 0,3% in the month and rising 6,8% over 12 months

The subdivision, coal, fell 0,6% and rose 6% and "other" (which includes imported oil) fell 0,2% and rose 7,2%.

The trend in the food price components of the index is less certain, though it is turning down Agricultural food, with a weighting of 8,6% in the overall index, grew 1% in the month and 23,1% year-on-year The subsection meat, which has been one of the biggest inputs to inflation, changed course Prices declined 0,3% in the month

The food component (with a weighting of 12%) included in the manufacturing category, rose a relatively modest 1,7% in the month and 7,4% over 12 months

Other components in the index should remain subdued because recession here and abroad will keep demand pressures low So the outlook on the producer price front remains moderately encouraging in the short-term and, if there is normal summer rainfall, the longer-term outlook could be described as healthy.

An unknown factor in the situation is when the normal relationship between producer and consumer prices will re-assert itself Last year it showed signs of having broken down, when consumer prices moved steadily up despite the slowing in producer price rises But this year, consumer prices started falling after peaking in January-February at a 12-month rate of 16,2% In September, consumer inflation stood at 13,5% When the effect of Vat, introduced last October, falls out of the prices, there will be a further drop to about 12,5%

Economists don't see any further falls early next year, mainly because of the inflation-



ary potential of Exchequer deficit But, if government could be persuaded to restrain its spending impulse only moderately, two important positive factors will assert themselves in the longer term

Food distribution chains are under close scrunity, which limits the scope for unjustified price rises So once food producer prices recover from the drought, the effect will be passed on through the distribution chain to the consumer

What is important is that inflationary expectations raised by the Gulf War in 1991 and then by the introduction of VAT, are subsiding Stals has proved his determination to reduce inflation Evidence that people have adjusted their expectations comes in the bond market, where rates have fallen by close to two percentage points over the past year

The markets in goods and services, which are not as quick to respond to changes as the financial markets, are bound to get the message soon ■

INSURANCE FM 20/11/92

First lesson

African General Insurance (Afgen), the first black-owned non-life insurer in SA, has had a shaky start with the resignation of its white MD, Johan Schuin But its partners, SA Eagle and Aegis insurance companies, are confident the venture will succeed So are most of the brokers who attended Afgen's relaunch this week The company has its genesis in the takeover of the licence and about R30m of premium income from Business & Personal Insurance (BPI) earlier this year

Following some dubious underwriting by the new company, Aegis seconded a senior executive, John Bowden, to Afgen Bowden's appointment followed a request by new MD Khehla Mthembu, who retains over-riding management control

According to brokers, they were approached by Afgen with "schemes" involving black and white consumers, at rates up to 50% lower than those prevailing in the market Eagle and Aegis reacted because, though they had undertaken not to take dividends in the short term, they had taken equity with a view to making money in the medium term — and Afgen's attitude to the market made this a dim prospect Also, Afgen inherited some construction guarantee business along with the BPI book, perhaps not the best of markets for a small company without substantial shareholders' funds

Mthembu is the third MD (Terrence Maher was the first) since the transition from Business & Personal Insurance to Afgen and has a solid broking background with Afsure The acceptance of Bowden's influence indicates an understanding that broking and underwriting are different disciplines

Afgen is 51% owned by Future Bank — a

+ continued

BUSINESS

Entrepreneurs find allies for the formal sector

MEREDITH JENSEN

AN INCREASING number of black entrepreneurs are entering the formal business sector, and various organisations are helping facilitate the transition.

One such group, the International Executive Service Corps, has had success in helping these businessmen without incurring tremendous capital expenses.

A non-profit company, funded by US Aid and a number of SA companies, it has recruited retired businessmen to assist non-white businesses.

For a one-time fee of R15, those who qualify receive free advice from experts in fields ranging from accounting to marketing and promotion.

Executive director Ken van de Laar says costing appears to be one of the major problems faced by black businesses. "This is where we can help by providing information on how to prepare a business plan and structure a cash flow analysis."

Van de Laar says his company helps people evaluate their needs realistically.

In 1988 Sam Tungande set up Baltic Travel, the country's first black travel agency. From the beginning, Van de Laar's company helped Tungande keep accurate accounts of his business, and plan for the future.

The training and services have often saved businesses. Tungande says he could never have afforded the services the company provided for free.

"The problem is collateral. It is nearly impossible for a black to secure a business loan without it, and very few blacks have it.".

In addition to the Services Corps, British Airways has offered to train members of Afritour, an association of black travel agents and tour operators Tungande helped establish.

The first sessions, completed this month, were designed to teach people about the travel industry. The airline plans to continue the course next year in order to help its participants become members of the International Association of Travel Agents.

Jobless fly solo at 'hive' project

SOWETAN 21/11-25/11/92

With the dismal state of the economy and lack of jobs, more and more people are opting to work for themselves. **Waghied Misbach** reports on a successful job-creation programme:

WHEN Mr Stevenson Tom had 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 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, Mitchells 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-contracting to the hives, thus ensuring extra income and more jobs.

The project is an Urban Foundation intitiative 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 (SBDC) also runs a number of its own in the greater Cape Town area.

Recession tips for small businesses

Sowth 21/11 - 25/11/92

1531

SMALL business operators have to be extra careful and super-alert if they are to survive in these tough times

At a recent meeting of the Cape Town Chamber of Commerce's Small Business Forum, a panel of experts gave sound advice to small businesses Some examples of the questions and answers included

Question: How can I survive the recession?

Answers

- Do not deviate from what you are good at Stick to what you do and do it well
- Identify your mission and the steps you are going to take to achieve it. Never lose sight of your target
- Improve your efficiency
- Collect your debts faster and beware of extending credit to unreliable people
- Take stock of your income and expenditure often Have systems in place where simple records can be checked weekly to give you an idea of where you stand
- Beware of spending money on "nice to have" improvements or equipment, and concentrate on "need to have" goods
- Split your business between large and small customers so that if a big customer withdraws, you are not left high and dry
- Do not take too much money out of your business for personal use

Question: In a recession, should I go on advertising my business?

Answers

- Yes You must continue making customers aware of your product, but advertise as cost-effectively as possible Make sure your adverts are reaching your target market
- Any business should have a marketing plan, goals and objectives

Question: Should I cut my prices to stay in business?

Answers

- Rather than cutting your prices, try to distinguish your product from that of your competitor to justify the price difference
- Allow for a margin of flexibility and try to introduce a "win-win" situation

For example, you could agree to give a five percent discount if the customer pays within 30 days, or if he places an order for two months instead of one

Question: How can I save on labour costs?

Answers

- Scale down your staff if necessary and make sure than salaries and wages are in keeping with the jobs being done
- Consider employing people on short-term contracts This will save the cost of retrenchment packages But be sure that the letter of appointment is drawn up properly

There is a distinction between employing someone on probation, which is regarded as permanent employment, and employing someone on a three-month contract

JOB MARKET

EC and UN grants give work to 6 000

ST Times (Buss) 22/11/92 153A

By TERRY BETTY

THE European Community has granted R2,3-million, which together with the United Nations' R1-million donation will provide employment for at least 6 000 returning exiles.

The R1-million UN grant has since July financed 204 projects. The two grants will fund about 600 loans, each of which is expected to employ 10 people

The loan was channelled through the National Co-ordination Committee for Repatriation (NCCR), which has contracted the assistance of the Small Business Development Corporation (SBDC)

The SBDC's experience, infrastructure and countrywide network has helped to get the projects off the ground

NCCR head of development Archie Abrahams says "Only people the UN classifies as returning exiles qualify for loans"

The average value of each loan is



ARCHIE ABRAHAMS Seld help the best

R6 000, which is repaid over 15 months at 18% interest

Mr Abrahams says there are plans to extend the repayment time to two years

He says the NCCR has also financed capital-intensive projects costing R15 000 to R30 000 "because we would like to stimulate middle-level enterprise. There are enough informal spaza shops"

Mr Abrahams says the entire loan has to be repaid People should be responsible for their own lives and not depend on charity

"The repayments will go into a revolving fund that will help the successful enterprises expand later on"

About 75% of enterprises met all their repayments in the first three months, and Mr Abrahams will consider the project a success if bad debts remain at that level

Houses

The SBDC and NCCR screen all applications for loans and make suggestions for ideas to be improved or redirected into more profitable markets

Mr Abrahams says that only loans that will benefit the community are granted They are not merely for an individual's benefit

For example, a returned exile secured a R1,5-million contract in Batshabelo, Bloemfontein, to build 400 brick houses and outdoor toilets

Mr Abrahams says this contract will benefit the entire community The venture provides 80 jobs and is expected to expand.

Although not every project is as ambitious as the Batshebelo one, Mr Abrahams says the NCCR gives preference to loans that will eventually employ at least 10 people

The NCCR has project offices around the country to monitor development. However, Mr Abrahams says this is insufficient to give adequate after-care to the projects

"It would be sad if projects had to fail merely because the people lacked a little more advice"

Mr Abrahams hopes the business community will become involved and either provide office space or give practical advice Many of the self-employed people have little business acumen

Limited

"We would like to have a mentor system whereby successful businessmen pop in twice a month to see how things are going, offer advice and generally help to educate people"

SBDC managing director Ben Vosloo says "The limited number of entrepreneurs setting up businesses is a major factor inhibiting economic growth in SA"

He hopes the NCCR initiative will help fill the gap

By A

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News in brief

Focus on black unity, peace

A FOUR-DAY national congress of the Azanian People's Organisation begins at the Great Centenary Hall in New Brighton, Port Elizabeth, tomorrow and is to focus on black unity and peace

The main speaker will be Mr Ibbo Mandaza of Zimbabwe, editor-in-chief of the *Southern Africa Political and Economic Monthly* Azapo president Mr Pandelani Nefolovhodwe will give a "state of the nation" address under the congress theme *Black Unity, Peace, Power and Liberation.*

Topics to be discussed include President FW de Klerk's "reforms", the role of women in the struggle for liberation, a solidarity front and international involvement. Sowetan 25/11/92

About 2 000 delegates from all Azapo's branches countrywide are expected to attend and speakers from other political organisations have been invited

Mayoral election goes on

THE Diepmeadow Council will hold its mayoral elections tomorrow despite the threat by the Transvaal Provincial Administration to suspend it because of its shabby financial affairs Sowetan 25/11/92

According to the Black Local Authorities Act, the mayor and the deputy mayor have to be elected every year, while councillors' terms of office last for five years Current mayor Mr J Matala was elected amid controversy and division within the council last year The elections will be held at the mayor's residence, known as the chief's house

Cops escort heart doctor

A CAPE Town doctor arrived in Durban yesterday to transport a heart donated from a "fairly young" patient at St Augustine's Hospital

A St Augustine's Hospital spokeswoman said the heart was to be removed by a team of heart specialists and taken to Cape Town Police would escort the doctor to ensure no time was wasted once the heart was removed

Special Cabinet post urged

THE Cabinet has been urged by the National Industrial Chamber to introduce the special post of Minister of Small Firms to spearhead a drive to launch thousands more black entrepreneurs into mini-businesses of their own. Sowetan 25/11/92

The creation of the new portfolio, with Cabinet status, should be made a priority in setting out future industrial strategies, argues the NIC in a policy document it has submitted to the National Economic Forum (153A)

The NIC, the industrial arm of the National African Federated Chambers of Commerce, also proposes the appointment at senior civil service level of a Commissioner of Small Firms to remove unnecessary red tape acting as an obstacle to mini-business operations

Mandela talks to leaders

ANC president Mr Nelson Mandela is to hold talks with Botswana President Quett Masire tomorrow and Mozambican President Joachim Chissano the next day Sowetan 25/11/92

Spokesman Mr Carl Niehaus said yesterday the talks would focus on Southern African issues The visit follows on the ANC's crucial national executive committee meeting in Durban and ahead of Mandela's forthcoming summit with State President FW de Klerk next week - *Sowetan Reporters and Sapa*

Taverners join forces

BIOM 26/11/92 THEO KAWANA 153A

TWO national taverners' organisations have joined forces to boycott SAB products from Monday.

The National Taverners' Association (NTA), which threatened a boycott last week after talks with SAB deadlocked, was joined by the SA Taverners' Association (Sata) at a meeting in Soweto yesterday.

The organisations said their combined membership was 40 000 and they would mobilise SA's 100 000 black liquor operators to achieve a total boycott of SAB.

NTA and the SAB had been discussing several issues including discounts for NTA members, payment for displaying SAB advertisements, and the SAB contributing to funeral expenses.

Last night SAB beer division marketing director Barry Smith said: "If Sata intends joining the boycott, SAB is extremely disappointed because Sata has not raised any of these issues with us. SAB reiterates that it has not reneged on any agreement made with the NTA, and approved minutes will confirm this."

He said the boycott threats could be seen only as a tactic to press SAB into giving preferential discounts exclusively to NTA members, and disputed the organisations' membership claims.

NTA liaison officer Saint Madlala said the "indefinite" boycott would involve only refraining from stocking and selling SAB products and that monitors would ensure there was no intimidation.

MOTORING *Gentyre Industries to offer small black entrepreneurs Continental Tyre franchises*

Blacks will sell tyres

ECONOMIC BOOST *Soweto's Mr Exhaust also launches range of new products for vehicle care:*

153A

Sowetan 27/11/92

By Joshua Raboroko

SMALL BLACK entrepreneurs are to be boosted when Gentyre Industries Ltd offers them franchises to sell a range of its Continental tyres

The provision of good tyres for township folk, especially black taxis, was essential if the high rate of accidents was to be averted

These facts were highlighted when the company launched new tyre products at the Soweto Mr X-haust in Mofolo South at the weekend

The event was attended by members of the Soweto Chamber of Commerce, taxi associations, business and traffic personalities, who pledged their support for the tyre company

The Soweto-based Mr X-haust also launched a wide range of motor car products, including brake shoes, pads, electronic wheel alignment, shock absorbers, tour bars and trailers

Market advancement manager Mr Gerhard Meyer said his company was proud that its good products were appreciated by motorists in the townships

`He advised motorists and minibus drivers to make sure their tyres were provided with a tread that would facilitate traction on the road surface for cornering, braking and accelerating

Most accidents, especially involving taxis, were caused by faulty tyres

In 1991 there were more than 11 000 deaths on South African roads and about 24 000 serious injuries, according to a SA Institute of Race Relations' survey

"A tyre has to be able to carry the load of the vehicle, at whatever speed it is travelling," Meyer said "This is why you will also find that different tyres have different speed ratings.



Mr Peter Mothoa and guests at the launch of new products at his Mr X-Haust operation.

Taverners' association disputes SAB statement

(153A)

THEO RAWANA

THE SA Taverners' Association (Sata), which this week joined the rival National Taverners' Association (NTA) in boycotting SAB products, yesterday disputed SAB's statement that Sata had never raised contentious issues with the brewer. BDMM 27/11/92

Sata general secretary Dave Moshapalo said yesterday the organisation had discussed areas of unhappiness with SAB as early as 1989, when the brewer's labour dispute with the Food and Allied Workers' Union (Fawu) had resulted in a call for a boycott.

SAB marketing director Barry Smith, reacting to Sata's decision to join the boycott, which starts on Monday, had said SAB was surprised because Sata had not raised the issues in question with the brewer.

Among the issues Moshapalo mentioned were that SAB was giving huge sponsorship to football, was refusing to grant Sata members use of wholesale depots, and had refused to pay members for displaying its advertisements at their premises.

"The SAB wants to be manufacturer, distributor and retailer, and we are treated only as customers," said Moshapalo. He said Sata had on several occasions told the NTA executive it was "talking to a brick wall" and would never get SAB to address their demands.

"Now that they have seen the light and decided on a boycott, we are happy to join them," he said.

Business 27/11/92

'Entrepreneurs needed'

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.

Magodi was commenting on a NIC industrial policy document which calls for, among other things, small firm representation at Cabinet level.

The document should be discussed within the National Economic Forum, the NIC argued.

Boycott may mean big loss to SAB

By Abdul Milazi

South African Breweries (SAB) stands to lose "hundreds of thousands of rands worth" of sales in Soweto next month, following the National Taverners' Association (NTA) decision to launch an SAB beer boycott on Tuesday.

SAB spokesman Adrian Botha said it was difficult to estimate the Soweto taverners' beer consumption as they were in the minority. Taverners nationwide sold 172,2 million litres of beer a year, to the value of R579,5 million.

However, he admitted SAB was concerned about the boycott because "it came at a time when people need beer".

The boycott was sparked by SAB's refusal to grant "preferential discounts" to NTA members.

Differences between the NTA and SAB appeared to have been resolved in September when NTA officials said SAB had agreed to scrap a requirement that taverners take up an SAB insurance policy as collateral for credit, or pay to display SAB advertisements on their premises.

Instead of SAB products, the NTA would sell Zambezi Lager, imported at "slightly" higher cost from Zimbabwe.

The SAB owns a "small percentage" of the total shares in the Zimbabwe National Breweries (ZNB), which brews the Zambezi Lager, but NTA spokesman Saint Madlala said that was "of no significance".

"Even though they own shares in the Zimbabwe breweries, they make most of their profit from their own products," said Madlala.

Taverners had already placed enough orders of Zambezi Lager for the festive season, he said.

Beer battle comes to a head

w/mail 27|11 - 3|12|92 153A

The showdown between sheebeen owners and SA Breweries commences this weekend.

MONDLI MAKHANYA *reports*

HAVING crushed every opponent that dared challenge its control of the local beer market, South African Breweries is now facing an attack from a different quarter the township taverners who give it access to its biggest market

The National Taverners Association will this weekend initiate a boycott of SAB's products in protest against alleged discriminatory behaviour by South African Breweries and a charge that it reneged on agreements reached with the NTA three months ago

In many ways the conflict is a David and Goliath affair and reflects the utter helplessness of retailers in the face of a powerful sole supplier

At the core of the conflict lies the NTA's requests for preferential treatment — a demand SAB has declined to accede to SAB, say the taverners, must prove its much vaunted commitment to black economic empowerment by granting the taverners preferential discounts

They accuse SAB of racism, claiming white wholesalers are receiving the discounts the brewer is refusing them

Denying this claim, SAB's Beer Division chairman Graham Mackay says the company is not prepared to afford the taverners "special privileges" simply because they are black

"We have this kind of pressure all the time from small bottle store owners and big wholesalers to hotel groups But we reject it because if you give a discount to anybody, everyone will start asking for it," he says

Mackay reckons the demand for discounts stems from certain powerful individuals within the NTA who are in the red

"Many areas of the trade are not doing well People are competing on prices and now owe us hundreds of thousands of rands They now want us to bail them out by giving discounts," he says

The NTA is in pretty much the same weak position on the issue of point-of-sale material which the brewery gives taverners for display in their outlets

Whereas the taverners want payment to display this promotional material, SAB says its policy is not to pay for it and the taverners have the option to display it or to ignore it

Other grievances the NTA says SAB has stonewalled on are the brewer's insistence that taverners should use the Fedlife insurance policy which it administers rather their own policies as collateral

The taverners also have complaints about SAB's insistence that they should pay up front for empty bottles, and SAB's refusal to deliver to certain townships

They want SAB to donate money to the funerals of shebeen massacre victims

The taverners say SAB agreed to most of these demands in October but have failed to stick to them Hence their decision to take on the giant which controls 99,4 percent of the beer market and 60 percent of the liquor market

Madlala believes SAB's almost monopolistic hold on the beer market has been bad news for retailers

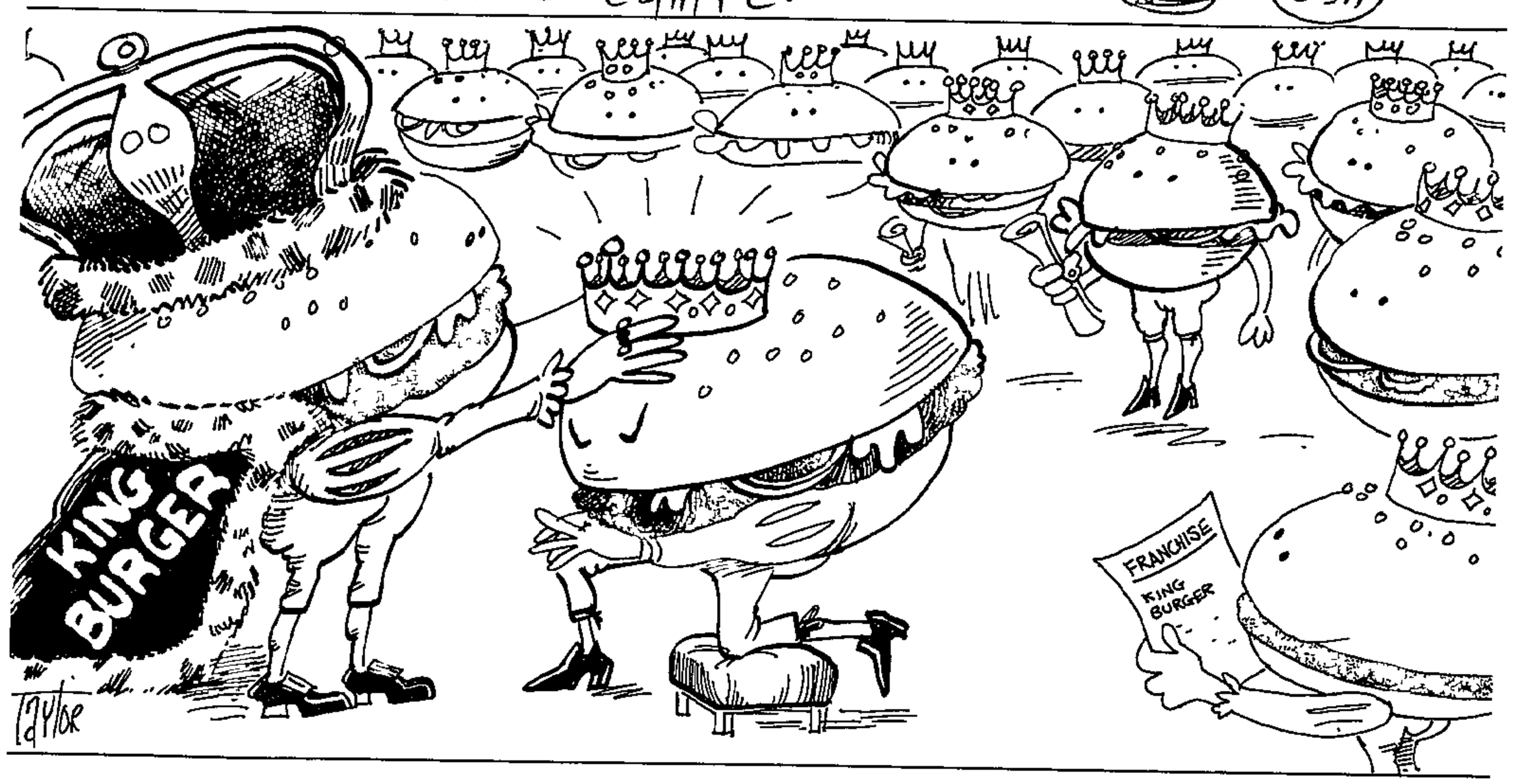
"In the days when there was still ICB and Luyt Lager we used to get a lot of incentives to assist us in promoting their beer But now there is no such thing, as we have helped them become this big monopoly"

SAB's giant share of the market also means no effective action against the brewer — even the NTA's threatened boycott of SAB products — can hope to be successful For how does one garner enough support to convince beer guzzlers, 80 percent of whom are black, to sacrifice their beer for the cause of "black economic empowerment"

"More than just asking people to sacrifice their beer, they are asking traders to commit suicide by virtually suspending their business," says Mackay

Franchise: licence to make a killing

STAR 28/11/92. (153A)



Success on tap, but only for the prudent

FRANCHISOR and franchisee stand to gain handsomely, but both need to do their homework for the arrangement to succeed. LEIGH HASSELL continues her series aimed at the smaller entrepreneur.

FROM reconditioning baths, to hairdressing, to public speaking skills, to cheeseburgers and milkshakes — the franchising opportunities open to a small business entrepreneur abound

In going the franchise way, the entrepreneur acquires the right to sell the products of a well known brand name of, say, fried chicken, yet the business is still owned and managed by the entrepreneur.

Brand name

The advantages of such an arrangement to the franchisor, the owner of the brand name, is that he expands his operation with a minimum of extra capital outlay and manpower The franchisor also earns a fee income (or royalty) based on the sales from the franchised operations

The advantage to the franchisee, the user of the brand-name, is that he is offered a tried-and-tested product range, in other words a blue-print of someone else's success

An often-quoted statistic is that more than 50 percent of new businesses close in the first five years of opening A major reason for the high failure rate is the entrepreneur's lack of management skills in running the business, especially in the area of financial management

A well established franchisor offers not only his brandname, but also his management expertise and support, which is why the number of failed franchise operations is significantly lower than small business ventures

Because of this reduced risk of failure, bankers are more inclined to grant loan facilities to well-established franchised operations than "go-it-alone" ventures

However, going the franchise way does not guarantee automatic success for the entrepreneur Both parties should have particular qualities and because of the close working relationship the parties should "suit" each other

The franchisee should be motivated to succeed and be prepared to fit in with the usually quite rigid procedures laid down by the franchisor, dedicated to maintaining the "sameness" of each franchised operation, as well as the quality of service

Lifespans

This control exerted by the franchisor does limit the entrepreneur's independance in running his business

On the other hand, the franchisor should be financially sound, have a proven success record and offer products which have long, profitable lifespans Most importantly, the franchisor must be capable and willing to offer his management expertise to his franchisees

Kurt Illetscheko, the executive director of the South African Franchise Association (Safa), warns against fly-by-night franchisors advertised in the newspaper ads and says he has heard many tales of family savings being lost through such investments

Safa is the self-governing body of the franchisors It permits membership only to those franchisor organisations who prescribe to Safa's code of ethics A yearly handbook is produced detailing aspects of a franchised operation

On the financing side, the franchisor does not usually offer finance to the franchisee and the banks normally require 50 percent of the initial funding requirements to be met by the entrepreneur

The initial financing requirements must be sufficient to cover the up-front fee payable to the franchisor and the setting-up costs, such as building improvements, equipment and shopfittings

An up-front fee, usually of a fixed amount, is paid on signing the agreement This fee covers the services rendered in respect of site selection, training and the use of the business name and know-how Illetscheko warns that a high up-front payment is a danger signal — the franchisor could collect his fee and give little service afterwards

The amount of the up-front fee varies with the industry — for example, a burger take-away house listed in the Safa handbook quotes a fee of R12 000

Management fee

However, while this amount seems low, the cost of equipment could be quite high

The franchisor must pay an on-going management services fee (MSF) to the franchisor, either on a weekly or monthly basis

The MSF is usually stated as a percentage of sales Once again, the percentage varies with the industry — the burger take-away charged 5 percent

Illetscheko says that in a sound franchise relationship the MSF is the main source of income for the franchisor, because, in this case, the franchisor does well only if his franchisee does well He adds a caution that a fixed or minimum MSF is contrary to the spirit of a franchise relationship

In addition to the MSF, the franchisee usually has to contribute on a percentage-of-sales basis, to the group's marketing fund The burger take-away in this instance charged 2 percent

Standing

A benefit of the franchise route is that the entrepreneur reaps far greater benefits from a national advertising campaign than he would from his less-effective, small-scale advertising

It is imperative that an entrepreneur considering a franchise operation do his homework on the full implications of a franchise agreement In this regard, professional advice should be sought

It is also important that the entrepreneur should thoroughly investigate his potential franchisors Their financial standing, history, success of other franchisees and management capabilities need to be considered

Franchising looks set to become the way of the future In the US, franchised operations contributed 35 percent to total retail sales In the year 2000 this figure is expected to be 50 percent Currently, in South Africa franchised sales comprise 6 percent of sales which leaves great scope for growth

CHEERS TO SAB BEERS!

C/Pnews 29/11/92

Taverners vow to turn off the taps

153A

By MOSES JOHANNES

BEER drinkers have been asked to make the ultimate sacrifice from tomorrow – boycott South African Breweries products.

The call, which many have described as a "tall order", was made at noisy meeting of the National Taverners' Association (NTA) and the SA Taverners' Association at Uncle Tom's Hall in Soweto this week.

The shebeeners' demands are in turn regarded as a tall order by SAB. They include:

- Discount for bulk purchases "as in white circles",
- Contributions towards victims of political violence in shebeens and taverns,
- Representation in directorship of the breweries; and
- Remuneration for "free advertising" on billboards and posters in shebeens..

From tomorrow, the NTA and Sata will lead pickets at SAB depots around the country. The two organisations will also urge their supporters and members to boycott SAB products. They will, however, continue selling other brands of liquor.

NTA public relations officer Saint Madlala said "We need to hammer some sense into the stubborn brains of the SAB's hierachy It is high time we showed the SAB that a black person will take the extreme course in order for our genuine grievances to be given thought and addressed."

Sata secretary-general David Moshapelo said: "The SAB is making a grave mistake in concluding that the black liquor industry is easily manipulated because of the existence of different national organisations

"We may be running different national organisations in the black liquor industry, but we are jointly committed as far as our common interests are concerned. We will fight the SAB to the bitter end.".

Moshapelo added the decision would be reviewed, pending SAB's reaction.

In a joint statement, NTA and Sata said political, trade union and civic organisations had been consulted and had "pledged their unqualified support".

Reacting to SAB comment that the boycott would lead to violence, Madlala said only the "third force" would implement such violence.

Madlala said his members had been "urged to be as disciplined as they can and to guard against the anticipated dirty tactics that may come from those who are against the boycott".

An SAB spokesman said· "We deplore, and are extremely concerned about any talk of a boycott in these sensitive times, particularly when the root cause of the alleged boycott lies in a call to us to give preferential treatment to members of NTA."

This would be "discriminatory against other sections of the liquor trade".

He said the NTA had not discussed the matter with the breweries.



These Soweto shebeen patrons were yesterday probably having their last swig of a commodity that has driven a deep wedge between shebeeners and beer conglomerate SAB. Shebeeners in the area have decided to boycott SAB products.

PIC. JOE MOLEFE

Beer boycott set to begin today

Sowetan 30/11/92. (153A)

By Mzimasi Ngudle

■ Other taverners say decision to boycott was not unanimous:

THE boycott of South African Breweries products goes into full swing in Soweto today, National Taverners Association president Mr Peggy Senne said yesterday

Despite the call for a postponement from the South African Taverners Association (Sata), Senne said the boycott would kick off in Soweto today and then spread to other areas, depending on the reaction from the SAB

The boycott will affect all brands of beer The company has a near-monopoly on clear beer production Imports from Zimbabwe are expected to replace SAB products

Sata said that it would support "a boycott of such magnitude only if proper consultation was made"

"The National Taverners Association, with respect, has not consulted with the Sata executive nor its president What is more, the executive of the Sata has not met with its affiliates," SATA president Mr Sam Tuntubele said

Tuntubele was reacting to a call for the boycott taken at a meeting of the NTA and SATA at Uncle Tom's Hall in Soweto last week.

He said the decision was not binding on the other Sata regions

Sata national secretary general Mr David Mojapelo reportedly said "the SAB is making a grave mistake in concluding that the black liquor industry is easily manipulated because of the existence of different organisations"

In white circles

The shebeeners are demanding discount for bulk purchases "as in white circles", contributions towards victims of political violence in shebeens and taverns, representation in SAB directorship and remuneration for "free advertising" on billboards and posters in shebeens

An SAB spokeman reportedly said shebeeners were asking for preferential treatment that would be discriminatory against other sections of the liquor trade

"We deplore and are extremely concerned about any talk of a boycott in these sensitive times," he said

Shebeeners said the main reason for the boycott was the loss of profits they had to sustain because of low prices at which they sell beer

Shebeen patrons interviewed yesterday supported the decision to boycott SAB beer

next *Talk*back topic

The Sowetan/Radio Metro Talkback Show throws open the lines on Monday. This is your chance to phone in and express your views on any subject.

Dial the hotline (011) 714-8063

The good, the bad ... and the ugly

Three unlikely dudes shootin' from the lip

C/Press 15/11/92 (154) (126) (258)

HEY man, this place is really getting to be a FREE STATE after all, I thought to myself as I dismounted in deep CP country recently

And what strange unions I encountered there, in the dorpie of Petrus Steyn.

There's the stolid *wit* Afrikaner, the local black entrepreneur, the former local black copper ... and all ANC!

They serve on the executive of the newly-launched ANC branch in Mamafubedu township on the outskirts of this CP-controlled dorpie

Jan Groenewald, Anthony Nakedi and Raphael Motaung are characters in the classic vein of the GOOD, the BAD, and the UGLY But they do not belong in the same headspace as the spaghetti western movie going by that name

No indeed. These fellas are in a different class they have brought the black struggle to Petrus Steyn.

In doing so, they have become the heroes of the once-politically docile township

The GOOD That's Jan Groenewald, the "kafferboetie", fondly nicknamed "Comrade Popeye" by the 13 000-strong black community – and the man scorned by his white community for "selling out"



NO REGRETS ... Jan "Com Popeye" Groenewald is a proud ANC official.

People poured out of their homes to celebrate in the streets and, after much toyi-toying in the township, we felt we should stretch the celebrations a bit. We decided to march into town.

Since then Mamafubedu has been *the* hotspot of resistance in the Free State

Yet it's such a tiny place. three schools, a bare patch of ground to play soccer on, a booze store (owned by Nakedi), three shebeens and a supermarket.

There's no cinema, no Reitz) and no hospital

Residents, most of whom are ANC members, are waiting for a reply to their recent petition.

They asked the provincial administration for a sewerage system, affordable rent (at R24,50 – but they will only pay R18,60); a living wage for domestic workers (R50 a month is slave wages!), safe working conditions, ambulance and fire services, more houses, and, hell, why not one council you old diehards!

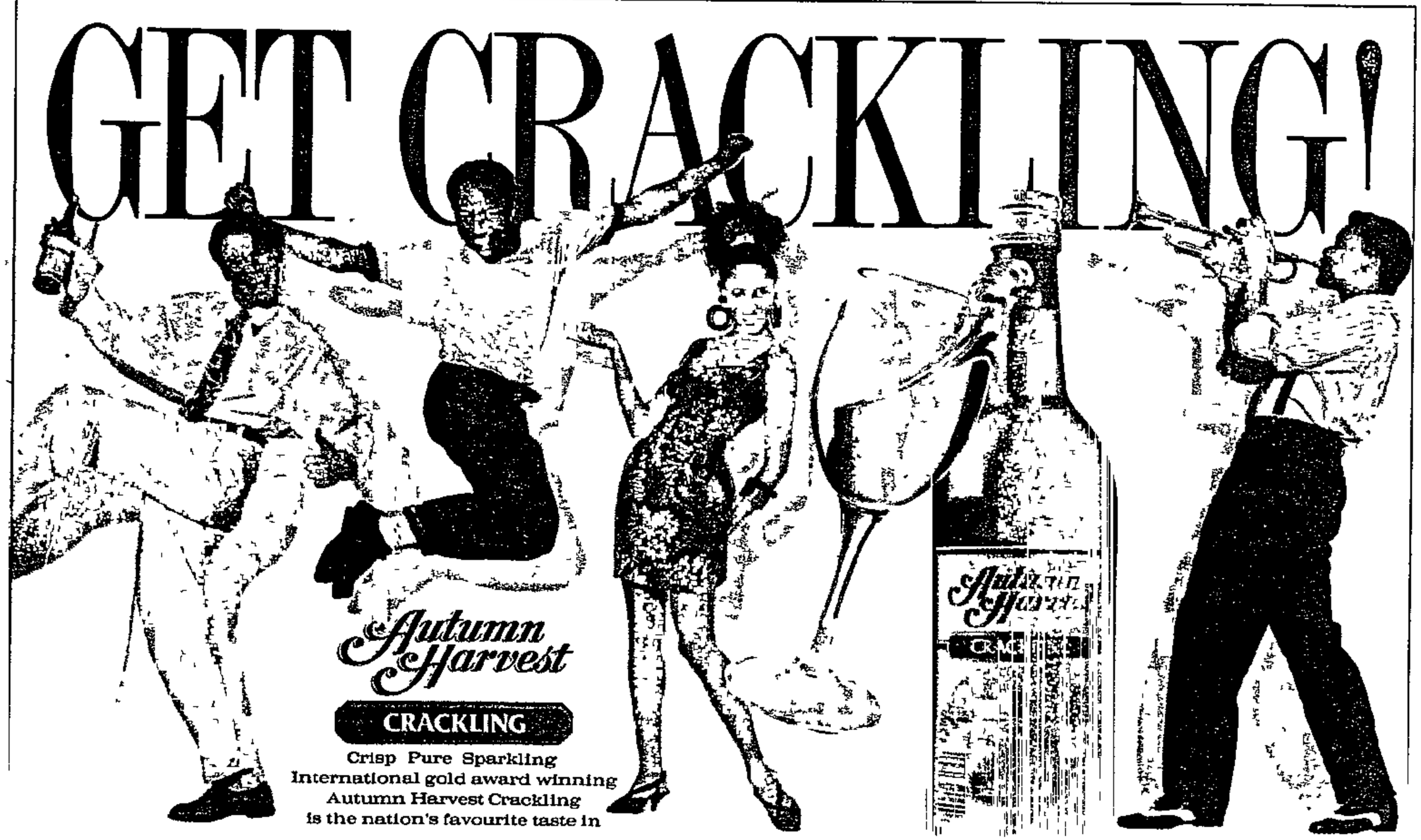
Features Editor LEN KALANE looks at strange happenings in the Free State dorpie Petrus Steyn and the once-docile township of Mamafubedu.



NEW BREED .. ANC leaders, former cop Raphael Motaung (left), and businessman Anthony Nakedi have awakened pride and confidence in the formerly subservient township of Mamafubedu. Residents are demanding decent living conditions in CP-controlled Petrus Steyn.

■ Pics: EVANS MBOWENI




GET CRACKLING!
Autumn Harvest
CRACKLING
Crisp Pure Sparkling
International gold award winning
Autumn Harvest Crackling
is the nation's favourite taste in

and the man scorned by his white community for "selling out".

Groenewald is the only white card-carrying member of the ANC in the dorp and was elected as the branch's first treasurer.

He runs businesses in white Petrus Steyn – including his restaurant which is mostly patronised by blacks.

His supermarket was gutted by fire in August at a time when whites in the town were whipping themselves up over his friendships with local blacks. The attack set him back R1,1-million

The BAD: That must be young Anthony Nakedi, 29, the popular ANC branch chairman. But, in the slitted eyes of the white authorities, he is the local "noisemaker" who stokes up protest.

In 1983 the the young entrepreneur left QwaQwa and settled in the sleepy hollow. Mamafubedu has not been the same since.

Nakedi motivated the little township community to get up and noisily demand decent living standards – like those enjoyed by the whites.

THE UGLY: This is former cop Raphael Motaung, the prodigal son of the "struggle" who, in 1989, resigned from the force after eight years and "joined the people".

"I was always a comrade-cop deep in my heart," said the 29-year-old deputy chairman of the ANC branch who, in eight years' service, can't remember having ever arrested anyone!

No wonder he "fell out" with his superiors!

Then of course we have the radical "Young Lions" – teenagers Percy Melato and Mayoyo Mofokeng Melato was elected secretary general and Mofokeng was made deputy.

They have been at the forefront since the student rebellion of 1983-84 and have endured stints in detention. If anything, they are the ones who really brought the struggle to Mamafubedu.

On February 2 1990, the day ANC president Nelson Mandela was released, the two led the first ever protest march into town at Petrus Steyn.

Melato recalls: "There was a lot of jubilation. three shebeens and a supermarket.

There's no cinema, no library, no dry-cleaner, no creche, no ambulance, no fire-brigade, no surgery (available 35 km away in vices, more houses, and, hell, why not one council you old diehards!

Of the fighting talk, Nakedi says: "It's the only language they understand."





Youths head for course in United States

By Mluleki Gantsho

FIFTEEN South African youths have been invited to the United States to attend a two-month course on conflict resolution, community organising and non-violent change.

The youths are participants in Leadership South, a multi-disciplined life skills programme.

They have been invited by Dr Dudley Weeks, the international director of FutureLinks in the US, to take part in a training programme from December 15 to February 15.

"We need to raise R120 000 to send the youth," said Leadership South founder, Mr Graham Phippen.

"We will try to raise money in the US and in South Africa."

Team leader Mr Eldred de Klerk is already in America and assisting with fundraising, said Phippen.

One of the youths, Mr Mzamo Masito of Khayelitsha, said he had attended FutureLinks conflict resolution workshops in Cape Town.

"I have already facilitated programmes using skills that I learnt," he said.

One small school is showing us the way

154 BAR

ST MR 28/11/92

ANC deputy president Walter Sisulu recently described the Phuthing School in Fourways, Sandton, as an example of the way education should go in the new South Africa. BRENDAN TEMPLETON visited it to find out what makes the school so special.

THE future is looking rosy, if the noises coming from a small school north of Johannesburg are to be believed There, about 170 pupils of all races mix togther in true harmony.

The school is called Phuthing, one of three such schools set up by the New Era Schools Trust (NEST) to show people in the rest of the country that there is nothing to fear from non-racialism.

Pupils are brought up in an environment which does not recognise skin colour and are taught that education does not occur only inside the four walls of a classroom.

An extensive community service project is also run by the school and pupils have to spend at least 30 hours each year involved with the project

This entails anything from teaching basic English at a nearby farm school, to visiting Aids patients at the Sacred Heart Aids centre to painting murals on the walls outside Baragwanath Hospital in Soweto.

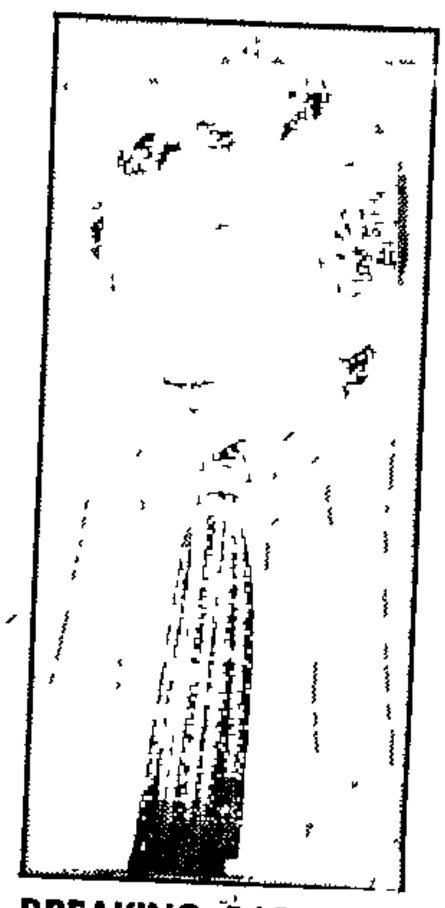
Reconciled

"The idea is to bring different races together, to show to South Africa there is a way forward and that it can work if people are prepared to be reconciled."The NEST schools were basically formed as a statement against apartheid That is really what the schools are doing," says headmaster Robin Cox

Pupils are taught confidence and leadership skills in the peer support programme where Standard 9 and 10 pupils take groups of eight for informal talks

Here, life goals are defined and pupils learn the importance of resisting peer pressure

The pupils we spoke to praised the benefits of the programme and said they had learnt a lot about themselves by participating in it.



BREAKING BARRIERS: headmaster Robin Cox believes Phuthing is setting the pace for nonracial education.

Cox says the school will be starting its first pre-primary class next year

The plan is to introduce children to a nonracial culture from a young age instead of having to teach them to overcome prejudices at a later stage

Phuthing currently caters only for boys and girls from Standard 6 upwards

The biggest problems of overcoming prejudices are most often encountred with the parents rather than the pupils, says Cox

But Phuthing is a private school with school fees of R12 000 for borders and R6 000 for day students Doesn't this make it an elitist institution which enables nonracialism to flourish in an artificial environment?

Cox does not think so He believes that, while other schools may not have the facilities that are available at Phuthing, they will also be able to replicate the teaching system used at his school

"We need to show teachers that there is nothing to fear from the future. Non-racialism can work"

Taverners, SAB may meet on beer boycott

153A

THEO RAWANA

THE SAB and the National Taverners Association (NTA) may meet on Thursday to try to resolve the taverners' boycott of the brewer's products, SAB said yesterday BIDAY 1/12/92

The NTA and the SA Taverners' Association (Sata) decided last week to start the boycott yesterday after disagreements over discounts, sponsorships and payments for advertisements at taverners' premises

SAB said in a statement yesterday that the parties would "tentatively" meet on Thursday.

It said during a picket by a small group of NTA members outside SAB's Baragwanath depot yesterday, a request was received for a meeting with SAB management. "At this meeting, which was attended by members of the NTA executive, it was agreed that both parties should meet to try to resolve their differences," said SAB.

An SAB spokesman said the company would meet the NTA, provided there were no preconditions for such a meeting.

"We wish to reiterate our concern over the question of intimidation and the possible violence that could flow from a boycott," he added.

He said shots had allegedly been fired into the air yesterday when a beer delivery truck owned by an independent contractor had been looted during a delivery to a non-NTA-affiliated bottlestore in Soweto.

"Many of the Baragwanath (depot) drivers, who are independent contractors, were allegedly warned at the weekend that if they delivered beer they would be attacked and their trucks burned," he said.

NTA spokesmen could not be reached for comment

One-stop funerals 'the way to go'

THEO RAWANA

SA's R300m-a-year black funeral industry will be getting help and advice from a French company which has pioneered the concept of "funeral supermarkets", says a local businessman. BIDM 21/12/92

National Association of Co-operative Societies of SA (Nacssa) CE Sam Muofhe, who visited France recently, said the assistance would be provided by funeral directors Roc Eclerc, pioneers of the concept of one-stop shopping in the marketing of coffins, flowers, tombstones and mourning clothes.

Muofhe said he had visited France to examine coffin-making, funeral undertaking and catering and to consider business partnerships for his association, which has 1 000 funeral savings and women's clubs representing 300 000 members. The association's chairman is Soweto civic leader Nthato Motlana

Muofhe said a meeting with Roc Eclerc director-general Michil Lichic had confirmed his association's vision of bringing funeral services "under one roof, like supermarkets where you go for one-stop shopping". 153A

"Roc Eclerc committed themselves to assisting Nacssa in achieving the same goal," he said. "Lichic indicated that he would be willing to come to SA to share his skills and experience."

Muofhe said he had also met representatives of investment corporations and financial institutions in France and had told them about his association's Letsema Investment Corporation, which had recently acquired a R100 000 coffin manufacturing company in KwaNdebele.

Muofhe met Caisse d'Epargne Bank director Jean Yves Rouchy, who had written extensively about rotating credit clubs in Cameroon; and Guy Dupasquier, president of economic research organisation Epargne Sans Frontier.

La Table de Cana catering service executive director Franck Chaigneau had encouraged Nacssa to extend its funeral catering service to weddings and society and club meetings, Muofhe said.

Brewer flattens beer boycott threat

THE boycott of SAB products by the National Taverners' Association (NTA) and SA Taverners' Association (Sata) was dealt a blow yesterday with hoped-for alternative supplier National Breweries of Zimbabwe denying it had any dealings with the taverners

The two associations launched an indefinite boycott on Monday, saying the Zimbabwean brewer would fill the void left by SAB beers with its Zambezi Premium Lager, which the NTA had been importing since March.

But yesterday National Breweries of Zimbabwe marketing director George Katz denied he had had any contact with the NTA Speaking from Harare, he said even if his company were supplying the NTA, it would not be able to satisfy the market SAB commanded in SA

"I keep hearing these stories about the NTA importing beer from us, but I have never met the NTA They have never been in touch with us"

THEO RAWANA

He said he had seen news articles about the NTA importing beer from Zimbabwe, but he did not know their source

His company's exports were minimal, but "odd lots" were sold to agents. However, his company would have known if its product was being supplied to SA at any significant level

The NTA could not be reached for comment yesterday

SAB public affairs director Adrian Botha said yesterday he was looking forward to a constructive meeting with the NTA and Sata tomorrow

On Monday, there were reports of looting and intimidation to enforce the boycott. But Botha said by yesterday, when SAB delivery trucks had not delivered in Soweto, there had been no more than "some reports of intimidation"

● Comment. Page 8

SOWETAN Wednesday December 2 1992

th other business groups

All is well at Fabcos, says boss Ngcoya

Sowetan 2/12/92

■ Reports of 'disintegration' rejected:

By Mzimkulu Malunga

FOUNDATION for African Business and Consumer Services (Fabcos) president James Ngcoya says his organisation will survive

He was responding to media reports that the organisation was disintegrating.

He said a consultative conference was held together with the annual general meeting where members rejected speculation about the collapse of the organisation

"In fact, we are stronger than ever before The rationalisation programme has put us on a healthier financial footing.

"Some people mistook these measures for bankruptcy, hence slanderous allegations that Fabcos is collapsing We are now able to reopen some of the closed offices and have re-employed some of the workers we retrenched," said Ngcoya

153A

Five re-employed

According to an official of Fabcos five people have been re-employed He would not give their names

After last Thursday's meeting Ngcoya extended a hand of friendship to former senior officials of the organisation who were now "apparently trying to disrupt the organisation"

"Our doors are open for any of Fabcos' former employees who might have grievances against the organisation," he said.

Ngcoya who is also president of Fabcos' biggest affiliate, the Southern Africa Black Taxi Association (Sabta) rejected reports that the association was in tatters

He said at an emergency meeting held on November 14 almost all Transvaal regions with the exception of the Pretoria United Taxi Association (Puta), rallied behind the marketing arm of the association, Taxi SA Marketing

Puta had drafted a memorandum - which it claimed had the support of 13 Transvaal regions - demanding the resignation of the Sabta executive and the severing of ties with Taxi SA Marketing during the AGM of the Transvaal Taxi Association.

However, Peter Manamela of region one said the regions had not distanced themselves from the grievances Instead they only resolved not to get embroiled in an internal dispute of Taxi SA Marketing

"The grievances still stand. Even the TTA executive agreed that they were genuine

"The executive only wanted them to come procedurally," he said.

On the situation in the Western Cape, Ngcoya said two senior officials who recently dissociated themselves from Sabta had been summoned to the national office to explain their "unprocedural" resignations from the association

The two, Clement Ramatlakane and Basil Nagel, were yet to respond to the executive's call

However, despite the confidence reflected in Ngcoya's statements there was still some concern within the hierarchy as to the signals the media reports had sent to the corporate world

Another source of worry was the fact that two former employees of the organisation, James Chapman and Gaby Magomola still jointly owned 36 percent of the shares in Taxi SA Marketing

This effectively meant that no major decisions could be made without their consent

With animosities running high between Chapman, Magomola and the company, there were doubts whether the business would operate smoothly before the matter was resolved

When the "giant" was born in July 1988, strong emphases were put on the sharing of resources and the creation of a "black rand"

In Fabcos' structures, provisions had been made for chambers of commerce to be easily integrated into the family - a move which was seen by many as ideally marked for the National African Federated Chamber of Commerce and Industry

Since among all the affiliates, Sabta had the best resources, it had to carry the burden while others were catching up and efforts were being made to raise funds from the private sector

Things did not go according to plan The organisation wanted to raise R2 million within two years to reduce the burden on Sabta but the target could not be achieved, prolonging the dependency, one of the sources of the alleged discontent within the Sabta membership

Also, though in theory Taxi SA Marketing was operating under a mandate from Fabcos' executive, in certain instances the leadership took the back seat while officials of the company ran the show

Power struggles and personality clashes aside, Fabcos

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

153A

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). Sowetan 2/12/92.

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 "

BUSINESS New GSCCI president Sam Noge will forge links wi

Bid to unify business

■ MISUSED FUNDS GSCCI still awaits a financial report from Sitco on R2,5 million:

Sowetan 2/12/92

153A

By Mzimkulu Malunga

THE Greater Soweto Chamber of Commerce and Industry will strive for unity among business organisations operating in the area, says the new president, Sam Noge

"We have an organisation like the Soweto Independent Shopkeepers Association with which we worked together on a number of things

"I do not see the reason why we cannot be one body," he said

The new GSCCI's leadership hoped to close the old chapter of divisions and concentrate on the advancement of Soweto business people

"We work tirelessly to improve efficiency through training programmes run jointly with the formal sector," he argued

Already, the chamber had forged a relationship with the Chamdor Training Centre to train members in strategic planning and meeting procedures

Noge said relations with the Johannesburg Chamber of Commerce and Industry (JCCI) as well as the Johannesburg Afrikaanse Sakekamer (JAS) would be improved

The two organisations came to the rescue of the GSCCI when the latter was experiencing financial problems.

In an effort to combat increased crime directed against business people in the township, the chamber initiated the Soweto Anti-Crime Initiative with a coalition of community organisation, he said.

SACI was already functioning and two workshops on crime and effective policing had been held

However, the road ahead would not be rosy, he said The GSCCI still had to resolve problems with its commercial arm, the Soweto Investment Trust Company (Sitco).

Despite the fact that Sitco was one of the projects of the chamber, the GSCCI had not received any report from the company since its formation in 1987, said Noge

He cited the Sitco issue as one reason which triggered the formation of a breakaway group, the Greater Johannesburg Chamber of Commerce and Industry, three years ago

There had been allegations and counter claims between the chamber and the Sitco management recently on the whereabouts of the R2,5 million received from First National Bank for the development of entrepreneurs in the township

Noge said a substantial amount of the money bought shares in a trans-national company, Pepsi Cola, when it launched an investment comeback in South Africa

According to him, the remaining sum bought a stake in the Shareworld complex near Nasrec



Sam Noge

in Johannesburg

There was widespread belief in chamber circles that when both ventures crashed, the funds went down the drain.

Noge has also alleged that some of the Sitco funds were squandered on overseas trips which the chamber knew nothing of

However, Sitco's managing director, Macdonald Temane, denied that the company's funds were misused He referred the *Sowetan* to a report delivered by the outgoing president, Philemon Makhetha, at the GSCCI's AGM last week

In his report Makhetha, who is also chairman of the company's trustees board, said Sitco had funded various projects in Soweto, among them the *Soweto Chamber News* - GSCCI's mouthpiece.

SAB boycott takes to the township streets

153A

THEO RAWANA

HUNDREDS of people joined anti-SAB processions through Soweto streets yesterday as boycotting organisations drummed up community support against the brewer, National Taverners' Association (NTA) spokesman Saint Madlala said yesterday.

The NTA and the SA Taverners' Association (Sata), which began a boycott of SAB goods on Monday, staged pickets at the SAB's Baragwanath and Chamdor (Krugersdorp) depots yesterday and then led processions in Soweto, Madlala said.

The SAB and the organisations are meeting to resolve the dispute, which was triggered by disagreements between the SAB and NTA over discounts, sponsorships and payment for advertisements on taverners' premises. BIDAM 3/12/92

Madlala said people came out in their hundreds to join the procession of hooting cars in Soweto's streets.

"We are conscientising the people, drumming up support for our boycott, and the people are joining in. They are angry with SAB," he said.

Madlala said the processions were peaceful — if noisy — and there were no reports of intimidation.

National Breweries of Zimbabwe marketing director George Katz said on Tuesday his company — which the organisations had said would supply beer in the absence of SAB products — had no dealings with the taverners.

Madlala said his organisation was getting supplies through another source.

SAB public affairs director Adrian Botha confirmed that the parties would meet this morning.

Sapa reports that SAB said the boycott had spread yesterday from Soweto to Bloemfontein and Welkom.

countries, 35 or 80% spent more importing tobacco than they earned ex-

economic basis of the regions concerned," the five countries argued

awareness of the dangers of smoking and its unacceptability in confined spaces" — Sapa



Fireworks explode over the Palace Hotel in the spectacular op
Jean Michel Jarre's light and music show played to thou
contestants Miss Korea Mi-Young Lee, right, and Miss Swed
closely shepherded by security guards during and after the

Mobile courts to be expanded

LLOYD COUTTS

THE introduction of mobile courts to prosecute traffic offenders during the December holidays proved sucessful last year and the Justice Department was considering an expansion of the service.

The department announced yesterday that two mobile courts would be introduced in Nylstroom and Richard's Bay this month, and courts along four main highways — the N1, N2, N3 and N4 — would be placed on standby to operate after hours B|DAY 3/12/92

"The pilot project was a huge success (last December) and we are looking at expanding it," Justice Department spokesman Werner Krull said, adding that a third mobile court was being used in unrest areas.

A department statement said the new concept of adjudication had helped lower the holiday death toll.

The measures' benefits included relieving a holidaymaker who preferred not to pay an admission of guilt fine from having to travel back to court later.

Affirmative action alliance woos major organisations

B|DAY 3/12/92

WILSON ZWANE

THE Black Management Forum is frantically trying to get two major organisations to join a newly established alliance on affirmative action.

The alliance was established in Johannesburg on Saturday at a workshop convened by the Black Management Forum

Its objective is to co-ordinate efforts intended to advance blacks and women to senior managerial positions

Black Management Forum executive director Lot Ndlovu said his organisation and other organisations represented at the workshop were trying to get at least two major organisations to join the alliance

He would not name the organisations, but it is understood they are the PAC and trade union federation Cosatu, which were not represented at the workshop

Ndlovu said a committee had been elected at the workshop, to get the organisations "on board"

Black Management Forum research and projects manager Loyiso Mbabane said the need for "a strong and well-organised body for the advancement of blacks and women to senior (managerial) positions" was evident given the reluctance of many companies to implement affirmative action programmes.

The alliance would research affirmative action plans and lobby for the enactment of appropriate legislation providing "the necessary structural framework for affirmative action programmes," Mbabane said

Meanwhile, the Black Management Forum and the Business and Marketing Intelligence have embarked on a study aimed at producing a blueprint for the implementation of affirmative action

Results of the study, which is funded by 13 companies including Eskom, Nedbank and Shell, are expected to be released in the new year

According to sources, the study focuses on in-depth interviews with more than 800 people

The interviewees include human resources managers, line managers, black managers, female managers and representatives of organisations from across the political spectrum

Hawkers to sell items sourced from China

THEO RAWANA

153A

BLACK hawkers in Johannesburg would be selling wares sourced directly from China after an agreement with the Chinese Business Association, the African Council for Hawkers and Informal Business (Achib) said yesterday B|DAY 3/12/92

Achib president Lawrence Mavundla said as a result of talks between the organisations after black hawkers had threatened to chase away the Chinese, an agreement was reached to allow blacks access to Chinese sources of supply for jewellery, ornaments, scarves and other items

Mavundla said the accord, reached yesterday with former Chinese consul-general and Chinese Industries in SA chairman C C Kan, would be formalised next Friday, after Achib had viewed samples of the items made available for its members

He said the hawkers hoped to be trading in the new items before Christmas

"This will enable our members to trade at the same level as the Chinese For the first time our members will be able to sell watches with a guarantee — at R15 each"

He added that the council was negotiating for premises in Johannesburg to serve as a warehouse for the Chinese items Achib would then allow the Chinese — "but only those who are already trading" — to sell on Johannesburg pavements, Mavundla said

Kan could not be reached for comment yesterday

SAB, taverners agree to suspend boycott

THEO RAWANA

THE boycott of SA Breweries' products in Soweto shebeens was suspended yesterday after the brewer and taverners agreed to set up a joint committee to look into the issues in dispute

The National Taverners' Association (NTA) and the SA Taverners' Association (Sata) began the boycott on Monday after disagreements with SAB over discounts for shebeens, sponsorships and payment for advertisements on taverners' premises

After a four-and-a-half-hour meeting yesterday, the parties said the boycott would be suspended and the shebeen organisations would report back to their members

NTA PRO Saint Madlala said the organisations were happy that common ground had been found with SAB

"We will report to members and wait on them to call off the boycott, since they were the ones who called for it in the first place," said Madlala

Both the organisations and SAB refused to give details of the agreement

The taverners said details would be available only after they had reported back to members

SAB public affairs manager Adran Botha said in a statement that "progress was made in setting a course to resolve a number of issues

"Agreement was also reached on the creation of a joint forum designed to discuss broader aspects of the liquor industry."

To ensure that the progress made was continued, SAB had committed itself to regular bimonthly meetings with NTA and Sata, Botha said

Mail 4/12-10/12/92

New twist in beer boycott

THE supposed suppliers of an alternative to South African Breweries (SAB) beer for township boycotters don't know they are meant to be helping the National Taverners Assoc-iation take on the beer monopoly National Breweries of Zimbabwe, brewers of Zambezi lager, denied this week it had had any dealings with the taverners.

While SAB moved to defuse the row with the taverners, whom it has said are looking for special discounts, looting of SAB's truck and intimidation of those supplying beer was reported

NEWS Investigating team tardy, says judge ● Soweto toasts *Charles Glass* again

No finding on lawyer's death

Explosive device killed Bheki Mlangeni:

THE Rand Supreme Court was yesterday unable to make a finding on who was responsible for the death of ANC lawyer Bheki Mlangeni

Mr Justice B O Donovan said available evidence fell short of pin-pointing who was to blame

"Statements placed before the court do not provide an acceptable basis for a finding and therefore should be ignored," he said

However, the court might have come to a different finding had the investigating team acted with greater promptness

"The investigating team which was constituted to collect information with regard to the explosion did not visit Vlakplaas until three months after the explosion

"The delay has not facilitated the collection of evidence," he said

Mlangeni was killed in February last year when a Walkman device with explosives in the headphones exploded when he attempted to listen to a tape recording

The device was wrapped in a parcel addressed to DJ Coetzee, a former Vlakplaas police captain who had been living in Lusaka since 1990

Beer drought over

■ SAB products boycott is suspended after a meeting with taverners:

By Mzimkulu Malunga

THE five-day boycott of South African Breweries by taverners in Soweto and other areas is over

At a meeting yesterday with SAB management lasting four hours at SAB headquarters in Sandton, Johannesburg, taverners decided to halt the action

The two major associations whose members were involved in the boycott the National Taverners Association and the South African Taverners Association said the action was suspended pending a report-back to their grassroots members

Both SAB and the taverners said they had reached "common ground" on problems facing the liquor industry but could not give details

A full announcement will be made in due course, probably next week, after the NTA and Sata had reported back to their members

"Some of the things are very sensitive, so releasing them to the media before informing our membership will be counter-productive, said the NTA's national chairman, Mr David Mokoena.

A seven-member task force consisting of four representatives from the taverners and three from SAB was charged with the responsibility of exploring short to medium-term as well as long-term solutions to the problems in the industry

"We are delighted that the boycott is off We think it is in the interests of the associations, SAB and the community at large particularly at this time of the year," said SAB public affairs head, Mr Adrian Botha.

The boycott had started in Soweto and spread to other areas, especially in the Free State



FM 4/12/92 (153A)

Dolby says the council favours flea markets and pioneered informal trading in SA but the mall is a walkway and not a trading area He adds that the situation undermines the concept of street trading Some vendors are formal traders, with shops in other parts of the city, who simply take clothes to the mall every morning and occupy a prime shopping area without paying rent or contributing to its upkeep He says the council has met about 200 of the traders and a committee representing them It also met an ANC delegation last week to discuss the issue

The council has offered traders other sites in nearby Thibault Square but traders claim the area is too windy and does not have sufficient passing trade They are willing to negotiate some controls over the mall sites but want to remain there while talks are in progress The council says traders must move before a new deal is discussed

Before the Businesses Act came into force the council allowed about 12 street vendors to operate in the mall They will be allowed to stay once the Administrator's ban comes into effect Traders who refuse to move face eviction and confiscation of goods

A private-sector source involved in the drafting of the Act says Meiring's ban may be deemed invalid, if challenged in court, unless it can be shown that the traders are totally preventing the intended use of the mall He adds that as long as pedestrians can still use it as a thoroughfare, and if traders adhere to health regulations, there is no valid reason for banning them

The designation by a local authority of restricted areas for hawking — as the council intends — is considered to be totally contrary to the Act's intention It is generally agreed that control over trading in the mall should have been achieved by mutual agreement between the formal and informal traders and the council rather than by old-style regulation ■

HAWKING FM 4/12/92

Free not for all (153A)

In a move that may undermine government's attempt to deregulate hawking, Cape Administrator Kobus Meiring is expected to impose strict controls on street traders in St George's Mall, Cape Town CBD's main pedestrian thoroughfare The ban is due to be promulgated this week in the *Provincial Gazette*

This comes three months after Meiring became the first provincial Administrator to implement the Businesses Act passed by parliament last year (*Business* October 9) The Act frees street vendors from bureaucratic control It is not yet in force in the other three provinces due to technical delays and there is now concern that the other Administrators may take fright at events in Cape Town and impose far-reaching restrictions on street trading when implementing the Act

Meiring initially chose not to restrict hawking in areas other than public parks, gardens and roads outside residences unless owners or residents complained Traders were also told not to block pavements, access routes and emergency services, erect permanent structures, create a nuisance or be a traffic hazard

There are about 140 traders in the mall selling mostly clothes and accessories The city council, Cape Town Chamber of Commerce and formal traders have spearheaded moves to ban them The council says the R14m mall was never intended as a trading area Formal traders who pay high rents in the mall complain of unfair competition, blocked doorways, obscured display windows and the general downgrading of what is meant to be an upmarket shopping precinct

Meiring says he likes the atmosphere created by the mall hawkers but sections of it are overcrowded and access to some shops is blocked City council executive committee chairman Louis Kreiner says the council is not opposed to informal trading but the mall is not a suitable venue

Cape Town deputy administrator Alan

* cont →

SAB beer to flow freely again

Star 4/12/92

By Zingisa Mkhuma

The four-day boycott of South African Breweries (SAB) beer was suspended yesterday, National Taverners' Association (NTA) spokesman Saint Madlala said

He said the suspension of the beer boycott was agreed on after the NTA and the SA Taverners' Association (Sata) had held "gruelling" discussions with SAB

Soweto taverners who are either NTA or Sata members started the boycott on Monday after SAB refused to grant them "preferential discounts"

The boycott also spread to Welkom and Bloemfontein.

Madlala said, the meeting was held "in the best cordial spirit ever We have drawn up short-term and medium-term plans

"We have decided that, as representatives of the boycotters, we will suspend the boycott pending a report-back meeting to our members It is our members who called for the boycott. It's they who'll call it off."

Asked whether the SAB had agreed to give them "preferential discounts", Madlala declined to comment, saying he had to consult NTA members before he made any public disclosures

He also refused to give details of the "plans" agreed upon

SAB spokesman Adrian Botha said progress had been made in setting a course to resolve a number of issues An agreement was reached on the creation of a joint forum designed to discuss aspects involving the liquor industry.

Boozers in a froth over 'beercott'

W|Mail 4/12 - 10/12/92

The week-long boycott of South African Breweries products by the 25 000-strong National Taverners Association sent veteran shebeen-crawler **OBED MUSI** *off to see how thirsty patrons are taking it*



Before the wells ran dry .. The boycott of SAB products has left many thirsty in the townships

THE glint in Bra Boykie's eyes showed the inner conflict between profit and principle flowing through his heart The Mofolo taverner is one of hundreds hit by the National Taverners Association (NTA) decision to boycott their old trading partner, South African Breweries (SAB), and import beer from Zimbabwe instead

Talking in typical township lingo, Bra Boykie made it clear that although he supported his organisation's beef against SAB for refusing to give taverners discounts, the strike had hit him hard in the pocket With "Kressie" (Christmas) four weeks away, thirsty patrons loaded with their annual bonuses are being turned away because the "wells are dry", as he put it

"Ons moet wietie met die SAB ngamlas want ors verloor chin (We'll have to to negotiate with the SAB wallahs because we are losing money)," said a rueful Boykie as he referred his regulars to a shebeen around the corner

There's a twist of irony Since the Liquor Act was amended, shebeens (that Irish word meaning an illicit drinking house) have donned a respectable mantle by being dubbed "taverns" — not to mention posher premises, separate loos and an annually renewed permit for R100

I followed the regulars only to find that the shebeen owner, who has recently applied for "tavern" status, had already joined the beer boycott. She stocks the Zambezi Brew, which one patron contemptously dismissed *"Ek sê, Mama, ons soek real cook, nie die Mugabe kak* (I say, Mama, we want real beer, not this sh—t from Mugabe) "

As I did my rounds I found some NTA members were paying lip-service to the strike while surreptitiously hoarding stocks of popular SAB brands like Lion, Castle and Black Label

Over in Diepkloof I met many of my old cronies from legendary Kofifi (Sophiatown) huddled in an angry group at a shebeen run by a young woman She was almost in tears as they tore into her for not having *"die real shandies* (the real goods)"

Spinky, whom we had nicknamed the "Shakespeare of the shebeens" for his penchant for quoting the Bard each time he took a swig, was leading the attack on the young shebeen queen, saying in old Kofifi lingo *"Daat Gatsha trane, waar is die cook* (Those are crocodile tears, where's the real booze)?" She meekly replied in Setswana *"Botsa bo — Saint lebo Lucky le Peggy "*

She was referring to Lucky Michaels, Saint Madlala and Peggy "Bel Air" Senne, executive officials of the NTA, and suggesting they ask them where the "real booze" was

On a more serious note, I discovered that some taverners make as much as R30 000 a month in clear profits from booze sales and the festive season is their most lucrative

I heard an SAB *"ngamla"*, whose name eluded me, adroitly fielding piercing questions on Radio 702 during the week but lamely admitting that they stood to lose a huge slice of income if the strike spread .. as indeed it has, nation-wide

At the time of writing the SAB and the NTA were locked in crucial talks to find a way out of this frothy impasse. The strike had reportedly spread to, of all places, the Free State townships near Bloemfontein and Welkom

Moving further afield into Dobsonville, I came across another bunch of shebeen habitués who were sipping hard tack, a significant if unusual substitute for their usual stuff

One of them wanted to know what the heck was happening In fractured English he told me what he thought of this "beercott" Lapsing into the location lingua franca he said. *"Die timing is bad, Jack. Ons het die khuza maar hulle het nie die cook nie Waar moet ons gaan?"*

Let's translate that into manageable English "timing" means just that — and more — in the townships It means bad judgment, an ill-timed remark, a form of disrespect or a plain faux pas The group felt the NTA bigwigs had ill-timed the strike since they have the money and the taverns don't have the goods

So it looks like it may be a black Christmas all round and not for political groups only.

Academic punts informal sector

B/DAY 7/12/92

LLOYD COUTTS

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 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.

Preparing the path to profitability

STAR 7/12/92

Retired company executives are quitting their garden deck chairs and bowling greens to volunteer to put their talent and experience back into use to guide a new generation of entrepreneurs into the business world, reports MICHAEL CHESTER

MORE and more budding black entrepreneurs are being steered by the invisible hand of a team of seasoned experts who have come out of retirement to show the newcomers how to climb the business ladder

It is a low-profile exercise to mobilise the talent and hard-headed experience of former corporate executives to act as backroom advisers to the next generation of entrepreneurs.

The retired gurus — engineers and technicians to accountants and salesmen — are being persuaded to pack away their garden deckchairs to join a task force of volunteers known as the International Executive Service Corps (IESC).

Their triumphs as troubleshooters when new mini-business ventures run into snags are becoming legendary as their numbers grow and their assignments multiply

"It's often on the bush telegraph that we hear about fledgling small firms encountering problems," says Kenneth van de Laar, executive director of IESC South Africa. "We handpick the ideal troubleshooter familiar with the snags — and off he goes to put the business back on course.

"Finding the solutions may take a few hours, or several days, even weeks. The root of the problem may be technical, poor bookkeeping, mistakes in production budgets, or difficulties in finding the best markets. Our chaps stick at it until the problems are licked.

"We find lots of enthusiasm and sheer determination in most new mini-ventures struggling to find a foothold in business, but also a lot of inevitable frustration caused by lack of basic management know-how among newcomers to the business world.

"That's where we can mobilise the grey matter of lifetime experience. It's amazing how many executives go into retirement — and then itch to put their skills and talents back into use from time to time."

The IESC, based in the US and backed by the US Agency for International Development, runs a global network of similar operations to encourage Third World enterprise. South Africa had to wait until apartheid was off the agenda before it joined the exercise, but the Johannesburg head office has already spread to branches in Durban, Cape Town, Port Elizabeth and East London.

Scores of former executives have added their names to the roster of volunteers on standby for firms that run into trouble

Xhosa dressmaker Yolisa Mzamo is one of hundreds of entrepreneurs whose mini-businesses have been set on the road to success.

She was confident she had found the ideal designs for the fashion range of clothes she was producing at the industrial estate at Mdantsane in the Ciskei, but complaints streamed in that the colours began to run when the garments were washed.

IESC trouble-shooter Cedric Harrop, a former director of a pharmaceutical company, homed in on the problem. Yolisa was advised to stick with the designs, but use different fabrics, and a special new set of dyes recommended after a lot of research.

Within weeks the new fashion range was a top-seller in boutiques in Cape Town and Johannesburg And now orders are flowing in from Germany

The Rivoni Workshop for the Blind at Louis Trichardt also sent out an SOS. Though handicapped with no better than partial sight, the workers were packed with enthusiasm but frustrated with the poor profit margins on the wire coat-hangers and wooden stools they were turning out.

Retired engineer Arnold Nelson set off from Johannesburg to lend a hand

"In the coat-hanger section, production methods were ingenious, but impractical," he reflects. "In the woodwork section, the crafted stools being made looked very attractive, but unprofitable as a business proposition."

Production lines were redesigned. Most of the equipment was replaced. New tools were used. Output rocketed to 2 400 hangers a day Instead of making stools, the carpenters switched to making wooden pallets with an instant order book from a large tile manufacturer.

It was Nelson's production know-how that also went into the success of a small company that was started in Soweto to manufacture metal window frames for supply to local house builders

The down-to-earth approach of the volunteer teams was also set in motion to solve the constant problems encountered by township spazas and hawkers who had no access to freezers to keep foods and drinks cold and fresh, either because of the expense or simply the lack of electricity

Volunteer Ray Mitchley sat down to search for solutions with Tony Sibiya, chairman of the Zimbambelani National Spazas and Hawkers' Association in northern Natal.

The result. the design and production of a low-cost galvanised iron cooler chest, the size of a kitchen table, using blocks of dry ice that keep the contents well below freezing level for as long as 10 days at a time. The design means neither mains electricity nor batteries are needed, and maintenance chores have been reduced to almost zero

A prototype has proved the viability of the unit, and Mitchley and Sibiya believe demand will be enormous once production starts in earnest.

"There are an estimated 150 000 spaza shopkeepers in South Africa," notes Van de Laar "More than half must be without refrigeration so one can easily imagine the impact the new units could have on shopping routines."

Also being developed are new designs for smaller cooler boxes for use by street vendors.

"Bringing more black business ventures into the economic mainstream is both crucial and urgent," says Van de Laar "Our particular concern is that they are run on sound economic principles.

"Whatever the eventual outcome of the debate surrounding the redistribution of wealth in this country, it is quite clear that until the population as a whole begins to perceive personal benefits under a system of free enterprise, the future for corporate South Africa will continue to be uncertain.

"Most business leaders now agree with that proposition and its corollary that ways have to be found to multiply the numbers of medium to large businesses that are seen to be owned or controlled by blacks.

"There are few conglomerates that could maintain their competitive edge if they alone took unique or unusual business risks The ideal situation therefore would be for groups who compete in a particular industrial sector to jointly agree to allocate a percentage of their net profit for investment in a venture capital fund earmarked for new mini-business launches.

"For example, the banking sector, life assurance offices and the mining houses could each set up a fund of their own. Or else they could all contribute to a single unified fund. Overseas international development agencies and foundations have indicated willingness to participate if leading local businesses take the initiative and show their commitment to sustainable development.

"Bridging the gap between the industrialised component of our country and the developing sector of the population is one of the gravest long-range problems and one of the greatest challenges we face today A national network to ensure the survival of the free enterprise system is vital

"A new culture needs to be initiated at all levels of business life. Opportunities for what has been called internal privatisation should be investigated. Managers should be encouraged to look beyond sub-contracting the catering office cleaning, gardening and similar services.

"Component manufacture, assembly, finishing and other aspects of production should be targeted

"A new era of lateral thinking and innovative ideas must begin In time we may hope that the process will become colour-blind. But whatever happens, one principle must be inviolate — the basis for extending black ownership must always be economically valid." □



Success story . . .

'Technicality' reprieves traders

1638 CT 8/12/92

TRADERS in St George's Mall dropped their planned application for a Supreme Court interdict yesterday when a technical hitch give them at least an extra week's trading

It seems that the ban on mall trading is still coming, either this Friday or next

With Cape Administrator Mr Kobus Meiring at a cabinet meeting until tomorrow, it is believed he will still be able to sign a reworked mall-trading ban for publication in Friday's Provincial Gazette

CPA spokesman Mr Frikkie Odendaal said he had no reason to suspect the administrator was rethinking the mall-trading issue

A state attorney acting for the Administrator conceded that there was an error in the Administrator's mall-trading ban promulgated on Friday Reference is made to "the incorrect provisions of the relevant legislation", he said

Meanwhile, attorneys for the mall traders said stallholders were still hoping to arrange a meeting with council officials to convey new proposals to them

The traders believe the at such a meeting could result in measures which are "to the satisfaction of all interested parties"

The traders' committee felt members would support moves to stop them "competing unfairly" with formal business

Franchising

Franchising set to take off in SA

BIDAY 9/12/92
9/12/92
9/12/92
ISSA

THEO RAWANA

THE Black Integrated Commercial Support Network intends binding big and small business in 250 marriages that will see black-owned enterprises flourishing in the next five years, says CE Leyland Hazzlewood

The network is a USAid-funded, five-year project established to lift black businesses into the mainstream of the economy

It organised a two-day international franchise conference which started in Johannesburg yesterday The co-organiser is the International Franchise Association (IFA), whose president, William Cherkasky, is former executive director of the US Senate's select committee on small business.

Hazzlewood told the conference that during the five-year period it had been granted, the network aimed to train 500 new entrepreneurs and undertake "a range of additional activities that strengthen the role of black business people in the SA economy"

He said the network was "not a social responsibility programme. Its aim is to make an impact on economic development by targeting growth-orientated enterprises and helping them grow as fast as they can.

"We have targeted franchising as one of our business development strategies because of its potential to transfer sound business systems and approaches to SA's new entrepreneurs who have the challenge of creating the bulk of new jobs needed in the country."

"Franchising has been called the single most successful marketing concept. In the US a new business opens every 17 minutes. It is the success story of the 1990s and is poised for takeoff in SA"

Lessons led to success

■ Curtain maker wants Nacssa to make club uniforms:

153A

By Joshua Raboroko

AT the age of 16 Mrs Christina Mzuzile Legwasa, who belongs to Nacssa-affiliate Joy Women's Club in Diepkloof, attended sewing classes while at school

She started making curtains at home and today she runs the successful Christina's Curtain and Bedcovers Company which also manufactures jerseys and scarves All the result of her love for the rag trade

"You must have a goal in life in order to make it," said the likeable woman from Soweto

She is not a businesswoman by chance Now 44 years old, she was innovative at an early age.

Her mother once bought material for curtains On the bus to work a stranger duped her into believing that she (the stranger) could sew the curtains for her at the weekend.

The unsuspecting mother gave the material to that woman and that was the last she ever saw of her.

Her mother bought new material and with the little she was taught at sewing school Mzuzile made her first curtains to the delight of her mother

One of the keys to her success is that she works hard at whatever she does "I plan my work and I set out to do a very good job," she said Sowetan 11/12/92

Christina was born in Sophiatown and completed her Junior Certificate examinations at the Madibane High School in Diepkloof

After finishing school Christina bought herself a sewing machine and attended an intensive training programme - her mission being to make curtains.

"I knew that as more people buy homes they would need curtains. Curtains embellish your home

"One thing I do not believe in is cheating clients. I make good quality curtains "

She sold her products from door to door and sometimes friends would recommended her. Most times she travelled countrywide in search of customers.

Christina has taught many people.

"Retrenched people who have machines come to me for training, which I gladly give," she said

Christina is keen to train Nacssa members, especially women who want to start their own businesses

She wants Nacssa to establish a clothing manufacturing company that would service women in burial societies and clubs

"Time is ripe for us to make our own uniforms and be ready to challenge big business that often exploits our people," she concluded

NACSSA FEATURE *Involved in burial societies, women's organisations and meholisano clubs*

R100 000 paid to bereaved families

By Joshua Raboroko

NACSSA 4000 Funeral Scheme has paid more than R100 000 to bereaved families of burial societies, women's and meholisano clubs in the wake of growing violence in the past 12 months

Most incidents involved members of societies and clubs who were attacked by unknown assailants and robbed in the trouble-torn black townships.

The payouts, which ranged from R1 000 to R4 000, formed part of the benefits which members refer to as Ubuntu-Thusano 4000 Funeral Plan (Help each other, in good faith)

One of the latest payments made this week was to the mother of the late Mr Douglas Ngcobo, who died in July this year

Nacssa's chief executive Mr Sam Muofhe said death struck twice in the family within five months The association paid R1 000 freely, despite the fact that no further premiums were made after his death

■ Living up to its name by helping people in good faith:

Sowetan 11/12/92 (153A) (28)

"We are showing our deepest sympathy to our member whose destitute family is still mourning," Muofhe said

He added that this example was one of the many that the funeral scheme was rendering to thousands of its members when death strikes

Dignity and respect

"By caring about our dead we are making sure that unexpected funeral expenses are met Your family will enjoy the dignity and respect they deserve in terms of our scheme," he said

Nacssa funeral scheme benefits are:

● Low premiums (Plan A) R20 a month for your family, including parents-in-law or (Plan B) R12,50 a month for your spouse and children without parents or parents-in-law.

● Huge benefits - member R4 000; spouse R4 000, children (14 to 21 years) R4 000,(6 to 13) R1 250, (0-5 years) R750, and parents-in-law R1 000

● Life-long membership If the member dies, is totally disabled and cannot work again or reaches the age of 65 years then payments stop but the family is still protected

● Family care payment. If the member dies the family receives R150 a month for a year to help them over this difficult time;

● Education Trust. When a member dies R200 is paid to the Nacssa Educational Trust to provide scholarships for the children of members

Muofhe explained that the funeral scheme made provision for a man's second wife, who would get the same benefits as the first wife

For more information on the scheme and Centre for Black Economic Development contact Muofhe at (011) 331-8326 or visit 8th Floor, McCarthy Centre, 32-34 Eloff Street, off Albert Street, Johannesburg.

Fighting to bury the dead

Sowetan 11/12/92

GRASPING GREED

Undertakers fight and bribe to get hold of bodies:

153A

By Joshua Raboroko

BLACK people always attach great respect and importance to funerals, especially in the wake of the surging violence gripping our townships

Death is not an easy subject to discuss or think about but it comes to all - rich and poor alike

Funerals have thus become big business As most deaths come unexpectedly, families find themselves unprepared for the expenses

But, what a shame on undertakers who are supposed to bury our dead with dignity and pride

The undertakers seem to be fighting for corpses at hospitals and Government mortuaries, according to a comment in the latest issue of ***Nacssa World.***

The article says the motive for these fights is to make millions of rands from the bereaved families

When people die undertakers see one thing in the tears of mourners - money

Reports alleging that undertakers have been bribing Baragwanath Hospital clerks to induce bereaved families to favour certain undertakers should serve as a clear signal that burial societies need to look after themselves

When Nacssa was formed in 1990, undertakers suffered severe headaches, because they could not understand their existence nor their objectives

"We wanted burial societies to have a stake in the business of burying their members This simply puzzled our undertakers"

This was despite Nacssa's efforts to brief them with a view to streamlining undertaking services for the benefit of all

The report says meeting after meeting was arranged with undertakers associations, for example with the National African Funeral Undertakers Association, which caters for black operators.

Concerted efforts were also made to meet unaffiliated independent undertakers - this showed Nacssa's concern indeed

"We could make neither head nor tail of what some undertakers were on about, for example those who kept trying to prove that their services were the best."

It is noteworthy that the burial societies wanted a piece of the cake in the burial industry which is bringing millions of rands into the coffers of undertakers.

Yet when Nacssa asked for it they were even threatened that black workers would be dismissed by some associations of undertakers - what a shame.

Burial society helping its members

Sowetan 11/12/92

By Joshua Raboroko

■ Insurance scheme will see people through hard times:

153A

THE National Co-operatives Societies of South Africa is to launch an insurance scheme which will enable members to enjoy club facilities even if unemployed

These include the continuation of payment of contributions to the individual society or club

It comes at a time when hundreds of thousands of burial society and club members have been retrenched as a result of the recession

Different economists and experts estimate that unemployment in South Africa is between four to six million people and soaring at an alarming rate Jobless and homelessness are commonplace despite protracted efforts by the formal and informal sectors to solve the economic problem

Nacssa's chief executive Mr Sam Moufhe said that each member would be expected to invest a portion of his premiums into the insurance scheme

"If a member, for example, fails to pay dues for a burial society or club, either as a result of death or unemployment, then the insurance will cover him

In the case of long periods of unemployment, the insurance would continue to pay for the member until he gets a job

The burial societies and clubs movement of Nacssa has 120 000 groups Each consists of 50 to 100 members, mostly women and men in the higher income bracket

Meetings vary from one society to the other Two thirds meet once a month, while others meet on a weekly basis

The average monthly amount contributed by a member is R50 in burial societies and about R120 in clubs

NACSSA FEATURE *Praise for Stokvels group from political leaders and businesses*

Support for Nacssa efforts

Sowetan 11/12/92.

The enthusiastic response of our community to this project is heart-warming and indicative of the fact that, given good leadership, our people respond with love.

GROUP LAUDED Efforts to uplift blacks: (1538)

By Joshua Raboroko

MESSAGES of support have been pouring into the offices of the National Association of Cooperative Societies of South Africa before the organisation's annual conference at Funda Centre on Sunday

The president of the ANC, Mr Nelson Mandela, says Nacssa is an association which is wholly indicative of the valued initiatives our beleaguered country so desperately needs in this very critical period of our history

"The African National Congress values this initiative highly and congratulates Nacssa for its commitment, sensitivity and essential services it renders to the community

"The new South Africa we are all striving to achieve will be rebuilt and restructured with precisely this kind of self-help, in which we can create a new society of which we can all be proud"

South African Communist Party general secretary Chris Hani says "We are confident that Nacssa will play its rightful role in this important field

"In particular we wish you all success in your endeavour to bring to our impoverished black communities, not only a sense of pride and dignity, but also self-reliance and economic empowerment

"We are with you in your courageous efforts to make a meaningful contribution towards achieving the noble goals of peace, justice, democracy and prosperity"

Secretary general of South African Football Association Mr Solomon "Sticks" Morewa says "I have watched with great interest and admiration the formation and growth of Nacssa

"The enthusiastic response of our community to this project is heart-warming and indicative of the fact that, given good leadership, our people respond with love

"It is clear that Nacssa has fused our cultural values with modern business principles that will ensure the continued survival of our nation

"The various self-help societies or makgotlas are the core structures of Nacssa and provide a sound springboard for future economical development This can only assure that when we attain political freedom it shall be an economic freedom Political emancipation is meaningless if it is not accompanied by economic freedom"

National Olympic Committee of South Africa's president Sam Ramsamy says "We commend Nacssa for its energetic activities in redressing the imbalances in our society and wish you a very successful New Year"

Governor of the Reserve Bank Dr Chris Stals says "The year 1992 has brought drought with its many disappointments, but also many things to be grateful for

"Our country suffered from drought and many people lost their jobs and had no food to eat because of this Our country suffered from depressed economic conditions, and many people became unemployed

Violence and social unrest

"Our country suffered from violence and social unrest, and many communities and families lost dear ones prematurely And yet, our country through these many hardships became even more determined than ever before to find solutions, and to create a new future for all its people

"At the beginning of 1993, there is a new hope, and encouraging new signals that the new year will hopefully take us faster towards a new future"

National Sorghum Breweries executive director Israel Skosana says "The economic power of every country lies in the sharing of wealth, by either investment or selling one's labour in a sound labour relations network

"Let us consider ourselves as partners in business The supreme act of business must be to create social peace and prosperity for us all "The future needs us to engage in a cycle of self-renewal and this depends on our doing something else, something more, something new"

Premier Group's chairman Peter Wrighton says "The Premier Group admires the spirit of community which the cooperative societies build in our trouble society

"It is this collective spirit - the feeling of working together for a common vision - which will help us overcome the challenge which lies before us National Parks Board chief executive director Dr G A Robinson says "We wish Nacssa and its members and their families a joyous and blessed Christmas and prosperous New Year"

Eskom's chief executive Dr Ian McRae says "All of us, need, at this time, to look forward rather than behind us We must be strong and resolute that we will in the new year, address in a positive way, the many problems which surround us Every individual can be a powerful force for a better and more peaceful future None of us can hope to cure everything at once"

Anglo American and De Beers Chairman's Fund chairman Mr C O' Dowd says "We greet Nacssa on the occasion of its 1992 annual general meeting

"We greatly admire the work which you are doing in showing what black people, including people with relatively little formal education, can do by their initiative and efforts to better themselves, their fellows and their communities"

South African Chamber of Business director-general Raymond Parsons says "We have read with interest of your efforts in the field of black economic development through grassroots organisations such as burial societies, women's and meholisano clubs, and in particular your focus on training in the field of the establishment and development of businesses

Economic activity

"We have always laid emphasis on creating an environment where all can participate in economic activity and as you know have a long history of endeavouring to remove the shackles and impediments which have prevented all our people from developing their full potential"

Sasol says "Sasol has always been active in providing support and opportunities to the communities of South Africa It is committed to continue this investment in our people, at the same time creating job opportunities and wealth for our country"

Nedcor divisional director Hugh Maclachlan says "Perm, a member of the Nedcor Group, has had a happy and fruitful association for some years with business such as these represented by your organisation We will watch your progress with interest in the year ahead in the knowledge that you wish to see the creation of a stable society in which all our fellow South Africans can prosper"

Pick 'n Pay Raymond Ackerman says "My message is one of hope for next year There are so many wonderful people trying to improve our country and it is the quality of our people that gives us hope for the future"

Democratic Party leader Dr Zac De Beer says "We believe that Nacssa has a very special role to play in building a better future"



Profitability
with responsibility

JCI manages the world's largest producer of platinum and also has major interests in gold, diamonds, chrome, coal, base metals, property, and a variety of consumer industries The company is constantly looking for profitable expansion of its business, based on its core expertise in mining and metallurgy

As a large corporation JCI has a role to play beyond its direct business activities in securing South Africa's transition to a prosperous democracy based on socially responsible free enterprise. We support numerous initiatives notably in the education and small business fields, aimed at stimulating creation of jobs, wealth and long-term economic development

Johannesburg Consolidated Investment Company, Limited

Nacssa now manufactures coffins

Nacssa World is free

■ Newspaper will educate club members:

By Joshua Raboroko

THE Centre for Black Economic Development has launched a monthly newspaper called *Nacssa World* aimed at reaching more than 120 000 members throughout South Africa.

General manager Mr Peter Nemakhavhani said the paper would be distributed free to members every month

He said that the revenue to run the newspaper would come mainly from advertising

"We are hoping it will pay for itself as we would like to maintain editorial freedom," he said

Nemakhavhani said that the newspaper would educate societies and clubs about opportunities available to them

"Time is ripe that blacks should own newspapers and this is an attempt in that direction," he said, adding, "we need to articulate our views in our own media."

"CALLING ALL BURIAL SOCIETIES/CLUBS"

Allan's

New factory in Ekangala

Sowetan 11/12/92

■ Whites are unhappy after the biggest job creation project in KwaNdebele:

By Joshua Raboroko

THE NATIONAL Association of Cooperative Societies of South Africa has opened its first coffin manufacturing company in KwaNdebele in the northern Transvaal.

The factory is in Ekandustria in Ekangala and is geared to be the biggest job-creation project in the destitute KwaNdebele homeland

It comes after protracted negotiations between the organisation and a private company in the area and has been described as "a major breakthrough towards black advancement"

It comes amid threats by white rivals that they will sack and retrench hundreds of black workers if Nacssa continues with the project.

The factory is the brainchild of Letsema Investment Corporation, which is controlled by Nacssa and chaired by Dr Nthato Motlana.

Nacssa's chief executive, Mr Sam Moufhe, said the aquisition of the R300 000 coffin manufacturing company was a big success for the organisation's 200 000 members.

He said it would serve many undertakers and have a 60 percent market share in the industry

Employment opportunities, a major task of the Nacssa, would be created for many disadvantaged people, Motlana added.

Motlana said as a business organisation, they encouraged burial societies, women's and meholisano clubs to establish businesses.

"The object was to show them that we can create jobs and wealth for the community " he said

"We helped 27 societies or clubs in initiating different business projects. These projects inter alia included paving, catering in functions and funerals, curtains and bed covers manufacturing, floor tiling, fruit and vegetables vending "

He said about 125 people who would otherwise be unemployed found employment through this exercise "We assist these societies in marketing, management, book-keeping and banking "



NACSSA SPECIAL *Aim is to mobilise previously unwapped sources of private capital*



Dr J Mphafudi

Advancement of blacks

Sowetan · 11/12/92. (153A)

By Joshua Raboroko

■ **WEALTH CREATION** *Businessmen and professionals come together in one forum:*

TUNGURU Investment Club (TIC), a society for professional and business people affiliated to the National Association of Co-operative Societies of South Africa (Nacssa), has set out to identify and develop wealth-creating projects in the black community

Chairman Dr JAP Mphafudi said the club had a central role to play

"It is unique because unlike other associations that cater for specific businesses or professions, TIC brings everyone together in one forum," he said

Office bearers

"We as members should realise that there is no precedent for us to follow in developing the club

"It is therefore like climbing Mount Sinai," Mphafudi said

TIC's office bearers are Mphafudi (chairman), Mr Sam Moufhe (chief executive) and Mr Vusi Mbonani (treasurer)

At its general meeting in September held at Bruma in Johannesburg the members resolved to trim the executive and to have only three members running the affairs of the club

Among the club's members are well-known personalities such as Soweto medical practitioners Dr Nthato Motlana, Dr M Matseke and Dr G Mbher and advocates Ishmael Semenya and Modise Khoza and accountants Miss Tshidi Mogabudi and Mr Josia Tsamani and Safa's president Mr Solomon "Stucks" Morewa

The club holds its meetings in Johannesburg's elite suburbs

The TIC has been formed to identify wealth-creating projects within the black community

Its aim is not only to help when death occurs in the family but also to help members improve their businesses and professional practices

Economic welfare

Mphafudi said "We want to promote the economic welfare of the people, initiate and mobilise previously untapped sources of private capital and provide help in community and co-operative organisations"

He went on "The TIC is not necessarily an elitist club although it caters for businessmen, professionals and academics

> **"The TIC is not necessarily elitist, although it caters for businessmen, professional people and academics"**

"This development fits in well with our mission of black economic development With the combination of grassroots community organisations and business and professional skills, we will be in a position to talk about and practise economic development"

The club will hold its end of year party on Sunday

NACASSA SPECIAL *Coffin manufacturing plants one option of generating funds for institution*

Perm's innovative idea

Soweten 11/12/92

By Mzimkulu Malunga

■ Burial societies should start their own financial institution to open doors for their members to obtain loans:

BURIAL societies should consider the possibility of establishing their own financial institution in the near future, says SA Perm's marketing manager, Mr Richard Ford.

While societies' members invest huge sums of money in the large financial institutions, their savings do not qualify them for loans individually

The financial sector has yet to come up with a mechanism which can be employed to use savings generated by burial societies as collateral when an individual member applies for a loan

Contrary to a popular view in corporate circles, the emergence of the burial society movement was not bridging the gap between the formal and the informal sectors said Ford

When the notion of black economic empowerment - accompanied by moves to mobilise resources generated by indigenous savings groups - gathered momentum in the latter half of the '80s, big business was swimming in a pool of excitement for two reasons, Ford argued.

Fertile market

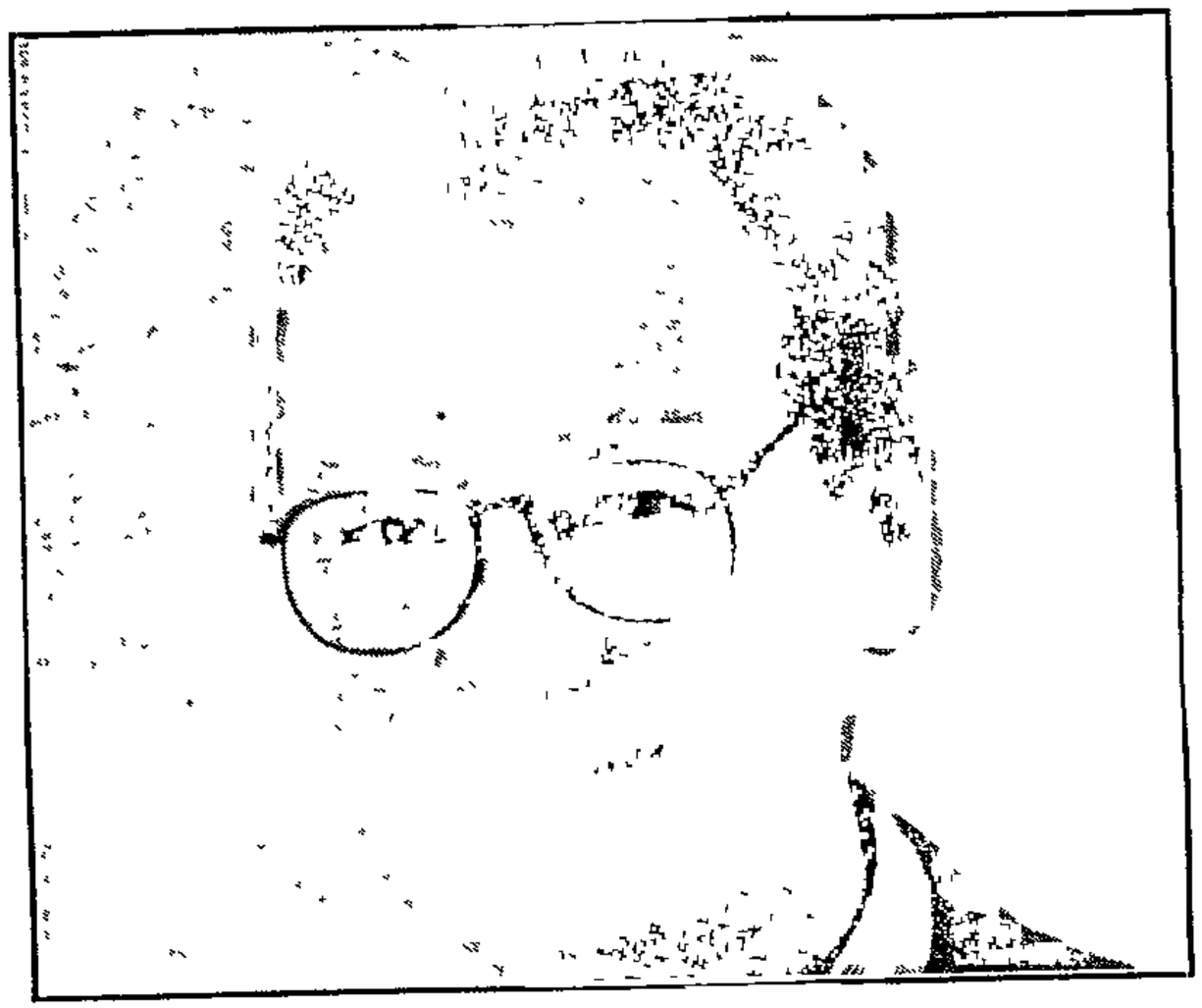
One, it was seen as a fertile market for business. Two, they thought that it could act as a bridge between South Africa's two diverse business sectors, the formal and the informal

"Corporate South Africa is romanticising about what are merely hand to mouth operations," said Ford

But what the Centre for Black Economic Development was doing through the Nacssa could change the situation

While Nacssa was still exploring the feasibility of establishing an independent financial institution, burial societies could invest the money in income generating ventures such as setting up coffin manufacturing plants

The setting up of smaller co-operatives which could develop into a bigger national structure, was one of the alternative routes for societies to pursue in the drive to create what many term "the black rand", Ford added.



Richard Ford

NACSSA FEATURE *OFS clubs back Letsema Investment Corporation with R5 000 investment*



R5 000 injection for Nacssa's wing

Sowetan 11/12/92 (153A)

■ BLACK EMPOWERMENT Societies committed to the growth of the recently formed association:

By Joshua Raboroko

THE FREE State-based burial societies, women's and meholisano clubs are determined to carry the Nacssa message of black economic development far and wide

They have invested more than R5 000 with Nacssa's economic wing, Letsema Investment Corporation, because "the black community will have failed if Letsema fails to take off"

The corporation has continued to use funds from burial societies, women s and meholisano clubs to achieve the much talked about black economic development.

OFS s Ms Lanky Dashoka said We need to invest in Letsema so that the businesses we dream about in our seminars and workshops are realised soon

"Letsema has to mobilise our funds and start operating our coffin and clothing manufacturing and catering and services companies

' We cannot make it fail The black community will have failed if the corporation fails to take off '

President of the society Ms J Nkala said that societies and clubs could no longer hide behind the fear of black business

Many black businesses have collapsed as a result of poor management and lack of funds as the recession continues to take its bite

"There are liquidations daily of companies, even big businesses, because of mismanagement and theft The Master Bond fiasco is a good example and to my knowledge blacks are not running it

Chairman of the Meloding Burial Society Ms Anna Motlolisi said Nacssa's burial scheme was the last line of defence when death visited many families

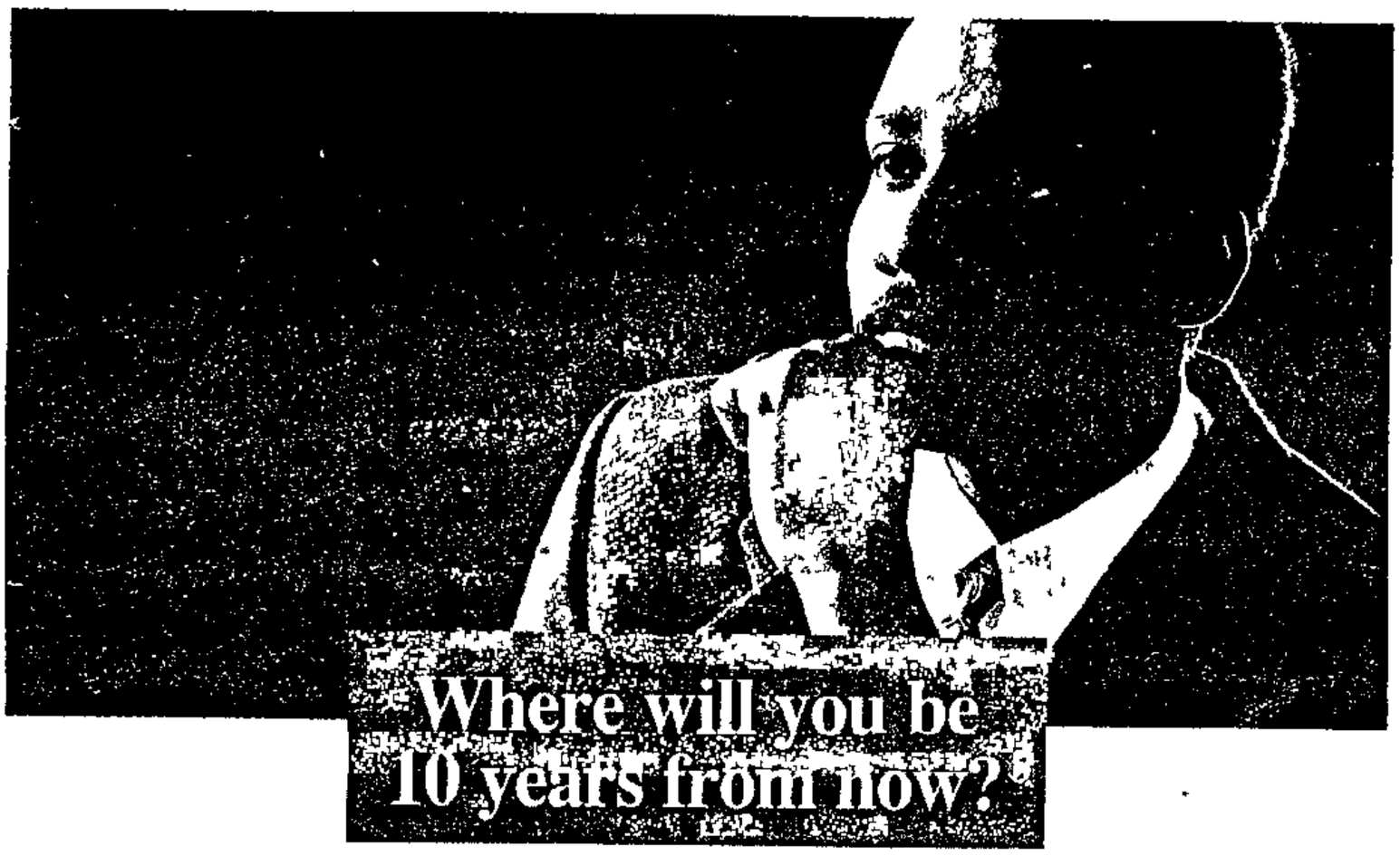
She said the other societies must be saved from the agony of failing to bury their members because of ' insufficient funds"

"We in the OFS must pass on the education we have received from Nacssa to other societies This message must reach the whole country

"Our financial contribution means a reduction in the extent of what is always called the Undiphe Syndrome" - dependency which must be eradicated, she said



Ms Christina Mzuzule Legwasa, member of Nacssa-affiliate Joy Women's Club, who has made a success of a curtain making business in Diepkloof, Soweto



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Nacssa out to create jobs

■ Catering Services aim to meet all requirements:

By Joshua Raboroko

THE newly formed Nacssa Catering Services aims to create job opportunities for millions of unemployed blacks in South Africa

It is one of the important enterprises that will economically empower blacks to become entrepreneurs and help them get out of the dependency syndrome

It will cater for your needs, from burial societies and club meetings, to funerals, weddings, birthday and office parties in the townships and cities

It will supply utensils, crockery, tents and chairs, according to Mrs Molefe Setshedi, general manager of the company

"It is important that members be freed from cooking so that societies and clubs can concentrate on the business that brought them together," she added

For your bookings contact her at Nacsaa Catering Services, PO Box 260479, Excom 2023 or telephone (011) 331-8326 Fax (011) 331-9567

Setshedi said since Nacssa was formed two years ago, considerable strides have been made towards black participation in formal businesses

This is the fourth venture by the association in its quest for black advancement.

The association has formed the Tunguru Club (a burial society for professional people), Letsema Investment Club (a coffin manufacturing company in KwaNdebele), the 4 000 Burial Scheme, and an insurance company

She was confident that the association would achieve what former president of Nafcoc Mr Sam Motsuenyane preached, "the gospel of self-reliance"

"Through consistent training of burial societies, women's and meholisano clubs, we are beginning to achieve economic empowerment by the formation of the catering services," Sesthedi said

"We are hoping that this company will one day be a success Maybe that will restore peace and stability in our country

"We believe competition is healthy It makes you not to relax You must fight to keep your market share This is what Nacssa Catering Services will strive for by rendering good services to our clients," she added

The service aims to entertain members at meetings

NACSSA SPECIAL *Visit to France*

French are confident of SA economy

Sowetan 11/12/92

■ **Sam Moufhe successfully made business contacts for Stokvels:**

By Joshua Raboroko

MOST French companies have confidence in South Africa's economic future in spite of political and economic uncertainties.

They are keen to invest and to create much-needed job opportunities in the country, especially to economically empower black businesses.

This is the message from the chief executive of the National Association of Cooperative Societies of South Africa (Nacssa), Mr Sam Moufhe, after a seven-day visit to France

During his visit he met and held discussions with a variety of groups, including chambers of commerce, entrepreneurs and small businesses who showed interest in investing here.

He has shared ideas with coffin manufacturing companies that have shown interest and were willing to help burial societies form their own manufacturing companies.

The move will come as a blessing to Nacssa members who stand to benefit. "We have already started our coffin manufacturing company in KwaNdebele. One thing is we must learn to manufacture our own products in the new South Africa, do things ourselves," he said.

He has established contact with funeral undertaking services and catering firms and was excited to see how "small businesses were actually helping big brother grow".

"It is our intention to look at the services we are in globally A mix of services will help to encourage our members to participate in business, either on their own or through Nacssa's investment corporation called Letsema," he said

Most of their members no longer experienced financial headaches when family members die since the Nacssa 4000 Funeral Scheme was introduced two years ago

"The visit was worth it. The French community proved to me that with a bit of innovative thinking, determination and vision, the black community can pull itself out of poverty with little or no external support at all.

"French rituals are very similar to ours They respect their dead. They have in the past spent time moving from one service to the other buying coffins, tombstones and ending with some opening their own companies.

"These companies have brought in a new concept of funeral supermarkets where coffins, flowers, tombstones and mourning clothes are bought," said Moufhe.

The companies had committed themselves to assist burial societies, women's and meholisano clubs locally. The director had indicated he would come to South Africa to share the same ideas with Nacssa.

Moufhe said. "Top investment corporations and financial institutions were also briefed about Nacssa with specific reference to Letsema Investment Corporation which has acquired a coffin manufacturing company and Nacsaa Catering Services.

"We are not looking for handouts. We want you to support this grassroots initiative by investing in it for returns which can be ploughed into other economic projects.

"In this manner," he said, "you will be helping us to promote black business that will generate wealth and create job opportunities for the community."

He said Jean Yves Rouchy, director of Caisse D' Eparge, a national savings bank who wrote extensively in Cameroon (West Africa) about rotating credit clubs, emphasised that Nacssa should make sure that before embarking on foreign concepts, societies and clubs were fully schooled.

"It is important now that Nacssa and other players concentrate on setting in motion the process of black economic development," Moufhe added.

NACASSA SPECIAL *Coffin manufacturing plants one option of generating funds for institution*

Perm's innovative idea

Soweten 11/12/92

By Mzimkulu Malunga

■ Burial societies should start their own financial institution to open doors for their members to obtain loans:

BURIAL societies should consider the possibility of establishing their own financial institution in the near future, says SA Perm's marketing manager, Mr Richard Ford

While societies' members invest huge sums of money in the large financial institutions, their savings do not qualify them for loans individually

The financial sector has yet to come up with a mechanism which can be employed to use savings generated by burial societies as collateral when an individual member applies for a loan.

Contrary to a popular view in corporate circles, the emergence of the burial society movement was not bridging the gap between the formal and the informal sectors said Ford.

When the notion of black economic empowerment - accompanied by moves to mobilise resources generated by indigenous savings groups - gathered momentum in the latter half of the '80s, big business was swimming in a pool of excitement for two reasons, Ford argued.

Fertile market

One, it was seen as a fertile market for business Two, they thought that it could act as a bridge between South Africa's two diverse business sectors, the formal and the informal.

"Corporate South Africa is romanticising about what are merely hand to mouth operations," said Ford

But what the Centre for Black Economic Development was doing through the Nacssa could change the situation.

While Nacssa was still exploring the feasibility of establishing an independent financial institution, burial societies could invest the money in income generating ventures such as setting up coffin manufacturing plants

The setting up of smaller co-operatives which could develop into a bigger national structure, was one of the alternative routes for societies to pursue in the drive to create what many term "the black rand", Ford added



Richard Ford

THE CHANGING SA: *Experts underline positive political, economic aspects*

Small firms given hope for future

STAR 12/12/92 153A 30

THINK and act positively — that's the message during this time of uncertainty and pessimism. LEIGH HASSALL continues her series aimed at guiding the entrepreneur through the hazards of launching a business.

GUN BATTLES at the corner cafe, declining sales at squeezed profit margins and the stress of the on-off political scenario all contribute to the seemingly pervasive air of pessimism among small business entrepreneurs today

However, all good things come to those who think and act positively and the business arena is no different

Chartered accountants Kessel Feinstein recently hosted a presentation aimed specifically at entrepreneurial companies in an attempt to reduce the confusion and pessimism which is impacting on growth-oriented businesses

The focus was on providing entrepreneurs with new ideas and perspectives for developing their business strategies for 1993 Expert speakers gave their views on the political scenario, the economic environment, operating a business in times of uncertainty and the psychology of managing uncertainty

Professor Robert Schrire of the department of political studies at the University of Cape Town elucidated the political changes since 1990

Violence

Encouragingly, he said, tremendous progress had been made on the political front without it always being realised Viewed in perspective, he added, several of the stumbling blocks or "irreconcilable differences" which existed between the Government and the ANC appeared to have been resolved

The negative factors affecting the reform process included the economic decline, the legacy of the past, weaknesses of both the white and black political parties, as well as the ongoing violence

However, the existence of a real balance of power in South Africa was a definite positive factor for surviving the reform period



DR FRIEDMAN: "No need to be preoccupied with disaster."

Schrire added that on the one hand the ANC had the power of the vote in numbers, but the whites had the power of expertise and control of the State and democracy South Africa also had in its favour a strong civil society which was supported by a solid business community

□ Mike Brown, economic and investment consultant at stockbrokers Frankel Max Pollock Vinderine, offered his predictions on the 1993 economy He said that in view of the massive Budget deficit, the VAT rate was likely to go up by 2 percent

On a more positive note, he forecast that interest rates would decline by a further two percentage points Inflation had already shown a marked decrease and was currently running at an annualised month to-month basis of 10 percent

Brown said the export sector would be one of 1993's building blocks In 1992, exports comprised 25 percent of gross domestic product He added that export activity would rise, despite an increase in protectionism in the non-American countries

□ The lack of reliable information on which to base decisions resulted in a sense of loss of control and helplessness in the business executive This was the message of Dr Merle Friedman, clinical psychologist and senior lecturer in the department of psychology at the University of the Witwatersrand

She advised entrepreneurs to move away from a defensive approach and look for the inherent opportunities which existed in the South African market place

Ways to achieve this resilient approach included eliminating preoccupation with disaster; developing psychological resilience through effective stress management and social support, building resilience within one's business, for example, with a flatter management structure

Market share

□ Nic Frangos, group chairman and chief exective of listed electronics group Datakor, gave advice on how the entrepreneur should be managing his business in these times of uncertainty He said the entrepreneur should be using this time to refocus on his own business issues

He added the current climate was ideal to increase market share by repositioning business units to benefit from the inherent opportunities in the market.

Frangos stressed the importance of adapting to the continually changing environment. He advised entrepreneurs to develop a step-by-step strategic planning model to analyse their businesses' present position, where they would like to be and plans on how to get there



PROF SCHRIRE: "Tremedous progress."



NIC FRANGOS: "Time to reposition."



STOKKING UP . . . Masizake *stokvel* members have prepared well in advance for the Christmas drain on resources.
■ Pic: FANIE JASON

And a merry *stokvel* to you too!

CP Press 13/12/92. 153A

CHRISTMAS shopping will not mean an empty purse for a group of thrifty Cape Town women who have formed a *stokvel* to ensure the end of the year does not find the cupboard bare

Eunice Cwuaba, the chairwoman of the club, said since the club began three years ago it had steadily grown and now more than 80 women were contributing R35 on a monthly basis

"We decided to start the club because December and January always finds us short of money. This way we prepare in advance for the end of the year. We meet once a month to discuss affairs, bank the money in an interest bearing account and then, come Christmas, we meet to draw up a shopping list. This year six of us had to do the shopping because the list was so long," Mrs Cwuaba said.

The club is called *Masizake* (We must build ourselves) and its success has inspired other similar clubs to spring up in Cape Town's townships

Pavement hawkers anger shopkeepers

THEO RAWANA

HAWKERS selling their wares in front of Johannesburg shops represented unfair competition because they did not pay rent or rates and had no overheads, shopowners said yesterday.

But the greatest cause for alarm was the "next-to-nothing" prices Chinese and Korean hawkers — new arrivals on the Johannesburg CBD's pavements — charged for their goods.

Shopowners in King George Street expressed dissatisfaction with the increasing number of hawkers invading pavements and trading in front of their doorways, and blamed this for falling sales.

A general dealer said she had been trading in the area for 10 years, and things had always been good.

"Then came the hawkers and things changed. Our sales have been affected because we are trading in competition with hawkers who don't have to pay rent or rates," she said.

Asked if she had complained to the authorities, she said: "No. We don't complain, because it is people earning their living."

The owner of Buxton's Watches, Radios, Clocks and Shoes said the greatest problem was the Chinese and Koreans, who sold their goods for "next to nothing".

"A pair of jeans which we sell at R90 is sold by these people at R35, and their watches go for R20," said the trader, who asked not to be named.

The trader also complained of competition from people who had no overheads. "They don't have to pay for water, lights or staff," he said.

A dealer in in babywear, children's clothing and footwear, Yusuf Mayet, told of a recent incident when a man walked into his shop and grabbed dresses from the rails. "But God will replace those stolen goods — he always does," he said.

Hawkers' council Achib president Lawrence Mavundla could not be reached for comment yesterday.

Street traders may have to sign leases

STAR, 1ST, 12/92

By Frank Jeans (153A)

Informal street traders and hawkers may soon have to take out a lease on their pavement patch if a proposal to be put to the Johannesburg City Council is accepted

According to the latest issue of the Shopping Centre Profile of the South African Property Owners' Association, the Johannesburg City Council sees street trading as a challenge and a problem to be properly managed and controlled

In a bid to strike a balance between the hawkers and the interests of the formal retail landlords, the Urbanisation Department is considering strategies, including the leasing of pavement space in front of a landlord's building

Such a lease would allow the landlord a degree of control over pavement space, and owners and the council will meet to establish a modus operandi for use of that space

Another strategy would not involve hawkers paying for pavement space, but would also allow landlords some control over the situation.

Interviewed by the journal, Dinkie Pillay of the council's urbanisation, informal trading and flea-markets unit, said "In the case of Bank City, we met with its management and thrashed out a strategy. We've agreed that Bank City will build 21 two sq m concrete slabs at predetermined spots on the pavements surrounding the entire development

"Street traders will be able to occupy those slabs at no rental but subject to certain conditions For example, a food trader will not be allowed to operate in front of a food outlet in Bank City"

But another council strategy could have the most appeal to tenants paying rentals in ground-floor shops, said Urbanisation Department assistant director Silas Mbedzi. It was planned to identify locations in and on the periphery of the central business district for the creation of temporary or permanent market sites

"In these areas, informal traders will be able to set up stalls like flea markets to sell goods," he said "The sites — the plan could include closure of streets for an afternoon — would be leased to a private individual who, in turn, would lease space to traders"

Mbedzi reckons that leases to accommodate the street traders are being negotiated with Nedcor, Carlton Centre, Standard Bank and Old Mutual Properties

Pillay and Mbedzi hope to get their strategy programme accepted by the council's management committee Committee member for urbanisation Marietta Marx was not available for comment last night



Street trading . . hawker Sibusiso Mona offers his goods to Josiah Seletisha at his President Street pavement stall in Johannesburg. Picture Peter Mogaki

Police accused of harassing buskers

STAR 16/12/92

(15 3A)

Own Correspondent

The Durban City Police have been accused of harassing a group of little buskers who have become part of the attractions of the beachfront with their Zulu dancing shows during the holiday season

The little girls have been entertaining passersby with their Zulu dancing for over three years

The Phakamani dancers, who range from six to nine years of age, are being accused of making noise in the area near the Beach Hotel.

The dancers have been asked to leave the area several times but have refused

A city police official denied the little buskers were being harassed He said when police responded to noise complaints the buskers were asked to tone the drum down or to move closer to the beach

Jabu Zulu, who looks after the group, said they will not move On a good day they collect R400

She said in the past they tried moving closer to the beach but could not make any money because there were fewer people passing by

A spokesman for the City Police confirmed there were complaints about the noise made by the dancers' drum.

The main complainants are guasts at a nearby pavement restaurant and a portrait artist who works nearby, he said.

What is seen as a problem by some and as a form of art by others is the beating of the African drum which provides the rhythm for the dancers.

"These young girls will play in our theatres in the future I think it's a beautiful form of art They shouldn't be stopped; instead they should be encouraged," said June Dilleigh (44), a portrait artist who works nearby.

"They can't be stopped just because some people find the beating of the drum annoying," she added

BUSINESS Society body Nacssa intends moving into all aspects of the funeral business

Nacssa buys coffin manufacturing unit

Sowetan 17/12/92.

■ **The creation of a 'black rand' could be a reality soon, predicts the CBED:**

By Mzimkulu Maluŋga. JS3/1

AFTER two years of massive mobilisation, burial societies have now acquired a coffin manufacturing company

The National Association of Co-operative Societies of Southern Africa, through its investment arm Letsema Investment Corporation, has bought an 80 percent stake in a coffin manufacturing company in KwaNdebele

Since societies are now majority shareholders of the company, the manufacturing plant changed its name to Nacssa Coffin Manufacturing Company

During the organisation's annual general meeting last Sunday at Funda Centre the chairman of the Centre for Black Economic Development, which engineered the formation of Nacssa, Dr Nthato Motlana, told delegates from all over the country to prepare for greater things to come

He said moves were at an advanced stage to invade the funeral parlour industry Also in the pipeline was the acquisition of a farm which would supply members as well as the community at large with cows to slaughter during funerals or feasts

Numerous meetings had been held in the past two years with township undertakers to join forces with Nacssa so that blacks could have a stake in the business but not much was achieved

The popular notion in black business circles the creation of a black rand , was in the process of becoming a reality, said Motlana.

The meeting was uncharacteristic of the AGMs of many black business groups, where logos and mission statements of major companies usually decorate the walls

All the speakers addressed the delegates mainly in African languages

In his progress report Nacssa s executive director, Sam Muofhe said four out of the five projects which the organisation targeted at its inception in 1990 were up and running

Letsema Investment Corporation Nacssa Funeral Scheme advice service as well as the mouthpiece Nacssa World are functioning smoothly

Still to be set up is the Nacssa education scheme, said Muofhe

"We are still crawling but we are doing that at a much faster pace than expected," he noted.

However the ongoing township carnage in South Africa s townships has hit societies below the belt.

Already Nacssa had settled claims amounting to over R100 000 since the beginning of the year About 60 percent of the claims were violence-related

"Black people are killing one another for nothing ' he said, calling on members to intensify the campaign against violence from within their homes without pointing fingers at other people.

Banker Joe Molefe emphasised the importance of business plans to people who wanted to start their own enterprises



Prepare for greatness, says Nthato Motlana.

"Nobody will give you money unless they are convinced that your business will be viable,' he said

The key to the success of any business venture was hard work. The entrepreneur played an important role in a business said Molefe

Most black people are afraid to say their motive for starting a business is to make a profit.

"They would rather say 'I want to help my people' instead of making it clear that their intention is to make money There is nothing wrong with making money," he said.

Thami Mazwai Day editor of the *Sowetan*, said the time for shuffling around the world with a begging bowl and asking for pity was past.

People should not rejoice in getting funding from overseas as it had been proven throughout the world that there was no such thing as a free lunch

The message which emerged from the Nacssa AGM was that mobilising grassroots resources was central to developmental advancement of black people in this country

Informal is beautiful

FM 18/12/92

153A

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 roughy 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 opinons 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

Govt 'starving small business sector'

BIDMy 14/12/92 (153A) (20)

PRETORIA — Government had virtually starved the small business sector of funding, costing the economy thousands of potential jobs, DP trade and industry spokesman Brian Goodall said at the weekend

During the past financial year, only R2m had been set aside for the Small Business Development Corporation, while R2bn had been budgeted for an export incentive scheme

"It is an economic tragedy that a great development potential is being ignored and entrepreneurship stifled because of a misallocation of state funds," Goodall said

An SBDC spokesman said around

GERALD REILLY

1 200 inquiries and applications were being received every day by the corporation from entrepreneurs wanting to start their own businesses.

With only two out of eight applications currently receiving approval for funding by the corporation, the demand for assistance was expected to escalate next year as the economy remained bogged down in recession

The spokesman said the corporation was granting loans to the limit of its resources, amounting to around R20m a month, and this came mostly from its own cash inflow

The corporation could utilise at least double this amount to set up small and medium-sized viable business enterprises, he said

Currently there were 810 000 formal businesses in SA and 91% of them, or about 720 000, were small or medium size They contributed 50% of the country's GDP and employed 2,4-million workers

The informal sector probably employed another 4,4-million and contributed around 15% to total GDP.

Small and medium-sized business development was recognised internationally as the cheapest way of creating new work, Goodall said

Alex launches car wash project

1531A

■ Contracts to be negotiated for 16 people:

By Mzimkulu Malunga

Sowetan 24/12/92

IN an attempt to combat increasing unemployment, the Alexandra Placement Centre launched a car wash entrepreneurship programme last week The project co-ordinator, Louis Schoeman, said his organisation would negotiate contracts on behalf of 16 newly trained car washers who were handed their cleaning kits on Friday

Agreements have already been concluded with two companies in the Wynberg area to make their cars available for cleaning

Schoeman said the medium to long-term target market was the taxi industry in Alex

Contacts had been made with the two leading taxi associations in that township Both the Alexandra Taxi Association and the Alexandra, Midrand-Sandton, Randburg Taxi Association responded positively to the call The programme was sponsored by Johnson's Wax Washers were trained by Independent Business Enrichment Centre

FM 25/12/92 (153A)

push through regulations were blocked at every turn

It was only when the council returned to the drawing board, established a workshop with an independent professional facilitator, and sought to establish the basic principles on which street-trading bylaws should be based, that agreement was reached The workshop included representations from hawkers, political groups, health officials, legislators, business and deregulation bodies

The city's legal department then drafted the legislation based on the outcome of the negotiations, which took almost a year The draft bylaws have been adopted by the city management committee and should be ratified by the full council next year

Kobus Rademeyer, the city's executive director for market and informal business, says. "We acknowledge the individual's right to trade and earn a living We know hawking is inevitable and has its place in our city We also recognise the rights of pedestrians and others in the area We've sought a balance between these often different interests

"We've adopted an approach of trying to manage the situation rather than restrict traders Our draft is based on the new Businesses Act, which replaces licensing regulations (*Business & Technology* October 9) "

Estimates are that about 4 500 people trade in the Warwick Avenue triangle next to the Berea Road bus station, and another 3 500 hawk in the rest of the city, including Chatsworth and Phoenix

Though they have not yet been formally accepted, the principles are already being applied A city council directorate was established nine months ago to take a hands-on approach to informal and street trader issues It comprises a director, three area managers and an informal-business manager

"They deal with complaints from whatever quarter — the public, business or the traders," Rademeyer says "Their objective is to negotiate to resolve the issues amicably



Informal traders *the streets are less mean in Durban*

Sometimes this means offering alternative areas or persuading a shopkeeper to be more understanding So far it has worked well That doesn't mean there aren't problems, but we are doing a lot better than I would imagine most authorities are doing in accommodating the informal trade "

Durban's Chamber of Business seems to have adopted a similar approach Chamber policies head Barry Poulsom admits that there have been complaints about hawkers from prominent members "Obviously, it's difficult maintaining a retail outlet with pavement overcrowding and blocked shop entrances There must be some form of discipline through self-control or other means

"Equally, the chamber supports deregulation We must accept the realities and we cannot on the one hand deregulate and, on the other, insist on a specific sector being regulated We must come to an agreement and learn to live together It's not going to be easy But to replace statutory regulations needs some form of agreement on codes of ethics and behaviour Common law principles and the rights of others must be respected Issues such as safety, hygiene and basic conditions must also be addressed "

Poulsom adds "Eventually, the issue will be resolved by supply and demand and those who don't make money will close " ■

STICKING TO TRUCKS

Japanese vehicle manufacturer Isuzu will stop making cars next year The company says it will abandon development of new models This will cut the number of car manufacturers in Japan to eight The move won't affect production of other vehicles such as trucks and recreational vehicles

Isuzu has never marketed its passenger cars in SA but its trucks, made locally by Delta Motor Corp, are popular with transport operators Delta says Isuzu's decision will have no effect on the availability of its trucks here

Isuzu, 37%-owned by General Motors, lost US$148m last year Its car unit has been operating at half capacity for the past year

HAWKING FM 25/12/92 (153A)

Finding common ground

Though many local authorities, such as Cape Town, are bent on clipping hawkers' wings through restrictive municipal bylaws, Durban is on the verge of adopting pioneering legislation that emphasises co-existence rather than confrontation But it hasn't been plain sailing Initial efforts by the council to

SAB to meet taverners today in bid to settle beer boycott

STAR 3/12/92

By Zingisa Mkhuma (153A)

South African Breweries will today meet a delegation of taverners in an effort to end the four-day beer boycott which is crippling Soweto bottle stores and has forced some shebeens in the area to close down.

SAB spokesman Adrian Botha confirmed yesterday he would meet representatives of the National Taverners' Association (NTA) and the SA Taverners' Association (Sata)

Botha said he was optimistic that the meeting would be fruitful, provided that an open agenda was followed and the organisations did not lay down preconditions

NTA chairman Saint Madlala said the ball was in SAB's court and the association was going into the meeting with a positive attitude

Sata spokesman David Moshapelo said the industry would be better served if a solution were found soon

Although the associations had not set preconditions for the meeting, Moshapelo said some of the previous demands would be discussed.

The indefinite beer boycott in Soweto was sparked by SAB's refusal to grant "preferential discounts" to NTA and Sata members

The associations have urged their customers to switch to Namibian and Zimbabwean brands of beer

The National Breweries of Zimbabwe has denied that it had had any dealings with the NTA. But Madlala said the NTA never dealt directly with the company, and received supplies from an agent.

SAB has stopped all beer deliveries to Soweto, fearing for the safety of employees after shots were fired at a truck driver on Tuesday The truck was then looted

A random survey of Soweto shebeens showed that none of the owners had stocked up on foreign beers They have resorted to selling cider, wine and spirits

SAB said yesterday that the Soweto boycott had spread to Bloemfontein and Welkom

Joey shows the way to success by hard work



JOEY MOOSAJEE

SMALL and medium sized businesses play a key role in creating jobs — as the life and times of Joey Moosajee attest to

Mr Moosajee, recipient of the Sanlam/Small Business Development (SBDC) Entrepreneur of the Year Award for central region, started his career as an apprentice upholsterer

Today he runs a thriving lounge-suite manufacturing business which employs 70 people, thanks to his entrepreneurial spirit, hard work and help from the SBDC

The SBDC sets seven basic requirements for financial help

Mr Moosajee qualified as an upholsterer and worked for several companies but

By ADRIAN HERSCH

was determined to start his own business

He began by working from his garage in Eldorado Park

He says "Most of the work I did was upholstery repair I gained a good reputation and as business increased I employed two people

"At that stage I had none of the administrative skills necessary to run a business The company secretary where I had worked previously kindly taught me what I needed to know on week-ends"

Mr Moosajee decided to move his business to central Johannesburg and concentrate on manufacturing lounge suites

More people were hired — including a bookkeeper

Mr Moosajee often worked seven days a week — sometimes up to 20 hours a day

"The hard work payed off A reputation for reliability and quality was built up," he says

The company, Ambijo Lounges, operated on cash terms with many of the furniture stores

Loan

In 1991 Mr Moosajee decided to expand He approached the SBDC, which granted a loan of R650 000 to finance the development of a factory in Devland, south of Johannesburg

By the end of the year business was booming Mr Moosajee acquired the adjacent stand and built a second factory out of "free cash flow"

The company manufactures up-market lounge suites Turnover averages R500 000 a month and the majority of fixed assets are paid off

Surprisingly, Mr Moosajee still spends a good deal of time doing manual work

He says "It is enjoyable, but there are also several other advantages Being right there on the factory floor enables me to keep my finger on the pulse of the business — I know exactly what's happening

"The fact that I do manual work also appears to have a positive effect on the workers"

His working hours are not as long as they used to be "I work nine hours a day for five days and half a day on Saturday

"On Saturdays I check the administration and discuss the books with my bookkeeper," he says

After matriculating two years ago, Mr Moosajee's son joined the company

"I sent him on a computer course and the payroll has been computerised. We're looking to utilise the computer as much as possible in future"

Mr Moosajee says he is very grateful to his wife for the encouragement she gave him over the years

SBDC central region spokesman Donné Duffy says the SBDC provides finance for development on more favourable terms than are readily available from other sources It facilitates flexible interest rates, repayment terms and collateral requirements

The SBDC also provides support services as an integral part of the financing

Jo Schwenke, SBDC senior general manager, central region, says the businesses that succeed are those operating clearly within a niche where the entrepreneur or his staff have specific expertise.

"Those that succeed continually innovate and renew their product, structure and services They have a passion for servicing their customers no matter how strong their position is," he says

Mr Schwenke says those that fail are businesses trying to compete in areas known as "commodities"

"Commodities are the products that cannot easily be differentiated — such as agricultural products, paper, glass, plastic bags and pellets These products are best suited for mass production," he says

Struggle

Mrs Duffy says when finance is considered by the SBDC, the following requirements, in general, should be met Gross assets of less than R10-million, management by people with appropriate technical and managerial skill, profit orientation, independent ownership, economic viability; location in SA.

She says amounts in excess of R1-million will be considered only in "exceptional circumstances"

Mr Schwenke says "People looking for a quick and easy way to get rich will not succeed in small business Those who are prepared to struggle, work hard and smart, with a commitment to serving their customers, will achieve success"

SBDC seeks cash from businesses

(153A) ANDREW KRUMM (66)

THE Small Business Development Corporation (SBDC) has appealed to financial institutions to lend it at least R400m in "petty cash" to create tens of thousands of much needed jobs in 1993. (BBB)

SBDC director Dirk Conradie said yesterday job creation was the top priority of the SA economy. BIDM

The R400m required made up about 1% of the projected R40bn cash flow in the long-term insurance and pension fund industries in 1992. 29/12/92

Conradie warned that should institutions not assist freely in job creation now, they might be forced to do so in future "Asset prescription by a new government would be a pity, since the enforced prescription of investments will restrict the operation of the private sector," he said.

Conradie said the establishment of employment opportunities was virtually ignored by long-term insurers and pension funds due to their seemingly narrow focus

"It is unbelievable that the major creators of capital in the private sector have not woken up to the fact that it is in their long-term interest to assist job creation."

Compared to the potential contribution from long-term insurers and pension funds, banks had a small role to play.

He said that by lending R400m to the SBDC at market-related rates, these institutions could help create nearly 40 000 jobs in 1993 — and generate a return

(153A)

For many reasons and seasons

STAR 1/9/92

HERE are the types of stokvels that belong to Nasasa

BURIAL SOCIETY: This is a stokvel group whose objective is to provide funds for each other's funerals It exists to compensate for the inequalities in the South African economic system Money is pooled by participants specially to bury members or their families in times of death

INVESTMENT SYNDICATE: Here the main objective is to invest members' contributions in different investment schemes In this type of stokvel an individual in the group is helped to start a small business In other cases the whole syndicate will invest in a collective venture For example, Sophumelela Liquor Discount Store in Soweto was opened by a group of stokvel members and is still under their control

ISTOKI: This is the more conspicuous type of stokvel It involves a group of individuals, each of whom has a turn to host a stokvel party The host is expected to provide all the food and drink, and the proceeds go to him or her

GOOI – GOOI OR UMGALELO. These are normally families who pool their money monthly or annually The money is shared amongst the contributors either at the end of the year or after an agreed period It is called Gooi-Gooi because contributors throw an agreed amount into a pool, and meet on the day of sharing Members buy things like furniture and clothing for their families

Hot sales and crazy midnight dances

W/Mail · 11/12–17/12/92 (153A)

In downtown Johannesburg no one sleeps as traders from as far afield as Malawi flock to the "hawkeramas" – late-night wholesalers who sell mainly to hawkers.

By **FERIAL HAFFAJEE**



Security guards double up as salesmen

"IT'S another world," says the smiling manager of one of the many hawkeramas in downtown Johannesburg. It's a topsy-turvy world which buzzes while the rest of the city sleeps.

Taxis and buses stream steadily down President Street after midnight on a Friday, offloading passengers from Malawi, Botswana, Zimbabwe and South Africa's gold belt.

Touts usher frontline hawkers into shops with megaphones, shouts of "Saa-ale" and crazy midnight dances.

"I'm calling customers and making a competition with the others," says Meshack Lehyidi, one of the youngest and loudest touts, with a repertoire that would put a village praise poet to shame.

"I tell them to come in. When they don't come in, they let me down because I want to become a manager," he says.

By 11pm workers feverishly start hanging out the goods, filling every expanse of wall outside and setting up racks of dresses, bags and suitcases on the pavement like they do every morning.

Bright spotlights bathe President Street in an orange hue, turning night into day. Shop owners decked out in flip-flops and gold chains, languish outside the shops on their grey Mercs and red BMWs. Most of the employees don't go home but catch some sleep on mattresses scattered in the shops.

Hawkeramas — wholesalers and factory shops selling mostly to the informal sector — have mushroomed alongside the burgeoning hawking industry.

They occupy the seedier parts of downtown Johannesburg and sell cheap clothes, porcelain, jewellery, plastic goods — "you name it, we've got it". Their daytime customers are hawkers from the towns and the townships while at night they attract custom from across the borders.

This midnight trade has been going on for 10 years, providing cheap goods to business people from the frontline states where there is little manufacturing, and to hawkers from rural areas where prices sky-rocket because of uneven supply.

The shop owners, who spotted a lucrative market, subsidise the cost of the journey into Johannesburg, making the long trip worthwhile for buyers.

Susan Phera, from Kroonstad in the Free State, is an "organiser" for the Mayco factory shop in Fordsburg.

Every week, she arranges for hawkers to make the trip to Johannesburg and is paid by the owner. She is a machinist by trade, but hawking is more lucrative so she sews part-time and sells every day.

"I leave Kroonstad at 10pm and get here at midnight. From Fordsburg we go to town and then start back (to Kroonstad). At 11 tomorrow morning, I start selling," she says.

The hawkers browse around the shops for hours checking out the best bargains. Many of the shops sell the same goods so competition is fierce and intrepid bargain hunters can have a field night.

The slicker shop owners provide coffee, sandwiches and mattresses for their customers. One has a basement called the "Botswana lounge" where out-of-town visitors can sleep, eat and leave their parcels.

Hawkers from Botswana are their favourite customers. the Botswana economy is booming and the pula is stronger than the rand. "One taxi load can mean R14 000," says an owner.

A hawker from Francistown in the north of Botswana who calls herself Boitumelo, makes the 13-hour trip to Johannesburg once a month. "These days the prices are expensive and we have to pay 10 percent duty at the border," she says.

"People place orders and as soon as we arrive, they come to our houses where we sell."

There is a profusion of security guards on the streets and in the shops because shoplifting is par for the course, say owners. Guards armed to the hilt, some of them a little tipsy, frisk all customers double up as salesmen.

Garth Henry stands on top of a dustbin, shotgun cradled in one arm and megaphone in the other. An Afrikaner, he entices customers in perfect Zulu.

He loves Friday night work because "you meet other people, like from Botswana" and he also runs a lucrative little side trade.

"I change money with them and learn what a Botswana dollar is," says Henry.

By 3am the trade is only just hotting up and many buses are still expected. Baskets are being filled, price tags closely examined and the queues around the tills are swelling.

It will be a while before the owner of Mayco factory shop, his staff and his children get to sleep, but the long hours don't deter him.

Gesturing at the tills, he says: "When the piano rings you don't get tired."

Backyard business brings in billions

STAR 1/9/92. (153A)

The economic clout of the vast informal business sector may have been badly underestimated, according to the Development Bank of Southern Africa. New research finds it may be as high as R30 billion or more, reports MICHAEL CHESTER

NEW SURVEYS into the growth of the informal business sector — hawkers to backyard motor mechanics — have shattered the cynicism of forecasts made less than 10 years ago about the slim chances of any significant impact on the economic landscape

Research by the Development Bank of Southern Africa has found that the combined economic clout of the sector can today be counted in billions of rands — perhaps more than R30 billion

DBSA senior policy analyst Glynn Davies has flushed out guesstimates from Central Statistical Services which give clues to the massive size of turnover in particular fields Among the leaders

- Black taxi services — R214 million a month
- Back street spaza stores — 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

Eyebrows may be raised in the medical profession to learn that sangomas, the collective name for traditional herbal doctors, earn as much as R26 million a month between them

The DBSA has widened its research to bring in estimates compiled by BMI Industrial Consultants, which found the informal sector now accounts for no less than 40 percent of the liquor trade in black townships, 15 percent of food sales and no less than 50 percent of all vehicle maintenance work in black areas

Even prophets such as Dr Anton Rupert, the business magnate who founded the Small Business Development Corporation in the 1980s, were scoffed at when they predicted the emergence of a new economic powerhouse from the ambitions of budding black entrepreneurs

The scepticism was understandable. Today, it comes as a shock to be reminded that less than a decade ago most black mini-businesses were forced to stay underground — branded as illegal under apartheid rules and regulations.

One of the first alerts about the scale of illegal operations, and the true economic potential that was being stifled, came with research by Theo Rudman, executive director of the Self-Employment Institute, in 1988

He spelt out the findings in a book he entitled "The Third World — South Africa's Hidden Wealth" But even Mr Rudman has been stunned by the value of the treasure chest that has been unlocked by socio-economic reform.

The new studies by the DBSA disclose that the informal sector now accounts for a combined labour force of 3,5 million workers

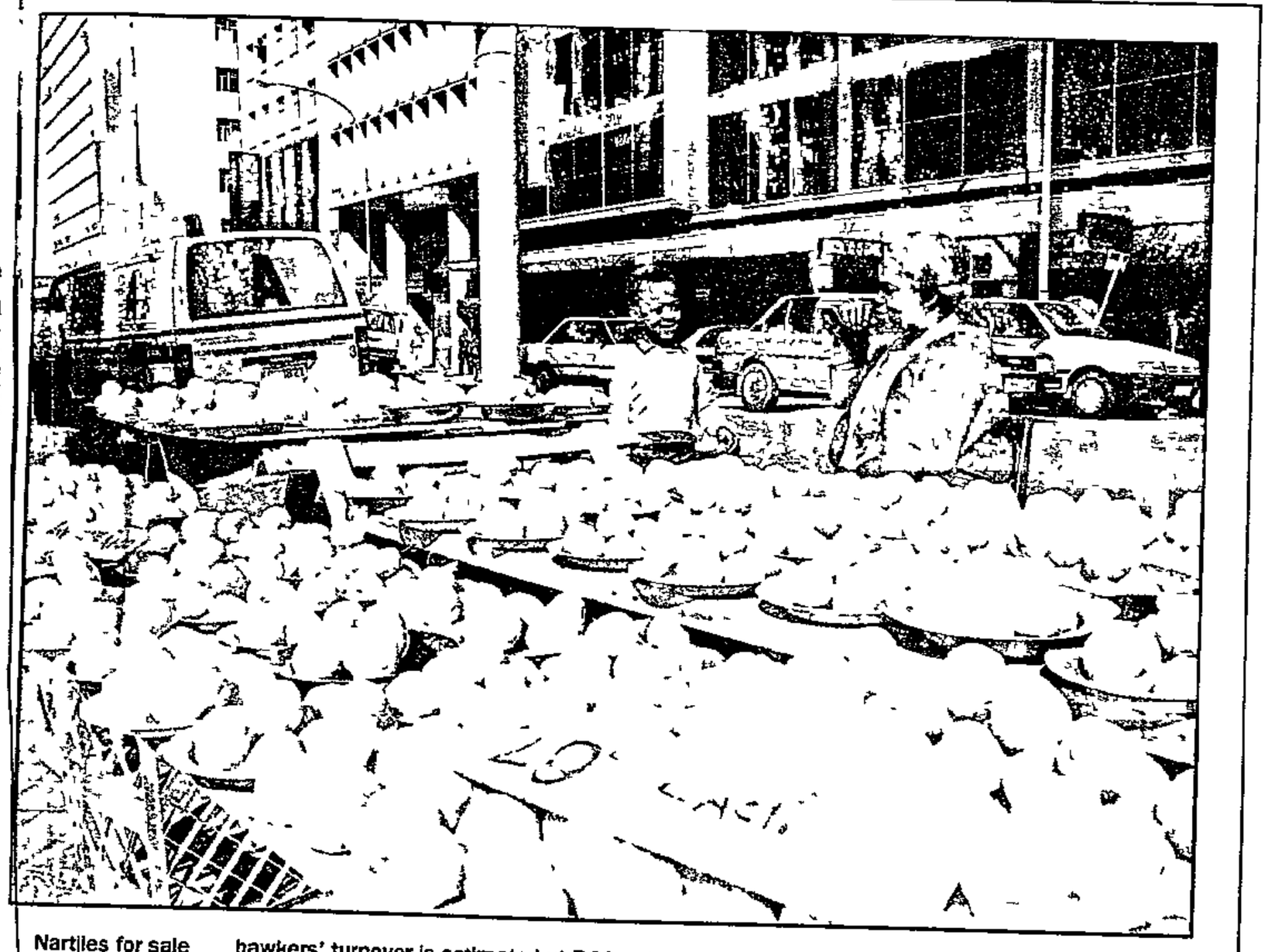
The mandarins at Central Statistical Services, it concludes, may have badly underestimated their collective economic clout today by putting it at about 7 percent of gross national product — or about R16 billion

New research found it may be more than twice that size, perhaps 15 percent of GDP, which would hoist the total above R32 billion

It is time, the Development Bank concludes, for the informal sector to be given higher status in the economic arena.

"As in many developing countries," says its report, "the informal sector remains a refuge and a lifeline for those excluded from the formal economy Yet for many years the Government refused to concede that the informal sector had any role to play in the economy

"This perception is now changing Nevertheless, the hurdle of truly integrating the formal and informal sectors into a single national economy, which benefits all South Africa's people, still needs to be crossed." □



Nartjies for sale hawkers' turnover is estimated at R44 million a month Picture Gary Bernard

Threat to foreign traders

Local hawkers are up in arms

STAR 5/9/92 (153A)

ASIAN street vendors are unfair competition and will be turfed out of Johannesburg, vows the head of the African hawkers' council. JOE LOUW checks out the threatened battleground on the city's crowded pavements.

BATTLE lines were drawn this week between the powerful 49 000-member African Council of Hawkers and Informal Business (Achib) and the nearly 450 Chinese, Korean and Asian "trading invaders" who have for the past two years flooded the pavements of Johannesburg's central business district.

In an angry statement, Lawrence Mavundla, the combative head of Achib, gave the "invaders" literally 24 hours to leave town and accused the Government of having a role in the "conspiracy" to foster "unfair, illegal competition" against the city's established 14 000 indigenous hawkers.

Unfair

'As much as we stand for free enterprise and have historically fought hard to achieve the present status of free trade in our city,' Mavundla told the Saturday Star, 'the issue here is not about free enterprise but unfair competition

"After local people had fought hard to gain access to informal trade, all of a sudden we now have to be competing with foreigners who were nowhere around while we were bearing the brunt of the attack from the apartheid Government."

Mavundla vowed that his organisation would, after a certain grace period and in consultation with the Johannesburg City Council and "other organisations" 'ask them nicely to leave and if they don't we'll go out ourselves and remove them physically, if it comes to that"

Asked whether he did not think this ironic for an organisation that based its entire six year campaign on the basis of "free competition and an open city" Mavundla said he saw only that many small traders were being driven from the street by "organised outsiders"

"They get licences without even speaking a word of English. None of them has fulfilled the requirements for the licences they carry around

"Why is it that in the case of the motor industry, for example, at least 80 percent of parts must be of South African origin before a trading licence is issued, while all those watches coming in here from Hong Kong, Singapore, etc invite no scrutiny from the customs and trade people?"

An official of the Johannesburg Licensing Department Toy van Jaarsveld, said anyone who was in the country legally was entitled to a licence.

Meanwhile, in an on-the-spot series of interviews with Chinese and Korean street traders, most — although reticent to talk — appeared quite oblivious to the storm their presence has blown up.

Compete

In halting English, Bin Xu, standing behind a street stand loaded with 'Made in Korea" sporting-shoes, told the Saturday Star he had only been in the country for two months

Most Chinese he said, traded in watches, jeans, shoes and other non-perishable merchandise. "We compete mostly with shops, not other traders," he made clear

"Since apartheid is now gone, Chinese people can trade here Maybe we help South Africa grow up We make customer happy, bring cheaper goods," he said.

Bin would not comment any further refusing to give the name of his wife, who seemed quite at home on Jeppe Street. "Enough talk now," he smiled. "Now do business."



DISGRUNTLED We bore the brunt of apartheid, now foreign hawkers are picking the fruits of freedom, says Lawrence Mavundla as he threatens action against Chinese, Korean and Asian hawkers ● Photograph STEVE HILTON-BARBER

Pavement trading booms in spite of recession

STAR 5/9/92 (153B) 5/9/92

JOE LOUW

A SURVEY conducted in the Johannesburg central business district among informal traders in May this year reveals that despite the current downturn in the economy the number of informal traders has actually increased by about 20 percent within an 18-month period

The survey also shows that far from turning the whole city into a fleamarket as their detractors say most of the city's informal businesses are confined to the north-eastern corner near the bus and taxi ranks and a few major thoroughfares such as Eloff Street and the lower end of Market Street

The accusation is often made that the city's CBD is becoming degraded and is losing customers says Silas Mbedzi of the Johannesburg City Council's newly established Urbanisation Department

But while the city is gradually changing colours from white to brown and black, it is very much alive and kicking Johannesburg has never been more vibrant than it is now

The study shows that Bree Street is the most popular venue for street traders — a record 250 hawkers trade on it from End Street in the east to West Street where the city's major township-bound taxi and bus ranks are situated

Eloff Street is next with 189 traders and the area around Noord Street inclusive of King George and Wanderers streets has over 100 traders in a few short blocks

Informal trading is here to stay says Mbedzi and no amount of wishing it all away is going to help We have to deal with the reality of our situation in a free-enterprise economy What established businesses are going to have to do is to learn to live and let live

At present the Urbanisation Department is consulting all major players interested in the future of informal business in the city — the Johannesburg City Council civic organisations the Urban Foundation the Small Business Development Corporation as well as the provincial authorities the regional services council and several non-government organisations

Consumer
TRENDS

GRAVE MISTAKE:
A dead dog's owners in the US have been awarded about R3 million because pet cemetery owners buried another dog in their pooch's coffin This was outrageous, a judge said — Daily Mail



SOMETHING TO MOO ABOUT:
Aussie scientists have invented the world's first animal-fat-free milk with the full cream thickness and flavour of conventional milk. They believe it will earn the country millions in export sales — Sapa

Beating the bogy of joblessness

Star 15/9/92. 153A

BREAKING BARRIERS
The Crafts Association helps people convert determination into progress. It opens the export market for local producers by establishing ties with "fair trade" bodies abroad, reports PHILIP ZOIO.

FOR Alvina Malatsi, the security of a weekly wage is gone forever But she enjoys the esteem and independence she has gained from her self-initiated home industry, specialising in jackets and bags made from German prints.

The route from factory worker to small businesswoman has not been an easy one.

When riots erupted in Soweto in 1976, Mrs Malatsi stayed away from her work at a clothing factory When she returned, she no longer had a job So she and some friends got together and, using knowledge acquired from years in the factory, set up a home-based industry

"At the factory I would make 60 trousers an hour I'm too old for that now," says Mrs Malatsi, who is 56

Gone also are the built-in structures for buying materials and selling goods. But Mrs Malatsi is able to rely on assistance from the Crafts Association, which helps people like her work through obstacles that would otherwise prohibit them from operating successfully

The association offers marketing advice, sometimes direct financial assistance, and distribution through its shop — Rural Craft — in Rosebank, Johannesburg It also organises sales events at markets often far from home.

Another Sowetan, Mathilda Mashaba, is a regular participant of Crafts Association sales events She's a tenacious woman Her self-help project has suffered the kind of setbacks that would have broken other, less hardy, spirits.

Three burglaries within a year left her group without money, machines and materials for the next nine months.

But now, after some help from the United States embassy, she's back in business with a confidence that speaks, if not of wealth, at least of future success Her ambition for the group is to own a production centre from which other members of the community could be trained in manufacturing and literacy

The Crafts Association, founded in 1983, brings together a variety of people. Many make long journeys — from rural northern Transvaal and even from neighbouring states

Jameson Maluleke, from a remote village in Gazankulu, wanted to preserve the identity of the Tsonga people by reviving production and use of their traditional costume, a black embroidered mitjeka (cloth) Half of the 26 members of his self-help group, started in 1986, now depend solely on the project for their livelihood

The intimacy among members of her self-help co-operative in Venda appeals to mother-of-four Cecilia Mamburu, who knits thick woollen jerseys. The women in her group discuss personal affairs, solving problems as they arise. Work and income are divided equally, creating a sense of community rare in Western workplaces.

For Elizabeth Mahesu, who lives near Louis Trichardt, another advantage of her association with her group is the opportunity to visit other areas and meet different people.

Others, such as Ethel Ringani and Joyce Ngobeni from Gazankulu, enjoy learning new techniques and developing their abilities.

All these women and men have a common purpose — to discover a way to survive and prosper in a punishing economic environment.

The Crafts Association helps them convert their determination into real progress. One of its strategies is to open the export market for local producers by establishing ties with "fair trade" organisations abroad

As Crafts Association founder and director Sipho Mashinini says. "We would like to establish a large fair trade organisation, where we pay a fair price to the producer and the profits go back for their training and development."



Proud . . Gazankulu's Joyce Ngobeni a

PEOPLE'S LIVES *Big dream to bring business enterprise back to Soweto through a flea market*

Flea market a-buzz

Sowetan 1/12/92.

STIMULATING HUB *Enterprising people determined to make Jabavu Stadium in Soweto sparkle again.* 153A

By Sizakele Kooma

WE FOUND THEM with forks, spades and rakes shovelling dry soil, erecting a "stage" where promotional acts would provide entertainment Preparations were in full swing for the opening of Soweto's flea market this coming Saturday

The women at work, part of a group of 200 informal Soweto business people, are determined to bring the buzz that is the Newtown flea market on Saturdays to the forlorn-looking Jabavu Stadium, once a hub of activity and home of exhibition shows

Thoko Mbonane, the brains behind the Tshepo Community Project, enthusiastically laid out the group's plan

"We are starting out small but our eventual goal is something of the status of the Oriental Plaza

"The primary objective is to create public awareness of our work and stimulate the market

"We hope that the flea market will make us accessible to the township community and at the same time bring us money Some of the businesses have been operating from the centre for almost a decade but very few people know about them"

The project, said Mbonane, a dressmaker who has been working from Jabavu for five years, will bring together small business people from both industrial areas and backyard operations Goods to be sold include clothing, accessories, kitchenware, pottery, curtains, linen and art, among other thing

"We are aware of the competition we have from the established Newtown and Bruma Lake markets but we hope to attract sizable crowds

"Our advantage is that people would spend less on taxi fares coming to us and some could just walk

Our prices would also be cheaper since most of us are in bulk buying schemes that have helped bring down our production costs"

Another certain crowd puller is the entertainment acts that they already have lined up for sale days, which count among them ndlamu, music and dance acts But are all the members confident that the flea market will bring the much needed magic to their business

Yes, said Mr Ernest Gumbi who produces pot rags, vegetable rags trolleys and "anything that is made from wire and plastic The flea market will expose us to the community We will no longer have to go around the township trying to find customers People will know where to reach us," he said

Pelmet maker Mr Wycliff Tobo was just as certain. "The market will be a definite financial boost and promotional tool"

Lungile Mtshali was worried though that competition would not give her slippers and teddy bear making business a chance

"I'm excited but I'm also scared that people might snub us A lot of people know and like the Newtown flea market," she said



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y after a
Picture AP

More control of informal trade mooted

CT 30/10/92 (153A)

Staff Reporter

MORE controls on the flourishing informal sector were suggested yesterday as city businessmen sought to protect their inner city businesses sliding towards a CBD economic graveyard.

A group of about 30 businessmen representing chain stores and smaller formal inner city businesses elected a 13-person committee for the fledgling Cape Town Central Traders' Association (CTCTA)

Mr Peter Charalambides, of Central Retailers and one of the organisers of the CTCTA, said the "huge growth of hawkers, which is getting a bit out of hand", the convenience of suburban shopping, expensive parking, crime, vagrancy and the success of the waterfront had eroded the CBD's business.

He said the CTCTA would lobby local and central government on issues like more controls on the informal sector.

Mr Jeremy Prins, of Prins and Prins Jewellers, highlighted the problem of the "apathy" of St George's Mall traders who close at 5 pm as hotels warn their guests not to venture out in the evening because of crime.

The committee comprises Messrs Charalambides, Prins, Henri van Wyk (Truworths), Max Irle (Woolworths), Colin Abel (Victrix Furniture), Richard Ewens (Dunlop Heywood), Robert Hindle (Yumwurst), Dennis Griffin (Edgars), Colin McEwan (American Swiss, Foschini branch), Francois Stevens (Sanlam Properties), Ms Johanita Louw of the Long St Shop, Ms Jane Hutton of Old Mutual Properties and a Sanlam representative.

● New Victoria Wharf dusts off for opening — See Page 26

'2 weeks to sort out informal trading'

153A

ARG 18/11/92

CLIVE SAWYER
Municipal Reporter

A WINDBLOWN walkabout through Greenmarket Square, St George's Mall and Thibault Square ended in Provincial Administration and city council promises to sort out the informal trading crisis within two weeks.

Those who took part in the lunch-hour walk among stalls and traders were Administrator Mr Kobus Meiring, MEC Mr Pieter Marais, city exco chairman Mr Louis Kreiner, exco members Mr Kenny Penkin, Mr John Muir, Mr Neil Ross, Mr Leon Markovitz and ward councillor Mrs Patricia Sulcas Kreiner, city administrator Mr Gys Hofmeyr, deputy-city administrator Mr Alan Dolby and traffic chief Mr Wouter Smit.

Mr Meiring hoped control of the situation would be devolved to the city council by proclamation within two weeks, enabling it to hammer out a compromise between the interests of formal and informal traders

The city council has proposed demarcating 60 sites for informal traders

In Greenmarket Square the system of leasing the upper half of the square all year, and the bottom half during the festive season, was explained to Mr Meiring

Mr Markovitz pointed out yellow lines demarcating where stalls could be put up

A bystander who saw the group trudging through the square shouted at them "Now do something about the skollies!"

Mr Kreiner told Mr Meiring formal businessmen were complaining about the unfair competition, disruptions, and traders obscuring their display windows.

Mr Meiring asked why traders had concentrated on Stuttafords Town Square

"People come to the shopping centre,"said Mr Kreiner

"And to Greenmarket Square," said Mrs Kreiner

Mr Kreiner said the city council had been told that fewer traders would be in the mall than usual because of prior publicity given to the walkabout

"The problem is urgency, because Christmas is coming soon- and there will be further delay if we have to wait while there is advertising for objections," said Mr Kreiner

"I think we can get past that problem," said Mr Meiring

He said the issue would be discussed at the quarterly provincial liasion committee meeting between his executive committee and the council exco

Control should be devolved to the city council, and a compromise struck between deregulation and protecting established traders.

"Informal traders must also have their place in the sun, because they contribute to the character of the city," he said, as traders crushed around officials and journalists to hear what fate was being plotted for them

"Cape Town is an African city but that does not mean there should be chaos, we have a unique chance to strike a happy balance," Mr Meiring said

Mall vendors suggest two rows of stalls

CT 19/11/92 (153A)

Municipal Reporter

VENDORS in St George's Mall have elected a committee which has proposed two rows of stalls running the length of the mall on either side.

Each row should consist of a stall facing the thoroughfare and the other the shops, according to committee spokesmen Mr Miles Robertson and Mr Quinton Fredericks. They said many more stalls could then be accommodated without hindering the flow of people than the council's proposed 60 stalls.

However, the council has drawn up its own plans regarding the placing of stalls in the mall. The plans were not available from the council yesterday

Mr Robertson and Mr Fredericks said their committee had asked for a meeting with the council before it goes to the administrator on Monday with its proposals, as stallholders wished to be included in making decisions.

Mall traders face boot

153A
CT 24/11/92

By PETER DENNEHY

FLEA-MARKET stallholders in St George's Mall face a council crackdown within the next few days, it was announced yesterday.

Administrator of the Cape Mr Kobus Meiring said after meeting a high-powered council delegation yesterday that he conditionally approved council proposals for "partial regulation" of informal trading in the mall with immediate effect

The approval is conditional because it will last for three months before being reviewed by the administrator

Mr Louis Kreiner, chairman of the council's executive committee, said the council proposed that only 12 stalls, each occupied by a licensed informal trader, would be alowed in the mall

60 stands

The rest of the 140 or more stallholders in the mall will have to move to Thibault Square or elsewhere, Mr Kreiner said

Council officials said they were considering allowing 60 stands in the mall at a meeting with flea-market traders last week.

Mr Kreiner said letters had been given to stallholders, except the 12 permit holders, several days ago demanding that they leave the mall

He expected them to move by the end of the week

ANC and Kreiner to meet over Mall

ARG 25/11/92 (153R)

Traders 'unhappy' over council control

CLIVE SAWYER
Municipal Reporter

AN African National Congress delegation is to meet city council executive committee chairman Mr Louis Kreiner today for talks on the future of informal trading in St George's Mall.

Mr Kreiner confirmed that traders were "unhappy" over a joint statement by him and Administrator Mr Kobus Meiring that control of informal trading in the mall was to be devolved on the council

He said the ANC had contacted him with an offer to mediate between formal and informal businesses and the city council about the mall

"I will meet them in the spirit of negotiation but I do not believe there is anything to negotiate about, because I do not believe St George's Mall is appropriate for informal trading," Mr Kreiner said

As soon as the handover of control was gazetted, traders — except for the original 12 leaseholders — would be moved out, he said

"Perhaps they can have Thibault Square rent-free, but I am making no promises"

Before the proliferation of informal traders, Cape Town had won praise from overseas about the appearance of the mall.

"We want the mall as it was three weeks ago, before all this happened," Mr Kreiner said.

The joint statement said control of informal trading in St George's Mall had been given to the city council for a three-month interim period, pending the finalisation of regulations to control hawking in the central business district.

Cape Town Chamber of Commerce executive director Mr Alan Lighton welcomed the step and said he hoped for a speedy resolution of problems in the mall

Mr Lighton said he hoped the city council would advertise its proposals for comment before finalising them.

In terms of yesterday's agreement, conditional approval of the devolution of control is subject to the city council spelling out how it will control informal trading "without frustrating the principle of a free market economy"

The proposals will have to be submitted within three months

The interim proposals "recognised the principles of the devolution of power, deregulation, and order, as well as the interests of the existing formal traders".

The city council gave assurances that informal traders presently in the mall would be accomodated in other areas, the statement said.

ANC 26/11/92

Mall traders must move, says Kreiner

(1538)

CLIVE SAWYER
Municipal Reporter

THERE was nothing to negotiate about the future of informal trading in St George's Mall — traders will have to move elsewhere, executive committee chairman Mr Louis Kreiner said.

Speaking after a two-hour meeting with an African National Congress delegation, Mr Kreiner said the council had repeated its view that the mall would have to return to the way it looked before hawking mushroomed.

He discounted efforts by the traders to allocate stalls and line them neatly along the mall

"I believe the traders are trying to get themselves organised, to put stalls where they will not conflict with formal traders selling similar kinds of things, to show they can operate in an orderly fashion

"But this is not the point — the point is that a pedestrian mall should not have informal trading," Mr Kreiner said

The city council wanted to revert to only 12 traders being allowed to lease space in the mall

Pressure from the formal traders, who are understood to have discussed a rates boycott, played a role in the city council decision

Mr Kreiner said a rates boycott by central business district businesses would mean a threat to a vital source of income to the council

ANC regional assistant secretary Mr Willie Hofmeyr said his delegation made a number of proposals to defuse the situation but none were accepted

Mr Hofmeyr said the ANC believed all interested parties should be involved in negotiations about the future of the mall, including shop owners and the Chamber of Commerce.

Control stall sprawl, urges Friedlander

153A
ARG 27/11/92

Municipal Reporter

THE number of traders in Greenmarket Square had to controlled, said Mr Dick Friedlander in debate on an application to extend the fleamarket.

Cape Fleamarkets said they wanted to take over the lower half of the square to prevent an invasion by informal traders taking advantage of deregulation.

"Uncontrolled vending could result in a lowering of standards, fighting for territory between vendors, and a generally chaotic situation."

The company applied for an extension previously, citing surplus demand for stalls because of the recession and unemployment, the desirability of an extended market as a tourist attraction; extra revenue for the city; and a counter to the Waterfront draining trading from the CBD.

The council agreed to extend the area leased to Cape Fleamarkets to include the lower half of the square, and half of Burg Street, at an extra fee of R15 500 a month, subject to one month's calendar notice by either party.

● Unbridled hawking will not be allowed on beachfronts controlled by the city council under the Sea Shore Act.

The council yesterday awarded a six-month tender to run sausage braai hot-dog stands at Camps Bay to a bidder for R1 000 a month.

Mr Jack Frost asked whether deregulation meant the man running the stands would be paying "for nothing" while anybody could set up on the beachfront.

Mr Leon Markovitz said food vendors had to have licences from the medical officer of health.

Mayor Mr Frank van der Velde said the city council controlled the area under the Sea Shore Act, entitling it to control leases.

ANC fails in bid for mall traders

153A

CT 26/11/87

Municipal Reporter

THE ANC yesterday failed to persuade the Cape Town City Council against evicting the majority of stallholders from St George's Mall.

Cape Town executive committee chairman Mr Louis Kreiner said after the meeting, which lasted nearly two hours, the ANC had "put their point of view, and we stated ours"

"It was an exchange of views," he said No decision was taken

The council delegation included mayor Mr Frank van der Velde, deputy mayor Mr Clive Keegan, amenities and health committee chairman Mr Leon Markovitz, housing committee chairman Mr Neil Ross, and Mrs Patricia Sulcas-Kreiner, who represents central city ratepayers

Assistant ANC regional secretary Mr Willie Hofmeyr said frank discussions were held but "we were unable to resolve the issue"

The ANC delegation included Ms Rashieda Abdullah and Mr John Neels

Mr Hofmeyr said the ANC did not think the problem would be resolved by first ordering people out of the area and then negotiating with them

"Our view is there should be negotiations while the traders are still there All parties should be involved, including the shop owners and the Chamber of Commerce"

He said the council had not accepted any of its proposals, "but they did agree to consider some of them and come back to us"

Mall traders plan action

CT 4/12/92

ST GEORGE'S Mall hawkers have unanimously voted to seek an interdict overturning Cape Administrator Mr Kobus Meiring's decision yesterday to ban them from trading in the city centre.

A Provincial Gazette published today will ban all but 13 traders from the mall from Monday The Small Business Development Corporation has expressed concern that the eviction order contravenes the Businesses Act.

Within hours of their learning of the decision — which many said would threaten their livelihood — traders had raised R5 000 for legal costs to fight the edict.



FREE MARKET REVOLT.. St Georges Mall traders met in Greenmarket Square last night vowing to fight the ban on their trade. Picture CLIVE SMITH

About 80 traders met at Greenmarket Square where they formulated a strategy including court action to ensure the Provincial Administration plan was overturned.

St Georges Mall Interim Action Committee member Mr Chris Lubbe told fellow traders: "We are trying to avoid confrontation. If we can use legal loopholes we will avoid casualties."

A two-day-old traders' petition for the continuation of the flea market has brought strong public support with over 3 000 signatures

SA denies Zim charge over Unita

CT 4/12/92

PRETORIA. — The government last night denied allegations by Zimbabwe's President Robert Mugabe that South Africa is supporting Unita and overflying the frontline states.

"There is no basis for unsubstantiated allegations of support for Unita in the present conflict in Angola," Foreign Affairs director-general Mr Rusty Evans said in a statement released here

President Mugabe alleged yesterday that South Africa is backing Unita moves to topple the Angolan government and is engaging in "hostile manoeuvres" in the rest of the sub-continent.

South African military flights are alleged by the frontline states to have repeatedly violated the airspace of Zimbabwe, Namibia, Botswana and Zambia since October.

But Mr Evans claimed yesterday that Pretoria supports the Angolan peace process.

"In view of the volatile situation in Angola, South Africa is revising its position and a further statement will be issued within 24 hours," he added.

Mr Mugabe, who is also chairman of the frontline states, hit out at Pretoria during his annual state-of-the-nation address to parliament yesterday.

A Zimbawe newspaper said yesterday that Zimbabwe has lodged an official complaint with Pretoria.

A South African spokesman said the complaint is being investigated and a report is expected soon.

Namibia has also formally protested at alleged South African airspace violations. — Sapa

● Angolan govt puts army on war alert — Page 2

Press must 'beware of rumour'

CT 4/12/92

Own Correspondent

DURBAN. — The chairman of the Goldstone Commission of Inquiry, Mr Justice Richard Goldstone, last night called for greater vigilance in the field of reporting on violence.

Speaking at a function at the Maharani Hotel in Durban, during which he received the Headliner of the Year Award from the Durban Press Club, he said that there were too many newspaper claims and allegations concerning violence which turned out, on investigation, to have been based on misinformation, malicious rumour and incorrect interpretations.

"I ask for no more than a greater vigilance in this field." and a greater awareness of the fact that, in some cases, reports concerning violence can in fact lead to more violence."

Mr Justice Goldstone said it was little appreciated in South Africa that it was the only country in the really troubled areas of the world where local people talked to one another.

It was the only one where the people of the country could create, staff and operate a National Peace Accord.

He said that a commission such as the one which he headed could not operate in Northern Ireland, the Middle East or in what was Yugoslavia.

That was a substantial reason for optimism. South Africans were not conscious of the fact that probably 80% of the country was not racked by violence.

Mr and Mrs Justice Goldstone were awarded a free flight to Miami by SAA as part of their prize.

Disgruntled mall traders call on ANC

CT 25/11/92 By DAN SIMON (153A)

UNLICENSED informal traders who have been banned from St George's Mall by the city council have approached the ANC for help

The ANC's Western Cape assistant secretary Mr Willie Hofmeyr said yesterday the organisation would hold talks with the city council's executive committee this morning

Mr Louis Kreiner, chairman of the council's executive committee, said earlier this week that the council proposed that only 12 stalls, each occupied by a licensed informal trader, be allowed in the mall while the remaining 140 or more stall holders find alternative sites.

Mr Miles Robertson, who headed a delegation which met Mr Kreiner, said the decision to approach the ANC was taken after exco rejected a plan to accommodate 120 stalls along the mall route

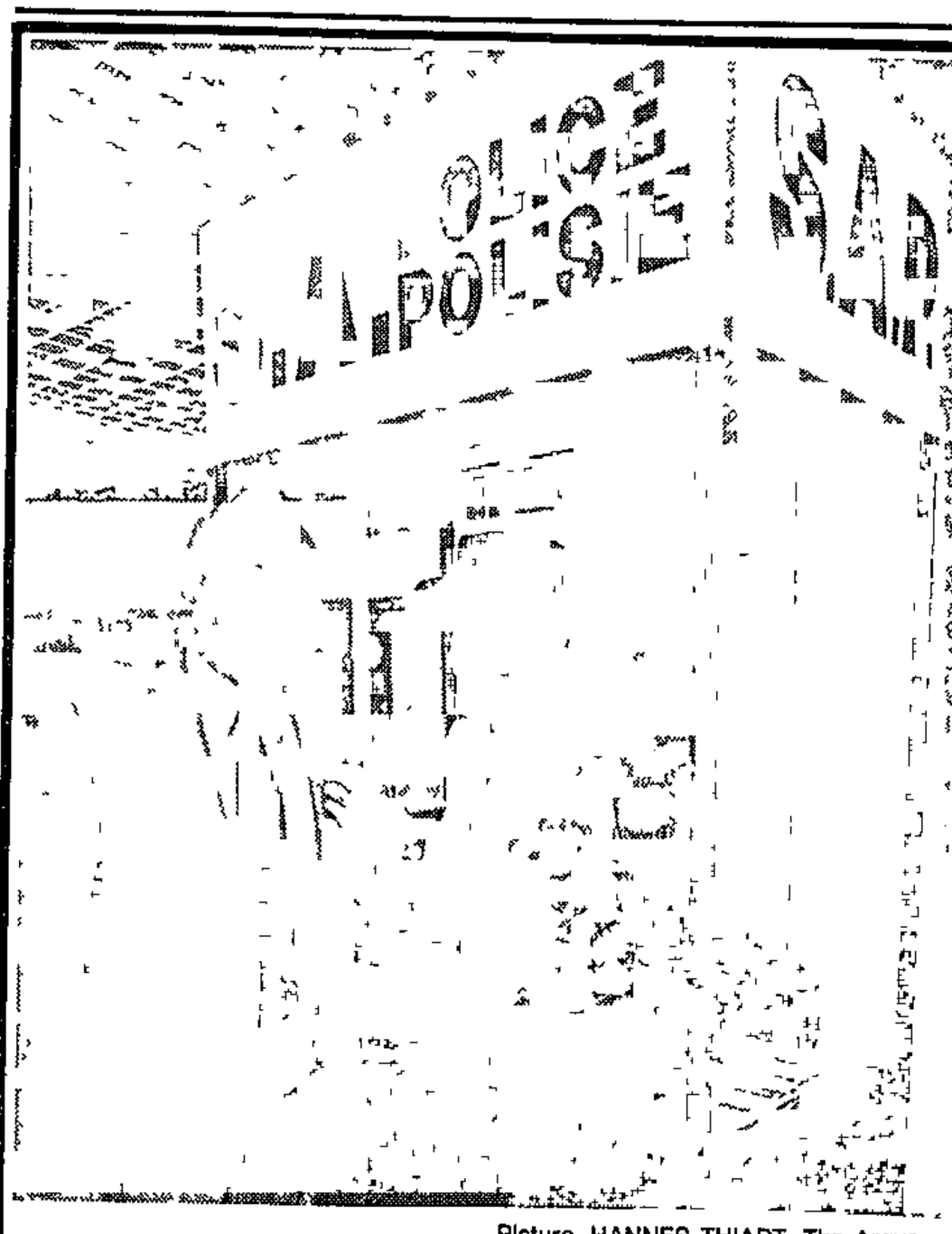
Mr Hofmeyr confirmed the meeting and said the ANC was "sympathetic to the plight of the affected traders"

"We believe the informal trader is a very dynamic part of the economy and should be assisted where possible We are concerned that the council is acting in a unilateral and heavy-handed manner regarding its decision," Mr Hofmeyr said

Mr Kreiner said he told the delegation that the mall was constructed as a pedestrian facility and that formal traders had invested vast sums of money to upgrade their shops.

Mall traders say they will fight to stay put

153A ARG 2/12/92



Picture HANNES THIART, The Argus

CRIME KIOSK: Constable Janine Barnard hands a flower to District Commissioner Brigadier Izak van Niekerk at the opening of a new police kiosk in the Golden Acre. The kiosk, on the piazza level, will be open during the festive season on weekdays from 8am to 5pm and possibly Saturdays, too, providing a service to visitors who may not know where to find the main police stations in the city. Golden Acre general manager Mr Francois Stevens said the kiosk would provide a vital information service to tourists as well as help combat crime. If the kiosk is a success, police plan to open others on the Foreshore and in the Gardens Centre.

HENRIETTE GELDENHUYS
Staff Reporter

ST GEORGE'S MALL traders will fight to remain there and have criticised the city council's "unilateral decision" to evict them this week

A statement signed by seven members of the St George's Mall Traders Interim Action Committee said traders wanted the legal power to have "full and proper" control over trading in the mall and were mobilising support against the council's decision to evict more than 130 traders and allow only 12 leaseholders to stay

"We believe we are bringing life and vitality back into the city centre We are providing employment for far more than just the 150-odd traders We are not going to give up without a fight We are willing to compromise, but we cannot do so if the council will not even listen to us," the statement said

The committee, elected by most of the traders at a meeting in November, was given a mandate to negotiate with the city council for the right to continue trading under certain conditions. When traders approached the council to open channels of negotiation, it refused, the statement said.

An ANC delegation met council officials last Wednesday, but in spite of a two-hour meeting the council reiterated its decision to allow only 12 original leaseholders to stay

The chairman of the city council's executive committee, Mr Louis Kreiner, said other traders should move to Thibault Square or elsewhere

The statement said "Our concern is that, in any area which is off the main flow of pedestrian traffic, it takes time for the public to begin to support a market Traders make their living over the 'season' and there is no way that Thibault Square could be a short-term solution."

The main objections to their staying were that the mall was a pedestrian thoroughfare, that most mall tenants opposed the trading and were threatening to withhold rates and that emergency vehicle access to the mall was being obstructed.

The statement said the committee had laid out stalls to try to keep a maximum cross-mall traffic space open and keep trees and benches clear They were prepared to contribute to security and cleaning and discuss unfair competition, height and size restrictions and traffic problems

Traders believed the market should be run by a committee consisting of traders, city council members, mall tenants, the police, traffic department and an independent party, the statement added

Traders want hawkers harnessed

ARG 2/12/92

JOSEPH ARANES
Staff Reporter

153A

TRADERS in Mitchell's Plain Town Centre are furious with the city council for turning a blind eye to an influx of hawkers there while responding rapidly to complaints from businesses in St George's Mall about a similar problem

"Our problem is worse than the situation in the mall but nobody wants to take control of it," said a trader, who declined to be identified for fear of intimidation.

"Top-level meetings between the council and the Administrator of the Cape were held to limit the number of informal traders in the mall but nothing is being done for us. Is it because we are black?

"The centre is being overrun by hawkers who sell anything from panties to pots They set up their stalls in front of our shops and there is nothing we can do about it.

"If we call in the police or the traffic department to remove the hawkers our windows get smashed. A few days ago members of my family were assaulted after the police left.

"We want the authorities to control and limit hawker numbers and make the centre safe again."

A spokesman for Mitchell's Plain police, Captain Dirk Mentoor, said there had been fighting among the hawkers for space, but that the centre was generally very safe

"We will increase our patrols during the festive season because there is usually an increase in crime during this period," he said.

Deputy city administrator Alan Dolby said there was no quick-fix for the problem,

Banned mall traders reject eviction notices

1153A 05/12/92

Staff Reporter

MOST traders in St George's Mall refused to accept city council eviction notices yesterday afternoon, following a Provincial Gazette notice banning all but 13 stalls in the mall area from Monday.

One woman accepted a notice from a traffic officer, and then ceremoniously tore it up in front of the official.

A letter signed by acting town clerk Mr Alah Dolby, which accompanied the eviction notices, said the decision to ban trading there "was taken in the interests of the city as a whole and particularly in order to preserve the concept of the pedestrianisation of the St George's Mall and its environs".

It said that "in recent weeks there has been a proliferation of vendors" in the mall, leading to overcrowding and restricting traffic in "this vital open space".

But St George's Mall Interim Action Committee spokesman Mr Miles Robertson said yesterday that though traders did not want a confrontation with the council, "we're not going to give up without a struggle"

Mr Robertson stressed that the traders were willing to pay a levy to the council "for cleansing, security and management of the mall", with any profits to be used for the care of street children.

● The ANC yesterday appealed to the council to sit down again with all parties to the dispute over trading in the mall and negotiate a solution that was acceptable to everybody.

"We are deeply concerned that the Cape Town City Council has chosen the path of confrontation over the issue of St George's Mall traders," it said in a statement, issued by its assistant secretary in the Western Cape, Mr Willie Hofmeyr

"There are number of parties affected in this matter. At present, it would appear that the council and Administrator are prepared to listen to the application of only one of these — the rent-paying shopkeepers"

Traders to defy deadline

153A

South 5/12 - 9/12/92

By Quentin Wilson

INFORMAL traders in Cape Town's St Georges Mall "will do whatever it takes" to thwart the city council's plan to remove them on Monday.

They are determined to keep their businesses alive despite a council decision last month to prohibit informal trading in the mall.

Mr Chris Lubbe, trader and spokesperson for the St George's Mall interim action committee, said they were willing to make "substantial compromises" to council if given the chance to negotiate.

Their compromises include

- limiting their number to 160,
- keeping every tree and bench in the mall clear;
- clearing pedestrian walkways on both sides and in the middle of the mall;
- ensuring that traders don't sell goods similar to that sold in neighbouring shops;
- leaving space for an emergency vehicle route and;
- contributing to a fund to provide for security, refuse collection and charity to street children.

"We have drawn up a comprehensive plan which we feel is very reasonable.

"So far the council has refused to even look at it — all we are asking is the chance to negotiate."

Lubbe said the traders' proposal was flexible and a "starting position for negotiations".

"But we refuse to leave until we are allowed this opportunity.

"Monday is supposed to be the deadline, but they are in for a surprise if they expect us to just walk away from our only form of income," he said.

Most traders cannot find employment and they rely on their stalls for income. Lubbe is a computer science graduate who, after being retrenched, sells cigarettes to survive.

Another trader, Ms Razahn Khan, has a BA HDE (a higher diploma in education) but is forced to sell clothes until she can find a teaching post.

"It's impossible to get a teaching job these days," says Khan, "How else can I make a living. There is no way that I am going to leave on Monday."

Council has allowed only 12 lease-holders to continue trading. It believes the mall should be a thoroughfare for pedestrians. Council said it would be prepared to listen to traders once they had left the mall.

Eviction defective: Business as usual

ARG 7/12/92.

(153A)

CLIVE SAWYER
Municipal Reporter

BUSINESS as usual was the watchword of St George's Mall traders today as they set up shop while waiting for a Supreme Court hearing on their fate

The traders dropped plans for a placard protest after they received news that the city council would not remove them because a notice promulgated to that effect was defective.

The notice referred to the wrong section of the Business Act

The first traders arrived at 7 30am and frames for stalls were being assembled

"As we have said before, we are not looking for confrontation," said Mr Miles Robertson, spokeman for the informal traders. "We would rather trade than protest."

Some traders said they would attach their placards to their stalls.

A Supreme Court hearing set for 10am was to decide whether to grant an interdict, asked for by 40 traders, to ban the council from evicting traders from the mall

In a statement, executive committee chairman Mr Louis Kreiner said the city council would ask Administrator Mr Kobus Meiring to gazette a fresh notice banning trade in the mall as soon as possible.

Mall traders hope to stall for season

CT 7/12/92 (153A)

Municipal Reporter

FORTY St George's Mall traders intend to seek a Supreme Court interdict today to prevent the city council from ejecting them from the mall.

Informal traders' spokesman Mr Miles Robertson said yesterday this had been decided at a meeting of about 120 mall traders on Saturday.

He added that there would be a placard protest in the mall about 7 30 this morning

The council has not given its permission for the protest, because the mall protesters have not had time to apply They have been warned the protest will be illegal and participants could face arrest

"The application has to be brought in at least one person's name, but if financial support is not forthcoming from fellow-traders that person could be in trouble We took down names of 40 people who were prepared to be joint applicants"

Mr Robertson said the traders knew their only hope was to delay the eviction — unless the council changed its mind. Traders were keen to get an extension until at least after Christmas

"A delay will give us time to get the council to negotiate. We know we would have to concede that there should be fewer traders in the mall."

Another concession that the mall traders might make was that there should be no trading between Shortmarket and Strand streets, confining it only to the section of mall between Shortmarket and Wale

● Mr Robertson described the council's newspaper advertisement ("St George's Maul . or a Mall for all") as "inflammatory and one-sided"

CITY

DP backs council on Mall trading

153A
ARG 8/12/92

Municipal Reporter

THE Democratic Party supports the city council decision to remove informal traders from St George's Mall.

Regional chairman Mr Jasper Walsh said the problem of allowing street traders was essentially one of planning for the best interests of all Cape Town citizens

"The city council have dealt with the matter on this basis and deserve support They have been evenhanded and have offered an alternative"

The mall was not designed primarily as a trading area

"It is a pedestrian walkway designed as a relatively open space in an otherwise crowded area and should be preserved as such," Mr Walsh said.

Meanwhile, provincial legal officials are awaiting Administrator Kobus Meiring's return from a Cabinet meeting to advise him on whether or not to promulgate a special gazette on trading in the mall.

The notice banning trading in the mall — except by 13 original leaseholders — was incorrect because it referred to the incorrect subsection of the Businesses Act.

No ban on informal mall traders — yet

(153A) CT 11/12/92

By PETER DENNEHY

NO ban on the informal traders in St George's Mall will be published in today's gazette — but a ban on all but the original 13 traders is on the way.

This became clear yesterday following a meeting between Cape Administrator Mr Kobus Meiring and the executive committee of the Cape Town City Council

Mr Meiring's spokesman, Mr Frikkie Odendaal, confirmed the meeting and said there was still uncertainty about the legalities of the proposed ban

"The legal teams of the CPA and the city council will meet as soon as possible to solve the problem," he said

However, a well-placed source yesterday said CPA and council lawyers would meet today to decide on the ban which would force traders to leave the mall

"It is becoming urgent. The Christmas trade is upon us Formal traders have been suffering all year and are waiting for the Christmas trade

"Mr Meiring and the commitee hold the same view, which is that there are other suitable venues for the informal traders You can't talk to people occupying spaces where they should not be, but you can talk to them once they have gone," Mr Kreiner said

Mr Craig Hadley, and the girl [illegible] to remain in the gallery

Both were remanded and the case was postponed to January 14 for the decision of the attorney-general.

Council 'has will' to remove mall traders

CTR/12/92 (153A) 25

Municipal Reporter

THE Cape Town City Council has the political will to remove informal traders from St George's Mall — even if they refuse to move, executive committee chairman Mr Louis Kreiner said yesterday.

He said once the legal issues had been sorted out and a valid notice gazetted, the council would be obliged to act within the law.

However, Captour chief executive officer Mr Gordon Oliver yesterday said he was concerned at the potential for confrontation.

"I like some colour in the city by way of informal traders selling handmade goods. I should think 25 or 30 traders could be accommodated." He said they should pay rental and meet health requirements.

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ns till
OLMAN

Stephanie's

Council plans new mall notice

South 12/12-16/12/72

A LEGAL loophole has saved traders from being evicted from St Georges Mall for the time being

In their bid to push through amended legislation banning all but 13 of the 160 informal traders, the Cape Town City council used the wrong section of the Business Act to get their way - rendering the ruling "technically defective" (153A)

But the battle is by no means over because according to Mr Alan Dolby, deputy city administrator, council is planning to re-publish the notice correctly as soon as possible - which, he believes, will clear the mall of traders in a matter of weeks

Mr Basheer Waglay, the traders' attorney, is confident however, that council will be foiled again.

FM 9/10/92

153A

DEREGULATION

Freeing hawking

The Cape Province has decided to take a liberal approach in deregulating street trading and will maintain only essential checks on hawkers. The other three provinces are still dragging their feet on deregulation, though the much-heralded Businesses Act passed last year mandated all the provinces to liberalise trading activities

The aim of the Act is to deregulate shop hours, business licensing and the control of hawking

But parliament left it up to the provinces to implement the Act (*Business & Technology* March 13) Even the Cape did not promulgate the regulations governing hawking until recently

Eliminating shop-hour restrictions on Monday-Saturday trading has had little opposition Ending most licensing requirements has been more contentious But repealing most of the controls on hawkers has proven to be the most controversial The Cape's decision to minimise restrictions is within the spirit of the Act and may set an example to the other provinces

Only two areas will be out of bounds for Cape hawkers without having to be proclaimed as such public parks and gardens and public roads directly outside residential buildings if the owners or residents complain Traders also will not be allowed to block pavements, access routes or emergency services, erect permanent structures, create a nuisance or a traffic hazard

The regulations give Cape Administrator Kobus Meiring the authority to ban street trading outside churches, State and local authority buildings, national monuments and places "commonly used by the public" But he does not plan to use this power

Cape local government MEC Pieter Schoeman says the relaxation was decided "in accordance with the national policy of economic development, competition and deregulation as well as the promotion of informal trading"

Disputes will be resolved through negotiation Local authorities have been urged to form discussion forums with informal and, where necessary, formal business sectors The forums can draw up codes for hawking and deal with conflicts and disputes Where hawking in specific places creates serious problems, local authorities may ask Meiring to declare them prohibited areas

By no means, however, are Cape authorities united on the need to clear the barriers to hawking Cape Town City Council and the Cape Regional Services Council are worried that deregulation may lead to chaos

They have called for hawking bans on a wide range of public areas, including beaches, nature reserves, scenic drives and public squares

Early this year Meiring also favoured stricter controls A draft list of places where informal trading would have been prohibited included all the areas now being listed by the two local authorities — plus a lot more If implemented the ban could have wiped out most of the areas where Cape Town's street vendors now do business — including Greenmarket Square, a national tourist attraction

But the plan was ditched after strong opposition and a realisation that it was almost impossible to implement because of the requirement that each specific area must be accurately described for the prohibition to be legally enforceable

Though, in theory, street traders can now operate in any public open place except parks, local authorities will be able to control some areas by putting them out to tender, as is done with Greenmarket Square and the Green Point stadium parking lot, where one of SA's biggest flea markets operates on Sundays Under these arrangements the areas are let to single operators who then sublet to smaller traders

Natal provincial authorities are waiting for a Ministerial definition of "perishable foodstuff" before implementing the Act A spokesman says that without the definition the Act is too vague Critics says this is simply a stalling tactic to delay the deregulation of hawking, which is opposed by many local authorities in the province

Because of the delay, businesses that would have been exempt from licensing requirements had the Act been implemented have been told they don't need to renew licences as of this month

In the Transvaal, the Act is due to be implemented shortly, says spokesman Jan van Wyk But draft regulations have not yet been submitted for approval to the Administrator and his executive committee

The proliferation of street traders in Johannesburg has been made possible by the liberalisation of city by-laws and not the Businesses Act

In the Free State the Act is due to be implemented from the beginning of next year, says spokesman Renier Erasmus Draft regulations have been published and are open for comment until December 11 ■



Street entrepreneurs *open for business*

RUGBY LEAGUE

Challenging the union

Former Northern Transvaal rugby player Jacey Strauss says it's time to put rugby on a professional footing in SA Strauss, a Coca Cola GM, has signed up corporate sponsors and plans to kick off the SA Rugby Football League with an intercity tournament next week

The league would operate like professional sports leagues in North America, Japan and elsewhere, with individually owned franchises representing different cities Strauss, who is the league's chairman, envisions 16 teams initially, with play starting around January "Initially, we will supply coaches and overseas players to assist these clubs."

Last week he won his first major battle when the SA Rugby Football Union, the powerful and highly profitable amateur body that controls the sport locally, lifted its ban on the league code, its players and venues. "Now players who have been considering changing to the league in the summer months may do so without any threat to their playing status," Strauss says

This week the league signed stockbrokers Boner & Freemantle to a "significant" sponsorship agreement They will sponsor the intercity tournament, which Strauss says will include some well-known international and provincial players

"Since the Rugby League is a new game without any negative cultural, racial or political connotation, we regard it as an excellent vehicle to promote our services, as well as that of the JSE, to a broader market in the new SA," explains Boner & Freemantle CE Neville Boner "This is also in line with JSE policy to make the JSE more known and accessible to the general public"

The tournament will take place on October 16-17 and feature 12 teams. A week later Strauss is due to address the All Party Parliamentary Rugby League Committee in London on the future of the game in SA The league is promoting itself as a vehicle for developing rugby in the townships and this has attracted donations The Australian government has contributed R20 000 and the British embassy has chipped in equipment.

Strauss says the league has about R150 000 on hand, with 80% earmarked for developing the sport

Rugby league, which has 13-man teams instead of the 15-player sides of the rugby union, was started in SA during the Sixties but soon faded after pressure from SA rugby boss Danie Craven and his board

Though the franchises will be operated on a for-profit basis, the players won't be considered professionals, at least at first They'll get the same fee for "expenses" of up to R500 a game that union players get. *Eddie Botha*

FM 30/10/92 (153A)

FLEA MARKETS FM 30/10/92

Itching to expand (153A)

Johannesburg's popular Bruma Lake flea market at Game's parking grounds will move to new covered premises across the road in April The R3m, open-sided structure will have 5 000 m² for stalls on a 25 000 m² site owned by a consortium The market is now squashed into 3 600 m² It operates on Wednesdays, Fridays, weekends and public holidays

Parking of 13 000 m² on the new site, bounded by Marcia and Ernest Oppenheimer roads, will mean an extra 8 000 m² of space The balance will be taken up by entertainment and recreational facilities, including an amphitheatre to seat 450 Bruma Lake management company, Flea Market Enterprises, is also seeking a lease over an adjoining 10 000 m² site from Johannesburg City Council MD Marc Israelson says the council supports his organisation because it believes informal trading "levels the playing fields" and that such enterprises are, in the words of Ampros chairman Clem Sunter, SA's hidden asset

The market has a waiting list of 20 000 stallholders Criteria for admission are reliability, uniqueness and presentation

An indication of the greater awareness among institutions of the sizeable trade carried out by the informal sector is the number of approaches to Flea Market Enterprises to set up similar facilities It will establish a flea market in Glenfair Centre on Lynwood Road, Pretoria, early next year for Sanlam The market will have 200 stalls in the shopping centre's parking area

Flea markets and the crowds they attract can work to a store's advantage Game's Bruma Lake store has become the most profitable per m² of trading space in its nationwide chain What is curious is Ampros's attitude towards Bruma Lake flea market Ampros is Game's landlord Game in turn sublets its parking ground to Flea Market Enterprises

The market's lease expires in two years' time but Ampros has been at pains to terminate it as soon as possible.

Ampros MD Gerald Leissner says the market is not conducive to letting space in its adjoining R130m Bruma Lake office park, its major investment in the area, because of access and landscaping problems ■

Sanlam backs fleamarket

ASSURANCE giant Sanlam has teamed up with the western Cape organisation African Businesswomen's Development Forum to start a fleamarket in Khayelitsha, Cape Town.

The newly formed development forum, headed by Khayelitsha businesswomen Joy Msizi and Tembi Tobi, has set out to assist western Cape women to improve their business abilities and encourage aspiring people to put more effort into business.

THEO RAWANA

The fleamarket's launch on October 3 will be marked by live entertainment at Nonkqubela railway station, where Sanlam will also have a stall.

Sanlam spokesmen refused to say how much the company's financial sponsorship was, but said it proved the organisation's commitment to the upliftment of the SA people.

The business forum's Msizi said her organisation intended to encourage women with clothes-making skills to pool their talents and, drawing on the assistance of others with marketing skills, place their products in the marketplace.

Small traders nibble at clothing industry

By ZILLA EFRAT

A BURGEONING informal sector of hawkers, flea markets, factory shops and home-sewing is taking business from the clothing industry

Marketing & Planning Consulting Services (MPCS) estimates that 10% of all fabrics bought in South Africa are taken up by the home-sewing and informal market

MPCS chief executive Joop de Voest says the growth of the informal market is one of several profound changes that the SA textile industry has had to face in the past few years

Many companies in the retail trade have outpriced themselves, leaving a gap in the market and consumers are increasingly looking for more value for money

This has led to flea markets mushrooming, often attracting SA's affluent shoppers

Cape Town is estimated to have 20 flea markets The Bruma Flea market in Johannesburg has expanded from one day a week to four

Mr De Voest says the worn-garment trade has taken, at conservative estimates, R2-billion a year of disposable income from retailers ST Times (Buss) 20/9/92

This trend shows that the clothing industry may be providing for the elite market and not the basic need for affordable clothes

"Put another way, the SA market appears to be realigning itself along the lines of a developing nation," says Mr De Voest

Pipeline

The number of factory shops has also risen rapidly In the past factory outlets sold slightly damaged goods and returns But now they go to shops which sell lower-priced, good-quality goods

In addition, apparel wholesalers, squeezed out of the distribution pipeline some years ago, are back in a big way, offering goods at low mark-ups

Another major shift in the textile manufacturing industry has been a widespread proliferation of newcomers. The trend continues in spite of the recession

For example, in 1985 there were about 80 knitwear manufacturers in SA Today there are more than 200 In the same time the number of sock manufacturers has grown from fewer than 20 to 45

Mr De Voest says that in some manufacturing sectors, certain newcomers are on a par with the top five traditional players in their respective markets

The spinning, weft knitting, knitwear and hosiery manufacturing sectors are prime examples

These new operations are often started by people who have lost their jobs in the formal manufacturing sector

A reason for their success is that they can produce at low prices They have survived because they are small, flexible and more customer oriented

Many older players are feeling the pressure and need to adapt new marketing policies to counter and take advantage of these developments, says Mr De Voest

Manufacture and distribution of clothing is becoming a strong area of growth for black entrepreneurs, ranging from hawkers to small manufacturing operations

Tip

MPCS senior consultant Monica de Witt says "One needs only to attend the Matchmakers exhibition to realise that this is the tip of the iceberg

"Traditional home-sewing as we know it has branched into a flourishing small-business sector in its own right

"The home-sewer no longer provides for her own needs, but is producing thousands of items"

Mr De Voest says foreign companies are also playing an important role in the industry Many have set up in decentralised zones Foreigners are also increasingly opening shop in other industrial areas like Newcastle

Although SA may not be a cost-effective country in which to produce, foreign investors look at the African market as a whole, not SA alone

Water shortage threat to four power stations

ST Time (Buss) 20/9/92.

By DON ROBERTSON

THE possibility of water shortages at four Highveld power stations has forced Eskom and the Department of Water Affairs to rush ahead with a R60-million pipeline to serve the drought-stricken Kangwane area

Construction of the 42km pipeline, financed by Eskom, will link the Usutu and Komati Government water schemes It is hoped that it will avoid any water shortage at the power stations.

The Department of Water Affairs and Forestry says the normally reliable Komati River which flows through SA, Swaziland and Kangwane, has run dry

To meet the needs of people ply the Arnot, Hendrina, Duvha and Komati power stations Should further releases be needed, "it could have serious implications for electricity supply which could have serious socio-implications for the country," says the department

The four power stations supply 8 700mW of electricity

Work started on the pipeline at the beginning of this month and will be completed by March 1993

Pains

Mall traders get a few months grace

CT 15/12/92 (539)

By PETER DENNEHY

INFORMAL traders in St George's Mall have been given at least another three months to trade

"To ensure justice to everybody," Cape administrator Mr Kobus Meiring said yesterday, "the intention to declare the mall a prohibited area for street vendors, pedlars or hawkers will be advertised for a period of three months"

Mr Meiring appealed to the stallholders to honour the rights of all concerned, as the conduct of everyone "would be vital to the final decision"

Mr Quinton Fredericks, a spokesman for the stallholders, who welcomed the decision, and said "We were going to court on that technicality (about advertisement of the ban) The correct procedures had not been followed"

Stallholders had been reasonable all along, he said It was the council which had not wished to negotiate

Mrs Patricia Sulcas-Kreiner, councillor for the area, said she was "bitterly disappointed", and described the decision as a huge blow to formal traders "It could not have come at a worse time — right before Christmas in a recession"

New-look flea market as Bruma moves under roof

B/DM 28/10/92. (153A)

THE Bruma Flea Market in Johannesburg is to be upgraded on a scale that will alter the face of the flea market shopping concept in SA, says Flea Market Enterprises MD Marc Israelsohn.

The multimillion rand deal will result in the market moving from the Game parking area on the edge of Bruma Lake to a site across the road to the east, bordering on Marcia and Ernest Oppenheimer roads.

"We will be building a R3m, open-sided steel structure that will be about five storeys high It will be a most unusual structure and the roof, which will be on different levels and face different directions, will be littered with skylights.

"We wanted an architectural landmark that made a statement but did not detract from the nature of the market.

"The use of colour will make it even more exciting," said Israelsohn

The 5 000m² structure will be on a 25 000m² site, of which 13 000m² will

Reports by
PETER GALLI

be used for parking and an amphitheatre A large sit-down food area will also be provided

"Flea market shopping will be enhanced by entertainment in the form of buskers, live bands, magician and puppet shows."

However, the size of the market would not be increased and the number of stalls would remain at about 460, with the additional space used for wider aisles and an open-space concept.

The site belonged to an international consortium and was leased through its local trust. While he declined to disclose the details of the lease, Israelsohn said it was long term and at favourable rates

"The fact that we have achieved an even better deal now than we had with Ampros will allow us to offer stallholders a much improved environment with more space at very reasonable rates," he said

Stallholders currently pay R39 a day and this was budgeted to rise to R50 a day when the development was completed.

The site development plans were awaiting council approval, and construction was expected to begin in January, with completion scheduled for June.

The market would operate from Wednesday to Sunday, and rights were in place for it to remain open until 10 30pm from Wednesday to Friday.

Safety was a major element of the project and the market, surrounding roadways and parking areas would be secured.

The move was necessitated by Ampros's refusal to renew the present lease

Ampros chairman Gerald Leissner said it had been decided not to renew the lease as the market detracted from the upmarket nature of its Bruma Lake office development.

Hawkers: Call for urgent meeting

ISSA
ARG 11/11/92

CLIVE SAWYER
Municipal Reporter

THE city council is to seek an urgent meeting with Administrator Mr Kobus Meiring over tension about uncontrolled hawking in St George's Mall, and in Mitchell's Plain and Athlone

And the Cape Town Chamber of Commerce has added its voice to complaints about the wildfire spread of hawkers in the central business district, with a plea for boundaries to be drawn where hawking will be allowed.

Chairman of Stuttafords Town Square Merchants Association, Mr Norman Rabinowitz, has not commented on speculation that lawyers were to be briefed in a bid to clear informal traders from St George's Mall

It is understood that insurers warned a Stuttafords Town Square tenant that he would not be covered in the event of a fire at the R50 million building

The city council yesterday tested emergency vehicle access to the mall, using its largest tender with extension arms.

Executive committee chairman Mr Louis Kreiner said it was found the vehicle could reach all parts of the mall, except one section in front of Stuttafords Town Square where kiosks would have to be moved.

A light standard at the corner of Hout Street would have to be removed so that emergency vehicles could pass

Earlier this year, city officials exchanged correspondence over changes needed in the mall to ensure effective access to emergency vehicles.

Mr Kreiner said he was aware Stuttafords tenants were "very upset" about flea marketeers choking the mall, asking to use toilets in the Square, and leaving "a mess" at the end of the day.

"It is not only there — in Mitchell's Plain and Athlone hawkers have completely taken over," he said

An urgent meeting was being sought with the Administrator, whose refusal to list areas where hawking would be forbidden has been linked to the uncontrolled trading.

A meeting of the provincial liaison committee is scheduled for November 23, but the council is to ask for the meeting before that date because of the urgency of the problem

Some Stuttafords Town Square tenants are understood to have appealed directly to the Administrator

The Cape Town Chamber of Commerce is also understood to have complained that recent developments have negated the orginal purpose of pedestrianising the mall.

A preliminary survey by the Chamber showed support for informal trading in the mall, but that it should be confined to certain areas

Disputes over territory were beginning, with the possibility of "ugly incidents" unless there was control of the allocation of trading sites.

To clear the mall, the possibility has been raised of using a section of the Road Traffic Act which forbids anyone to block the passage of emergency vehicles.

October 3 to October 7 1992

The 'crazy' traders on Greenmarket square

South 3|10-7|10|92. (153A)

By Edwina Booysen

THERE'S only one way to describe the atmosphere on Greenmarket Square — Vibrant and catchy

The air is filled with a buzz of conversation and strains of music drift over from St George's Mall in varying degrees of loudness

Greenmarket Square has become known for its fare which ranges from ordinary clothing and jewellery, to exotic artwork and leather goods

Mr Johann Schultz has been managing a clothing stall for the past two years

"I started working here to help my sister out, and I've been doing it ever since," he said

"I enjoyed myself so much that I stayed on My wife thinks I'm crazy!"

Schultz said the money he earns working at the stall is "just enough" He considers this a job and not just moonlighting for extra money for luxuries.

"At the moment, business is going well We started out with one stall and now we have two or three on Saturdays and during the major holidays," Schultz said

It also helps that the weather has improved During the winter rainy season he loses about 10 days' business a month because of bad weather

Although he has heard of the Small Business Development Corporation (SBDC), he said his sister had not received any help from them

A few stalls away from Schultz, 22-year-old Mr Eric Kahn sells sterling silver jewellery "at reasonable prices"

Kahn started selling jewellery for a friend to supplement his income

"I was studying and needed extra money — as all students always do — when a friend suggested that I help her sell some of her goods," Kahn said

"It worked so well that I ended up opening a stall of my own

"This is really an interesting place to work in I meet so many people and I'm never lonely," he said

According to Kahn, how much money you make depends on what you sell, and for how much

"If people can buy something from you for less than the next trader is asking, you'll obviously have more customers," Kahn said

"But it is also obvious that one cannot only lower the prices in order to beat the competition! If you want to make a profit — which every business owner does — you have to be very clever"

Kahn has never had any dealings with the SBDC, although he knows that they are supposed to "help entrepreneurs get onto their feet"

"I was lucky enough to be able to get money from my parents, but if I wasn't, I would most surely have gone to the SBDC for a loan rather than to a bank," Kahn said

"The interest rates at a bank would have been too high to maintain and since I'm only a very small business, I doubt that I would have been able to cope," he said

Defiant traders vow showdown

S1 Times [Cape metro] 6/12/92.

153A

By LEW ELIAS and DIANA STREAK

THE war of words between informal traders in St George's Mall and local authorities could explode into open confrontation tomorrow when stallholders launch a defiance campaign in protest against a Provincial Gazette ruling limiting their numbers to the original 13.

Traders would put up their stalls and continue "business as usual" in defiance of the eviction notices they were given, said St George's Mall Interim Action Committee member Chris Lubbe

The prohibition on street trading in the mall comes in the wake of a city council report expressing concern that emergency vehicles will not be able to get through the crush of stalls.

The committee would take legal action against the ban, which it believed was in contravention of the Business Act, said Mr Lubbe.

Protests

Another committee member, Mr Kashies Isaacs, confirmed that there would be protests, but emphasised that they would be peaceful

"There will be trading in the mall on Monday," he said

The committee said traders had refused to accept the eviction notices served on them on Friday

"Some refused to take them and some tore them up," said Mr Lubbe

The notices were given in a letter from the acting town clerk, Mr Allan Dolby It said the action was being taken "in the interests of the city as a whole . to preserve the concept of the pedestrianisation of the mall It was never intended to become a fleamarket or a street trading area"

The letter said there had been a proliferation of vendors, who now numbered "nearly 200" This caused overcrowding and restricted the freedom of locals and visitors to enjoy "this vital open space".

Mr Dolby said the council recognised the importance of street trading as a source of livelihood for informal businessmen and had actively encouraged it It had invited the traders to set up their stalls in Thibault Square or to propose other areas for consideration

Interdict

"We have applied for an interdict to overturn the council decision and we are going to come out in force on Monday There will be confrontation," said Mr Lubbe

Mr Lubbe said traders would set up their stalls at the usual time of 7 30am, but "we suspect that they'll try to blockade the area"

The committee had drawn up comprehensive proposals for controlled trading in the mall but the council had refused to discuss them

Slating the "corrupt" system, Mr Lubbe said traders were unhappy with the council's decision to lease the bottom half of Greenmarket Square to the same person who leased the top half

"He subleases and makes a profit We are opposed to that system," he said

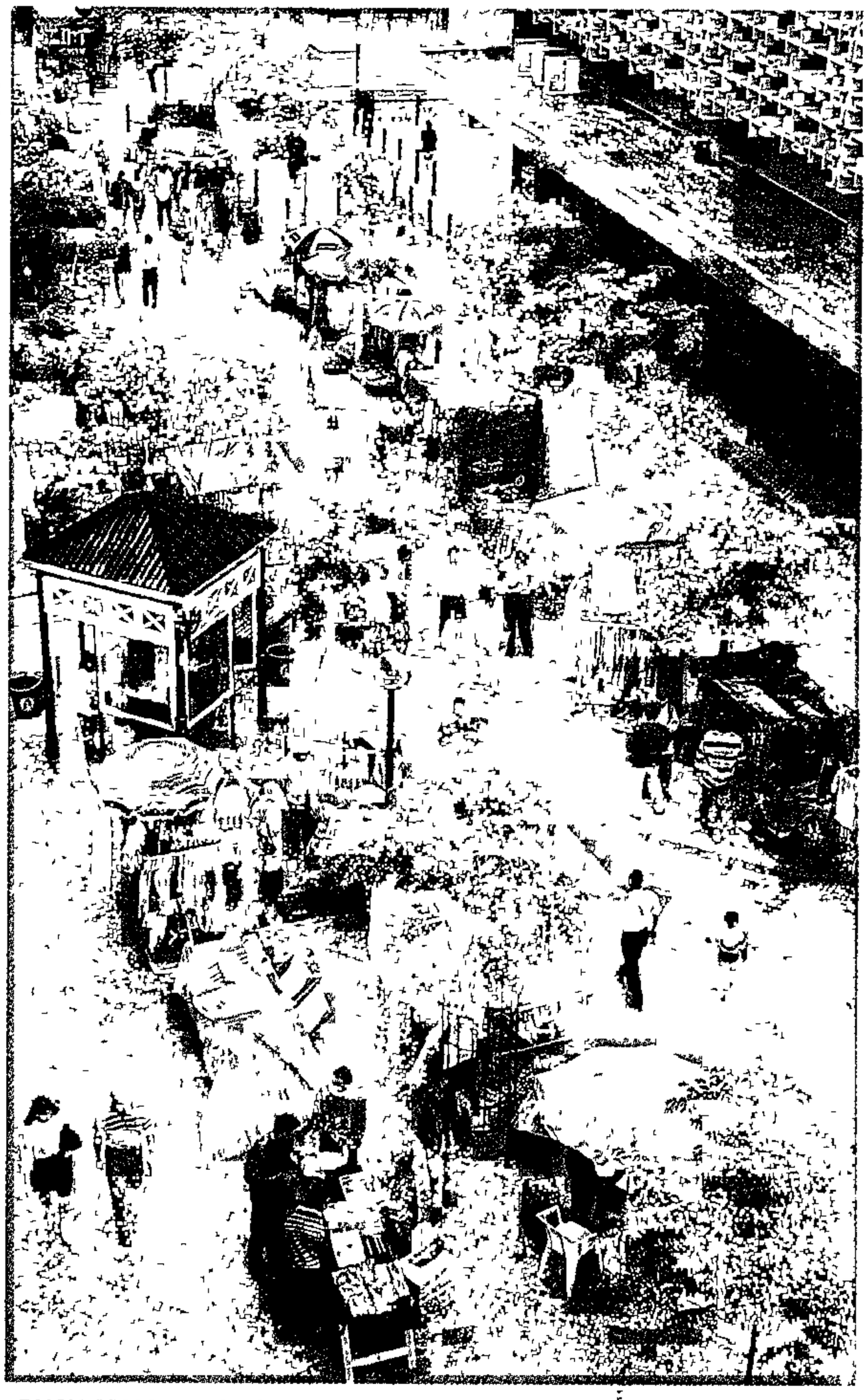
"We should set up a joint committee with the council and run both St George's Mall and Greenmarket Square"

"We want to charge a levy that will pay for cleaning and security and whatever is left over will be used to set up a fund for street children"

Mr Lubbe, a computer programmer who was retrenched five months ago and now makes a living selling cigarettes, said many traders had no other means of livelihood Some were graduates who could not find jobs

"The council has refused to negotiate with us Executive committee chairman Louis Kreiner says bluntly there is nothing to talk about"

● The African National Congress in the western Cape has appealed to the Cape Town City Council to meet with all parties regarding the dispute over trading in St George's Mall and negotiate a solution acceptable to everybody



BUSY MALL ... St George's Mall yesterday Picture: AMBROSE PETERS

S1 Times (Cape metro) 6/12/92

INFORMAL SECTOR — 1993

JAN, —— JUNE

year in an attempt to keep the VAT comprehensive approach to provide

Sowetan 7/1/93

Boosting small businesses

153A

■ German organisation may open office in South Africa:

By Mzimkulu Malunga

A GERMAN organisation specialising in the enrichment of small business may open an office in South Africa

Klaus Dienst, a representative of an organisation called Senior Experten Service (SES), comprising retired German craftsmen, paid a short visit to this country to make contact with small business

The organisation operates in 98 developing countries and is just waiting for an invitation from South Afri-'s infant industries.

unded by the German government, the SES is a nonprofit-making organisation with about 3 000 members

South African-born Dienst said if the project gets off the ground, it will have a much greater impact than existing local organisations which comprise retired executives as opposed to craftsmen

"My worry with retired executives who consult for small business is that they do not really understand the needs of infant enterprises," he said

The retired technocrats are skilled in various fields, ranging from engineering, forestry, livestock breeding and construction to brewing



Klaus Dienst

Traders face eviction

Staff Reporter

FOUR fast-food traders were evicted from Hout Bay harbour yesterday, threatened with arrest and soon after granted permits until Monday.

Mr Braam van der Harst, who has been selling ice-creams and hotdogs from his van for over two years, said the Cape Provincial Administration gave them no official reason.

"When I tried to renew my licence in December last year, I was refused. Today four officials came around and told me to get packing. I have a wife and child to feed." CT 8/1/93

CPA spokesman Mr Frikkie Odendaal said the traders were verbally informed six months ago and warned again before Christmas.

The traders have been given a weekend's grace until Cape Administrator Mr Kobus Meiring meets with them on Monday (153A)

CPA relents on threatened Hout Bay harbour traders

S/Times [Cape Metro] 153A
10/1/93

By JESSICA BEZUIDENHOUT

FAST-FOOD traders, given a deadline to leave Hout Bay harbour, have been given a reprieve by the Cape Provincial Administration, which has renewed their permits for six months.

The traders had been refused new permits and threatened with arrest if they did not leave by Thursday afternoon.

Several had been fined for contnuing to trade after being refused new permits.

One trader, former fisherman Mr Jamali Warner, 51, said trading was his sole income.

He was "very happy" about the reprieve but believed the CPA had not had a valid reason for refusing the permits in the first place.

"We were not standing in their way of developing the area," Mr Warner said.

Mr Braam van der Harst, who has been selling ice-cream and hot dogs from his caravan for more than two years, also welcomed the CPA's decision to extend the permits.

A CPA spokesman said the permits had been extended because the administration "realised that its decision had not been reasonable".

However, Hout Bay was primarily a fishing harbour, he said. It had only now been designated for multipurpose use.

The CPA was investigating the possibility of appointing a consultant to plan for the accommodation of various types of services, facilities and activities in the harbour.

Should a consultant be appointed, his brief would be to liaise with all harbour users and interested parties, including informal traders, the spokesman said.

The permits for informal trading had been extended to allow the situation to be reassessed. If no decision had been reached by the end of June, the permits could be extended again.

'Brow traders won't move

STAR 18/11/93

153A

By Abdul Milazi

Flea market traders in Hillbrow yesterday said they would "fight to the finish" after the Johannesburg City Council began serving notices on them to vacate their trading area in Claim Street

About 200 hawkers are affected. Some will be appearing in court on January 25 for continuing to trade in violation of their notices.

Health, housing and urbanisation committee chairman Marietta Marx said the decision to move hawkers was taken after residents complained about noise and litter.

The hawkers had been offered the Jack Mincer Park as an alternative, but only for three months

Claim Street flea market director Amin Abrahams, who has signed a lease for the market, said he ignored the first notice served on him and his traders last month.

"There is nothing wrong with the new place but it is only for three months What happens after that?"

Abrahams said the city council had said that if he refused the Jack Mincer Park offer, it would "do nothing" to help him in future

SBDC indemnity scheme capital soars

JOHANNESBURG. — The Small Business Development Corporation (SBDC) initiated bank indemnity scheme, started in 1990 with R20m, mobilised development capital to R65m in the last six months

The SBDC said yesterday that over 200 small to medium business entrepreneurs had been granted financing in the scheme run by the SBDC, the government and the major commercial banks.

SBDC assistant GM Kees de Haan said the bank indemnity scheme had proved its effectiveness by tripling, through the multiplying effect, the starting R20m indemnity fund to R65m

The success rate of clients in the scheme is nearly 80%.

"In the light of the accelerated growth rate of the bank indemnity scheme and the SME (small to medium-sized enterprises) sector's effectiveness in job creation and economic recovery we hope the government will make further contributions to the fund," he said.

The scheme underwrites a portion of the risk to which banks are exposed when considering loans to SME clients who cannot meet standard security requirements.

It enables the banks to maintain their usual risk standards, while making financing expertise accessible to a wide range of entrepreneurs. — Sapa

Finding the value in all that junk

For the growing subculture of ragpickers municipal waste dumps present mounds of possibilities.

By **ROSE TELELA**



Never mind the grunge ... Rummaging through the rubbish can be rewarding
Photo: SYLVIA MORESCHE

A RAGGED but neatly dressed man walks among piles of debris, glancing here and there and poking into mounds with his stick. He picks something out, examines it and throws it away shaking his head. Then he kneels, scoops up an empty Coke bottle and puts it in his plastic bag — the first item of his day's treasure

Koos Roberts, a rag picker who operates at a dump between Kliptown and Chiawelo, is a slightly built man. He wears brown pants that are too big, tied tightly around his waist with an old belt, and a clean white T-shirt. When he picks, he trudges around in old white takkies that have become brown with dirt and age But he smiles often and when he does, he reveals two missing teeth.

Roberts lives in a run-down house in Kliptown with his family of five He has been out of work for four years and survives by raiding the dumps and begging "The stuff I pick up sometimes does not help much, but most times it is very helpful," he says "Old shoes and clothes I can take home to my family or have my wife wash so I can sell them to squatters."

Other items in his picking catalogue include bottles that can be sold, old toys, broken chairs and utensils that can be fixed to use or sell "Sometimes there is a bottle of alcohol that is half full. This is when I think of myself as lucky," he says

Dumps in the township are less regulated than city dumps and therefore a picking heaven for people like Roberts. Municipal dump sites have strict regulations about dumping and scavenging. A city dump in Turffontein is surrounded by a high wall and guarded by municipal police. At another dump near West Park Cemetery, people hang around outside, but say they are not rag pickers. Municipal police say pickers are not allowed into the dump. Others say pickers are let in after 5.30pm on weekends.

Township dumps are little pockets scattered throughout the vast expanse of the different areas. Dumping is done by both residents of townships and squatters. Roberts benefits mostly from the refuse of township residents "What the squatter residents throw out is generally stuff that cannot be reused or sold."

Rag picking can be a highly territorial occupation often resulting in fierce duels for prime dumping ground Some pickers claim certain spots as their beat, but if there is nothing of use on a certain day they move on to other pieces of land. Often squabbles erupt.

"Veteran rag pickers often win the fight," says Thami Dlamini, a 50-year-old picker from the nearby squatter camp. He remembers how yielding dumps were for the enterprising rag picker before people built shacks. "It was just one big mountain of ash and rubbish," he says. "Now all you find are small dumps everywhere You have to work from one to the next and there are always people at each dump you go to — too many people," he adds

For Dlamini, it is easier to live off other people's cast-off's than to beg. "I can't find a job and these days people are stingy with food and money. In *e mathukhutwane* (the dump) everything is for free." He says it not hard to find things among all that rubble. "If you have been in this as long as I have, you would know exactly where to find things you can use or sell."

Nevertheless, this kind of life is not easy There are times when there is nothing worthwhile to pick. "And people look at you as if you're mad. Others give you a pitiful look, as if you're an orphan and ridicule you — especially children," he says.

There are special difficulties if you are a woman "They (men) think they can either claim you or take you under their wing. They don't consider the fact that you are married and you are doing this because your husband is an *isidagwa* (drunkard) and you have to feed your children," says Joyce, who also lives off the refuse She is obliged to live off cast-off's in order to survive. "I'm not ashamed of it. What else can you do if you can't find a job and your husband is not working?"

Two-prong strategy to put SMEs on track

S/Times (BUSS) 17/1/93 153A

By KEVIN DAVIE

THE share of gross domestic product contributed by small and medium enterprises (SMEs) should be increased from its present 40% to more than 50% in the next five years, says Jerry Eckert, a senior policy analyst at the Development Bank

"A goal of doubling the employment provided by smaller and informal enterprises is feasible in a ten-year period"

He says a two-pronged strategy of getting policies right and closing social economic gaps is both feasible and absolutely necessary if SA is to meet the needs of its people

SMEs should be placed at the top of development strategy because of the impossibility of the formal sector expanding fast enough to absorb new additions to the labour force

"A one percent increase in real GDP increases employment by only 37 481 jobs In the last six years, capital intensification has lowered labour in the formal economy by 35 021 jobs a year

Risks

"A sustained real growth rate of five-percent will generate only 152 383 jobs a year Meanwhile, the workforce is growing at more than 400 000 a year

"Significant rebalancing of the economy towards the labour-intensive and flexible SME sector is essential if the unemployment crisis is to be resolved this decade"

Emancipation, enabling legislation and empowerment are necessary for the creation of a supportive environment for the development of SMEs, says Professor Eckert

"Emancipation implies deregulation of markets and business procedures, a process which has only just begun viewed from the perspective of the small enterprise manager

"Small businesses often find themselves operating illegally if they are to operate at all, with all the constraints involved"

Enabling legislation should ensure equal opportunity for smaller, black entrepreneurs and their employees Professor Eckert says the law should be changed to make discrimination illegal

Empowerment programmes should be designed to go beyond levelling the playing field to provide entrepreneurs with resources, such as finance and management skills, with which to succeed

Professor Eckert suggests government and larger firms commit to purchasing a minimum percentage from firms employing less than 50 workers

Obstacles

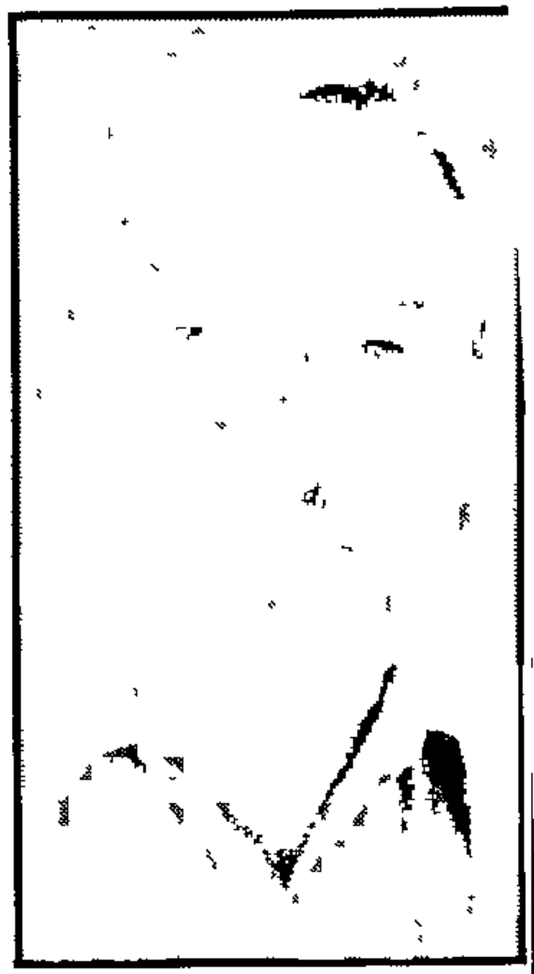
"This could be achieved through regulation, tax incentives or social contract

"Special banking mechanisms for firms with less than 50 employees are also essential Concessionary rates are conceivable by blending commercial and development capital."

Professor Eckert says an anti-trust or pro-competition policy is needed since major obstacles to small business include monopoly suppliers and buyers

Government should commit itself to advancing SMEs as part of an overall development strategy.

A national commission should be established to investigate remaining barriers A portion of current government expenditure should also be redirected towards firms with less than 50 employees.



JERRY ECKERT

Big plus for small business

ST Times Biss 17/1/93. 30 153A

Small business creates jobs. Yet little state money goes this route while billions flow into big projects.

Comment by **KEVIN DAVIE**

THE clamour for more money to be channelled into small business is fast becoming a crescendo.

The Reserve Bank, Sanlam's Platform for Investment scenario, the Development Bank, the World Bank, the Small Business Development Corporation (SBDC), a study sponsored by the life industry — all say that growth in small and medium enterprises (SMEs) is the way forward.

"SMEs are the light cavalry of the economy," says the SBDC's Ben Vosloo. "This is the worldwide experience."

The argument is that job creation in this sector should be put at the top of development priorities

The housing kickstart popularised by the Nedcor-Old Mutual scenario is still bogged down in the political process

It is also better to create a job for a man so that he can buy his own home rather than put him in a house at great cost to the taxpayer. It would be nice for every South African to be given a home, but resources simply do not stretch that far.

The Nedcor-Old Mutual team also wanted a gear change whereby SA would sell value-added exports in foreign markets.

The gear change is well under way The state-owned Industrial Development Corporation (IDC) is pouring billions into projects such as Alusaf and Columbus which will beneficiate imported and local minerals.

Many favour a two-pronged approach where both labour- and capital-intensive industries are supported, but while the big projects are fully financed, small business is still waiting for the begging bowl to be filled.

The SBDC, which has created 300 000 jobs since 1986 at a cost of R5 000 a job and a 83% success rate, received no support from the Budget this year.

It has curtailed its activities, turning down seven good prospects for every two which are accepted. Inquiries meanwhile are flowing in at a rate of 1-100 a working day.

The SBDC last year examined its growth prospects and decided it needed R1-billion. Newspaper headlines reported negotiations between the SBDC and 50% shareholder, the State in the form of the IDC, whereby the SBDC unsuccessfully tried to source finance from the IDC.

The IDC agreed to make funds available only if it could increase its say on the SBDC board where the private sector owns 50% of the shares but has 75% of the vote.

State funds of R1-billion controlled by the IDC will be invested in Columbus to create just 33 new jobs. The SBDC could create 100 000 jobs with this money.

The huge disparity illustrates SA's economic policy options very neatly.

For me the choice is simple. I would put the R1-billion into SMEs

Tens of thousands of people would be able to use bricks to build homes rather than to throw at one another.

Zaireans put Jo'burg back on world map

SOUTH 16/1 - 20/11 .93 .

Proof that South Africa is once again part of the African continent can be found in the number of Zaireans flocking to Johannesburg, reports **Justin Pearce**:

DEEP in the underground shopping centre in Hillbrow, a vociferous argument is going on — in French

The angry voices are echoing out of a tiny shop, where the woman behind the counter is debating a point with a visitor

The argument continues at full throttle as a customer walks in to browse around the richly-coloured printed fabrics The cloth, some of it priced at R100 for two metres, has been brought by the shopkeepers from their homeland, Zaire

The sound of French voices on the streets of central Johannesburg is becoming more and more common as Zaireans flock to the city to escape from political instability at home — make some money.

The irony in seeking political stability in a country like South Africa is not apparent to the new immigrants However bad things may be here, they are much worse in Zaire

There has been no census of the Zairean community in Johannesburg, but they are estimated to number several thousand

Bertum Shamamba came to complete his masters degree in mathematics at the University of the Witwatersrand after President Mobuto Sese Seku closed the university where Bertim had been studying in Zaire

Moreover, the Zaireans seem isolated from the realities of life as they are experienced by most black South Africans.

Bertim and his brother Phillipe have never been to Soweto. Like most of their compatriots in Johannesburg, the Shamamba brothers live in the inner-city flatland of Hillbrow and Berea, where the Group Areas Act is already a distant memory.

They say they have made contact with black and white South Africans, and have not encountered any racism Nevertheless, the Zairean community remains a close one, linguistically isolated from the rest of Johannesburg life Newcomers fresh off the plane from Kinshasa can find a home and support from other Zaireans until they have established themselves and learned some English

The brothers agree that they are better off in South Africa than in Zaire. They make about R200 a day at their stall in the fleamarket outside the Market Theatre Their wares include masks, musical instruments, traditional weapons (not the Inkatha variety), and wooden carvings Most prices are in the region of R70.

Phillipe says most of the articles are between 40 and 100 years old. Boldly carved and unpolished, the wooden items are continents away from the glossy curios normally sold in souvenir shops More ornamental are the knives which look as if they once had a ceremonial function, the blades delicately engraved and the handles decorated with animal fur

Phillipe, who hopes to enrol at Wits to study business management, imports the goods himself, buying them in the villages of Zaire and bringing them by air to Johannesburg

South Africa's borders and laws were once this continent's own iron curtain. Now the activities of the Zairean traders are one way in which Johannesburg is slowly establishing itself as a city of international significance In this sense at least, Africa has come back.



MADE IN ZAIRE: Phillipe Shamamba with the masks he imports

BoE and stokvels on brink of clinching deal

WILSON ZWANE

THE Board of Executors (BoE) and stokvels are on the brink of reaching an agreement on a joint venture aimed at developing a special investment product for stokvel members.

Negotiations between the financial institution and the National Stokvels' Association of SA (Nasasa) have been going on for months But both BoE and Nasasa have repeatedly refused to comment on their negotiations, saying to do so could derail them.

The negotiations began after it became clear Nasasa did not like Syfrets-administered unit trusts.

It is expected that BoE and Nasasa will clinch the deal soon, possibly this week. Informed sources say the deal — the first of its kind — will be of "great significance" to the economy.

Nasasa consultant Stephen Japp said recently a number of companies in the US and Britain had signalled they would invest in a specially designed unit trust product for stokvel members, provided it yielded good returns and was "benefiting people on the ground".

Nasasa president Andrew Lukhele has said his organisation planned to alleviate the black housing crisis by diverting millions of rands from banks to specially designed unit trusts which would serve as collateral for home loans.

The plan stemmed from the realisation that financial institutions were reluctant to grant mortgage finance to township residents and it would allow black savings to be ploughed back into black communities.

The latest Markinor survey of the informal financial sector indicated a 60% growth in money collected by urban stokvels. In 1991, stokvels collected an estimated R83m a month compared with R52m in 1989.



DEFIANT. Stallholder Mr Hamza Parker sells a packet of 20 cigarettes for 10c less than customers pay at permanent kiosks



RESENTFUL. Permanent traders are angry about what they say is unfair competition

Showdown looms between traders in St George's Mall

STEWART ALCOCK
Staff Reporter

TENSION between St George's Mall shopkeepers and informal traders threatens to spark into no-holds-barred legal and price wars.

Kiosk operators are especially furious with cigarette and fast food vendors for setting up shop too close to them

Formal traders claim that their livelihoods are threatened and that because of their overheads they cannot compete price-wise with hawkers

Ms Mandy Covington, who runs the Exchange Kiosk at the lower end of St George's Mall, said a vendor selling cigarettes just metres away had undercut her prices.

"I asked him to move away, but he refused and we can't match his prices because of our overheads

'I contacted the city council and the traffic police but they said they couldn't do anything,' she said

Other kiosks in the mall claimed a drop in business

"Even my own staff buy from them and I can't say I blame them, said the manager of the Snack Shack.

Cigarettes at the formal kiosks sell for R2,40 to R2,50 for 20, while street sellers surveyed charge between R2 10 and R2.20

The vendors claim turnovers of between R800 and R2 000 a 12-hour working day, according to how many brands are available

Mr Hamza Parker, who runs the Tuckshop at the foot of the escalators from Castle Street said the loss of takeaway food and cigarette sales was putting him out of business

Mr Parker has opened his own informal stall in the Mall, selling cigarettes 10c cheaper than most other hawkers in an attempt to win back customers

"But I can't make a profit at those prices I don't know where the vendors get their cigarettes from if *they* can,' he said

The informal vendors were tight-lipped when asked where they bought their cigarettes, although many said they bought "wholesale"

A spokesman for a cigarette wholesaler said they did not sell directly to informal traders

'But wholesalers get discount of between two and five percent from distributors and if they want to pass part or all of this on to the consumer, that s their business,' said the spokesman.

"There is no price control on cigarettes and distributors take action only if selected brands are sold cheaper than others," he added

Formal traders this week called on the city council to remove the mall hawkers and threatened to sue the council for loss of profits

Deputy city adminstrator Mr Peter Alston said he was aware of the problem and was sympathetic to the formal traders' complaints

"We have expressed our concern to the Administrator, Mr Kobus Meiring, but he has not seen fit to forbid informal trading there," he said.

Last month Mr Meiring agreed not to declare St George's Mall a hawking-prohibited area for three months and on December 24 called for comments on his intention to prohibit hawking

City centre councillor Mrs Patricia Sulcas Kreiner said at the time the decision was a "huge blow to formal traders"

A utilities and works committee meeting has decided to recommend to the executive committee that the moratorium be kept and Stuttaford s Town Square management — who have complained officially to the council — be told they are responsible for laying charges against informal traders who violate the zoning scheme.

Exco will decide tomorrow whether to endorse the recommendations

ARG 18/1/93 (153)

Call to boost small businesses

PRETORIA — Government funding of small business in SA should be increased from R800m a year to R4bn to stimulate growth and employment in the economy, Frankel Max Pollak Vinderine chief economist Mike Brown said yesterday.

The increase, from 0,3% of GDP to 1,3%, would generate more than 200 000 jobs a year and would shift SA to a more competitive and efficient economic structure, Brown said.

He was one of several speakers addressing businessmen in Pretoria yesterday on means of improving investor confidence in SA.

The Platform for Investment conference, which included contributions from senior executives of Sanlam, Ernst & Young, Frankel Max Pollak Vinderine and the HSRC, was the result of comprehensive research undertaken lo-

ADRIAN HADLAND

cally and abroad, Sanlam media relations senior manager Boet van der Spuy said

Brown said the contribution of small businesses to SA's GDP had increased from 5% in 1980 to 17% by 1991 "We are not doing anything to encourage it and yet it is happening"

The advantages of investing in small business development included the low capital cost of job creation (R15 000 per job as opposed to R50 000 in the formal sector), the political acceptability of encouraging small business, the fostering of an entrepreneurial spirit and the promotion of regional development

Brown said multiplier effects also had greater resonance when applied to the lower income community as a result of capital savings and improved labour intensities and consumer power

The promotion of small businesses could be achieved by the establishment of a more sympathetic operating environment

This included tax incentives, deregulation and the reduction of bureaucracy as well as the provision of education and training, business skills and access to technology Linkages should also be generated between small and big businesses by encouraging subcontracting, tendering and by lifting barriers to competition

The stimulation of small business, with higher government and private sector expenditure on housing and development infrastructure, would improve SA's economic health and make it more attractive to foreign investors.

Nacssa dares funeral undertakers

153A

Sowetan 20/1/93.

By Mzimkulu Malunga

FUNERAL undertakers may have their share of the market substantially reduced when burial societies officially launch a coffin manufacturing company

This week's "invasion" of the market by the National Association of Co-operatives Societies of South Africa (Nacssa) is the latest in a series of strides aimed at establishing black control in an industry to which they are major contributors

Encompassing burial societies, women and mehodisano clubs, the organisation says the birth of Nacssa Coffin Manufacturers (Pty) Ltd

■ Urged to co-operate with NCM:

(NCM) means people at grassroots level will be able to buy coffins cheaper

NCM will also be looking at the export market. The first 50 coffins were sold to a customer in Botswana last weekend

Coffin prices range from R150 to R1 000

Undertakers in the townships charge over R1 000 for their cheapest coffins

Nacssa says undertakers have a choice of buying from NCM or to watch while consumers purchase directly from the manufacturer

According to NCM's managing director, Dup du Plessis, undertakers sometimes buy coffins from manufacturers for about R200 and sell them for R1 000 or more

Nacssa bought the company for R250 000 from Du Plessis, who retains a 20 percent share and still manages NCM

Nacssa's executive director, Sam Muofhe, says: "The launch of NCM is in line with our purpose to increase black economic empowerment."

NCM currently employs 15 workers and produces about 50 coffins a day.

The objective is to employ 60 more workers this year and to increase production to over 200 coffins a day Nacssa's next stop is to start its own funeral undertaking business

BoE and Stokvels look at trust plan for home loans

STAR 21/11/93.

By Tom Hood

CAPE TOWN — A deal to channel millions of rands into black housing is being negotiated by The Board of Executors and the National Stokvels Association

The association collects about R80 million a month from members and the Board of Executors is trying to develop a special unit trust, which would tap this income to provide collateral for home loans

Board of Executors managing director Bill McAdam has confirmed that negotiations are going on and says both parties have agreed not to make any further statements until a deal is clinched

If the plan goes ahead, savings from township residents could be ploughed back into black housing by providing home loans.

Most banks and building societies pulled out of the black housing market after losing millions through unrest damage and loss of repayments.

A chance to own a company

Rutec franchise to create jobs

Sowetan 22/1/93.

By Mzimkulu Malunga (153A)

■ **Entrepreneurs wanted from disadvantaged communities:**

A COMPANY manufacturing small-enterprise equipment plans a major franchising campaign which would not only enrich its own coffers but lead to the creation of hundreds of jobs

Through its marketing arm, Work for Life, Rutec plans to sell franchises to entrepreneurs in the disadvantaged communities to open training centres for people interested in owning their own businesses.

"This is a positive affirmative action programme that is motivated by profit and private enterprise - not charity," says Rutec managing director John Dommett.

The envisaged programme starts when the entrepreneur buys a franchise from Work For Life and opens a training centre in the community he lives in

Then Rutec will assist him with the training of instructors who will teach prospective entrepreneurs about the key dynamics of running a business - production and management.

According to Dommett, the screening process of prospective franchisees will be stern "We will only take the best."

They will have to satisfy three major categories to qualify One is that they should have a strong financial background and would-be franchisees should know the needs of the communities they work in

Lastly, the franchisee should be satisfied that candidates for instructors' positions at the training centres are appropriate persons as most of the machines need people with a technical background

Costs for starting a viable franchise range between R10 000 and R30 000, depending on the size of the community the business is aimed at serving

Conservative projections, says Dommett, indicate that each centre, if properly run, can create about 1 640 business opportunities over a five-year period

The target is to establish 300 centres in the next five years and it is estimated that they could generate up to half a million smaller enterprises during the same period

All centres must be motivated by a profit incentive, emphasises Dommett The average cost a course will be R50 and most of them will run between a day and a week

Station traders strike blow for free enterprise

153A

Argus 28/11/93

KARIN SCHIMKE
Weekend Argus Reporter

A BLOW was struck for free enterprise when a delegation of informal traders met with managers of station property to protest against a decision to grant a lease to a private company

According to a notice handed to traders yesterday morning, the upper deck of the station — which is owned by the South African Rail Commuter Corporation, and managed by Intersite — has been leased to Mr Mohammed Mouneimne, who also rents the lower deck of the station

About 40 traders, with support from the ANC, marched through the station to the Intersite offices.

"We have been here 11 years and we have built up this market to what it is. We, as a committee, should have had first option," said Mr Hassan Khan, secretary of the committee of Cape Town Station Informal Traders

He said stall holders on the lower deck were paying about R40 a day to trade, while on the upper deck traders had been paying about R6 a day to Intersite. Upper deck traders were against the leasing of "their" trading site to "someone who has no share in the development of our market, someone whose only concern would be a big monthly profit"

After a "cordial" meeting between leaders of the traders' committee, management of Intersite and ANC representative, Mr Willie Hofmeyr, Intersite agreed to reverse its decision to grant a lease to a single operator

Trouble brewing over sorghum

South 23/1-27/1/93.

153A

AN OLD apartheid law is being used to quash the huge success of a sorghum beer brewery in Mfuleni

The Mfuleni brewery, a division of National Sorghum Breweries which has 19 production points countrywide, has encountered resistance to their expansion beyond Cape townships

Police in the Western Cape have come down hard on shop owners who sell the low-alcohol beer in mainly white areas

According to the Sorghum Beer Act of 1962, the sale of sorghum beer is only allowed in African areas determined by the Group Areas Act

In February 1991, when the Group Areas Act was scrapped, a number of general dealers operating in traditionally white areas started selling the yeasty brew — with fairy-tale success

But according to shop owners across the Western Cape, police have gone out of their way to enforce the outdated legislation, especially in the peak selling months of October to December.

Mr Flountino de Freitas, a cafe owner in Paarl who was fined R100 for selling the beer, says "They have really tried to make me feel like a criminal They took my fingerprints and made me appear in court as if I had killed someone."

"I thought apartheid was supposed to be over."

Mr Alindo Pestane, from Agter Paarl, told SOUTH that police came into his shop every day for a week late last year, to see whether he was selling the beer.

"I am losing a lot of money because the stuff was so popular here. I used to sell about 630 litres a week, but now the police make sure I don't," Pestane said

The beer's alcohol content of only three percent puts it outside the scope of the Liquor Act. But this has not stopped police from using this slice of legislation as well

Seven other cafe-owners told SOUTH that they have been hounded by police in terms of the Liquor Act Even though the beer is legally defined as a foodstuff, police have treated it as liquor.

Police spokesperson, Captain Ciska du Plessis, maintained that sorghum beer "is classified as liquor".

However, he admitted that this would only be true when the relevant section of the act has been amended.

"People selling sorghum beer after this section has been promulgated will require the necessary liquor license," Du Plessis said.

But in the meantime, not only the shop owners are losing out, the brewery itself is taking most of the financial knocks

Mr Mkuseli Nyewe, sales manager for the Mfuleni brewery, said the harassment has crushed immediate plans for extending the plant, which would have provided employment for another 30 people.

The 90 person workforce at present is drawn entirely from Mfuleni and its squatter camp.

In a community where there is no electricity or hot water, the business serves as a necessary boost to the area's development

"We own the only factory in Mfuleni and for many people it is like a home to them. Our workers often come in on weekends because our facilities are always open to them, like showers for instance."

Nyewe said the company will seek legal advice to stop the harassment. — **Quentin Wilson**

JOB MARKET

Street trading gets tougher

(153A) ST Times (BUSS) 24/1/93

By ZILLA EFRAT

STREET vendors are still being harassed even though the Business Act, published nearly two years ago, gives them greater trading freedom This is because provincial authorities are dragging their heels in implementing the Act.

The Cape is the only province where the Act — which scraps the need for most trading licences and removes restrictions on trading hours — is officially in operation.

Small Business Development Corporation (SBDC) Western Cape senior manager Johan Naude says local authorities are blocking the introduction of the Act because of vested interests and opposition from the formal sector

These authorities are also believed to be opposed to the Act because it limits their control over informal business activity

The Act is designed to foster the growth of the informal sector, which already contributes an estimated 17% to GDP and employs three-and-a-half million people. It should mean that the days of traders having their goods confiscated and destroyed are a thing of the past.

This is true in South Africa's major cities but not so in some more conservative towns, where traders are seen to be acting illegally because the Act has not yet been implemented.

Hawkers in some of the conservative constituencies in the Transvaal and Free State are being summonsed or closed down every day for breaking the law, says SBDC assistant general manager Dawie Crous.

"The delay in implementing the Act gives the bureaucracy work. They are harassing people who are really operating legally in terms of the spirit of the law" he says.

Advocate Naude says that even in the Cape some local authorities continue to restrict street vendors as if the Act did not exist.

The Act repeals trading licences for all but three of up to 80 different categories of businesses Only businesses dealing in perishable foods or which provide health and entertainment facilities require them. Hawkers are also allowed to trade anywhere apart from a few prohibited areas.

The Transvaal lags the most in implementing the Act. Its regulations have been drawn up but they still have to be approved by the province's administrator

Proclamations have been published for Natal and the Free State but no indication has been given when the Act will be introduced in these provinces.

The Natal Provincial Administration is holding back implementation on legal advice until the Minister of Trade and Industry defines the term "perishable foods"

Natal member of the executive committee in charge of trading licences, Ismail Omar, says the area of food sales holds the most potential for future problems The Act could result in confusion and lead to public health problems without a definition.

Conflict

In the meantime, Natal amended its ordinances with effect from December last year and these do not differ at all from the Act.

"We have given full effect to the Act but via a different route," says Omar

Advocate Naude, however, describes Natal's attitude as "obstructionist" and totally in conflict with the deregulatory principles of the Act.

He says no serious health problems have been encountered since the Act was introduced in the Cape.

Meanwhile, amendments to the Act are currently being considered by government.

Department of Trade and Industry director general Stef Naude says these aim to make the Act more practical but they may also result in it being implemented sooner

The proposed changes will also give local authorities more effective control over street vending



STEF NAUDE Act changes

Provincial administrators will be authorised to make regulations for greater control of trade at public places which have a recreational character or special amenities

Stef Naude says the idea is that, once an administrator has prohibited street vending at a public place, it will be left to local authorities to make the necessary prohibiting by laws.

The implementation of the Act in the Cape has not been without some teething problems. There were general fears that the mass of hawkers in the St George's Street Mall would scare away tourists and high-spending customers.

The SBDC's Naude says these proved unfounded over the Christmas period when more people were attracted to the Mall than ever before Traders ensured that they sold products of a good standard and did not block pedestrian paths.

Booming

Advocate Naude says some local authorities in the Cape have approached the administrator to have certain areas declared prohibited from informal sector trade

Gordons Bay's municipal officials have asked that the whole town be declared a prohibited area, arguing that informal trading will ruin the environment and affect tourism

Nonetheless, observers say informal trading is clearly booming in the Cape, especially in Cape Town. The same is heard from Durban and Johannesburg. The Johannesburg municipality has adopted a liberal approach and freely issues licences

From less than 1 000 officially licensed hawkers in 1990, the total has increased to 75 000 in Johannesburg alone.

CASHING IN ON CHILDCARE SKILLS

ST Times (BUSS) 24/1/93

By MIKE HOLMES

WOMEN who want to work but feel committed to their young children have been offered an opportunity to train others in childcare skills — and they can do it from home.

Johannesburg-based Profam is looking for franchisees countrywide to train child minders in basic child care, mental stimulation, safety, first aid and emergency management.

Shelley-Ann Beckley and Jeni Kittel, mothers of young children themselves, founded Profam 15 months ago.

They had two goals: to run their own childcare courses and to pass on the techniques to entrepreneurs wishing to start childcare training ventures.

Kittel is responsible for training and development, Beckley for management and marketing. Both believe childcare education has been seriously neglected in South Africa.

Standards

Says Beckley: "There's a general assumption that because childminders are parents themselves they will automatically be able to take proper care of someone else's children.

"How is this possible when there has been so little exposure in the child minder's own environment to things like electrical appliances, poisonous household cleaners and swimming pools?"

Yet appropriate training can not only uplift childcare standards in more affluent communities but also in the townships, where most childminders come from. The courses, Beckley says, take into account the high level of illiteracy among childminders.

Profam's experience is that physical care is usually good but that, "in most cases, mental stimulation of the children being cared for is non-existent"

Home visits have been distressing

"Care-givers lacked vital information, such as parents' work telephone numbers and emergency numbers. Most also had no idea what to do in an emergency, or even where the first aid kit was."

Yet, Beckley notes, children raised in a secure environment, and given proper physical and mental stimulation, are going to be far better prepared for schooling

Training

Mental development is particularly important, she believes. The course deals in detail with the making and use of inexpensive puzzles and toys appropriate for child stimulation at different ages.

"The materials we use are things that would normally be thrown out, like cereal boxes and plastic soft-drink bottles."

The 25-hour course is primarily based on lectures, demonstrations and hands-on practice.

To accommodate working mothers, Profam suggests that training of students, whether beginners or already in jobs, be approximately three hours a week for eight weeks.

Franchises cost R5 000 to R10 000, depending on the size of the area. Training venues can be recreation centres, local churches or even private homes.

Franchisees, says Beckley, get all the materials and on-going support needed to run a successful training business.

Businesses agree to wait over mall

153A

Municipal Reporter

ARG 27/11/93.

FORMAL businesses have agreed to wait for the Administrator's proclamation on informal trading in the city centre before taking further action on St George's Mall.

Representatives of banks, major retail stores, and a shopping mall met councillors yesterday.

The council asked businesses to reconsider proposals to apply for an interdict against informal traders, and urged them to ask Mr Kobus Meiring to go ahead with plans to proclaim "hawker-prohibited" zones at the end of March

19 000 loans total R30m

PETER GALI

THE Get Ahead Foundation will allocate about 19 000 loans with a value of R30m in the 1992/93 financial year, says chairman Don MacRobert.

"This will hopefully help create between 15 000 and 20 000 much-needed jobs at this level," he said yesterday.

The business development organisation is funded by 14 foreign governments, a host of multinational corporations, foreign foundations and an ever-growing number of local businesses like JCI, Gencor, Anglo American, Sanlam and Iscor.

The money is channelled into three divisions: the microenterprise or stokvel loan division that assists in establishing small businesses; the capacity building division that assists new developing communities to help themselves, and the home loans division.

"We operate in 22 areas, and in five of these we have had a recovery rate of 100% since inception. Our general recovery rate exceeds 90% . . ," he said.

Pledge on mall trade

THE council will press ahead with legal proceedings against informal traders in St George's Mall if Administrator Mr Kobus Meiring does not proclaim it a hawker-free zone at the end of March. (453N)

A delegation will ask Mr Meiring to support amendments to the Businesses Act to give councils greater power over informal trading. — Municipal Reporter ARG 29/11/93

Star 1/2/93

Ready for 'big business'

(153A)

By Brian Sokutu

It took only five hours of intensive business training to convince a group of Tembisa hawkers and spaza shop owners that they, too, were "big businessmen".

"Ready to take on big business," they echoed after taking part in the first African Council of Hawkers and Informal Business (Achib) training programme in the East Rand township yesterday.

Having been forced into self-employment, many of the 80 hawkers who attended the crash course left with new confidence

"We're now able to budget, market our products better and to keep records," one said enthusiastically

Another hawker revelled in his new know-how "Before, I did not know whether I was making a profit or running my business at a loss" Then he added proudly "Now I'm a big businessman"

Yesterday's launch was the first of many workshops intended to train up to 10 000 hawkers throughout the country this year, 2 000 from the PWV area alone

The ambitious project to bridge the gap between the formal and informal business sectors is funded by the Washington-based Centre for International Private Enterprise (CIPE) The organisation has donated about R135 000 so far, according to CIPE Africa programme officer Alison Hope Pena.

Achib has commissioned experts from Norite Educational Holdings to teach the informal-sector businessmen basic business techniques

Achib president Lawrence Mavundla said the sponsorship money would also help offer loans of R2 000 per hawker to buy stock

"Most hawkers do not have collateral to pledge as guarantee for repayment of bank loans

"Achib is also in the process of campaigning for hawkers to buy goods direct from manufacturers If we can't cut many middlemen, black hawkers will not be able to compete with the formal sector," said Mavundla

Trading on mall a litter poser

153A
ARG 2/2/93

CLIVE SAWYER
Municipal Reporter

INFORMAL trading worsened the litter problem in the central business district during the festive season.

Taxi operators were also making the work of the cleansing branch difficult, said city engineer Mr Arthur Clayton

Adderley Street and Wale Street were "severely polluted" On January 2 about 300 bags of litter were removed from Wale Street alone.

Planning for festive season litter took into account past tourist numbers as well as expected growth in informal trading

"Unfortunately informal trading far exceeded expectations and serious littering could not be coped with adequately in highly visible areas," a report said

Cleansing staff had to clear 8 100 bags of litter from beaches between December 16 to February 3.

But people generated less litter than before and the city engineer's department has claimed this as a success for their festive season anti-litter campaign

About 600 000 people visited the beaches during the height of the festive season. Clifton Beach generated the lowest rate of litter, while Camps Bay, Maidens Cove and Sea Point were the worst "consistently"

On New Year's Day 500 bags of litter were removed from Sea Point Main Road and Beach Road in the wake of New Year's Eve revelry

A progress report on improvements in the cleansing branch said a new phase of containerisation of suburban refuse collection was due to start by the end of March

Other measures included the launching of "street caddies" — cleaning carts — in pilot areas, employing additional labour, task forces in high litter areas and redeployment of law enforcement officers on a "geographically more practical" basis

Planning a new street cleanliness management system and an anti-litter publicity campaign was under way

Reforms being discussed with the unions included a new system for garden refuse removal, including improved co-ordination with the parks and forests branch

But supermarkets which had been asked not to sell "sub-standard" refuse bags had been unwilling or unable to co-operate

It would be more effective to tackle the problem on a national basis and the council had asked the SA Bureau of Standards to establish a standard thickness for refuse bags

Banks had been asked to help combat litter around automatic teller machines

BUSINESS More co-operation needed with informal sector

Schlemmer predicts a more stable future

'Sowetan 5/2/93

153A

POSITIVE ACTION

Businessmen urged to take part in mapping out the future:

By Mzimkulu Malunga

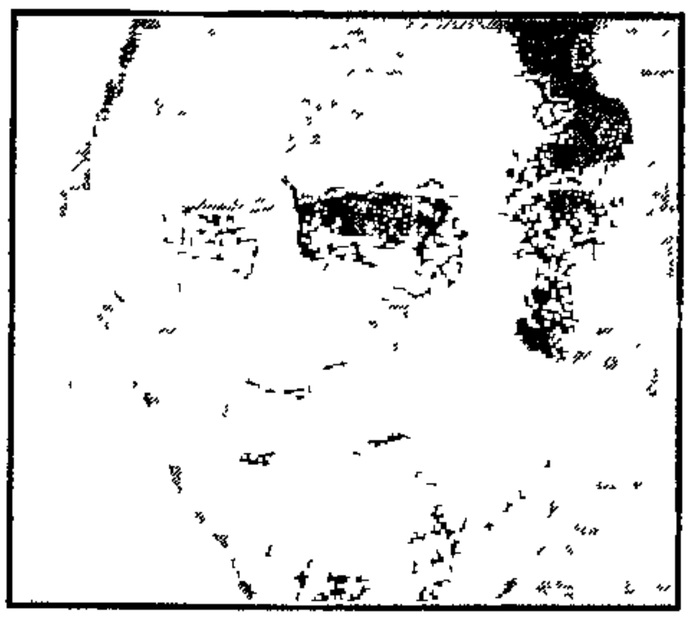
SOUTH Africa's medium-term future will be more stable than currently expected, says general manager of the Human Science and Research Council Professor Lawrence Schlemmer

Addressing an investment conference in Sandton last week, Schlemmer said the business community should develop a basic coherence to prevalent uncertainties.

"Business must not defend its interests negatively but proactively by insisting on its right to negotiate and be part of the policy formulation that affects it," he said.

Even after a political settlement had been achieved current problems would not disappear, hence it was important for business not to panic but instead put the uncertainty into perspective and speak in one voice.

"The future operating environment will be somewhere between a second and third prize situation, but certainly not the booby prize," he said



Prof Lawrence Schlemmer



Mike Brown

Speaking at the same conference, Mr Mike Brown, the chief economist at Frankel Max Pollack Vinderine Inc, said South Africa's survival depended on four key issues

One was setting the economy on a growth path, then creating a climate conducive to investment, finding mechanisms for some form of wealth distribution and employment creation.

Labour-intensive ventures, promotion of small to medium-sized enterprises as well as infrastructural construction in low income communities were some of the mechanisms which could set the economy on a growth path

"We cannot rely on foreign investment, but it is a critical facet to kick-start the economy," Brown said

Distribution aimed at stimulating an entrepreneurial culture had to be embarked on "International experts refer to South Africa as a country of the missing middle," he argued, referring to the absence of a strong middle class

While it cost R50 000 to create one job in the formal sector, about R15 000 was required in the informal sector

Mr Ian MacKenzie, national director of a tax consultancy firm, Ernst & Young, said South Africa had to lower its corporate tax if it were to lure in international investors

The current 48 percent corporate tax rate was among the highest in the world and the medium-term objective should be to cut it to 40 percent.

Soweto traders oppose new malls

By Mzimkulu Malunga

■ Local shopkeepers angry at proposed shopping centres on their turf:

(153A) Soweton 5/2/93

'SOWETO traders this week vowed to oppose plans to bring in big retail chain stores into the township

At a meeting on Wednesday, shopowners instructed their organisation, the Greater Soweto Chamber of Commerce and Industries, to make traders' feelings known

"It is time for us to stand up for our rights, we cannot just fold arms and watch the Pick n' Pays and Checkerses of this world invade the market which we have developed over the years," said an angry trader

At the core of the dispute is the proposed construction of shopping malls near Baragwanath taxi rank, Ikwezi station and Dobsonville

Traders whose businesses are to be affected by the multi-million-rand project at Baragwanath are meeting Diepmeadow and Soweto administrator Mr Sakkie Lombard today

Last Friday the two parties agreed to re-negotiate the project as the now defunct Diepmeadow Council had apparently failed to take traders' interests into account GSCCI representatives will be present at today's meeting

A representative of the South African Railway Commuter Corporation said his company consulted with community structures at various levels before making a decision to build a shopping mall at Ikwezi station

He denied that big retail giants had been given leases to open outlets there

JOB MARKET

Industrial councils throttling small businesses

S/Times (Buss) 7/2/93

ABRAHAM ADAMSON, owner of A&A Motor Spares in Athlone, Cape Town, was dealing with a client in June 1991 when the sheriff of the court walked in and seized 21 gearboxes and various other movable assets.

His crime was failing to pay two of his 14 employees the overtime rate stipulated by an industrial council which a few weeks previously he never even knew existed — the Industrial Council for the Motor Industry, which determines minimum wages, overtime, leave, bonuses and other working conditions for workers in the motor industry

By CIARAN RYAN

This is one of 90 industrial councils in SA representing 800 000 workers

Mr Adamson borrowed R3 000 from the Small Business Development Corporation (SBDC) to pay the industrial council and keep his business afloat He was forced to lay off nine employees, most of whom have little chance of re-employment.

Levies

He is still under a three-year suspended sentence for failing to pay Unemployment Insurance Fund contributions of R1 500

"Before this I knew nothing about UIF," says Mr Adamson "I am a small employer I can't afford to pay these council levies My employees also don't want to pay levies because they know they will get nothing back from the industrial council

"Either I pay them below the minimum wage or I close my doors and they lose their jobs They prefer to have their jobs"

It is alleged that some industrial councils are using spies to keep tabs on small businesses

Fortunately, Mr Adamson still has his business Less fortunate was Sallie Solomons, owner of Cape Town clothing company Mosallo CMT, who was forced to close his business and lay off his 18 staff after the Industrial Council for the Clothing Industry demanded backpay and provident fund levies amounting to R7 700

His staff signed a letter that they were happy to work for R160 a week instead of the council's minimum R200, but this was rejected by the council

"They arrived one week and told me I was underpaying my staff," says Mr Solomons "A few weeks after my first contact with the council, I was out of business

"They sent the sheriff round to my house to value my furniture in case I didn't pay They do not seem to care that the people they are supposed to be representing lose their jobs"

Johan Naude, an SBDC senior manager, says he is aware of 10 cases in the Western Cape where businesses were liquidated by industrial councils over the last two years, generally for non-payment of levies

Monopoly

"The industrial councils represent enormous vested interests — there are the large employers on the one hand, who are happy to drive smaller competitors out of business by insisting that they pay the same labour rates as they do, and the unions on the other, who want to make sure that they have the monopoly on labour"

David Matthews, a painting and roofing contractor employing 50 workers, has a criminal conviction because he worked on a Saturday

He was so incensed with the conviction that he got together with like-minded contractors and formed the Small Builders Association "as a self-defence organisation to protect ourselves from the predatory ravages of the industrial council"

Objectives

The association then took a seat on the Industrial Council for the Building Industry (Western Cape) to represent the interests of the small builder

"We wanted to do battle with the vested interests from within.

"The implementation of the industrial councils system in the 1920s was the first nail in the coffin of free enterprise in this country," says Mr Matthews

"The real objectives of the system — such as harmonising industrial relations — were used as an excuse by the vested interests to obtain monopolistic powers over their competitors from the Department of Manpower in order to stifle competition and extort levies from non-party employers and employees alike"

A few weeks after opening his new business, Dennis Slyper, managing director of a Nelspruit furniture manufacturer, Linden Industries, was approached by a representative of the Industrial Council for the Furniture and Bedding Manufacturers Industries and informed that his workers were required to possess council "tickets"

"I was then told that to get a ticket an employee had to have worked in a company which was a member of the council," says Mr Slyper

Permission

"I interviewed 2 000 people to fill 22 vacancies and not one had a ticket When I told the council official this she replied 'That's okay, we don't worry too much about tickets these days'

"Then they told me that I am underpaying some of my staff If I want my staff to work overtime I have to apply to the secretary of the council for permission

"They want to tell me when I can open and close my factory at Christmas These people are killing employment.

"If I comply with these rules I will have to close down my company"

Tim Cawood of Annie's Creations, which won an entrepreneurial award in 1992, has been threatened with closure unless he joins the industrial council system in East London

Agreements

He says he would rather risk imprisonment on the grounds that basic rights, such as the right to work and freedom of association are being violated

The right of industrial councils to make agreements which are binding on non-council members is being challenged in the Cape Supreme Court by the National Independent Employers Association of SA (NIEASA)

NIEASA, with a membership of about 100 companies, was formed last year to challenge the right of the industrial councils to make agreements which are binding on employers and employees who are neither consulted nor signatories to the agreements

"This case is one of the most important in SA's legal history from a labour relations point of view," says Mr Naude

The Industrial Registrar, who oversees the councils, does not possess a single copy of the legal application forms required to register the Building Industrial Council (Western Province), according to Mr Matthews

He says the contents of the required forms would disclose the council's illegality

Intervened

Seven companies escaped prosecution in the Cape magistrate's courts when the industrial councils concerned were pressed for proof of their legality

"We intervened in these cases and asked the industrial councils concerned for further particulars, including a copy of the original application forms for registration as required under the 1937 Act," says NIEASA secretary Horst Peschkes

"The councils, unable to supply the information we required, withdrew their cases because they began to realise that what they were doing was illegal."

Council: 'Mall traders erode freedom'

153A
ARG 9/2/93

CLIVE SAWYER, Municipal Reporter

INFORMAL trading in St George's Mall has eroded the freedom of ordinary Cape Town people, the city council has told Administrator Kobus Meiring

The council gave Mr Meiring formal notice of its views in response to his appeal for comment on a proposed notice which will declare parts of the central city "hawker-free".

The pedestrian mall had revitalised the central city, and was the envy of cities, both locally and internationally

"The mall was designed specifically for the pleasure of all — offering free access and safe public open space for Cape Town people to enjoy, breathing new life in the city centre."

The council had showed its commitment to deregulation.

The Businesses Act said unrestricted vending would be inappropriate in some areas and the mall was one of these.

Overcrowing and chaos in the mall had eroded the freedom of ordinary Cape Town people, and the council had been unable to control the situation and had to contend with a negative reaction from established businesses

Complaints ranged from blatantly unfair competition, obscuring of shop windows and entrance doors, unsightliness and noise, security risks to banks, increased opportunities for petty crime, excessive littering, and obstructing the passage of pedestrians and, potentially, emergency vehicles

The council and formal businesses had invested a lot of money in the area, spending which would be negated if informal trading went on unchecked

Alternative sites for informal trading elsewhere in the city had been suggested, but a permanent solution had not been found

The council asked Mr Meiring to publish a final notice declaring the mall, and parts of Shortmarket, Castle, and Waterkant streets and Exchange Place as hawker-free, and not to grant a further three-month moratorium

Achib leaders locked in dispute

Sowetan 10/2/93

153A

By Mzimkulu Malunga

STORM BREWING Conflict runs much deeper than getting furniture back:

CONFLICT IS LOOMING in the QwaQwa branch of the African Council of Hawkers and Informal Business

The organisation's president, Lawrence Mavundla, is locked in a dispute with former branch chairman Tys Mofokeng

Both have given conflicting accounts of what happened last Saturday when Achib was due to hold a meeting in QwaQwa

Mavundla says the meeting went ahead as planned though he arrived late and about 30 percent of the audience had already left

However, Mofokeng says the meeting never materialised Instead Mavundla came to his business — a public telephone bureau — on Saturday evening to demand office equipment which Mofokeng apparently took after resigning as branch chairman

"When he (Mavundla) arrived, he was accompanied by two policemen Apparently he had asked the police to help him retrieve Achib's equipment. But after I had given my side of the story to the police, they told Mavundla that he had to obtain a court order to get the furniture back," says Mofokeng

According to him, Mavundla and company — who were travelling in a kombi — later followed him to his home Mofokeng says he called the police, who arrived after Mavundla had left But as soon as they left the scene, Mavundla came back and threatened him with a firearm He is filing charges against Mavundla

Mavundla denies ever following Mofokeng to his home or threatening him with a gun

"That is nothing but a pack of lies This is a strategy which is always employed by people wanting to start their own organisations and intending to use Achib to get mileage," Mavundla says

He says Achib is consulting with its legal advisers to explore means of retrieving the furniture At face value, office equipment appears to be the cause of the dispute However, the conflict runs much deeper and the storm has been brewing for some time

nomy ● 100 businesses benefit from finance scheme

Scheme to help black entrepreneurs start up

■ BCF small businesses flourish despite recession:

Sowetan 11/2/93 (153A)

By Joshua Raboroko

THE Business Challenge Finance, aimed at economically empowering and helping black entrepreneurs develop their skills, is to be launched at the Braamfontein Hotel in Johannesburg on March 7 at 10am

Chief executive officer Mr Phil Khumalo said yesterday that the scheme helped finance about 100 black business people since its formation two years ago He said the majority of established businesses, consisting mainly of taxis, taverns, spaza shops, mobile hot dog units, and a supermarket, were successful despite the downturn in the economy

The BCF has also granted personal loans to members He added that they could arrange loans of any magnitude

"We want to encourage people to create jobs at a time when the rate of unemployment is high in the country," he said They will conduct lessons on how to draw up business plans because "most of our black people venture into business without any knowledge"

He said most businesses collapse because of poor management styles, lack of planning, ignorance of how to bank money, just to mention a few of the handicaps

Conditions for acquiring a loan include to

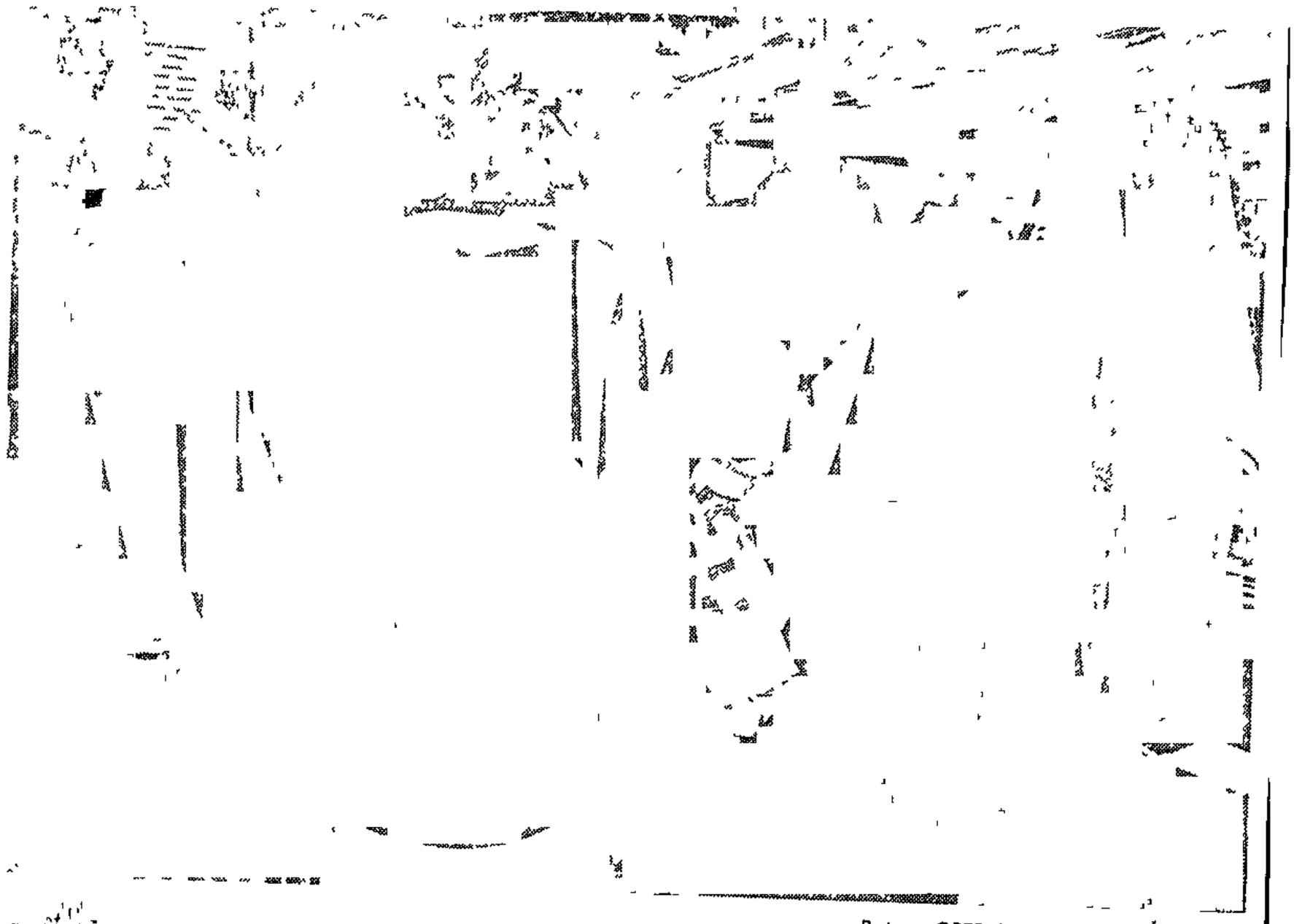
- Taking up membership,
- Participating in meetings, and
- A Commitment to attending lessons on business management

Booklets, sponsored by major corporates, will be issued to individuals to study how to manage business



Phil Khumalo

More details can be obtained from Business Challenge at (011) 333-7879 or 333-3466



Picture OBED ZILWA, Weekend Argus

☐ **TASK FORCE:** A new task group has been formed to address conflict between the City Council and formal and informal traders in Cape Town Group members, from left, from back, are National Traders' Association chairman Mr Chris Lubbe, Claremont MP Mr Jan van Eck, public relations officer Miss Deborah Lazarus, Fabcos secretary Mrs Nosipho Sikutshwa and Fabcos vice-president Mr Sam Tutubele.

Van Eck joins task force to sort out conflict of St George's Mall

153A ARG 13/2/93

LIBBY PEACOCK
Weekend Argus Reporter

PROMINENT ANC member and MP for Claremont Mr Jan van Eck has joined a task force to address conflict between the city council and formal and informal traders in central Cape Town.

Mr Van Eck will be consultant to the task group, formed by the National Traders' Association, which represents the interests of the St George's Mall traders

He said yesterday he had always supported just causes and hoped the task force would help the formal and informal business sector to reach a working arrangement, so that they could "live side by side"

"If we are going to move to a new South Africa, we have to open up in every way. Allowing informal traders a place in the sun must be part of the culture of a new South Africa."

Mr Van Eck said at least 150 people would be affected if the stalls in St George's Mall were removed

He wanted to stimulate an informed, non-emotional debate about the issue.

Mr Chris Lubbe, chairman of the National Traders' Association, said the task group had compiled a comprehensive action plan and proposal which addressed all the misgivings expressed by the city council, formal businesses and others regarding informal trading in the city centre.

The action plan would be sent to Cape Administrator Mr Kobus Meiring and would be released to the Press next week.

He said the task group's aim was to see a compromise between the city council and the formal and informal sector.

Mr Meiring was expected to make a proclamation on informal trading in the city centre at the end of March.

In December, a notice banning informal trading in the mall was published in the Provincial Gazette, but it referred to the wrong subsection of the Businesses Act, leading to a temporary reprieve for hawkers

Other members of the task group are Foundation for African Business and Consumer Services (Fabcos) vice-president Mr Sam Tutubele, ANC regional deputy secretary Mr Willie Hofmeyr, Small Business Development Corporation senior manager Mr Johan Naudé, Fabcos secretary Mrs Nosipho Sikutshwa and the executive committee of the National Traders' Association

Star 13/2/93

Reawakening a sleeping giant

(203 - 153A)

IF SAM Noge, the president of the Soweto Chamber of Commerce, has his way, the sprawling township is set for big changes. JOE LOUW reports.



HOPING TO SAVE SOWETO: The people themselves must make every effort to progress, says Sam Noge. ● Picture: STEVE HILTON-BARBER

SAM Noge, the new president of the Greater Soweto Chamber of Commerce, has set himself a formidable task — to revitalise business in the sprawling but stagnant township

Whatever the level of pessimism might be about his ideas, Noge believes he has some plans that can work despite all the odds

A hard-nosed bookkeeper and professional accountant, the man can hardly be seen as a visionary, but given the prodigious amount of energy he has put into his job thus far, it would be foolish to write him off

Noge, a short, bespectacled Sowetan who started his business career as a bank clerk in the early '60s, owns a bookkeeping company and is a firm believer in free enterprise

"I don't really mind what you call me. A capitalist or a believer in free enterprise, or whatever. As long as I can teach Soweto traders and businessmen how to make a profit, I'll be a happy man," he says

Noge is the first to admit that — with the current climate of crime in Greater Soweto, much of it directed at black businessmen, and the recession which is wreaking greater havoc in black communities than elsewhere — there is little ground for optimism

But Noge is a practical man. He is as willing as the next man to analyse the problems forced on his constituents by apartheid — his basic position is that "we now have to look forward and not use the political past as an excuse for doing nothing.

"Having said that, it does not mean I don't believe in the obligation of the powers that be and big business to live up to their responsibilities in making sure we have a level playing field, and make amends for the deprivations they put us through," he says "But we are also obligated to make every effort to develop ourselves"

One of the things that riles him is the fact that Soweto consumers spend most of what they earn outside the township "We take the little we get straight back to the white man, leaving the black businessman with very little to carry on with," he complains

Noge and his chamber colleagues are opposed to "outsiders" coming to trade in their area. "Recently we have seen big chainstores establish themselves in huge malls on the boundaries of many townships This has drained our small businesses, and many traders have gone bankrupt because of this unfair competition"

Noge's first task in office was to get a suspension of plans by a private corporation to establish a giant mall at Baracity in Diepkloof which, he says, would have displaced a group of shopkeepers who had been trading there for the past 20 years

HE isn't against development or progress "But all of this was done without consulting anybody We know for a fact that many of these traders had already been promised sites and had paid deposits, but found themselves sold out by the recently dismissed councils," Noge says

"What we want is a fair share First we were expelled from places like Sophiatown, Western and Pimville and forced into Soweto Now we are facing this invasion of people who want to develop Soweto for us. This is neither what we want or what we need. What we want is a chance to try to develop Soweto by ourselves, for ourselves"

BUSINESS

Growing interest in bouyant small business sector

ST Times [cape metro] (153A) (28) 14/2/93.

THE ongoing recession has affected most industries negatively, but the small business sector appears to be growing stronger by the day

The Small Business Development Corporation (SBDC) in Cape Town says there has been substantial investment in small- and medium-sized enterprises (SMEs) over the past year, while Old Mutual reports buoyant interest in the small business activities it supports

A total of 1 054 applications for small business finance amounting to R55-million was granted in the Western Cape in 1992.

The SBDC says this compares favourably with 1991 and indicates that demand for start-up and expansion finance has been maintained and in some cases increased

It points out that 38 percent of loan applications received last year were granted

"There is particular interest in our instalment sale transaction finance for equipment at interest rates from as low as 18 percent, and we have budgeted for growth in this field," says Mike Klopper, assistant general manager of business development at the Western Cape SBDC

SBDC serviced a broad spectrum of businesses in the informal and formal sectors ranging from micro-financing for amounts as low as R500 to financing of working capital, stock, equipment or buildings up to amounts of R1-million

The average size loan granted over the year was R46 000

"In the current recessionary conditions there has also been a demand for medium-term financing facilities for the financial restructuring of viable businesses that feel the pinch," says Mr Klopper

In its report "Old Mutual in the Community", released this week, the assurance society shows the extent to which it is involved in small business development.

Old Mutual supports the self-employment aims of the Triple Trust through the donation of a building used as a training centre in Khayelitsha

Here the trust provides unemployed people with full-time training for two months in subjects such as sheepskin slipper making and painting on leather, as well as business basics — costing, market research, cash flow management and using a calculator.

Old Mutual also supports the Cape Town Job Creation Project and the Foundation for Enterpreneurship Development (FED)

Part of the FED initiative is the Old Mutual cottage industry development unit, where people are taught to run their own business

On behalf of Old Mutual, FED arranged the acquisition of equipment such as cutting tables, sewing machines and ironing boards

Once the skills have been acquired, people produce and market their own products while they rent space and equipment from FED at a reduced rate

This gives them a base from which to launch their business

Nearly 20 000 students have founded, operated and liquidated more than 700 companies in the Old Mutual-supported Junior Achievement Programme, which aims at providing Standard 9 and 10 school pupils with practical business experience and insight.

Over a period of 11 weeks, groups of 25 students from all sectors of the South Africa community set up their own mini manufacturing companies

The students have to cope with the complexities of the manufacturing process and the administrative and financial contraints of running a company

JOB MARKET

Why big business does not use the small man

ST Times (Buss) 14/2/93. (153A)

By ZILLA EFRAT

MOST South African companies are doing very little to buy from black small businesses or to set them up using entrepreneurial employees, a BMI survey has found

BMI Industrial Consulting director Clive Mantle says that, except for the few companies that have small business units (SBUs), most SA companies do not do much to foster black business and are not planning to do so

He claims that most attempts at contracting and sub-contracting to small businesses in SA have been poor and fragmented

Less than 25 companies have SBUs, although these — and foreign companies operating in SA — tend to be more proactive in this area

Nonetheless, there have been some successes

Anglo American, for example, saves at least R5-million a year by contracting services out to small businesses and buying goods from them

BMI's research — the first of its type in SA — looks at the practices of 108 of the largest local companies and targets 170 respondents

Mr Mantle notes that 25% of corporations have no plans to introduce projects to assist small businesses

He adds that many companies are not aware of the benefits of contracting or sub-contracting or how small businesses can be used strategically

Many companies still see their programmes as "corporate responsibility" rather than just making good business sense

Efficient

Mr Mantle says that any scheme must be based on ordinary economic principles or it will collapse in the medium-term

"A company must buy from a small business because it is cheaper and offers the best service."

Those that do sub-contract successfully often find that their services become more efficient and motivated There are also less labour disruptions

However, only 200 to 300 small businesses have been set up in this way.

BMI finds that services account for 58% of what is bought from small black businesses These could range from cleaning, catering and maintenance to deliveries and photostating

Manufactured products accounted for 38% Products and services bought from small black businesses are largely of a simple nature involving low level technology Small businesses also operate in highly competitive areas with low barriers to entry

Mr Mantle says this differs considerably from the thriving economies of the Far East, where small businesses supply vital core products to big business In SA, however, only 20% of the products bought were in that category

The companies surveyed believed that many small businesses were greatly lacking in the areas of pricing, quality control and costing

Culture

A related poll of 200 black businesses reveals a need for training and assistance to enable entrepreneurs to access the mainstream of the economy

Mr Mantle cautions that contracting and sub-contracting projects do not work unless proper training and financial support is given to entrepreneurs

To do a proper job, however, a SBU or someone who champions the cause is needed

Any programme requires top management commitment to the culture and philosophy of assisting small businesses A company must also be proactive, as small businesses are hestitant to approach large companies



BMI Industrial Consulting's Clive Mantle . 'A company must buy from a small business because it is cheaper and offers the best service'

We want traders out, say angry Mall tenants

(153A) ARG 12/93

St George's Mall hawkers say they will clean up their act if they are allowed to stay — but most formal traders have ignored the plea; they want the hawkers out. Staff Reporter HENRIËTTE GELDENHUYS reviews the issue:

HAWKERS are parasites trading on the success of formal traders, say angry St George's Mall tenants who pay thousands of rands in rent to be in an "upmarket" pedestrian walkway

They want the fleamarket out before they are forced to close their businesses

Some have already, and others have had to abandon stock that is being sold cheaper on the street

Others display goods on rails outside their shops or stand outside inviting customers in in a desperate attempt to compete with about 100 informal traders

"They don't pay anything They're living on us It's parasite trading," said Biggie Best owner Ian Anderssen, who rents space at R100 a square metre — R10 000 a month

Business dropped 30 percent in December last year, compared with December, 1991, he said

"If all of us go out of business there will be no centre of Cape Town Political parties are getting involved, saying 'save the traders', but what about saving the tenants?" asked Mr Anderssen

"We've made this area very successful and they're trading off our success," said co-owner of Uzzi clothing Barry Sandler

Business had dropped 50 percent although the quality of their clothes had improved. They were "very profitable" before hawkers moved in in November.

"I can't pay rent of R60 a square metre and compete with hawkers selling the same kind of clothes cheaper.

"Sure, there is unemployment But traders are creating more unemployment because they are going to put every one of us out of business eventually," said Mr Sandler.

Although the mall was crowded, all the formal tenants interviewed said business had dropped substantially because the market drew attention away from store windows, which were also obstructed by hawkers' rails, canopies and stock

José Duarte, who pays R6 700 a month rent, said he was closing his luxury leather shop at the end of the month because "nobody is looking at the shop. Everybody walks past and looks at the fleamarket".

"In normal circumstances I would have survived But now it's a waste of time I don't want to see it (the shop) I don't want to know about it and I don't want to walk past it for the next year.

"They should turn that whole mall back into a street, they should never have changed it," said Mr Duarte.

Although the informal traders have said they will not obstruct shop windows or trade in front of stores selling the same goods, the formal tenants believe hawkers are unacceptable in an upmarket shopping area.

Neville Goldberg, manager of Schwartz jewellers, said the market ruined the original idea of a pedestrian mall in an upmarket shopping area with expensive merchandise to make shopping easy and comfortable

"Now it is attracting bergies who drink and pass out against shop windows," he said

Owner of the African gift shop Lion's Head Christine Christie said she was considering closing because she paid more than R9 000 a month rent, but had had to give up 20 lines of stock such as kikios, Malawi curious and some T-shirts because she could not sell them as cheap as the hawkers

Instead of importing gifts from Africa, she was forced to buy from America "so that I don't sell what they have on the fleamarket"

"I'm thinking of opening in Canada Why bother with this? Why should I spend money and effort on a beautiful shop if I can put up a table outside for next to nothing?"

Manager of Pick One clothing Fozia Collins said new strategies had to be devised to improve business, which had "taken a dive" since the informal traders moved to the mall

"We are putting stalls and rails outside to attract customers It is not fair People say they (the traders) will go, but they're still here," said Ms Collins

Rachael Petersen, manager of Alexander Joles carpets, said although they had lost sales because of congestion, informal trading should not be banned, but controlled

Fewer stalls in a straight line could alleviate congestion and obstruction and only unusual goods one could not find in shops should be sold, she said

Although most tenants want the informal traders banned altogether, a few suggested a fleamarket could work between Wale and Shortmarket streets, where there were coffee shops, foreign exchange bureaus and seven large financial institutions

But no informal trading should be allowed between Shortmarket and Hout Streets, where there were many upmarket shops in and around Stuttafords Town Centre and Waldorf Arcade

Star 16/2/93

Saved by small business

Solutions to critical socio-economic problems look elusive as SA moves towards reform. The Small Business Development Corporation argues that the answers depend on moves to unleash the full potential of budding business entrepreneurs, reports MICHAEL CHESTER

THE first priority of future government policies should be to unleash the full potential of entrepreneurs in the small and informal business sector to generate the faster economic tempo needed to tackle the country's unemployment crisis and a downward slide in living standards.

A more dynamic economic performance, rather than political rhetoric, holds the key to solutions to pressing socio-economic problems — from joblessness and housing shortages to improved education and health services.

That is the main theme that comes across in a new publication entitled *Strategies for Economic Growth* compiled by Dr Ben Vosloo, managing director of the Small Business Development Corporation (SBDC), and released yesterday

Copies of the document have been sent to leaders across the entire political and businesss spectrum to inspire a wider and more down-to-earth dialogue on economic planning.

"SA can blame its poor economic growth and chronic unemployment problem on its dismal failure to launch more entrepreneurs into the economic mainstream," writes Dr Vosloo

A national strategy to stimulate and foster entrepreneurship had become imperative.

Among first objectives should be:

- The removal of all unnecessary legal and administrative contraints at national, regional and local levels of government.
- The introduction of new tax policies that encourage the launch of more small business ventures.
- The provision of community-based programmes to assist self-employment initiatives with loans, training schemes and guidance on starting and running a business enterprise.

The potential results had been shown in several overseas countries, especially in East Asia and around the Pacific Rim where economic miracles had held outsiders spellbound.

Worldwide, the impact on employment had been tremendous, from affluent western nations to weaklings that had astonished global rivals when they used small business to flex formidable economic muscles.

In the US, when the oil crisis triggered recession in the 1970s, small business enterprises had created no fewer than 20 million new jobs to counter the loss of between four and five million jobs in the large corporations.

In Japan, vigorous economic expansion owed its successes to the creation of as many as 6,5 million small businesses Today, a phenomenal 99 percent of all private firms in the non-primary sectors were classified as small.

Turning back to South Africa, Dr Vosloo writes: "Business is often seen as evil in spirit and selfish in purpose, while the entrepreneur is regarded as a vicious exploiter of workers.

"In reality, entrepreneurs are heroes of economic life. They are the backbone of a country's economic development.

"The role of government, which can either hamper or encourage entrepreneurship, is increasingly regarded as crucial.

"International experience has now shown us that if the operating environment is hostile to private enterprise and relatively unconstrained competition, it makes little sense to mount costly promotion and assistance programmes."

SA also needed to put its educational priorities in order Most school-leavers and other job-seekers could blame their unemployment plight on the mismatch between the output of the education system and skills required by the market place.

Not only should racial distortions and imbalances be eliminated but academic bias in the education system should be corrected, with resources redirected from academic to technical skills. School classrooms should also be used to encourage the development of latent entrepreneurial talents.

SA faced urgent and immense challenges in the upliftment of the population in spheres such as housing and health services. A sound education system promoted economic growth that should bring other development goals within reach.

"Small business is now regarded as an essential part of a successful formula for achieving economic growth," Dr Vosloo adds. "In the high growth economies of the world, small businesses figure largely as the dominant force in job creation."

It is not only the voice of small business that is heard in the arguments. More clout to the theories is added by support from a foremost leader of the world of big business — Dr Anton Rupert, who created the huge Rembrandt tobacco and liquor empire and who has led the crusade to knock down apartheid barriers to black enterprise ever since the SBDC was founded in the early 1980s.

"Against poverty, crime, inflation and a burgeoning bureaucracy, one must emphasise the positive characteristics of a politically vibrant young population and the vast opportunities offered by an unsaturated urban market that is growing at an accelerated pace," he writes in a foreword.

"And on the broader canvas lies the rest of Africa, where unequalled trading opportunities are rapidly opening up to SA.

"If the natural entrepreneurial drive of ordinary people can be encouraged and channelled into constructive business enterprise, our economic future could be among the most exciting in the world.

"SA is undoubtedly at a critical juncture of its political, economic and social history What is needed are comprehensive strategies to promote economic growth and employment creation to meet the rising political and economic expectations of all South Africans."

Dr Rupert goes on. "The irony of the present situation in South Africa is that the protagonists of socialist intervention will hold that central planning is necessary to achieve a better deal for the masses which the 'capitalist' market-economy has allegedly failed to produce.

"This is due to the fallacy in the minds of people in the large Third World component of our society that the ideology of apartheid can be equated with the economic system of 'capitalism' Hence our battle is to convince people of the advantages of individual freedom and enterprise as opposed to the dangers of socialist interventionism and centralist planning

"The simple truth is that while political freedom can be given on a platter, economic independence and well-being have to be earned through productivity This is the lesson Africa is now learning the hard way" □

Small businesses 'vital to job creation'

THEO RAWANA

THE small and medium enterprise (SME) sector holds the key to a job-creating growth pattern for SA, SBDC MD Ben Vosloo says in a new book setting out economic strategies for this country.

Small business is now regarded as an essential part of a successful formula for achieving economic growth, Vosloo says in Strategies for Economic Growth, launched in Johannesburg yesterday.

In the high growth economies of the world, small businesses figure prominently as a dominant force in job creation.

"If you wish to have a vigorously expanding economy, you must have a vigorously expanding small business sector," says Vosloo.

"It is of critical importance that an SME development strategy should become a key component in our national development strategy."

SA faces an immense challenge in ulifting its population, he says.

Lack of planning sinks small firms

ADRIAN HADLAND

PRETORIA — Many small businesses in SA were being hampered by a lack of management skills and by a failure to adopt a structured business plan, SBDC senior manager Pierre Mey said yesterday.

He said small businesses were often sceptical of using consultants to conduct performance analyses as entrepreneurs could not always see the "marriage of benefit and cost".

"We often see people who don't pay sufficient attention to performance analysis until it is too late," he said.

Durban Chamber of Commerce economics head Barry Poulsom said several of the larger accountancy firms and some development organisations offered specialist management consultancy services.

"The problem is that most people turn to their accountants when there is a liquidity strain or some other financial difficulty.

"But if the problem is in the marketing of a product or there is a bottleneck in the production process, the accountant will not always be in a position to identify it," he said.

Small business proprietors resisted the idea of using management consultants as these were often geared towards corporate clients, they were afraid of being ridiculed for their minor problems or they were concerned about the cost of consultations, Poulsom said.

A more user-friendly approach by consultants, including free introductory sessions for smaller businesses, would be helpful.

The small businessman or trader did not have the expertise, desire, nor the time to delve into financial and analytical gymnastics to gain an understanding of his business and its profitability, said Provident Management Services executive Ivor Fisher.

The Durban-based company is one of several to offer business performance analyses directed specifically at small- to medium-sized businesses.

"The success of small business has been neglected for too long and it is vital for SA's economy that the growth of small business be stimulated. It is critical that businessmen have the requisite financial and entrepreneurial skills at hand to ensure successful trading with profitability," Fisher said.

BUSINESS IOD course will level entry grounds for blacks ● A flourishing enterprise

Retired executives in franchise drive

Sowetan 18/2/93 (153A)

By Mzimkulu Malunga

■ **INFORMAL TRADERS** Executives planning a major upliftment programme:

A GROUP OF RETIRED EXECUTIVES is planning a major upliftment project for informal traders in the townships

The International Executive Service Corps, an organisation comprising retired corporate executives, is engaged in a franchise drive for black entrepreneurs

Key to IESC's drive is the identification of a maximum of 5 000 spaza owners who could be trained and given various support systems to mould them into major players in the retail industry

Though the retail sector in the townships is saturated, IESC volunteer executive, Les Hutton says the likes of Metro and Makro still control 90 percent of the market share.

IESC's research discovered that many of the informal retail operators identified for the programme require training in various forms of management, says Hutton

Also high on the agenda is the establishment of what IESC terms "mini malls" where a number of franchisees will operate a diversity of businesses, but sharing resources, skills and management



Les Hutton

The first "mini mall" in the Transvaal is due to be opened in Ivory Park near Midrand, northeast of Johannesburg

"Franchise business is the best form of skills dissemination

"Our aim is not to assist just five people to start Kentucky Fried Chicken in the township, but to help tens of thousands of entrepreneurs to venture into a variety of affordable franchise businesses," says Hutton

To buy a franchise from Kentucky Fried Chicken costs around R1 million while a Chicken Liken franchisee has to part with about R300 000.

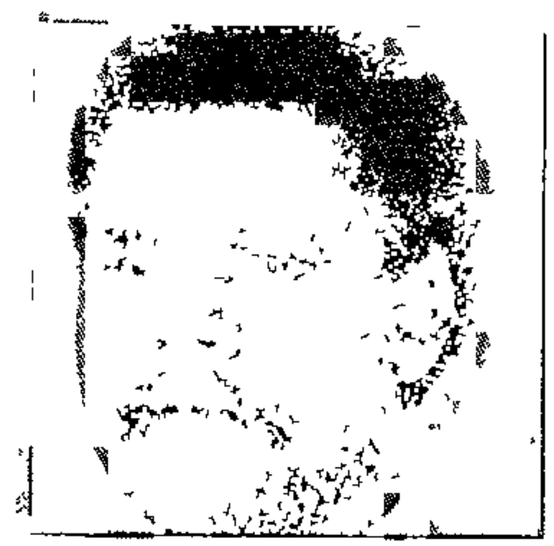
But the IESC says its franchise prices range from R500 to R10 000 Prices can also go up to R65 000, mainly for franchisees interested to start Kippies Chick'n Grill outlets.

Hutton says the entire operation will work through a three stage approach in which IESC as the facilitator will oversee the projects while skilled entrepreneurs help their unskilled counterparts in day-to-day running of the businesses.

People on the move



Enoch Maboa has been appointed branch manager of the Metropolitan Life in Potgietersrus



Abiel Wessie has been appointed Metropolitan Life's branch manager in Mogwase near Rustenburg



Perfect Malimela has been appointed to the board of directors of Fedics Group He is chief executive of a human resources consultancy firm



Dr George Msibi has been appointed to the Fedics Group's management board He is the company's director of market development

Hawkers a headache for council

JOHANNESBURG City Council was considering tightening its informal trading policies to cope with a growing influx of hawkers into the city centre, urbanisation director Cedric de Beer said yesterday

He said the council's existing policies could not cope with the rising numbers The period of transition required a policy review to ensure orderly hawking in the city "We can't just clamp down on them."

The council's concern follows increasing complaints by hawkers of unfair competition from Mozambican and Zimbabwean traders in the city BIDM 18/2/93

Hawkers canvassed yesterday held different views, with one saying angrily "If one of them puts his goods next to mine, I'll beat him. I fought so hard for this place"

JOHN DLUDLU

Another said "I think it's because of survival needs that they're selling their goods at low prices. But it's unfair that they trade without licences." (153A)

National Association of Co-operative Societies of SA executive director Sam Moufhe said if SA hawkers were well organised, they would lower their prices by buying in bulk and would network with suppliers in other countries Complaints of unfair competition stemmed from the culture of protection in SA business

Spokesmen for the African Council of Hawkers and Informal Business were not available for comment, and the organisation's offices were locked.

Cities want to control street trade

153A
CT 18/2/93

Own Correspondent

DURBAN. — Since local authorities lost their power to prohibit street trading, major city centres had become "overrun" by informal traders — "degrading" CBDs and causing businesses to close.

This is according to the Major Cities' Association (MCA) which is meeting here and which is seeking the amendment of the Businesses Act to give local authorities back the right to control street trading

The future of informal traders has seen much heated debate in Cape Town where, in December, a notice banning informal trading in St George's Mall was published in the Government Gazette, but it referred to the wrong subsection of the Business Act, leading to a temporary respite for the traders

The Administrator of the Cape, Mr Kobus Meiring, is expected to make a proclamation limiting informal trading to certain areas next month

The association, of which Cape Town is a member, seeks the power to

- Prohibit or restrict street trading
- Establish traders' markets on appropriate sites
- Allow a specific number of traders adjacent to buildings, ensuring a free flow of pedestrians
- Seize and impound "goods, vehicles, receptacles ..." if these conditions aren't adhered to

'Control of numbers'

At the moment, the MCA says, local authorities were rendered "toothless" by the act

"(The act) does not allow the control of numbers of traders in specified areas and prohibits the restriction of trading to specified stands or places"

While recognising street trading as "making some impact on unemployment" and providing affordable goods, the MCA said the "uncontrolled influx" of informal traders had led to an exodus of businesses from the CBDs and the closure of businesses

If the trend continues, the MCA reports, it will lead to a serious decline in the values of central city properties which will erode rates bases and have "serious social consequences"

Mr Derrick Watterson, Durban council's MCA representative, said street trading regulations had gone "from one extreme to the other"

"In the past the regulations were far too strictly applied ... But now we have no control at all"

ARG 23/2/93 (153A)

Let us stay and we will be good, say traders

HENRIETTE GELDENHUYS
Staff Reporter

ST George's Mall traders say if they are allowed to stay, they will clean up their act.

They will sell quality goods only, abide by rules to protect formal tenants from unfair competition and provide effective management, security and cleansing services.

The National Traders Association, representing the mall traders, has drawn up a detailed proposal for properly controlled informal trading which it will discuss with the city council's utilities and works committee, formal mall tenants and Chamber of Commerce tomorrow.

While the city council has asked the Administrator of the Cape, Mr Kobus Meiring, to ban all but 12 informal traders from the mall by March 28, the association has collected 11 200 signatures in support of an organised fleamarket in the mall

"There are about 90 traders now and we believe 150 can fit in perfectly. We are optimistic that the city council will consider this proposal seriously

"We are convinced that informal and formal traders can live together in harmony," said association president Mr Chris Lubbe.

Cape Town had to "face the facts" that the mall traders, like those of Greenmarket Square and the station, "are here to stay and will not go away".

The mall was ideal for informal trading as the high pedestrian traffic ensured brisk trade, it was close to other informal markets and it attracted people to the central business district, said Mr Lubbe

The association proposed setting up a liaison committee representing the traders, mall tenants, the city council, the traffic department and the fire department

The committee would appoint a market manager to be on duty at all times, two security officers to ensure the safety of pedestrians and traders and two cleansing staff.

Traders would pay a levy for cleansing, security and the daily management

Trading would take place from 8.30 am on weekdays and 8 am on Saturdays between Wale Street and Hout Street.

No trading would be allowed from Hout to Strand streets or in side streets.

Curios, leather, arts and crafts, jewellery, books, hand-made clothing, other clothing and bric-and-brac stalls would be allowed, but no food or second-hand clothes could be sold Goods would be scrutinised carefully by the association to ensure good quality

To avoid unfair competition, tables should be 2 metres by 4 metres and not obstruct any shop windows or signs displayed by formal traders.

Stalls would not be allowed to trade in front of stores selling the same goods.

Traders would use the toilets on Greenmarket Square and would not be allowed to use toilets or fitting rooms in stores.

Each trader would be allowed only one stall with a uniform canopy size and no subletting or reserving sites for fellow traders would be allowed

No motor vehicles, music, alcohol, swearing, arguing, fighting, littering or spitting would be allowed.

JOB MARKET

Industrial councils not throttling small man

By CIARAN RYAN

INDUSTRIAL councils have hit back at criticism in Business Times that they are strangling small business

"We are not attempting to harm small business in any way," says David Levy, general secretary of the largest industrial council, the National Industrial Council for the Iron, Steel, Engineering and Metallurgical Industries (Nicisemi)

The industrial councils are essential if we are to have civilised working conditions and a decent standard of living for employees whether they come from big or small businesses"

Industrial councils are private bodies empowered by the Labour Relations Act of 1956 to determine minimum working conditions in an industry or region, settle industrial disputes and to carry out collective bargaining

The councils, of which there are 90 in SA representing 800 000 workers, are made up of employers associations and trade unions

Dozens of employers replied to a February 7 report in Business Times highlighting the damage allegedly caused by some industrial councils to small businesses

The industrial council system has been criticised because agreements between employers and trade unions covering minimum wages, pension fund payments and working conditions are made binding on all businesses in an industry, whether or not they are members of the industrial council

Mr Levy replies that opponents of the system are often businesses with a record of labour exploitation Industrial councils say companies should not compete with each other at the expense of labour, a view which seeks to remove labour from free market forces

"One of the main advantages of the industrial council system is that improved working conditions affecting over 300 000 workers in 10 000 companies in the iron and steel industry are negotiated in relatively few meetings," says Mr Levy

"This saves companies an enormous amount of time, effort, expertise and conflict at plant level

Endorsed

"The industrial councils are founded on democratic principles, where the will of the majority also apply to the minority This principle is endorsed by the International Labour Organisation and is the basis of any democracy in the world"

Advocates of the industrial council system say it allows a measure of self-government to industries and is a quick and effective way of dealing with labour disputes

Nicisemi settled 843 labour disputes last year and issued 930 exemptions from industrial council agreements, mainly to small businesses

The industrial councils are funded by levies paid by employers and employees

Iron and steel workers, depending on their level of skill, pay between 15c and 28c a week to Nicisemi, with a similar contribution from the employer

The council operates two pension funds with a total value of about R6-billion, a provident fund and medical aid schemes

Charges

"There is no doubt that some industrial councils have over-stepped the mark in enforcing regulations, but that does not mean the whole system is wrong," says Mike McDonald, economist with the Steel Engineering Industries Federation (Seifsa)

"It is often said that SA is a Third World country and that these conditions are more appropriate to a First World economy There is no way that the iron, steel and engineering industries in SA can be considered Third World"

In response to charges that small businesses are unfairly prejudiced by the high cost of complying with industrial council agreements, trade unions and employers represented at the National Manpower Commission have agreed in principle to allow businesses with less than five employees and sales below R250 000 to apply for exemption from these agreements

"I am strongly in favour of deregulation," says Mr Levy "The problem has been to convince trade unions that this is in the best interests of job-creation

"Some unions oppose deregulation on ideological grounds and getting consensus on issues can be bureaucratic and time consuming But we are moving in that direction."

This has led to charges that, by excluding small businesses, industrial councils will be more representative of the industry

Several industrial councils have folded because they no longer represented a majority in the industry, or because of disagreements between unions and employers

Industrial councils now represent a third less workers than they did in the 80s, reflecting in part the decline in employment over the last three years

Problem

The Minister of Manpower has indicated that he may not make the Steel Engineering Industries Federation of SA's (Seifsa) agreement with the trade unions binding on non-members of Seifsa because it represents less than half the companies in the industry

To overcome this problem, Seifsa has attempted to persuade trade unions, which oppose deregulation on ideological grounds, to exempt businesses employing fewer than 10 workers from the agreements This, says Seifsa, will provide protection for all workers in the industry

'Policeman shot dead defenceless hawker'

STAR 24/2/93. 153A

By Mathatha Tsedu

A policeman shot dead a Pretoria hawker who was lying defenceless on the ground after a scuffle with the officer on Friday, an eyewitness claimed yesterday, while police claimed the officer shot in self-defence

Alfred Phela told The Star Chris Jacob Maseko (26) was shot dead by a plainclothes policeman who had thrown him to the ground after a minor scuffle [illegible] corner of Du Toit and [illegible] streets The policeman [illegible]est him, he said

[illegible]eman was in plain clothes and Maseko refused to go with him They grabbed each other and after Maseko shrugged the policeman off, he was thrown to the ground

"The policeman then drew his gun and shot him twice as he lay on the ground There was, in my opinion, no need for the shooting and even a senior police officer who arrived on the scene asked why the policeman had shot to kill

"The policeman then told people to say the man had stabbed him with a screwdriver before the shooting"

Police spokesman Major Andrew Lesch said Maseko had resisted arrest

"A police constable tried to arrest the suspect after the suspect had assaulted a woman and tried to run away

"The constable ran after him and arrested him The suspect attacked him and strangled him and the constable had no other option but to shoot the man."

He said the shooting was being investigated

Maseko's wife Jane (21) said he had left her at one of their three popcorn vending machines in the city to fetch a minibus elsewhere

"Instead of returning, a man who had gone with him came back to tell me he had been arrested by police"

'Hawkers out of control'

153A

STAR 24/2/93

By Julienne du Toit

The Johannesburg City Council last night admitted it had lost control of the city's hawkers.

A report before the council said those enforcing the laws faced a real physical threat.

Enforcing new legislation could lead to a highly inflammable situation, according to the report.

The report said informal traders contributed to littering and obstructing the traffic flow, and sold food not prepared in accordance with the city's health by-laws.

Among the council's strategies to address the problem are:

- To protect formal traders by encouraging hawkers to eventually become formal traders and to declare certain parts of the CBD hawker-free zones.
- No hawker will be able to sell goods on a pavement fronting a shop where similar goods are sold
- Theme parks would be promoted

Mall trading: Antagonists to meet today

1534

CT 25/2/93

Municipal Reporter

FORMAL and informal traders in St George's Mall are to meet at lunchtime today in an effort to work out a compromise.

Mr Chris Lubbe, chairman of the National Traders' Association, disclosed this yesterday while consulting with ANC MP Mr Jan van Eck at the offices of the Foundation for African Business and Consumer Services.

A city council sub-committee under Mr Hugh Frost will also attend the meeting A representative of the Chamber of Commerce will also be there to play a facilitating rôle

While the formal traders accuse informal traders of being "parasites" who trade on the success and high rentals paid by them, informal traders have drawn up a document outlining their case and suggesting compromise arrangements

"The construction of the multi-million rand mall, with money provided by all the people of Cape Town, was intended to revitalise and repopulate the CBD and make it user-friendly. Informal traders have made a major contribution to the achievement of this goal," says the informal traders' document.

Stallholders on the mall have drawn up a draft code of conduct for all informal mall traders who are members of the association

Hawkers integrated into new CBD development

STAR 25/2/93.

153A

HAWKERS have become an increasingly contentious issue over the years and, in general, the formal sector has tried to resist their advance as a force in the market.

However, not all commercial concerns regard hawkers as a threat. Some believe hawkers should be encouraged as budding entrepreneurs and disagree with the often held view that they compete unfairly with store operators who have to pay rent.

The Bridge development has encouraged and established lines of co-operation and communication with the hawkers who have been operating in the area.



Pat Flanagan, MD, RMS Syfrets.

Guidance

RMS Syfrets managing director Patrick Flanagan: "We are dealing with a socio/economic programme at the Bridge. The informal sector, the hawkers, have not been turned away. We recognise that they trade in that area and will continue to do so.

"We are providing water and electricity points on the pavements for them. So instead of dangerous gas bottles, if they want to cook food, they can plug in an electric cooker or electric frying pan. Similarly they can get water from the taps.

"The Bridge will be providing cover, so they have protection from the weather. We are liaising with the council's informal trading sector, which has given us a lot of guidance.

"It is significant to note that while we have been in construction, we have not lost a single nail or screw to theft, even though we are right in the middle of a massive movement of people on a daily basis.

"We have made some attempts, which I believe have been successful, to reach the community. We have put up hordings around the site with nice graphics, it is a bit of fun

"We have ensured the trade of all the hawkers around the site during construction. There have been no problems Big trucks have been delivering to the site. The hawkers have moved to allow them to pass and then gone back to their pitches."

Harmonious

The whole construction project has run with unusually harmonious relations between the contractors and the local hawkers. The developers have set up a liaison committee between themselves, the hawkers and the taxi drivers and the results have been outstanding.

Says Flanagan: "They have known from the start that their businesses were not threatened In fact, their trade should be further strengthened because The Bridge is going to be a shopping node of the type which currently does not exist in that part of the city.

"I anticipate that we will be setting up a body to co-ordinate all the activities in the area and to act as a link between the formal and informal traders, including the taxis and hawkers. The committee would enable all parties to work together in marketing the area."

Informal

Says Flanagan "At RMS we have strong views as to the direction the country is going to take. One important consideration must be that big business is not going to generate the job opportunities which are needed in South Africa. The future lies in the hands of the small entrepreneur. If someone is out there shining shoes, cooking mealies or selling a single cigarette, or whatever their business might be, and is able to sustain themselves economically, that is a huge step in the right direction.

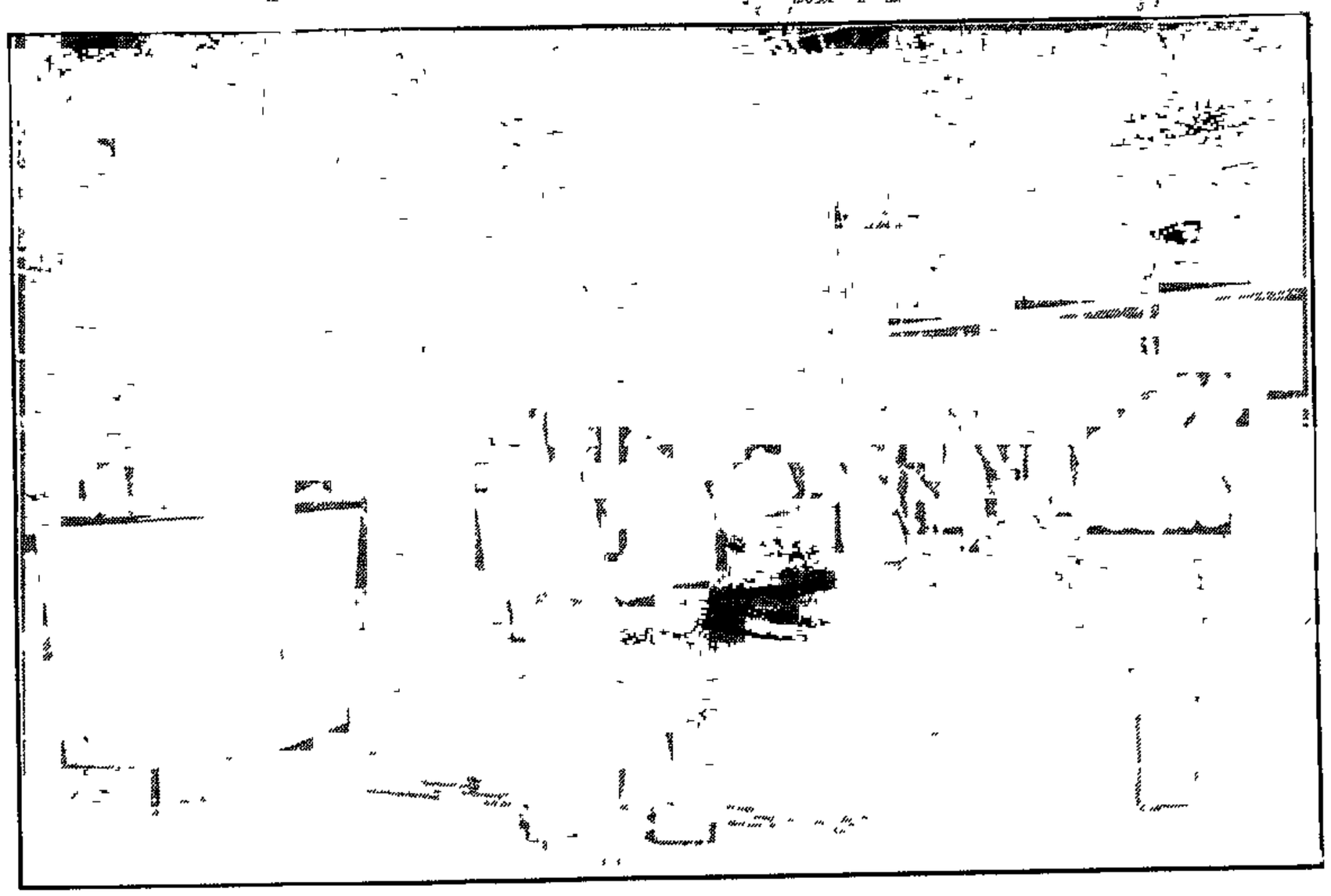
"In addition, I do not think of the informal sector as being a threat to the shop operators. They are generally catering to a different market segment

"I believe the informal trader can be successfully interfaced with the formal sector.

"At the same time it must be managed This is one of the reasons we are setting up our co-ordinating body between the informal and formal traders.

"If, for example, the centre has an ice-cream parlour paying R70/m2, and an informal trader selling ice-cream and paying no rent, opens up outside there would be a problem

"I think the informal traders add to the activity level, flavour and colour in the centre. If we can keep to the type of informal trader who is not going to have head on confrontations with the retailers, it will work"



Inside the Johannesburg Stock Exchange

A stokvel by any other name is ...

Sowetan 26/2/93 (153A) (Bus D)

INDIGENOUS Unit trusts have a lot in common with burial societies:

UNIT TRUSTS HAVE a lot in common with the "indigenous" savings methods that have been practised in this country for many years

Through stokvels and burial societies, people pool their resources together for a particular purpose

Burial societies' main objective is to bury the dead in a dignified manner

Until recently, huge sums of money used to be saved in financial institutions for long periods, to be used when a death occurs

Today organisations such as the National Association of Co-operatives Societies of South Africa are mobilising these funds for the acquisition of companies aimed at black economic empowerment

Stokvels have a much shorter term savings method and their areas of focus are much broader

Members of a stokvel can get together and contribute a fixed amount of money The money is saved for the purpose of buying one another cars or furniture, to name but two

The money circulates on a rotational basis and in most instances the system of first in, first in the beneficiary line operates

But burial societies operate differently Help goes to a grieved family, irrespective of whether a member joined first or last

Similarly, unit trusts pool people's resources together to generate higher returns which are then shared among unit holders though here, the number of units an investor has determines his share of the cake

Various unit trust companies have now started group savings through which people invest their pool money until such time as it has accumulated enough interest to buy a taxi or start a business on partnership basis

A group trust, as this type of unit trust is called, operates along the same lines as a club account

Stokvel members invest their money in a group trust, say about R1 000, then they are all issued with documents certifying their investment

The group then arranges the minimum monthly savings with the management company concerned

Unit trust companies differ when it comes to investment requirements

The difference, however, is not so much because they operate within the parameters of the Unit Trust Control Act

"It is a good idea for a stokvel members to invest large portions of their funds in a unit trust as they will be able to reap all the benefits of this industry without losing the stokvel concept," says Russel du Bois of IGI unit trusts

Traders fail to agree

153A C56/2/93

By PETER DENNEHY

FORMAL and informal traders of St George's Mall failed to come to an agreement at their meeting with each other yesterday in the presence of council and ANC officials in the Civic Centre.

Yet both sides are committed to serving on a new sub-committee which will continue negotiating on Thursday next week, in the hope of reaching a compromise.

Formal traders are not sure that Cape Administrator Mr Kobus Meiring really will ban virtually all "hawking" in the Mall on March 24

He has said that his impending proclamation of the mall as a hawker-prohibited area will be subject to further proposals from the council

A council sub-committee on informal trading has drawn up an 11-point set of criteria in terms of which preference is to be given to genuine specialist-type handmade products, especially those made by stallholders themselves No clothing would be allowed

'nformal sector can boost development

How to build the economy

Sowetan 25/2/93 153A

CHRONIC UNEMPLOYMENT Support, inspiration must be given to entrepreneurs:

By Mzimkulu Malunga

SUSTAINABLE ECONOMIC GROWTH in South Africa will depend on the type of inspiration and support given to the entrepreneurial society, says the managing director of the Small Business Development Corporation (SBDC), Dr Ben Vosloo

"South Africa can blame its poor economic growth and chronic unemployment problem on its dismal failure to launch more entrepreneurs into the economic mainstream," he argues

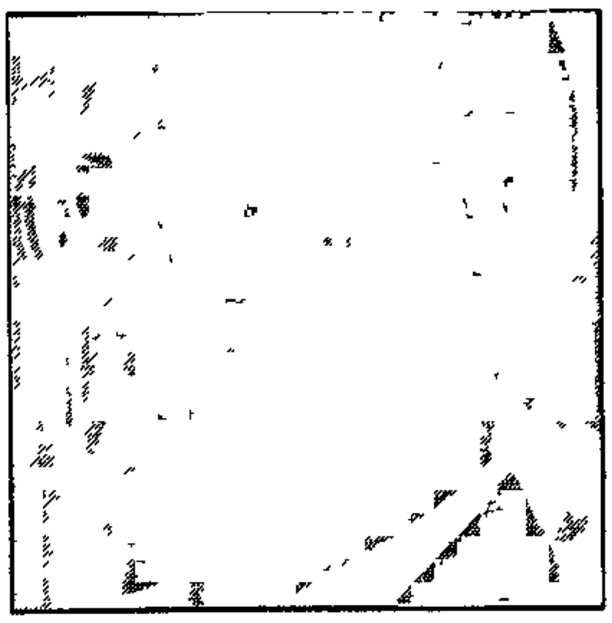
About 720 000 of the 800 000 formal entities in South Africa were small to medium sized enterprises (SMEs)

They employed about 2,4 million people or 17 percent of the entire economically active population SMEs together accounted for 45 percent of the national income, Vosloo said

"The informal sector contributes a further 15 percent to the national income and jointly this sector and the SMEs employ over six million people

"This is the area the SBDC believes if properly nurtured could act as the heartbeat for development in this country," Vosloo said

Adding its voice to the ongoing debates on strategies which could be pursued to bring about sustainable growth in the economy, the SBDC outlines various case studies from other parts of the world needing perusal when formulating future economic policy in this country



Dr Ben Vosloo

The argument centres on several key areas which the corporation's economists suggest could enhance prospects for growth

Creating a suitable political environment, accompanied by corporate tax incentives could attract foreign investment - one of the aspects believed to be crucial to kickstart the economy

Although countries of southeast Asia or the so called "Pacific Rim" achieved high economic growth by using massive state intervention, this measure produced negative results in the bulk of the developing world

"The main reason is that state intervention is an extremely complex task which calls for special skills, flexibility as well as an enabling political and cultural environment, Vosloo says in the SBDC's report

STAR 25/2/93

Decision today on city hawkers

The Traffic Department will today be deciding how to handle the hawker problem in the city, a Traffic Department spokesman said yesterday (1531)

This follows an admission by the Johannesburg City Council on Tuesday night that it had lost control over the city's hawkers — Staff Reporter.

City Mall shopkeepers challenged on lost trade

Weekend Argus Reporter

153A ARG 21/2/93

CLAIMS by shopkeepers in St George's Mall, Cape Town, that informal traders cost them business were unfounded, the chairman of the National Traders' Association, Mr Chris Lubbe, said yesterday

"We believe that any decline in business in the Mall has little to do with informal traders, who can offer little competition," Mr Lubbe added.

The decline in business had "everything to do" with the continuing trend of businesses leaving the city centre and moving to the suburbs.

The development of the Victoria and Alfred Waterfront with a large shopping centre influenced formal trading in the Mall too.

"When shops in the Waterfront were opened many businesses in the central business experienced a serious decline. This continues. It is time for the formal traders to look at these reasons instead of blaming the small informal traders."

Brick-maker to solve the housing crisis?

153A

SOWTH 27/2-3/3/93

TUCKED between banana trees and closely-built shacks in the Piesangs River squatter camp near Durban, an Eco-Brick machine churns out hundreds of bricks daily

Combining the ancient idea of pressed earth with modern know-how, the low-tech machine could be the answer to South Africa's housing crisis. It could also reduce clearance of forests and veld — common sources of building material.

The Green Trust, founded in 1991 by the Southern African Nature Foundation (WWF-South Africa) and Nedbank, funded the basic brickmaker's field testing Designer Mr David Herbstein of Johannesburg-based Eco-Brick Systems claims the machine makes 6 000 bricks a day at a fraction of the cost of red clay bricks

Using a mixture of 90 percent local soil and 10 percent cement, the Eco-Brick machine can be assembled in 15 minutes and an operator trained in 30 minutes.

According to pilot project manager Mr Marius du Plessis, a two-bedroom, 55 square metre eco-brick house costs about R11 000 to build A similar house of regular bricks would cost about R45 000.

About 3 000 shacks balance precariously on precipitous hillsides at the Piesangs River camp, where building materials are in great demand.

Selling eco-bricks within the community generates much-needed local revenue and plans to build a day-care centre for children of working mothers would mean women could cash in on the brick market, too

The trial run has been so successful, private companies and municipalities have invested over R800 000 in 11 Eco-Brick machines for the Durban area

Durban City Council approved R550 000 to buy eight machines and vehicles to transport them to building sites. Oil giant BP and the British Consulate have also contributed funding

THE

awking headache

HAWKING

STAR 27/2/93

153A

Council seeks curbs on bustling sidewalk trade

THE Johannesburg City Council wants more control over hawkers, but harsh regulation is not the solution. Chief Reporter JOHN PERLMAN reports.

WHAT comes to mind when you hear the word "hawker"? For most people, it seems, it's a woman selling vegetables and fruit.

Yet a stroll round downtown Johannesburg will reveal that the pavements of the city play host to a bewildering array of entrepreneurial activity.

In the Fraser Street Mall off Pritchard Street sit two shoe repair men, cobbling away to the sounds of Radio Five. On the corner of Simmonds and Jeppe streets, two cheerful young Naledi gents sell everything from earrings and perfume to cigarettes and chewing gum.

On the corner of Rissik and De Villiers streets, a barber carefully cruises his generator-powered clippers round another head of hair. And in the Hoek Street Mall, two men make woollen bath mats in the colours of Castle Lager and BMW.

There are herbalists and street photographers There are pavement restaurants — complete with crockery, cutlery and a place to sit — and, of course, there are plenty of women selling vegetables and fruit.

This is the complex world of street business in Johannesburg This week the city council served notice of its intention to bring all this under greater control.

Empowered

Tucked deep inside the 545-page council agenda for Tuesday night's meeting was a document entitled "Policy and Strategies for the Effective Management of Informal Trading in Johannesburg" drawn up by the council's Health, Housing and Urbanisation Directorate

The policies and strategies include:

- No informal trader can sell goods in front of a shop selling similar merchandise
- Informal markets should be established, with the council empowered to ban street trading close by.
- Trading sites should generally be no wider than 2 metres.
- Traders will be supplied with litter bags, which will be collected daily
- Hawkers will be permitted to trade only if they have valid licences which include photographs "The council must have the means to make it financially unviable to trade without a licence," the report says.

On the streets, there seems to be a residue of unease from the bad old days of confiscations and arrests, but no one appeared terribly anxious But when the specifics of the council strategy were outlined, they all found something they believed would mean bad business for them

Ambitious

David Matsetela and Cornelius Malope run a bright and breezy stall — goods range from cigarettes and sweets to batteries, combs and shampoo They picked their site because no hawkers close by offered the same thing They would resist being moved to a market where competition might be a couple of strides away

says "With a little stall they will bunch around more and block the way"

Oriel Maluleke would easily fit his neat little stall of glassware, carving knives and frying pans into the proposed space restrictions. But he depends heavily on the impulse buy, on something catching the eye of someone who never meant to go shopping. He is dead against moving into a market. "It is much better to be alone on your corner," he says

Current legislation does not empower the council to take all the proposed steps, a situation City Hall will be seeking to change But a trickier problem will be winning "the co-operation of the majority of informal traders", which the council sees as essential.

"The fact that large numbers of people are dependent on street trading for their livelihood will create a highly inflammable situation should any attempt to enforce new legislation be seen to threaten that livelihood," the document says.

The taxi driver blockade of Johannesburg earlier this month has clearly made everyone a little jumpy "Street traders do not drive large vehicles," the report said, "but they have numerous means of civic disruption available."

The Central Johannesburg Partnership — an alliance formed last year between the council, business and community groups — is looking to change that. The CJP has, since July, convened monthly meetings where business, council members, hawker groups and others meet to discuss problems and plans.

At the February meeting, hawker organisations agreed that they needed an umbrella organisation to represent their interests.

Complex

"They said the experience of the taxi drivers had highlighted the need for this," says CJP executive director Neil Fraser

Fraser agrees the situation is complex but believes solutions can be found. "Our whole approach has been that harsh regulation won't work. The situation needs to be managed," he says.

The council says hawkers should be offered training in "business and marketing skills". But Matsetela (28) has already spent five years walking a well-trodden hawkers' path — starting with carrier bags and cigarettes, then using the capital to move into more profitable lines. He has ambitions — "a spaza shop with a shebeen on the side", he says, then on to the taxi business

Matsetela left school in Std 5. Malope (26) finished matric, then spent three fruitless years looking for a job Hawking for him is a means to an end. In April he begins a three-year paramedic course.

Esther Mlambo has no plans beyond selling vegetables in town — she has been doing it for eight years, mostly in the same spot on Jeppe Street She doesn't know how she could confine her stall to a 2m width and still sell all her fruit and vegetables.

The idea is to reduce congestion on the pavements. "But with this long counter, all the customers are spread out," Mlambo

'Low investment, few jobs from small businesses'

JOHANNESBURG. — Small businesses are unlikely to invest or employ more people this year, according to South African Chamber of Business and Small Business Development Corporation survey of confidence levels.

The survey indicates that small businesses are more pessimistic about prospects for the South African economy this year than the last quarter of 1992's survey.

"High finance costs and low market demand are the biggest constraints on investments at this time.

"Some degree of absorbtion of cost increases is expected in the sector, and a trend towards tighter control over cash flows is also expected to emerge," the survey said.

The survey said small businesses were concerned about the high levels of crime and violence, and political development were expected to have a negative impact on the sector.

"It is clear from these results that there is still a large amount of uncertainty within the small business sector, and that if it is to play the important employment- and wealth-creating role that many policy-makers envisage, then policies aimed at creating an environment more conducive to entrepreneurship and small and medium enterprise development will be necessary," the survey said. — Sapa

Boesak backs casual traders

Staff Reporters (153A)

FORMAL traders in St George's Mall have no choice regarding the future of informal trading in the mall, ANC regional chairman Dr Allan Boesak said during a visit to the mall yesterday CT 3/4/93

"The formal sector has no choice, they have to deal with the problem of informal trading and they have to work with it," Dr Boesak said

City council spokesman Mr Ted Doman said the matter of informal trading in the mall was receiving attention and Dr Boesak's views would be taken into account.

A city council sub-committee decided recently that more traders would be allowed, but said preference would be given to traders selling genuine handmade or craft products.

Star 3/3/93

Stokvels flex their financial muscles

By Stan Hlophe
and Mpine Qakisa (153A)

Gloria Maphosa (24) of Ga-Rankuwa never thought her dream of opening her own computer school would become a reality quite so soon

When she struggled to raise a bank loan of R13 000 two years ago, she turned to the Get Ahead Foundation, an organisation that grants loans to individuals who belong to stokvels.

Now Maphosa heads a small but thriving computer school, accommodating nine students daily. She has contracts with companies to train their staff in the marvels of modern computer technology, and expects to have paid back her loan in full this month

Stokvels have traditional monthly get-togethers in the black community, usually of 12 people, who pool an amount of money One person takes the whole amount each month to use as needed, mostly to supplement a meagre income.

Now the small financial muscle of the stokvel is being flexed to set up participants in the business of their choice.

Get Ahead public relations officer Jenny Williams said the foundation had an enviable loan repayment record of about 92 percent. She attributed this to "peer pressure"

Stokvels have also joined with burial societies to acquire a Soweto funeral parlour, one of South Africa's biggest undertakers.

The acquisition, announced yesterday at a briefing at the Kupane Funerals headquarters in Orlando, was made under the auspices of the National Association of Co-operative Societies of Southern Africa (Nacssa).

Dr Nthato Motlana, chairman of the Centre for Black Economic Development, which engineered the formation of Nacssa, said the joint venture heralded the beginning of black empowerment

"It's high time blacks changed from being a nation of beggars to becoming self-sufficient," Motlana said.

This year Nacssa launched a coffin-manufacturing company, as the first step in ensuring that a hefty slice of the multimillion-rand funeral industry in black areas is controlled by the people themselves

which the statement was signed, in which Aldworth said he was aware that he was admitting to theft

Co-ops buy undertaker

JOHN DLUDLU

NATIONAL Association of Co-operative Societies of SA (Nacssa) yesterday acquired control of one of the largest funeral undertaking business in Soweto

Nacssa CE Sam Muofhe said the acquisition of Kupane Funeral Directors (KFD) was part of Nacassa's drive for black economic empowerment.

He added that following the deal KFD would now spread its wings to other provinces.

"This will make Nacssa funeral undertaking services accessible to the rural areas where the majority of poor people live."

While he refused to disclose the amount involved, Moufhe said "no less than R1,5m" had been invested in the venture.

KFD — which is a family business run by MD David Kupane and his wife Sophie — would retain its name and Kupane would also retain his title

The acquisition comes a month after Nacssa bought a coffin manufacturing factory in KwaNdebele.

Nacssa represents 1 600 burial societies.

INESS

Star 3/3/93

Informal sector generates income of R6-bn a year

(153 A)

By Bruce Cameron

Almost 500 000 budding entrepreneurs are being denied entry to South Africa's formal business sector because of a lack of capital and skills.

Although a wealth of organisations, both government and non-government, are looking at providing both the finance and skills, they are only biting at the edges

With the total number of jobs shrinking in the formal sector, various studies have shown that the main potential for growth in employment in the years ahead is the informal sector

A recent study undertaken by a group of University of Cape Town Graduate School of Business students, Nick Downing, George Louw, Pieter Schoombee and Cliff van der Venter, shows the necessity for greater attention to be paid to the informal sector.

Using various methods the students estimate the sector generates about R6 billion in income a year and has created about 3,5 million jobs, with almost 500 000 having the potential to be business leaders.

They say new financial services and funding strategies need to be developed, including assistance that is appropriate to education levels, expanding hive industries with subsidised rentals, banks using new technology to allow illiterate people to hold bank accounts and formalising current informal financing structures such as stokvels.

The students also identified the areas where the biggest return could be obtained from the investment of limited resources with, for example, trade and hawking making the largest contribution to gross domestic product and to employment creation

BUSINESS Major merger makes for lower-cost funerals and empowering of black business

Proud progress

Sowetan 4/3/93.

By Mzimkulu Malunga

JOINING FORCES Black economic empowerment takes a giant step forward:

BURIAL societies have joined forces with one of the biggest black funeral parlours, Kupane Funerals

Speaking at a ceremony to celebrate the merger in Soweto this week, the president of the National Association of Co-operatives Societies of South Africa, Dr Nthato Motlana, said the development was something every black would be proud of

Time had come for black people to stop going overseas with begging bowls, hoping to collect whatever crumbs fell from the tables of sympathetic nations.

"We got used to the idea that someone out there would give us money, whereas we could do things for ourselves," said Motlana.

Though parties are tight-lipped regarding the amounts involved, the deal could not be less than R1,5 million, says Sam Muofhe, executive director of the Centre for Black Economic Development (CEBD) that engineered the formation of Nacssa.

Kupane Funerals has been charged with the responsibility of establishing a network of undertaking services for Nacssa members countrywide.

The organisation has 1 620 burial societies, women's and mehodisano clubs affiliated to it nationally

Muofhe said the main aim of the venture was for the black community to reclaim its share of the market by rendering a better service

"You have so many small black operators. Other communities actually pool their resources for the empowerment of their own people and we must do the same," he added.

In January Nacssa bought a coffin manufacturing plant situated in KwaNdebele for more than R250 000 as part of its overall objective to "create the black rand"

Coffins produced at the KwaNdebele factory will be sent to Kupane Funerals, who will then run funerals for Nacssa members, as well as other sectors of the community, at greatly reduced prices

On average a full funeral costs around R1 500 but the Nacssa-Kupane venture has brought into play a scheme whereby people can contribute R20 a month to cover funeral costs.

These monthly contributions will go into in Nacssa's investment arm, Letsema Investment Corporation, which is charged with the responsibility of using funds generated by Nacssa members to buy companies for the purpose of black economic development.

"This is what we have been waiting for With Nacssa on our side the sky is the limit," said David Kupane of Kupane Funerals Kupane did not rule out the possibility of other black funeral undertakers joining the consortium at a later stage for the purpose of black economic empowerment.



Set to invade the market ... David Kupane, Sophie Kupane, Sam Muofhe and Dr Nthato Motlana at the official launch of the Nacssa-Kupane venture.

Boesak backs mall traders

Staff Reporter (153A)

ANC Western Cape leader Dr Allan Boesak bought his 15-month-old daughter Sara-Lien a pink jersey from a vendor in St George's Mall in support of the informal traders there

On a tour of the mall yesterday with Mr Chris Lubbe, chairman of the National Traders Association, Dr Boesak said the formal traders had "no choice" but to accept that the fleamarket was there to stay

High rents for formal traders were justified because they paid for "posh shops and style"

"Without any infrastructure or money to back them, informal traders are making a living, which is admirable," said Dr Boesak ARG 4/3/93

Small business suffers

South 6/3 - 10/3/93.

(153A)

JOB PROSPECTS are bleak and investment unlikely in the small business sector, a survey has found.

The quarterly joint study by the South African Chamber of Business (Sacob) and the Small Business Development Corporation (SBDC) of confidence levels among small businesses, has found more people are pessimistic about prospects for the national economy during 1993 than during the previous survey

High costs and low demand were the biggest constraints on investment, the study found.

The small business sector, however, still accounts for about 30 percent of the South African economy and contributes significantly to employment in the country

"The small business sector will be looking towards the 1993 budget coming out on March 17 to the extent in which the government recognises its importance," the report states

"It is clear from the comments received during the survey that there is growing concern about the high levels of crime and violence, and that political developments are expected to have a negative influence on the sector

Some of the results:

- Of the five economic sectors surveyed, manufacturing was the least pessimistic about prospects for 1993, while 66 percent of those in wholesale trade expect conditions to worsen
- About 54 percent of respondents expect to maintain their investment levels in 1993 at last year's level.
- With the exception of the Orange Free State and Northern Cape, the majority of respondents in other regions expect business conditions to deteriorate The Eastern Cape is the most pessimistic.
- Only five percent expect change on the political front to benefit business, while 58 percent expect business will worsen.

WAGHIED MISBACH

'A body to reckon with'

SOUTH 6/3 - 10/3/93 (153A)

KHABA, the Khayelitsha Business Association, is an active body of business men and women, who look after the interests of the business community in Khayelitsha, and, *inter alia*, the rest of the community

Formed in September 1989, by half a dozen spaza owners (four of whom still serve on the executive) Khaba has become an organisation to be reckoned with.

In August 1992, aided by sponsorship from the Nedcor Chairman's Fund, Khaba was able to open its own office with a full time secretary

Since then it has become the address for anyone with business ideas or problems and also for those from the wider community who are seeking to distribute goods

Khaba serves its membership in various ways. For the past year, the executive has been negotiating with the security authorities in an effort to overcome enormous problems with regard to criminal activity in the area

Many meetings and discussions have taken place with potential developers who turn to Khaba for their knowledge of what is required in Khayelitsha by the community

This, of course, has raised the debate (recently reported in the daily press) about outsiders taking advantage of the opportunities presented by a new market of consumers

The issue was sparked off by the opening of a supermarket at the Tembani shopping centre by an Indian trader In the process at least half a dozen spazas had to close their doors as they could no longer compete

Angered by their helplessness, they turned to the Khaba Executive to hopefully solve their problem by expelling the Indian traders

This put the Executive in a dilemma. Believing in a Free Market on the one hand, and understanding that outside development was the only way for the community to raise its living standards, they also resented the fact that they could not do the developing themselves.

They felt acutely disadvantaged compared to those who, due to past government policy, had been allowed to accumulate wealth and were therefore now in a position to take advantage of the situation.

Everybody's **BUSINESS**

The solution lay in working together with the developers in such a way that businesspeople in Khayelitsha would be given the chance to "catch up"

This would mean renting accommodation until they could afford to buy, entering into partnerships where the local people could "learn the ropes" and being offered franchises where they could accumulate expertise

In other words, to have a transition period during which entrepreneurs who have started their businesses from small bases would be given time to consolidate their assets and be able to compete on an equal footing

These discussions are taking place daily and potential investors are sympathetic and willing to find new ways to solve the problems.

There are no precedents from which one can learn how to tackle these particular kinds of issues and lateral thinking and new thought processes must be brought to bear so that everyone is able to win in the end.

Khaba is also involved in trying to organise bulk buying for the many spaza owners in Khayelitsha.

The problem encountered here is complicated by the lack of proper communication facilities.

Postal services to the spazas are non-existent and very few even have telephones.

However, after many meetings with Telkom, the infrastructure for telephone lines is in the pipeline and telephones will shortly become available to those who want them.

Training in business skills is also available to members of Khaba and many courses have been undertaken by those who were interested. Here again, a problem exists which the executive is tackling — and that is lack of premises from which to operate.

Many companies and organisations have budgets in their social responsibility programs for training and education, but the question remains. where are the trained people to go?

Financial viability is always a top priority and that is understandable. But somewhere there must also be a mechanism so that people who have the skills and have been trained in business principles can rent premises and get on with starting their own small businesses

Small factories are needed where the unemployed can subcontract to the bigger companies, and ultimately give them cheaper goods and lower overheads.

Khaba executive members network with many and various organisations in an attempt to put Khayelitsha on the business map. It is slow and painstaking work, but it is being done.

Mr Victor Mbauli, president of Khaba, says that every time a new visitor is introduced to the area and reacts with astonishment that "it is nothing like I thought it would be" the closer we get to the possibility that the development that is needed in Khayelitsha will come about.

JENNY HARRIS



LEADERS: Michael Jwambi (left) and Victor Mbauli, respectively vice-president and president of the Khayelitsha Business Association

Stokvel mayhem as thugs strike

(153A) C/Press. 7/8/93

By ELIAS MALULEKE

A GANG of 11 thugs wielding AK-47s and an assortment of other weapons struck at a stokvel party in Mamelodi West and killed a man before robbing about 40 patrons and the owner of the house.

Businessman Eddie "Bifty" Seshoha, who was hosting the Maracuja Club stokvel at his house in Block B, was robbed of more than R25 000 in cash, and clothing and audio visual equipment valued at over R40 000 on Monday morning.

Patrons were robbed of their jewellery, cash and items of clothing by the thugs who pistol whipped several of the patrons

Jafta "Saki" Mokwebo, 25, was shot at point blank range with a 9 mm pistol when the thugs stormed the kitchen where he was busy packing liquor into the fridges

The thugs allegedly used "military precision" and took their time during the robbery which lasted more than 45 minutes

Police spokesman Maj Andrew Lesch confirmed the incident and said 40 people were in the house when the incident occurred at about 3 15 am on Monday

However, the SA Police's conduct during the unusually lengthy robbery was questioned after a man, who was sitting in a bakkie when the gunmen arrived, reported the incident to the local police station and returned to find the thugs still at work The police allegedly arrived about 10 minutes after the robbers made their escape

Lesch said the allegation was serious and would be investigated.

According to eyewitnesses, the heavily armed thugs stormed Seshoha's house shortly after 2.30 am and forced patrons in the yard and house to lie on the ground.



DEVASTATED ... Grieving parents Johannes and Clara Mokwebo after their son Jafta was shot by armed robbers. ■ **Pic: ELIAS MALULEKE**

One of the armed thugs kept watch at the gate, some surrounded the house and others went inside and held their victims captive

Eyewitness James Maliba said he was taking a nap in the bakkie when he noticed an armed man standing at the gate

"I realised it was a robbery and took off in the bakkie to report the incident at the police station," Maliba said.

After storming the house and shooting Mokwebo, the robbers stripped patrons of their valuables and forced them to undress

Seshoha said he came out of a backroom when he heard the shooting and walked straight into the barrel of an AK-47

"I froze, not knowing what to do and then I was hit on the head with a gun butt and fell down," Seshoha said

He regained consciousness after the thugs left

The three gunmen then turned their attention to a youth also employed by Seshoha He was grabbed and threatened with death unless he showed them where the money was kept

The youth, who asked to remain anonymous, said he pretended not to know where the keys to the backyard bedroom were kept But he was knocked "senseless" with a gun butt.

"Two struggled with me and forced me to stand up, while the third demanded the keys. I continued to play dumb because Sis Grace was sleeping in the room," the youth said.

However, one of the thugs kicked the door open and pushed the helpless youth inside They pointed their guns at him and ordered him to show them the cash box

Seshoha's wife, Grace, who was sleeping in the bedroom, was also stripped and her jewellery was taken

The gunmen also stripped unconscious Seshoha of his jewellery and leather jacket

The gangsters loaded their loot into the boot of a white Skyline car they were using

Meanwhile, Maliba said on arrival at the police station, about 2 km from the scene of the robbery, he stopped a vanload of policemen and told them the details

"They said I should report first to the charge office," he said

He allegedly reported the matter to a policewoman who then called the police However, there was a delay as the police allegedly looked around for bullets

The police then suggested I use my bakkie to lead them to the scene of the crime

"I was driving ahead of them and as we neared the house, I found the police were no longer following me," said Maliba

On arrival at the house, he saw the robbers were still standing in the yard Maliba circled the block and noticed the police van allegedly heading back towards the police station

He said if the police had reacted swiftly, they would have caught the thugs in the act

The youth said before the thugs left, one of them demanded that all people in the house should be killed, but the others objected and then left the premises

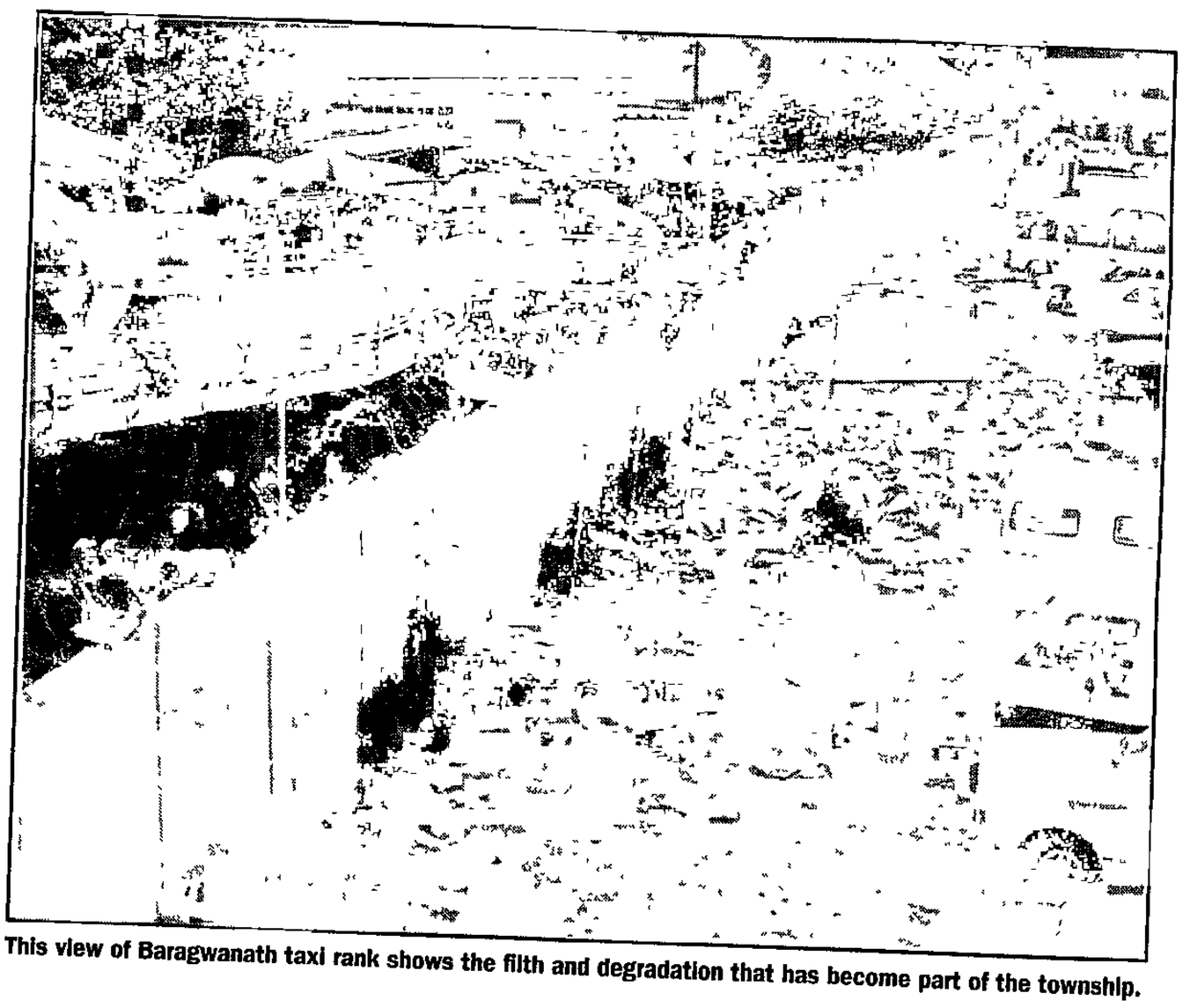
Maj Lesch said police were still investigating and no arrests had been made

ENVIRONMENT *Unhealthy writing is on the wall for Soweto Only alternative is drinking*

Slow, sickly heartbeat

Soweton 9/3/93.

ROTTING METROPOLIS *The throb of Soweto is stinking and dirty:* (153A)



This view of Baragwanath taxi rank shows the filth and degradation that has become part of the township.

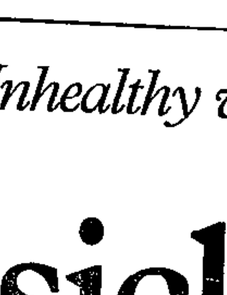
THE THROBBING HEART OF Soweto is beating at a very slow and unhealthy pace

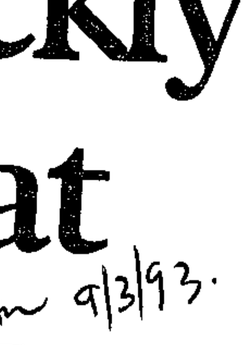
Its streets are dams of stinking water with mosquitoes having a field day, its largest taxi rank is nothing more than a big dumping ground and its rivers assault your nose with a force that leaves you in a daze

This deep malaise affecting every part of the social strata has economic, health and political causes

Take Themba Mkhize (not his real name) for instance Mkhize has the freshest vegetables and fruit this side of the Johannesburg-Soweto border

Customers agreed his products were the best but could not bring themselves to buy from him. Next to his stall is a big rubbish dump where bluebottles hover after making a detour over his fruit every now and then Part of the rubbish in the dump are two rotting heads—the remains of what appeared to be two cows





Stories by Musa Zondi

Pictures by Mbuzeni Zulu

General decay

He says "People come here and ask the price They look at the vegetables and the fruit. You can see they want to buy but the flies from the dump discourages them."

He has since left the busiest and dirtiest corner of the Diepkloof intersection and is struggling to find another place

But the dirt and the general decay is not confined to the intersection dividing the affluent Diepkloof Extension from the squatter camp on the other side

In that whole area you find a number of hawkers selling anything from liver to sweet popcorn to skirts and curtains

There is a police station nearby as well as a surgery. Across the street is an informal settlement and it adds another busy dimension to an already bustling place When you move towards the Baragwanath taxi rank, you can see piles and piles of rubbish lining what used to look like a park

A colleague says during the years when young people in Soweto built parks everywhere and named them after political leaders, this place was one of the best Today it is a shadow of its former self

As you move towards the hospital, you have to hold your breath If you survive the driving, you are bound to survive the decay

Here the situation is the same There are scores of stalls selling almost anything But you would have to be pretty hungry to buy here It is not that the people who sell are not clean but that the filth and sometimes the stink in these areas is just too much to bear

In one stall you see a beautiful bunch of spinach It looks very healthy But the moment you see the flies hovering above it, you begin to have second thoughts Is it safe for me to buy this? Will I live through this one?

Even the fact that the Baragwanath Hospital is nearby is not very comforting It makes you wonder whether it is safe to be anywhere around here

But life goes on Taxis come and go If you do not watch your step, you could eventually end up in the hospital itself as taxis and buses compete to ferry customers to all parts of the township

The problem is everywhere Wherever you go, you will see piles of rubbish and rivulets on the roads Right in front of the Dobsonville Stadium there is a pool in the middle of the dusty street and it has become impossible for cars to pass

We talked to one hawker who has a stall in the street He says the pool has been there since the start of the rainy season "This is also a health hazard as children like to play in these muddy waters," he says

Raw sewage

He says the toilets were blocked recently and raw sewage was running into the street We could also see municipal workers trying to unblock a pipe oozing dirty water into the street The rivulet runs towards the front of the new stadium

Of the dumps in the area he says "We are not the same Some people do not care where they dump You find a person cleaning the yard and then dumping the garbage in front of somebody else's place There is no need to dump anywhere"

Japhta Lekgetho of the National Environment Awareness Campaign and also a spokesman for the Soweto Civic Association on green affairs says what has happened is that services that were bad have worsened There was no proper planning of the township and the situation gets worse as more and more people move in

"We are going to need a lot of money from the Government to bring about an acceptable quality of life," he says

But there is still a tough battle ahead The decay that plagues the township will require a huge amount to rectify But perhaps the biggest problem is the decay trickles down to other sectors of society

This includes a lack of respect for life through negligent driving and just plain thuggery

But unless services are brought back to normal and a sort of governability is restored, Soweto's heart, and that of other townships on the Reef, will stop

NEWS FEATURE *An ANC government would go all the u*

ANC will push for 'small' businesses

Sowetan 10/3/93.

153A

PROMISING PROMISE *Government should act as a guarantor for business:*

By Mzimkulu Malunga

THE African National Congress would remove all "excessive legislation" preventing small business from flourishing if it became the government

The deputy head of the department of economic planning, Tito Mboweni, argues that most small businesses do not meet the loan requirements set by financial institutions

"It is clear that by definition small businesses would not meet the collateral criteria as it stands now but it is for a future government to act as guarantor for the loans given to infant enterprises," he says

To supplement private sector assistance to small business, the state would, through its financial arm, need to give loans to the Small to Medium sized Enterprises (SME) as well

"The state should ensure that every department and parastatal has its subcontracting work done by small business," Mboweni argues

Business know-how

The key to small business development is know-how, which the movement plans to nurture through the establishment of training centres charged with the responsibility of cultivating an entrepreneurial culture in this country

He highlighted services like printing where big business and the government could sub-contract all their printing requirements to small business people

When South Africa finally gains access to international funds in the form of loans from the World Bank or its private sector arm, the International Finance Corporation (IFC), substantial amounts of that money should be channelled into small business

The IFC is in fact waiting for a signal from the ANC to start putting in money for black business development

Among avenues being explored to help the development of small business were tax exemptions

Such comments normally raise interest in big business circles as to whether there would be a tax incentive for companies who do business with small to medium sized enterprises



Tito Mboweni ... promise to promote small business.

However, Mboweni's response to such speculation is categoric "I think big business actually has too many tax incentives in this country"

The ANC sounds a word of caution to SMEs as well The government could do all in its power as facilitator for the advancement of small enterprises but the ultimate responsibility rests in the hands of the entrepreneurs themselves

They should be able to seize opportunities when they arise, he says

Small business people should also refrain from being extravagant and spend money on luxury goods

"We are not saying people should not buy a Mercedes-Benz but we think the money could be used productively to help small business break into the mainstream of the economy," Mboweni argues

Joint ventures between corporate South Africa and the upcoming entrepreneurs have to be encouraged

Big business would also have to assist small business people with managerial and financial discipline skills

Communities should be encouraged to buy from the small businesses in their respective residential areas, he says

"There is a tendency by people to prefer big chain stores to the small enterprises irrespective of the services offered by the SMEs"

There have been calls from a number of circles for the establishment of a separate ministry for small business but the ANC is yet to make a decision on this issue

Mboweni, however, cautioned enthusiasts on the notion that such a move could increase bureaucracy and fail to meet expectations

Though big business executives are often ready to express their interest in working with small enterprises, mainstream companies mostly pay lip-service to small business development

Hardest hit small business people are black traders in the townships who operate in highly volatile areas where delivery vehicles are stoned by groups of disgruntled youths

While the ANC has always maintained that such activities are in contradiction of the type of society the movement wants to build, the issue cannot be addressed in isolation

Unemployment and the high school dropout rate in the townships also contribute to the prevailing situation

Since 1976 an average of about 300 000 young people in South Africa dropped out of school in grade four An overwhelming number of these were black

Shopowners in fury as hawkers nab clients

By FRED KHUMALO

THE aroma of sizzling boerewors assails your nostrils as you weave your way past a knot of people crowding around a food vendor

Hoarse voices – "Come, baba, two pairs of socks for R4!", "Gold watches brand new from China, only R35!" as you pass a colourful array of tables set back on the pavement

Shouting, cursing, laughing or jesting. The bustling hawkers of Durban's Central Business District have brought a sense of African reality into this upright, uptight neo-colonial enclave

Threatened rent-paying traders keepers say the move has disadvantaged them. They cry. "Unfair competition!"

Many a racist comment has been muttered darkly about the black newcomers

The Durban Regional Chamber of Business has called for control of informal street trading.

So-called "overcrowding" has prompted a city council motion suggesting that street trading be "banned" in the CBD during weekdays.

Argued a spokesman for the Chamber. "There is little doubt that, particularly in Johannesburg, city centres are dying People are now shopping almost exclusively in the suburban shopping centres, which are private and, in being private, can restrict overcrowding by hawkers This situation is now a very real threat to the Durban CBD"

A disgruntled West Street shopkeeper said his shoe repair business had lost about R200 worth of business a day since two shoe repair men set up shop on the pavement about 100 metres away – and provided a cheaper service

"Now I'm battling to pay my rent And last December, when I put a board up outside advertising shoe repairs, city policemen told me it was an obstruction and ordered me remove it"

The reality, says the Durban Chamber, is that "mainstream" businesses are still subjected to a myriad of laws and regulations – bylaws, health laws, tax regulations Joint Services Board regulations, rates and maintenance of buildings

But street traders are not affected. He said a hawker could sell the same goods as his mainstream competitor and carry no overheads

He added. "The man in the street is not able to walk down the street without tripping over hawkers Making a leisurely shopping expedition has become an unpleasant experience in many cases"

Defending the sector, Natal Deregulation Forum chairman Marlene Hesketh said· "Hawkers won't set up their stands if they don't have customers. We should let the market make its choices."

Durban City Council Markets and Informal Business Committee chairman Lorna Emanuel said street trading was as a result of the huge unemployment problem encompassing the country, the lifting of influx control and the fact that the urbanisation process was artificially held back for many years. Now people were gravitating towards the city on an unprecedented scale

Said Emanuel: "The face of the city is changing and presents new economic opportunities . . Mixed trade, with all its wonderful sights, sounds, and vibrancy could enhance Durban as a tourist city"

Matters are likely to come to a head on March 23 when interested parties will attend a workshop on the issue.

Meanwhile it's bargains galore uptown. "Come, baba, two pairs of socks for R4!" "Gold watches brand new from China "

Mall trade plan 'soon'

CT 7/4/93 (153A)

Political Staff

THE decision on the future of informal traders in St George's Mall is expected in 10 days' time

The Administrator of the Cape, Mr Kobus Meiring, said yesterday in a parliamentary committee sitting that the final decision on the mall would be announced "soon"

It is understood that a decision is likely to be made on Monday, April 19, when the provincial executive committee meets

The informal traders want permission for 80 people to trade in St George's Mall but the city council has proposed that 40 stalls be allowed

Mr Meiring gave no indication yesterday how many traders would be permitted.

"Informal trade has a place in the sun It can create a nice atmosphere, but it can also create a nuisance and spoil an area if it is not properly controlled and balanced," he said

Decision 'soon' on St George's Mall dispute

(153A)

Political Correspondent

CAPE Administrator Kobus Meiring is to announce his decision soon on measures to settle the dispute between shopowners and stallholders in St George's Mall.

He told parliament yesterday he had received thousands of submissions on the topic, including a petition of 20 000 signatures and 93 letters.

Mr Meiring said his approach was to strive to achieve a balance between the interests of formal and informal traders

"Informal trade has a place in the sun It can create a nice atmosphere, but it can also create a nuisance and spoil an area if it is not properly controlled and balanced

"I believe in deregulation and in the devolution of power to the lowest possible level I also believe that security and order are of the utmost importance," he said.

AR 6/4/93

Deregulation had led to many disputes, of which the one over St George's Mall was the most publicised

JOB MARKET

R350 provides a bargain-rate job

By KEVIN DAVIE

A JOB for only R350? It is more than well known that SA has to create hundreds of thousands of jobs annually for the unemployed and newcomers to the job market.

It is also well known that job creation can be expensive; witness the multibillion-rand beneficiation projects State finance is being used to provide a handful of jobs at up to R30-million each.

So, given the enormous challenge of job creation, it is good news indeed to find an organisation which creates 1 000 jobs a month at a cost of only R350 each.

The Pretoria-based Get Ahead Foundation operates at the low-end, high-risk part of the market in 22 areas nationwide.

Clients typically borrow a few hundred rands to set up a small business at home or to hawk on street corners.

No contract is signed, no collateral asked for and until recently interest was charged at usurious rates (the law has been changed to legalise Get Ahead's charges).

Yet this non-profit organisation boasts that five of its areas are still reporting a 100% recovery rate after five years and 12 000 loans granted.

The principle involved is simple and has been successfully demonstrated by the Grameen Bank in Bangladesh. It uses a savings scheme established in SA, the stokvel or loans club.

Individuals wanting loans form a stokvel with others they know and trust. Peer pressure ensures repayment.

Loans range from R100 to R5 000, enabling borrowers to set up a range of businesses, including hawking, welding, carpentry, sewing and backyard industries, such as tyre repair and battery manufacture.

Loans are backed with field training in efficiency skills such as costing, bookkeeping, elementary financial management and marketing. A resource directory informs borrowers of services or facilities offered by development agencies.

Get Ahead's offices are in the townships to help keep administration costs to 15% of turnover.

Success stories abound. Mr Mhalasane of Zwede, Port Elizabeth, started as an upholsterer, using one room of his home. Turnover increased so much that he took on four employees and converted the house into a workshop.

The family sleeps once the workers have left.

Books

Miriam Makgatle of Ga-Rankuwa borrowed R5 000 for her butchery business, repaying the loan in only seven months. She borrowed another R27 000 for expansions, setting her sights on using 40 cars for deliveries.

A woman, deserted by her husband, borrowed R500 to start her own spaza shop and can now feed and take care of her family.

Some Get Ahead customers perform important social services. A R500 loan enabled a day-care centre to be set up in Orlando, Soweto. This was followed by a second or "graduate" loan of R800, the centre now attending to the needs of 25 children daily.

These second-time loans, which are granted only after the first has been repaid, are increasing with 1 500 borrowers now on the books.

Get Ahead managing director Don MacRobert says that 80% of jobs created survive four years later.

As many as 25% of Get Ahead's customers graduate from the informal to the formal sector.

Geoff Mphakati is a self-taught printer in Mamelodi, Pretoria, who started with a R5 000 loan. Although he still operates his four-man business from backyard premises, he is fully licensed, supplies the formal sector, pays taxes and offers his staff pension and medical-aid benefits.

Get Ahead is financed by donations from foreign governments and corporates and by individuals and corporates in SA. Its profile has undoubtedly been hurt in the recent past by pro-sanctions campaigner and Get Ahead board member Desmond Tutu.

Corporate backers fell from about 300 to about 200 because they argued that Get Ahead's job creation aims were not compatible with the destruction which sanctions were visiting on the SA economy.

Get Ahead likewise believed it politically incorrect to seek aid from the SA Government, but has reappraised this strategy in the light of the new politics.

Mr MacRobert applied to the Department of Trade and Industry this year for R2-million to assist with job-provision schemes.

Tea

The Government in the persons of President de Klerk and Finance Minister Derek Keys has committed itself to supporting small business. The Small Business Development Corporation was voted R75-million this Budget, but Get Ahead was turned down.

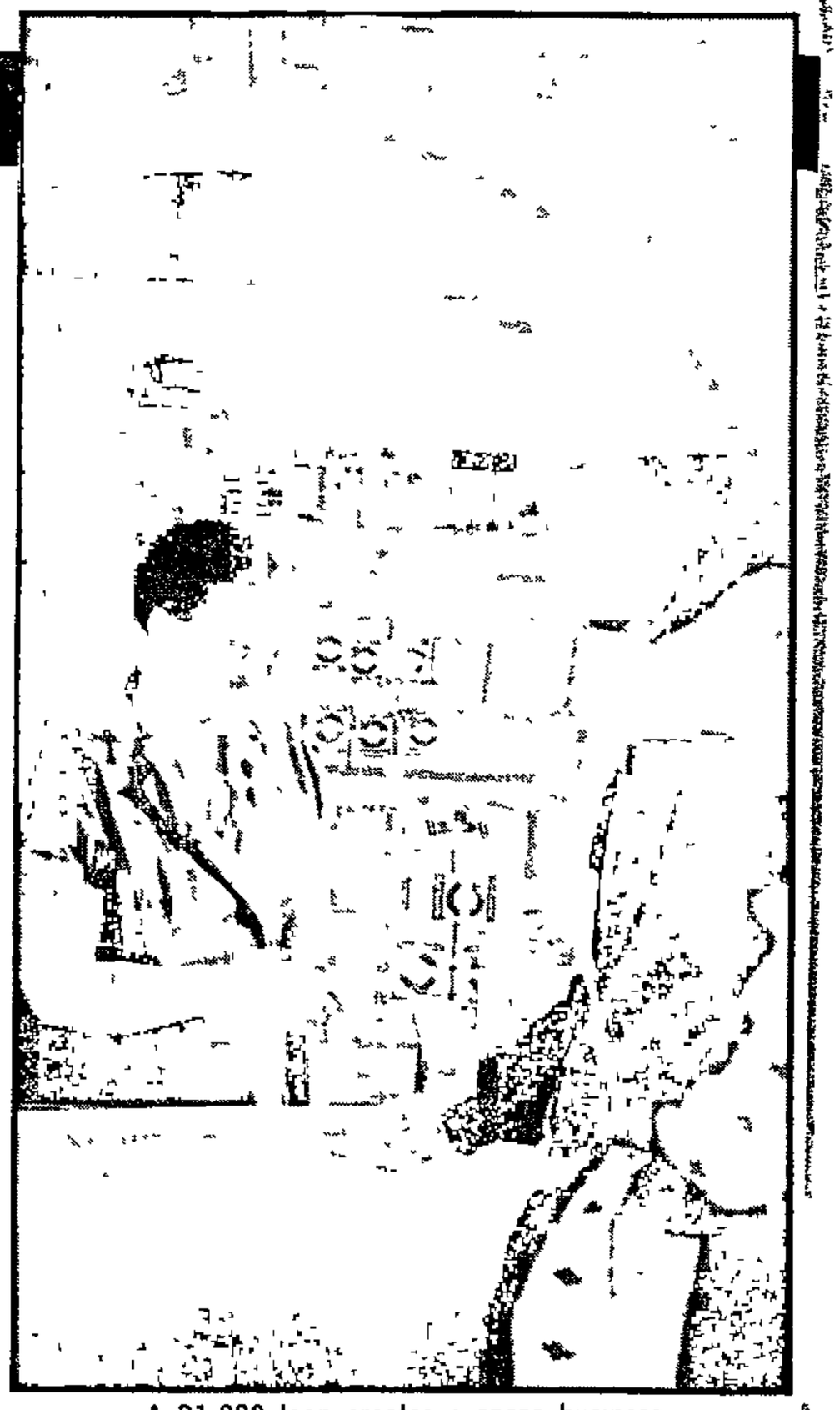
Mr MacRobert is trying to find out why.

The amount involved is pitiful, not even tea money in relation to the R2-billion which is budgeted for established business in terms of export promotion or the R739-million which will be spent this year on the regional industrial development programme.

Then there is the R600-million which the State-owned Industrial Development Corporation has for ecotourism projects but which it is finding it difficult to loan.

"Big business gets the billions, small business the millions," says one observer.

But micro business gets nothing. Not even R350.



A R1 000 loan creates a spaza business

Mall may have just 40 traders

153A

Municipal Reporter

THE Cape Town City Council recommended yesterday that 40 informal traders should be allowed to operate in St George's Mall, between Riebeeck and Wale Streets, at a fee of R15 a day each

The Administrator, Mr Kobus Meiring, has the final decision, however, and the council will ask him to take its decision into account when he makes his ruling

Before the council debate, about 50 traders staged a placard demonstration at the Civic Centre

The council resolved that after six months, the situation would be reviewed. Applications may be made by individuals to get permits for the 40 sites, to be allocated "by means of public competition"

● The playing of drums on the streets has been banned throughout the Cape Town Municipality

From now on, drums may only be used if the council gives prior written consent Traffic manager Mr Wouter Smit reported to the council that drums were responsible for the majority of complaints received from property owners, tenants and shopkeepers in the central city CT 31/3/93

Rentals halved for city trading sites

Municipal Reporter (153A)

MAXIMUM rentals proposed for central city informal trading sites have been halved to R15 by the city council ARG 31/3/93

In a prolonged debate watched from the public gallery by National Traders Association members, councillors ratified an exco recommendation that stalls be limited to 40

Administrator Mr Kobus Meiring is expected to announce the fate of hawking in the city in the next few weeks.

A proposal that the city administrator be allowed to drop rentals in cases of hardship was turned down

Absa predict 11% average '93 inflation

Business Editor

AMALGAMATED Banks of SA (Absa) economists Charles Jonker and Carel Gronum say in their weekly economic forecast that they expect inflation to average 11% for 1993. (153A)

Stressing the importance of a continued surplus in the balance of payments (BoP), they say this will support the effective exchange rate of the rand, "thereby capping inflationary pressure" CT 29/3/93

They point out that the International Monetary Fund recommends that reserves should cover at least three months of imports in order to ensure enough liquidity for servicing debt "The debt repayment for 1993/94 stands at around R6bn."

In view of this, a stronger BoP surplus is necessary to ensure lower interest rates in the medium term

"The inflationary impact of the budget was against a short term interest rate reduction"

Jonker and Gronum point out that the surge in the trade balance from R839m in January to R1,33bn in February "is not that significant because the January trade level was exceptionally low.

"Moreover, the year on year figure is extremely disappointing if it is taken into account that the rand has depreciated by 9,7% from a year ago"

'Not enough' for small business'

SouTH 27/3 - 31/3/93 153A

By Waghied Misbach

ALTHOUGH R94 million more than last year was provided for the promotion of small business in this year's budget, it is not enough, says Mr Trevor Manuel of the ANC's Economic Department

About R75 million would go to the Small Business Development Corporation (SBDC) and the Development Bank of South Africa (DBSA) would get about R30 million. Altogether R112,6 million was provided for small business development this year

Manuel said the lack of competition in South Africa, with a few conglomerates owning a large slice of the economy, was forcing small businesses to close.

Questioning the role of the agencies involved in stimulating small business, he said 73 percent of loans from the SBDC went to white entrepreneurs

He noted that the Industrial Development Corporation still had 100 million rand for small business loans, but could not find takers "We must look at these agencies"

Growth

"We should also ask about the nature of the systems and whether this money would be used to create more hawkers or vendors or whether the approach to industry would provide for growth"

Attempts to stimulate the growth of small and medium enterprises were "commendable", but were not on par with the rest of the world

"In other countries, small business is the biggest sector which absorbs labour"

Manuel suggested a government parastal be set up to stimulate small businesses and receive input from groups such as Nafcoc and Fabcos

Obstacles

One of the biggest obstacles to small business was the banking sector — owned by conglomerates who were opposed to competition

For instance Old Mutual owned Nedcor, Rembrandt had a huge stake in Absa, Anglo American owned First National Bank and Liberty Life owned Standard Bank, said Manuel

The banking sector also gave preferential access to white businesses for financial help

He said trade tariffs also made it difficult for smaller companies to import cheaper products Local companies who historically enjoyed a monopoly successfully applied for heavy tariffs against cheaper imports

He cited the example of Plate Glass, who successfully applied to have dumping tariffs applied against a smaller company, Triangle Glass, who were importing plate glass cheaply from Pacific Rim countries

"About a month ago, these tariffs were awarded to Plate Glass and now Triangle Glass is going out of business"

Manuel said Triangle Glass supplied their products cheaply to township glaziers, but with the increased cost, these glaziers were now facing closure

THE ANC's Trevor Manuel says that a vibrant small business sector could be the major provider of jobs in the economy

But, he argues, not only is too little being done for small business, the government has a twisted logic about job creation

Manuel says the Normative Economic Integrated Model, the government's economic plan, states that R51 billion until 1997 will create 1,3 million jobs

But only R60 million was given in the Budget to the National Economic Forum to create jobs and, according to Manuel, this would create only 1 529 jobs

On the other hand, R300m was provided for those retrenched 153A

"Let's say it costs four times more to create a job than to shed one SOUTH

"Then R300m for the retrenched would put 20 times more people out of work than the new jobs created by the NEF programme"

"That's wonderful logic We have a fund that would get rid of 30 000 jobs but only create 1 500 27/3 - 31/3/93.

"I don't understand this Do they realise that close to 4,8 million workers are unemployed?

"Only three percent of 400 000 school-leavers were absorbed into the formal economy The rest of them are contributing to crime in the country," he said

NSB's double victory

Court tells cops to lay off distributors:

By Joe Mdhlela
Consumer Reporter

Sowetan 26/3/93

THE National Sorghum Breweries scored a double victory when it won a court interdict stopping the police from harassing sorghum beer distributors in the Western Cape

A fortnight ago, NSB chief executive Mr Mohale Mahanyele sought a court order from the Cape Town Supreme Court to restrain police from arresting sorghum beer distributors in the area (153A) (62).

Mahanyele submitted in court papers that the harassment had become a pattern since NSB became a black-owned company in 1990 Mr Justice Kuhn ruled that the two respondents, the Minister of Police and the Cape Administrator, should refrain from interfering with general dealers involved in the sale of sorghum beer

Will Greenmarket site be given to upstarts?

25 (153#) CT 25/3/93

From BOB HAYWARD (Cape Town):

THANK YOU for your editorial "Mall Defiance" (Cape Times, March 19) As founder and operator of Greenmarket Square flea market, may I add some comments to this debate

After some five years of applications, the council extended our leased area to include the lower half of Greenmarket Square in December 1992 The National Traders' Association have, however, made it known that they have their eyes on that area

I respectfully urge the council against any such decision

My market on Greenmarket Square has a 10-year history based upon a lawful, orderly and properly channelled development When the original leased area overflowed, stallholders whom I could not accommodate placed their names on the waiting list They exercised restraint and patience, which was eventually rewarded We pressed the council for years to extend our trading area from the upper half (adjacent to the hotel) to the entire square and this was eventually done

Our traders are shattered to hear the persistent rumour that the council is even contemplating the displacement of Greenmarket Square traders in favour of the defiant newcomers on St George's Mall

Should this, in fact, happen, Greenmarket Square traders will interpret this in a very unfortunate way It will indicate that a lawful, orderly, restrained and patient approach to civic matters is naive and out of step with the times It will signal that people who do things properly are always going to come second

They will understand that, in the new order of things, it is necessary to take possession of territory, confront the authorities and issue threats This will be seen as the new manner in which to succeed

My traders are furthermore not impressed with the approach of "communalism" evidently practised by the National Traders' Association Greenmarket Square has operated for 10 years on the basis of private enterprise and this has produced a clean, secure and effective operation The traders and the council know who the operators are and there is an acceptance of responsibility and liability

The unfortunate situation which has arisen from the ill-considered Business Act has certainly created a headache The simple solution might seem, in certain quarters, to be the removal of some Greenmarket Square traders and the handing over of Greenmarket Square to the National Traders' Association. Our stallholders cannot accept that they ought to bear the brunt of this debâcle

Should that happen, many of our traders will see everything they have ever worked for go down the drain and will join the many other South Africans who are having to remove their children from university and see the repossession of their assets and foreclosure of mortgage bonds

I am confident that the Greenmarket Square traders will not be sacrificed for the sake of temporary convenience or expediency

Mall: Flood of applications

CT 24/3/93 1534

Staff Reporter

APPLICATIONS for trading site permits in St George's Mall have been flooding into the city council

Mr Eric Daniels, principal committee officer in utilities and works, said he had received 70 applications since the council invited traders to apply for restricted permits in the mall.

The National Traders Association, which claims to represent 80% of the informal traders now operating in the mall, handed over a petition with 20 000 signatures to the Adminstrator's office yesterday

"We are objecting to the unilateral way in which the city council decided to restrict trading to 40 sites," said chairman Mr Chris Lubbe

The closing date for permit applications in the mall is April 5



Johannesburg mayor Les Dishy with African Council for Hawkers and Informal Business president Lawrence Mavundla at the launch of the hawkers' Keep Clean Campaign yesterday.
Picture ROBERT BOTHA

Council backs city litter drive

(153A) THEO RAWANA (~~96~~)

THE 4 000 hawkers in the Johannesburg CBD generated eight tons of litter a day and the Johannesburg City Council was to assist them in ridding the streets of this dirt, mayor Les Dishy said yesterday. (~~56~~)

Addressing African Council for Hawkers and Informal Business (Achib) members at the launch of their Keep Clean Campaign, Dishy commended the street traders for embarking on the programme, saying it was important that hawkers made the task of the street cleaners easier 3 IDAY 25/3/93

The council would supply bags for litter and the hawkers would assist by dumping refuse into these, Dishy said

He urged people to avoid chaining tins, wood and other items to street poles, and to keep the area as clean as they found it at the beginning of the day. "Our CBD and environs are litter-free at the start of the day; let us try to keep it that way throughout the rest of the day," Dishy said.

The Clean Campaign, aimed at educating hawkers on the importance of keeping their trading areas clean, involved the election of a "keep clean" committee which would liaise with the council on issues concerning cleanliness, said Achib president Lawrence Mavundla.

The committee elected yesterday would look after the interests of the 4 000 hawkers in Johannesburg and a national committee would be elected at Achib's AGM in September to cater for the 900 000 hawkers in SA.

Dishy said the council had adopted policies such as the need to control street trading, to establish markets near high-volume pedestrian traffic and to mark sites where problems existed and to protect the environment

East India comes to CBD

1534

Star 23/3/93

By Meg Wilson
Property Editor

Central Johannesburg is to get its first theme retail complex — the East India Centre, in the old power station buildings behind the Stock Exchange.

And, in a departure from conventional retail developments, traders in the complex will purchase their stores on sectional title

The developers are Office Accommodation Investments (OAI), which three years ago won a city council tender to develop the site, and the Tiber Bonvec construction group

They will be seeking conventional bridging finance for the project Anglo American Property Services, which was to have put up R25 million for the original Turbine Square project on the site, is not now involved

Director Norman Bosman says OAI has already begun marketing the centre, and had had a positive response to the sectional title concept, particularly from Indian shopkeepers

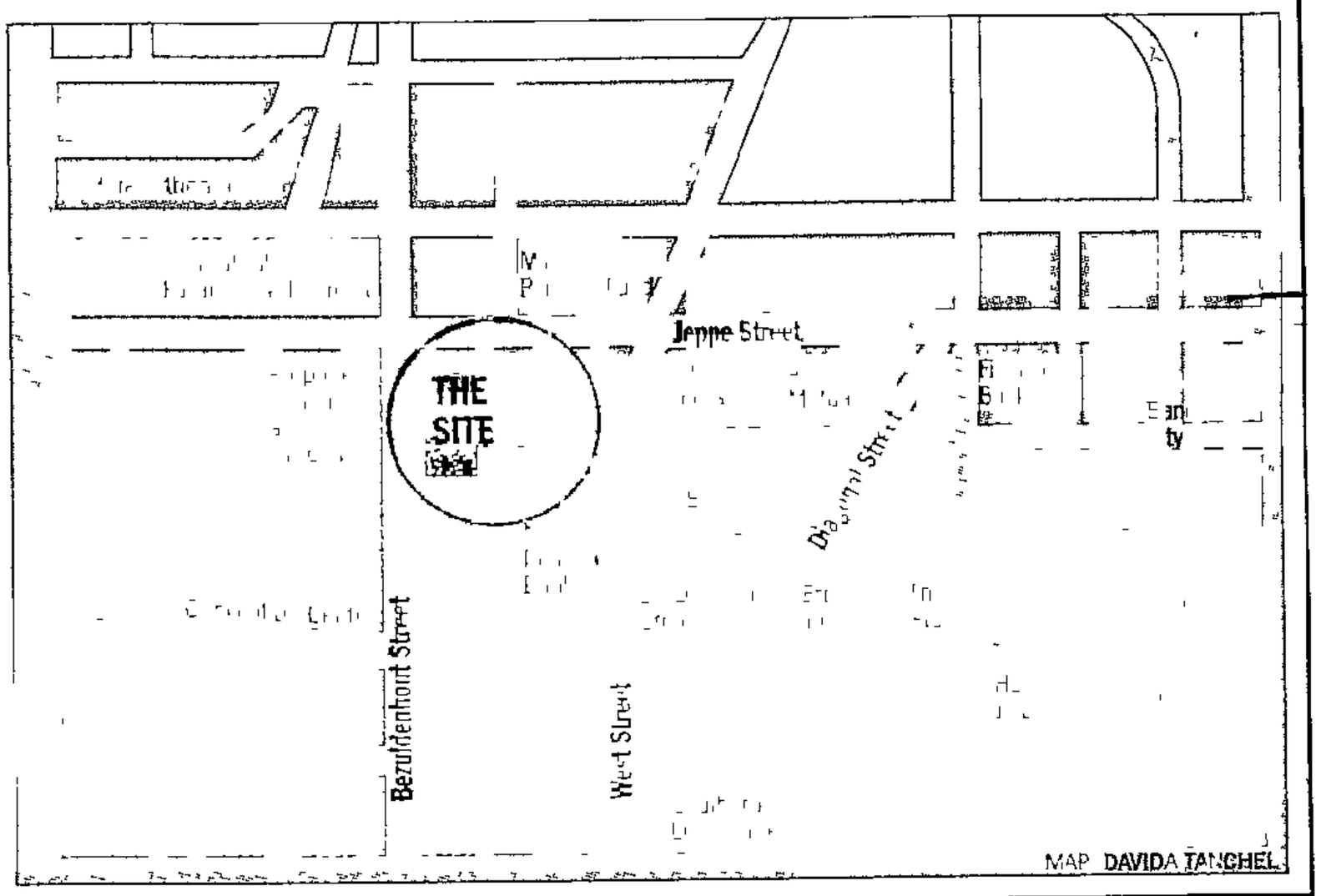
There have been inquiries, he says, from as far afield as Rustenburg, but most business will probably come from Lenasia, the informal sector and traders in the Oriental Plaza wishing to establish a presence in the financial district.

The theme of the centre will be the 19th Century World — harking back to "the great trading epoch" when sailing ships linked Europe to the Orient and the New World.

Phase one of the project will deliver about 15 000 sq m of retail space in stores from 6 sq m to about 100 sq m The design makes use of the slope of the site to provide three "ground floor" levels, coinciding with West Street, Bezuidenhout Street and Jeppe Street

Prices for the retail space vary depending on position, but average R5 000/sq m The initial sectional title levy has been set at R8,50/sq m a month

The centre will be the first major addition to the Johannesburg retail market since the Carlton Centre, and it is hoped it will form the nucleus of further development in the western CBD



LONDON — Somerset teenagers Kerry Moores and Zoe Greenhalgh will be performing secretarial duties this year at the ANC HQ in Johannesburg

Their work will take them 9 600 km from the sixth form of Richard Huish College, Taunton. They will help the ANC prepare for elections

The 17-year-olds are studying sociology They will be given the chance to examine racial relations at first hand

"There is a possibility of danger, I suppose," they said "But we will be well chaperoned and looked after and we have no worries about making the trip" — Star Bureau

British girls to work for ANC

Committed to business for all

SouTH 20/3-24/3/93 (153A)

THE Foundation for African Business and Consumer Services (FABCOS) is a non-racial business and consumer body committed to assisting disadvantaged communities in southern African

It mobilises key informal market segments under one banner, to help each one become a major participating force in the South African economy

The seventies saw an important milestone on the road to altering the history of South Africa — for disadvantaged people in particular Black South Africans decided they had had enough of the injustices of political disenfranchisement, economic exploitation and social dehumanisation — the time for positive action towards liberation had finally come

In response, 21 taxi operators came together to establish the Southern African Black Taxi Association (Sabta)

The success of Sabta was a model for business organisations within the black community and when the idea of "an association of associations" was first put forward in 1988, its model was adopted and various economic and consumer sectors established FABCOS

Today FABCOS has 12 affiliates representing more than a million members nationwide Affiliated organisations include the African Farmers Association, the Black Association of Travel Agents, the National Stokvels Association of South Africa, the South African Taverners Association and Sabta

FABCOS consists of two bodies the policy body comprising affiliated member associations assisted by two advisory councils, and the marketing arm, FABCOS Marketing (Fabmark)

FABCOS policy making is directed by an executive committee of elected office bearers

The executive committee translates the needs and aspirations of the affiliated member organisations into positive action plans, either through the policy body itself or by instructions to Fabmark.

The committee is assisted by the Corporate Advisory Council and the Community Advisory Forum in its dealings with formal business and the community

Made up of the major sponsors, the Corporate Advisory Council provides checks and balances and business orientated direction to the Executive

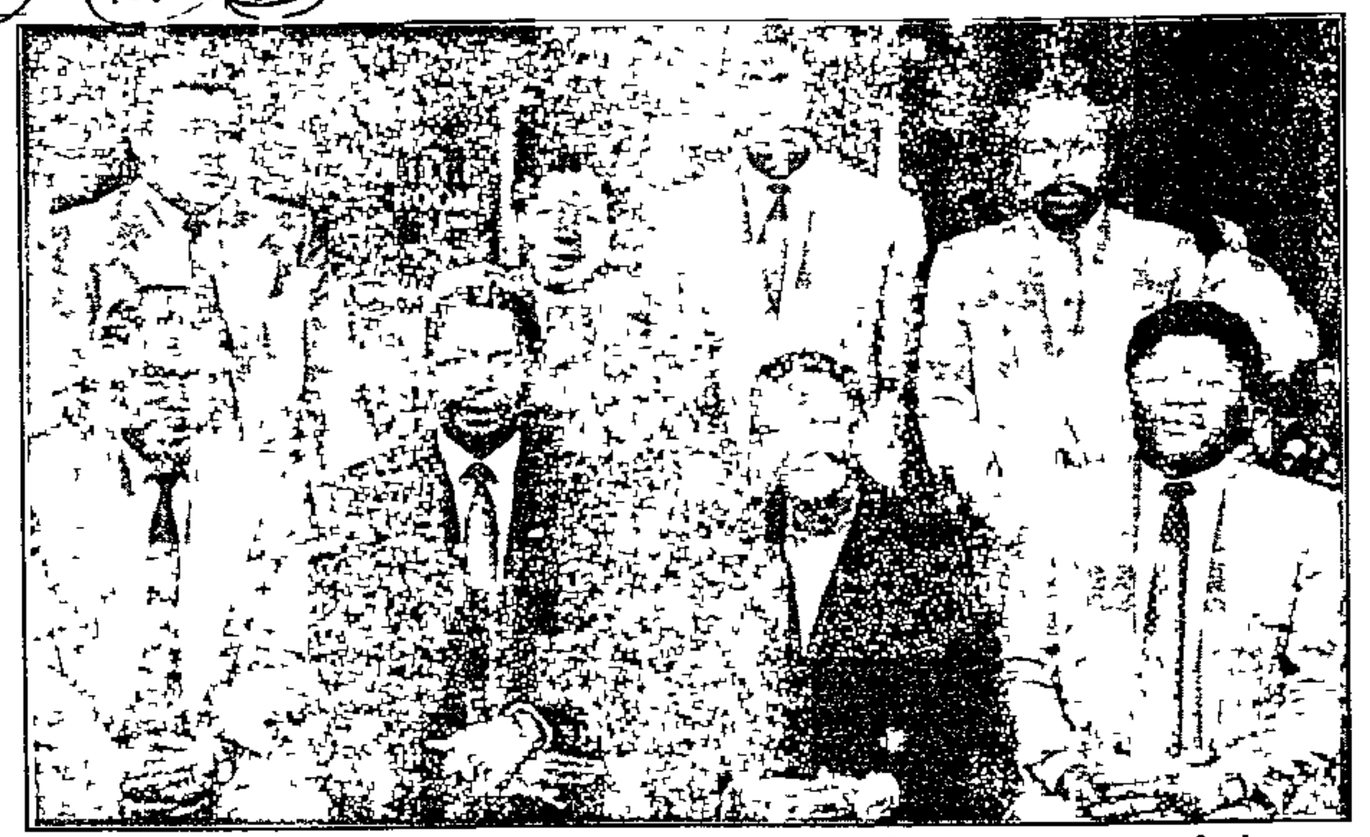
Everybody's **BUSINESS**

The Community Advisory Forum is chaired by Mr Aggrey Klaaste, editor of the Sowetan and provides a two-way communication conduit between FABCOS and the community that it serves

Fabmark is a private company, with FABCOS holding 50 percent of the equity and the balance being held by the directorate and staff of Fabmark. It operates in terms of a long-term mandate granted by FABCOS

Its major function is to provide nationwide infrastructure, support and service to the organisation

To provide specialised marketing support to the marketing-orientated affiliates, a number of specialised marketing satellites have been established, such as Aba Marketing, Afsure, Batasa Marketing



FABCOS EXECUTIVE. From left, standing: James Lenyehelo, Nonia Ramphomane, Andrew Lukhele, Abner Tambo. Sitting Sam Tuntubele, James Ngcoya, Ellen Khuzwayo, Joas Mogale

FABCOS' objectives are

- To register a central trust fund for all member associations and appoint independent trustees to administer the trust,
- To actively seek development funding both in South Africa and abroad and to administer the funds in the best interests of the member associations,
- To promote mutual support and aid among associations and business to create economic empowerment that will extend to a commitment to unite behind each other's projects to ensure success,
- To promote training and development for member associations,
- To act as a lobby to extend credit and finance facilities to member associations and reduce the cost of products used by members,
- To encourage members of affiliated associations to participate in the mainstream economy,
- To channel the cash-buying power of the consumer in a way that creates credit opportunities,
- To negotiate with the formal sector on joint ventures,
- To initiate, promote or oppose legislation which affects member associations,
- To secure uniformity, simplicity and efficiency of member associations' procedures and the administration of justice in all matters connected with the welfare of member organisations and the public, and the maintenance of high standards of the member associations,
- To oppose matters which impinge or encroach upon rights and privileges of member associations,
- In the interest of its member associations, to take up membership or co-operate with any other body, inside or outside Southern Africa and internationally,
- To publish a Code of Ethics for all member associations

FABCOS Western Cape was launched in 1989 and is headed by Mr Sam Tuntubele, who is also first vice-president of FABCOS National Their offices are at 7th Floor, 30 Waterkant Street, Cape Town Tel 21 5032 Fax 21 5039 More on FABCOS Western Cape next month

Sweet success started with R5

STAR 19/3/93

By Zingisa Mkhuma

Two years ago Samuel and Christinah Shongwe were unemployed, shared a one-roomed corrugated-iron shack, had only R5 between them and had six children to feed.

But now the enterprising couple from Mandela Village, an informal settlement outside Daveyton, are the proud owners of a thriving spaza shop

Although the couple have remained in the squatter settlement, they have purchased two plots and plan to start building a "proper home" in the area

The couple were yesterday awarded the Sanlam/Small Business Development Corporation (SBDC) emergent entrepreneur of the month award at a function held in Industria

Before 1991 the Shongwes' six children lived with Samuel's parents in Swaziland because the couple could not afford to pay for their schooling.

Christinah has never been to school and her husband received only three years of formal education The SBDC said it was Christinah who had approached them because she could speak Afrikaans.

However, she quickly pointed out that "Baba" (Samuel) was the "mastermind" who planned everything for the family.

She said the R8 profit from the sale of the first packet of sweets that she bought with the R5 in 1991 started them on the road to bigger things.

At yesterday's function, Samuel was asked whether he had anything to say It was one word, *dankie* (thank you), which said it all.

Small business to get a boost

CT 18/3/93 153A

Political Staff

THE government has provided R112,6 million in this year's Budget to promote the development of small businesses

This is an increase of R94m on last year

In the Budget, Finance Minister Mr Derek Keys notes that as a result of the long recession and large-scale urbanisation, participation as entrepreneurs in the informal sector, is often the only "refuge" available to a growing part of the labour force

'Hamstrung'

He said that it was estimated that small- and medium-size enterprises contributed as much as 26% of Gross Domestic Product (GDP), and provided work for 38% of the labour force

Mr Keys said in South Africa small businesses were hamstrung by

- Excessive control measures,
- Discriminatory business pratices,
- Inadequate support services,
- Insufficient access to financing services and markets, and
- Infrastructure, services and training

The minister said it had been decided to provide a more comprehensive package for small business and a special unit had been established which would play a "pro-active and co-ordinating role".

A "pioneer" fund would be set up with a R56m allocation The aim was to maintain this fund.

If the private sector increased its contribution to the fund, the government would consider raising its contribution.

Mr Keys said discussions were already under way with the National Economic Forum on a way in which it could provide input on how the funds should be allocqated

TBVC

He said a further R19m would be allocated to the existing credit guarantee fund which would be expanded to cover the homelands and TBVC states

The minister said about R30m would be given to the Development Bank to aid small businesses in the homelands and for training

Plea for ties with informal sector

153A

CT 18/3/93

Political Staff

CLOSER links needed to be forged between the formal and the informal financial sectors, Finance Minister Mr Derek Keys urged yesterday

He noted that the growing role of the informal sector in the South African economy called for better use of financing in that sector and the development of community lending institutions

Mr Keys said in his Budget speech that low income groups in the informal sector had so far received relatively little housing finance support from the formal financial sector

"The small businessman in the informal sector is therefore thrown largely upon moneylenders, who ask abnormally high interest rates from a captive market," he said

Mr Keys said that gradually to achieve a closer linkage between the two financial sectors and to lay the foundation for institutions such as co-operative banks, issues such as the role of community lending institutions and the creation of self-regulating organisations needed to be addressed

"The Registrar of Banks has already begun the spadework in this regard," he said.

Informal sector 'needs financing'

B/DAY 18/3/93 (153A)

LINDA ENSOR

CAPE TOWN — The growing role of the informal sector in the SA economy called for better financing of that sector and the development of community lending institutions, Finance Minister Derek Keys said in his Budget Review

He said the informal sector had so far received little support from the formal financial sector with the result that the small informal sector businessman was forced to rely largely on moneylenders who charged abnormally high interest rates

The only significant measure adopted so far was the channelling of funds through stokvels by the Independent Development Trust Finance Corporation to provide housing finance to low income groups.

"In order gradually to achieve a closer linkage between the two financial sectors and to lay the foundation for institutions such as co-operative banks, issues such as the role of community lending institutions and the creation of self-regulating organisations for the latter will need further attention.

"The Registrar of Banks has already begun the spadework in this regard"

Keys said the announcement in late December last year exempting loans of less than R6 000 from the provisions of the Usury Act was a step towards encouraging financial institutions to extend credit to the informal sector by providing for the high risk that could be attached to such lending

Traders vow to fight Mall decision

153A ARG 18/3/93

CLIVE SAWYER
Municipal Reporter

WE are here to stay, the National Traders Association has vowed in the face of a city council executive committee recommendation to slash to 40 the number of informal traders in St George's Mall

The association said the exco decision would mean most traders would lose their only source of income by not being guaranteed viable alternative sites

"Nobody can expect traders to leave the mall under such circumstances," a spokesman said

The city council, by not agreeing to allowing a large number of informal traders under controlled conditions, had opened the door to a repeat of the situation in central Johannesburg where hawkers had swamped the business district and forced it into decline.

"Further alienation between the city council and the larger community of Cape Town will ensue

"Community leaders have asked that informal traders be given a place in the sun in the mall, and more than 20 000 ordinary citizens of Cape Town have signed a petition supporting them, but the city council has decided to support those with vested interests who see small informal traders as a threat to their income

"To take such a decision in the full knowledge that unemployment and retrenchments are forcing hundreds of people into the informal sector shows an uncaring attitude on the part of a council that has always professed to to care"

The association said it was willing to re-open negotiations.

In the meantime, it was making representations to Administrator Mr Kobus Meiring, in the hope he would adopt a "broader" approach.

"We stated right at the outset that the formal and informal traders were here to stay We stand by that," the association spokesman said

A provincial spokesman confirmed a meeting had been held

Mr Meiring would prefer to be guided by a compromise between the city council and the informal traders, he said.

Exco chairman Mr Louis Kreiner said the decision referred to by the association was a recommendation by his committee, which had not been to put to the full council.

He rejected claims that the livelihood of informal traders was dependent on the market continuing in present form

"Many are fronts for factories and shops And in any case, the National Traders Association has admitted it does not represent all the traders."

Council limits mall traders to 40 stalls

ST 17/3/93 (153A)

Staff Reporter

ST GEORGE'S MALL traders' stalls, including the interlinking pedestrian areas, will be limited to 40 and each stall will pay a R180 weekly rental, the executive committee of the city council decided yesterday

The decision is scheduled to be passed by full council at the next meeting.

Traders pleaded for 80 sites in a smaller area between Wale and Short-market streets

The council said traders were a positive addition to the inner city but have decided to halve their numbers while still collecting R28 800 per month in rental from them

Site designation would be reviewed after six months and the council's collection of R172 800

The council cited their primary objection was that "the pedestrian network should be free of a cluttered street market"

Plastic crates find a use beyond the law

LLOYD COUTTS

AN INVESTIGATION into the annual disappearance of nearly a million plastic crates worth R13m has shown the containers are both everywhere and irrecoverable

The probe by the Plastics Federation has tracked many down to the informal sector, where their recycling and secondary applications can at times be described as ingenious.

Federation executive director Bill Naude said yesterday the steady increase in the loss of the crates had prompted a full investigation by the industry.

Naude said the investigation found the informal sector was using the crates for beds, tables and chairs. Some were used as building material — filled with rubble, stacked for walls and plastered.

Plot holders with stables, pigeon fanciers and vegetable growers were found to be using crates for feed and storage Crates were also being used as storage racks in home workshops and small industries.

Some were burnt for winter heating. One dairy found its replacement costs doubled in the months following last winter.

However, Naude said the federation believed the bulk of crates were being unlawfully recycled.

"Proof, however, is difficult to obtain since once the crate is granulated it cannot be traced," Naude said.

He said the main victims of "crate highjackings" were the meat and dairy industries, a number of whom were now threatening to lay criminal charges against anyone using their crates without authority.

Other major users of crates, like breweries and soft-drink suppliers, had had few losses because they were protected by a crate deposit system.

"Because of fierce competition the deposit system has not been instituted for dairy and meat crates. However, our investigation suggests that the disappearing crate problem can only be solved by a deposit system."

Building a daily living out of the rubble . . .

ARG 15/3/93 (153A)

EDWARD MOLOINYANE, Staff Reporter

A NYANGA dumping site has become a source of income for scores of destitute shack dwellers, who rummage through it daily for whatever they can sell

The daily routine of the Lusaka squatter camp brick collectors is like that of any worker in full-time employment — they work from dawn to dusk

The collectors, mostly widowed frail women, make a living by selling old bricks, steel and plastic found in piles of rubbish dumped at the site at the corner at the Modderdam and Klipfontein roads

The favourite among the dealers are old bricks dumped there from demolished buildings

According to Mr Thanduxolo Dayimane, 31, who also runs a mini vegetable stall next to his pile of bricks, business was "better" at weekends and brick collectors often run out of stock

"During the week we concentrate mostly on collecting as many bricks as we can As you can see we are next to a busy road, right in front of our customers who make inquiries about our prices as they pass

"At weekends they just come and buy On good weekends I make R80," he said

Mr Dayimane, a qualified carpenter has not been able to find a job since arriving in the city six years ago, said each brick sold for 20c

"This is obviously not much, it depends on how many bricks you collect," he said

Mother of five Mrs Nosamile Mantyi, 55, who came to Cape Town when her husband died in Transkei three years ago, said she resorted to collecting bricks and plastic when she could not find a job

Frail-looking and faced with the task of raising three children in their teens, Mrs Mantyi said her day started at 6am when the first trucks arrived

"I'm here almost the whole day every week," she said

Getting the bricks was also not easy, she said

"When the truck arrives you sometimes end up getting nothing because those stronger than you push you aside

"There is also the task of removing the old concrete from the brick and this also requires a little bit of strength"

She said she did not make much, but was able to keep the wolf from the door

Buyer Mr Wasfie Hendricks of Bishop Lavis said he had been doing business there for the past two years He bought plastic for recycling and paid the dealers 20c for a kilogram



Pictures OBED ZILWA, The Argus

DUSTY WORK: Brick collector Mrs Mavis Mangali removes cement from a old brick she is preparing for sale. Below The scramble begins as soon as a rubble truck arrives

Council hopeful in row with traders over mall

ART 13/3/93 (153A)

LIBBY PEACOCK
Weekend Argus Reporter

THE Cape Town City Council and representatives of informal traders in St George's Mall are still at loggerheads about the number of traders to be allowed in the Mall

But there had been "tremendous progress" in negotiations between the City Council and representatives of informal and formal traders in St George's Mall, National Traders' Association chairman Mr Chris Lubbe said yesterday .

Originally the City Council maintained that the Mall should revert to its original pedestrian status with no more than the original 13 street traders accommodated, but it has recently agreed to increase the number to 40.

The National Traders Association intends to negotiate sites for 80 traders.

The matter was discussed earlier this month by a working group comprising three representatives each from the formal and informal traders in the Mall, a Cape Town Chamber of Commerce representative, a Small Business Development Corporation representative and city councillors Mr Jack Frost, Mrs Patricia Sulcas Kreiner and Mr Gordon Oliver.

A City Administration Department report states that it was "generally agreed" that a total of 40 sites could be accommodated "over the entire area of the pedestrian network without detracting from the concept of pedestrianisation"

Recommendations included that the Amenities and Health Committees be asked to consider inviting public competition for the lease of the lower half of Greenmarket Square for informal street trading

Mr Lubbe said yesterday the National Traders' Association submitted the recommendations to a full meeting of 120 traders belonging to the association

The meeting unanimously agreed that the recommendations would result in most of them losing their source of income, as the majority would not be accommodated in the Mall or be guaranteed a place on the lower half of Greenmarket Square

Therefore the National Traders' Association proposed that 80 sites be made available to the informal traders in the area between Shortmarket and Wale Streets for a trial period of six months and that the lower half of Greenmarket Square be made available to the traders of the National Traders Association who could not be accommodated there

The Administrator is to make his final decision on the future of trading in the Mall by the end of the month

Women make a living from rubbish dumps

SOUTH 13/3 - 17/3/93 153A

By Sabata Ngcai and Diane Coetzer

ENTERPRISING African women have found an innovative way to resist poverty

They make a living by recycling rubble

In Crossroads and Nyanga, large numbers of women brick-pickers descend on loads dumped by building contractors Through the billowing dust they run to grab what they can

Then they carefully sift through the rubble, sorting out bits of bricks with hands rough and calloused from years of this existence

After hours of painstaking chiselling, almost-new bricks emerge which are then sold at 20 cents each

Nosithile Maki came to Cape Town from Transkei four years ago and could not find a job

She turned to recycling rubble, dumped by garbage trucks at a Nyanga dumping ground, to make ends meet

Her husband died in 1991 and she has to raise their six children.

"I sell bricks to squatter people so that my children can have something to eat before they go to bed," says Maki.

Crossroads women Margaret Tolgaat and Cynthia Mgote have been making a living off brick-picking since 1986

"It is very hard work," Tolgaat explains as she deftly demonstrates how to chisel bits of concrete off used bricks

The building rubble is dumped just off the N2

"We get up very early to get to the site and then it is a great rush to be the first there when the trucks unload."

Mgote says she is "tired and sore" from the work. But she has no option but to continue the work for the sake of her children

The women say they earn between R10 and R15 a day, selling their bricks at 20 cents each to Crossroads residents and people who come from other areas to buy the cut-price bricks

The cost of a hammer and an iron chisel is their initial capital outlay

Competition for the best pickings is tough, so Maki often pays for a load to be dropped in front of her shack.

"When I see a truck coming to unload rubble, I rush to ask the driver to dump it in front of my shack," Maki says.

"The truck driver charges me between R10 and R30 a load

"Many people buy in bulk, up to 1000 bricks."

"When I go to bed at night I am tired and I can't see properly because of the dust and sand which get into my eyes when the wind is blowing," Maki says

"As long as my children can eat before going to bed, I don't mind how hard I work."

Maki says the trucks do not come regularly to dump the rubble near the N2 When she does not find rubble there she goes to Philippi where rubble is also dumped

"I hire a truck for R40 or R50, depending on the load I want to take, to carry what I have collected from the Philippi dumping ground."

Maki says she has to pay a R10 deposit before the truck fetches the bricks and pays the balance when the bricks are sold

She says many unemployed women in Philippi learned from her that one could sell recycled bricks to feed their children





HEAVY LOAD: The brick-pickers of Crossroads and Nyanga clean and carry the recycled bricks which they sell to make a living Photos Yunus Mohamed

DESIGN A FLAG

Plan before starting out

Going into business may sound exciting But success requires thorough planning The SBDC gives some sound advice

SOWTH 13/3 - 17/3/93

STARTING a small business venture is one of the more exciting challenges one can face However, the success or failure of any enterprise depends on thorough planning

Most important is for the market the business intends to serve to project the income the business could generate

Market research is a neglected aspect of mini-businesses and usually the main reason they fail

The first step in assessing a business opportunity is to determine to what extent you can draw on your own skills, experience and education and determine whether you could improve or at least compete with existing products or services

Also, establish the size of the market To do this, footslog Speak to potential customers, suppliers, competitors — anyone from whom you may glean some information about the area you wish to do business in

If you plan to commit substantial capital to your venture, it may be wise to consult a market researcher

Everybody's **BUSINESS**

The benefit of starting small is that you can feel out the market without incurring exorbitant costs

A rough checklist of questions to be asked, with regard to the market, are:

- Is the market growing, contracting or remaining static?
- When are the peak times for your particular product or service?
- Where is your market located?
- Is it seasonal, and if so, why?
- What industries or other companies serve your particular market (who are your competitors)?
- Who are your suppliers or potential suppliers?
- Why does the market buy from the competitor?
- What can you do to counter the competition?
- What would an effective entry cost?
- How do you promote the new venture? How would you finance it?

What approach would you adopt?

- Would you be price competitive, or select to be quality competitive in terms of service and product?
- What regulations (red tape) are likely to govern or set limitations on your proposed venture?
- Why would people or companies buy your product or service?
- What are the needs of your potential customer in relation to the products or services you intend to provide?
- What kind of merchandising or packaging is required to attract more business?
- What would the buying power of your potential customers be?

With regard to the competition, you need to ask.

- Who are going to be your major competitors?
- How many are there and where are they located?
- How big are they and what proportion of the market do they hold?
- Which customers are they supplying?
- What is the competition charging?
- What are the strengths and weaknesses of your potential competition?
- Could you improve on your strengths to benefit from the weaknesses of your competition?
- Why do you imagine you would compete successfully?

You also need to identify the type of person or company which would buy your product or service This should include all the necessary characteristics, buying power, age, location, activities, needs

The more accurately and extensively the market is analysed, the greater the chance of success

Market research would inevitably suggest a course of action, as opportunities and obstacles would become more obvious

- More information may be obtained from the SBDC at 60 Sir Lowry Road, Cape Town or Tel 462 1910



BUSINESS AS USUAL. A small business hive made possible by the SBDC

"Everybody s Business" is a weekly column for those involved with or planning to start a smallbusiness It offers practical advice, and acts as a sounding board for those encountering problems or requiring further details

Owners to be polled on mall

(1537)

Municipal Reporter

A COUNCIL subcommittee is to ask owners of properties adjoining St George's Mall their opinions of a new plan by informal traders that 80 stalls should be allowed between Wale and Shortmarket Streets.

13/3/93

The meeting will take place on Monday, Mr Peter Alston, a spokesman for the council's utilities and works committee, said yesterday. He said no decision had been taken at yesterday's committee meeting.

Compromise proposal to council by mall traders

ARG 12/3/93 (153A)

CLIVE SAWYER
Municipal Reporter

A COMPROMISE to be put by St George's Mall informal traders to the city council today proposes 85 trading sites between Wale and Shortmarket streets.

Demands to trade in the rest of the mall are to be dropped

A National Traders Association delegation was to meet the utilities and works committee today to put its response to a council proposal to allow 40 traders in the mall between Wale Street and Thibault Square.

A spokesman said the association did not agree with the council plan because there was no guarantee its members would keep their sites in the mall, nor was there a guarantee they would get sites on the lower half of Greenmarket Square.

The council has proposed putting the lower half of the square out to tender, instead of giving the lease to Cape Fleamarkets. But, an official said, the tender process could result in Cape Fleamarkets getting the tender

The association said Greenmarket Square was public land and the council did not have to go to tender over its use.

"We are prepared to drop our demands for trading in the rest of the mall in favour of high-density trading in the short strip between Wale and Shortmarket.

"The area chosen will mean traders will be removed from the shopping strip, freeing the rest of the mall and neutralising most of the objections"

The association said it would develop Thibault Square as a pilot trading project, "to make it a viable market in the long term".

The compromise proposed by the association heightened chances of agreement on the future of informal trading in the central city in time for Administrator Mr Kobus Meiring's March 24 deadline for comment, the spokesman said.

Meanwhile, executive committee chairman Mr Louis Kreiner has rejected a claim that the Land Use Planning Ordinance makes it mandatory for the council to act against mall traders

A lawyer acting for a property owner said the ordinance did not leave the council a choice about whether to act when the zoning scheme was violated.

Sections of the zoning scheme said a designated public street might not be used for trading without the consent of the city council.

There was no record of the council agreeing to allow trading in St George's Mall, which was technically still a public street

But Mr Kreiner said other legal opinion was that it was not mandatory for the council to act.

Investment company asks stokvels to divert funds to Krugerrands

INVESTMENT company Consortium Consolidated is urging stokvels to divert a portion of their members' funds from savings accounts and unit trusts and invest it in gold coins.

Mervyn Howard, firm's senior financial adviser, says members of stokvels are getting a raw deal from financial institutions in that they are paid "minimal interest rates".

He said "unit trusts have shown progressively poorer returns over the past five years With the majority of blue chip companies (reporting) poor results, there will not be a dramatic improvement for months in this sector."

It is, therefore, advisable for stokvels to spread their risks, he says, adding that his company is offering stokvels an "investment medium" over which they will have control and which will offer them — among other things — tax benefits.

This medium, Krugerrands, can be used by stokvels as collateral when borrowing money from banks He has been assured by the Receiver of Revenue that interest payable on money borrowed by stokvels for "constructive purposes" such as cost-effective housing, will be tax-deductible.

WILSON ZWANE

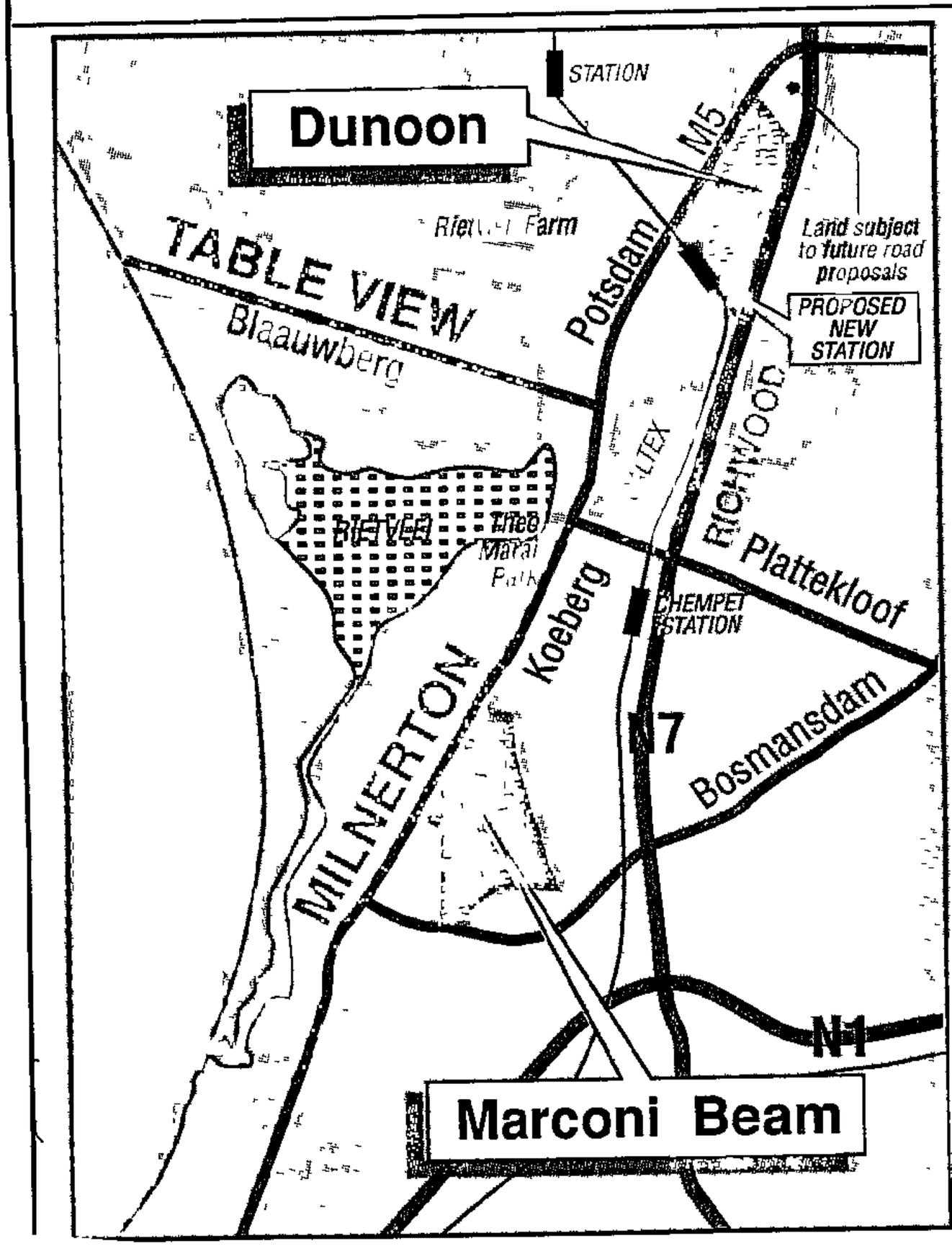
The move by Consortium Consolidated to get stokvels to invest in gold coins comes as negotiations between the National Stokvels' Association of SA and the Board of Executors (BoE) on the development of a special investment product for stokvel members continue

Association consultant Stephen Japp said recently a number of companies in the US and Britain had signalled they would invest in a specially-designed unit trust product for stokvel members, provided it yielded good returns and was "benefiting people on the ground".

Association president Andrew Lukhele has said his organisation planned to alleviate the black housing crisis by diverting millions of rands from banks to specially designed unit trusts, which would serve as collateral for home loans

The plan, Lukhele said, would allow black savings to be ploughed back into black communities rather than having the money lent to affluent whites

In 1991, stokvels collected an estimated R83m a month compared with R52m in 1989, recent figures indicated.



Lower half of Square for 'free' trading?

153A
ARG 11/3/93

CLIVE SAWYER
Municipal Reporter

THE city council could decide not to lease the lower half of Greenmarket Square to Cape Fleamarkets — which controls the rest of the square — in favour of informal traders operating there without being controlled by a single lessor.

A working group of the utilities and works sub-committee on informal trading has proposed the change as part of a possible solution to the dilemma over hawking in the central city

The proposal to allow informal traders to take over the lower half of Greenmarket Square will be put to the amenities and health committee, which controls the square, today

The utilities committee will decide tomorrow whether the number of hawkers in St George's Mall between Thibault Square and Wale Street may be increased to 40

Informal traders asked at a meeting of the working group last Thursday that the number of hawkers allowed in the area be increased to 63, including the 13 who had permits to operate in the mall before the Businesses Act took effect last year

But this was turned down in favour of a maximum of 40, including the 13 original hawkers

A provincial administration spokesman said Administrator Kobus Meiring "strongly believed" in finding a balance between the interests of informal and formal business

Letters for and against deregulated hawking in the central city were streaming in, the spokesman said

The deadline for comment on a proposal to declare the mall a hawker-free zone is March 24

After that, Mr Meiring is expected to issue a proclamation on hawking in the central business district His options include confirming the hawker-free zone, or endorsing any agreement which may be worked out in time for the deadline by the city council, formal and informal traders, and property owners

Public sector in bid to reinforce small businesses

JOHN DLUDLU 153A

SMALL and informal business looks set to get a financial boost from the public sector, according to Finance Minister Derek Keys's economic plan unveiled yesterday. B/DAily 10/3/93

The document spells out an approach through which small business can be promoted Amongs the suggestions it makes is that small business be given concessions in the implementation of value added tax (VAT).

It says partial financing of the Small Business Development Corporation (SBDC) could be brought about by means of share capital in partnership with the private sector, and the allocation of special programme-bound capital grants.

It also calls for continuous contribution to the funding of non income-generating activities as well as subsidies to increase the yield on less profitable projects.

Capital funds must be channelled to different development corporations in the independent and self-governing states through the Development Bank of Southern Africa Training and direct job creation programmes should be initiated and funded

The plan provides for partial privatisation of matching aspects of the public sector, with emphasis on the creation of opportunities for small business

The document gives guidelines on government-supported development institutions regarding small business. It suggests that the lending rates of these development institutions should be market-related and that the objective of funding should be to finance potentially viable small business enterprises which do not comply with the creditworthiness of private sector financial institutions. It says subsidisation should be on a temporary basis and the state's role should be circumscribed

Turning to the bank indemnity scheme — which was established in 1990 — it notes access to the scheme had been limited to a few enterprises that were regarded as high-risk cases. It says access to private sector funding could be improved if banks could be persuaded to shift their emphasis from creditworthiness to an output (yield) criteria.

Local authorities, it suggests, can alleviate the problem of accessibility of industrial and trade premises in disadvantaged communities by easing certain landuse rights Limitations on private property ownership should also be eliminated. It sees the role of organised business as being to advise government on difficulties experienced by small business

The document notes that the transfer of expertise in SA is inadequate to meet all the training needs of entrepreneurs. In this regard it suggests an "all-embracing programme" be formulated to support small business expertise transfer

(13A)

SIDAY 10/3/93

Stalls built for hawkers

FIRST National Bank had built 21 stalls for hawkers around its Bank City complex in Johannesburg, divisional GM John Collett said yesterday. He told a workshop on informal trading, organised by the Central Johannesburg Partnership, that FNB recognised there was a need for formal and informal traders to coexist. The bank had removed the "No Hawking" signs it had put up in the area

Star 10/3/93

City centre businesses to lease pavements

153A

By Abdul Milazi

The Johannesburg City Council will lease pavements to businesses as a way of controlling informal trading in the city centre, assistant executive director of urbanisation Silas Mbedzi said at a meeting held at the Johannesburg Civic Centre yesterday.

Mbedzi said the council had recognised informal traders as an economic necessity. However, the rapid growth of informal trade had caused problems, including littering and obstructed pavements

"We will lease out pavements to businessmen so that they can control informal trading in front of their shops However, we are doing this on an experimental basis," said Mbedzi.

He said the council would establish informal markets and define permissible sites for trading The council would also have to change existing bylaws regarding informal trading.

Representatives of formal and informal traders at the meeting agreed to work together to bring prosperity to the city. The groups agreed that some form of control over informal trading was needed.

First National Bank divisional general manager John Collett, who represented formal businesses, said his bank had already made provisions for informal traders in front of Bank City in Pritchard Street. Bank City was the first business to sign a pavement lease in the council's experimental programme

Taxman is eyeing flea market traders

BDMy 14/4/93

TRACY SCHNEIDER

THE Inland Revenue Department would clamp down on informal sector traders evading income tax, policy chief director Trevor van Heerden warned yesterday.

He said the moratorium on tax evasion would end on August 31, after which informal sector traders — particularly flea market traders — would be "vigorously investigated".

Under the moratorium no penalty would be imposed for late returns for 1993 or previous years submitted before end-August. This concession also applied to those who had not registered for income tax purposes.

Van Heerden said some flea market traders were earning substantial undeclared incomes. "We cannot say exactly how much is passing us by, but it is definitely enough to warrant more attention than in the past."

Flea markets' growing popularity made them a good source of revenue, with traders liable to submit returns after earning about R12 000 a year.

"We are concerned about the situation and have recently sent people overseas to see what measures are being used to police flea markets and bring traders into the tax system," said Van Heerden.

The organiser of a well-known flea market said the move was unfortunate, as traders were trying to make ends meet in the face of a slack economy. "I think it is disgusting that the Receiver wants to crack down on the little guy," he said.

Foreign hawkers pose problem

THEO RAWANA

THE influx of foreign African hawkers into Johannesburg has presented a problem for the local hawkers' organisation and the city council.

The African Council for Hawkers and Informal Business (Achib) said yesterday there were 2 800 Zambian, Zimbabwean and other African traders plying their trade in the Johannesburg station area alone.

"They come in droves and trade in all manner of merchandise, turning down offers of membership to local organisations. This renders them free to flout regulations and norms we are trying to fashion for orderly trade in the city," Mavundla said.

Mavundla said it irked him that the "black hawker" got the blame for whatever untoward behaviour was observed by the public and the authorities, no matter where the culprit came from.

Johannesburg City Council urbanisation director Cedric de Beer said the council could not do anything about illegal immigrants.

"That is the national government's responsibility," he said

And the Business Act of 1991 had done away with registration requirements for hawkers, which made the council powerless to take action against the traders.

"But we do need some form of identification of informal traders, and for this we will need to sit down with the trader organisations and the police," said de Beer.

Mavundla said the problem Achib had with Chinese traders last year was almost solved An agreement on how the two parties would co-operate, which in part allows local hawkers to source supplies directly from China, would be signed next week.

"After the signing of the accord with the Chinese, we will be able to address the question of the African traders," Mavundla said

STREET TRADING

Breaking the deadlock

Two years after parliament passed the Business Act, three of the four provinces have yet to implement it The Act scrapped shop-hour laws, many restrictions on hawkers and the need for most trading licences But the measure has encountered strong resistance from local bureaucrats and pressure groups from the formal sector Only the Cape has implemented it, though interim measures elsewhere have exempted traders from licensing requirements

Now government is backtracking on its deregulatory thrust

A proposed amendment to the Act could end the impasse by July The Act now prohibits hawking in a few areas, such as near government buildings, but does not allow local authorities to place restrictions on hawking elsewhere

The Law Review Project's Louise Tager says the amendment will allow local authorities to restrict hawking in more areas "The amendment will give local authorities the opportunity to better manage street vending."



Tager

She says an example of a restricted area would be a beachfront or shopping mall, where hawking would be allowed but under certain conditions

Stepping backwards

Critics, particularly hawkers, argue that such an amendment is a step backwards and could pave the way for recalcitrant authorities and the formal sector to once again ban informal traders from the most lucrative trading spots (*Business & Technology* December 18)

Tager stresses that the amendment won't allow authorities to prohibit trading at will She says the amendment will allow a local authority to demarcate a restricted area only after its intention has been advertised for comment and approved by the administrator of the province

She envisages that once an area has been set aside as restricted, a city council could lease the area to a company or group that could then determine specific controls on street trading for that area.

But this possibility would also have to be advertised, she says First National Bank has plans to do this at its Bank City complex in Johannesburg

"Of course public pressure is the best means to ensure that the amendment isn't abused," says Tager, who played a substantial role in making recommendations in the drafting of the Act

She points out that local authorities will in any event have to become increasingly responsive to their changing constituency "Meanwhile, a balance has to be struck between the city's ratepayers on the one hand and those who stimulate economic growth on the other" ■

Small business conference to formulate strategy

Sowetan 17/4 - 21/4/93.

THE second international conference on small business will be held in Durban from May 2 to May 4.

The event is being held jointly by the Small Business Development Corporation (SBDC) and the International Council for Small Business.

The theme of the conference is "Prosperity for Africa" and will focus on formulating a national strategy for small business and medium enterprises (SME's) in Southern Africa.

About 20 experts on SME development will address the conference

Among the speakers are Zubalrul Haque, deputy general of the Grameen Bank in Bangladesh, Dr Yoon-BaeOuh of the Soongsil University in Seoul, South Korea and Mr Raj Makoond, deputy secretary of the Mauritius Chamber of Commerce and Industry

SBDC managing director Mr Ben Vosloo will open the conference on Sunday May 2 Dr Anton Rupert will be the keynote speaker on Monday May 3

Conference registration forms can be obtained from Mrs Rita Vrits at the ICSB-SA Secretariat, P.O. Box 7780, Johannesburg, 2000

For more details telephone (011) 643-7351 or fax 642-2791.

Street-market control urged

153A

Municipal Reporter

PROPOSED amendments to the Businesses Act will give back control over street markets to councils — and should not be held up with unnecessary objections

This was voiced by Cape Town city councillor Mr Neil Ross during a debate on informal trading at the Cape Province Municipal Association congress.

ARG 2/4/93

He warned that delaying the amendment Bill would prevent it coming before parliament this year, thus prolonging the situation

At the association's annual congress, motions from the councils of Parow, Still Bay, Cape Town and Fish Hoek were tabled calling for greater council control of informal trading.

Hawking: More local control

CT 21/4/93 (153A)

NEW legislation giving local authorities more control over street-hawking is expected to be passed by Parliament in the next few weeks

Councillor Mr Neil Ross said at the Cape Province Municipal Association congress in Strand yesterday that proposed amendments to the legislation met most of Cape Town's objections to the deregulation of street-hawking

"The bill may have imperfections, but let's save our objections for a later date and get on with the job," he said "I have been told that if it is not before Parliament in a couple of weeks, we will have no hope of its being passed this year"

Professor Danie Schumann, the outgoing CPMA president, said an agreement had been reached that "under certain conditions" local government would get the right to declare hawker-prohibited areas and would receive greater powers to control hawking

"We also decided on a process through which the legislation could come before Parliament by mid-April," he said

BUSINESS Prize-winner battles to increase turnover

Winning carpenter forges ahead

■ **NO REGRETS** Finance still a problem for entrepreneur of the year even after acclaim:

By Mzimkulu Malunga

THOUGH 1992's winner of the *Sowetan*-Sanlam Entrepreneur of the Year competition, Amon Majola, has made some progress in his business, access to finance remains a major problem

"If I had money I would be three steps ahead now But the way things stand, I am still operating on a shoestring If I have money today, I am forced to use it somewhere else tomorrow," he says

He has increased his staff to three people and has employed someone part-time to do sketches of items to be manufactured

"I no longer have to worry about what a kitchen unit or bedroom suite is going to look like With this lady around, I now base my designs on her drawings, which makes things much easier for me," says Majola

His business, Million Dollar Furniture, has a considerable number of clients — but meeting their demands is another issue

Material for the manufacture of kitchen units, wardrobes (built-in or detached), bedroom suites and office equipment is expensive as he has to pay cash for everything

The suppliers want people who buy in large quantities, which he cannot afford and which could be wasteful as Majola designs and produces items with different shapes

As a result, it is difficult for him to get a discount



Amon Majola

Sowetan 23/4/93 (153A)

The money people pay as a deposit when placing an orders for items they want manufactured, is not enough to buy the material required to complete the job before full payment is made

On the other hand, he cannot manufacture a kitchen unit or any other product without receiving an order, as the items vary in size depending on the space the customer has in his house

Competition is very high In the Orlando Industrial Park alone he has six competitors

"I no longer have to worry about what a kitchen unit or bedroom suite is going to look like. With this lady around, I now base my designs on her drawings, which makes things much easier"

However, Majola is not worried Million Dollar Furniture bedroom suites and built-in wardrobes are the best in the park "I have no doubt about that"

This gentle, well-built and hardworking man hails from rural Natal and ventured into carpentry with virtually no training at all

It all started six years ago when Majola was doing "eye-shopping" in one of the northern suburbs

"I saw a sideboard that was painted maroon and could not believe it was made of a wood

"This stimulated my interest and I wanted to see if I could do the same as well," he says with a spontaneous smile

Soon after, Majola left his job as a labourer at a painting company in Newlands to venture into the unknown Since then he has never looked back and has no regrets.

(Amon Majola's business is at No 59, Complex 2, Orlando West Industrial Park, Soweto Tel (011) 936-1815)

New scheme to help black entrepreneurs

Sowetan 23/4/93

■ Proposed venture could guarantee R400 000 loan:

By Mzimkulu Malunga

A new scheme to be launched jointly by Business Challenge and two banks will provide loans to the tune of R400 000 to black entrepreneurs wishing to start business ventures

Business Challenge's chief executive, Mr Phil Khumalo, says a deal has been struck with a commercial bank and a development orientated financial institution to launch a credit facility for the provision of loans to prospective black entrepreneurs

The programme is due to be launched in the next few weeks and it will be operational by mid-May

Unlike the previous scheme with Allied Bank - now part of the Absa group - the new scheme will place emphasis on the viability of the proposed venture as opposed to the ability of the applicant to provide security for the loan

The commercial bank concerned will administer the programme and contribute some of the loan finance, while the developmental institution will guarantee the loans from the commercial bank

The institution will also make available additional finance on loan applications exceeding R100 000

Business Challenge's major role will be to screen applications, make decisions on loans of R100 000 and less and assist the commercial bank with administrative work.

According to Khumalo, major areas of focus when issuing the loans will be franchises, wholesale and fast foods ventures, subcontracting, refrigeration services for taverns, bridging finance, as well as filling station business

The loan amounts vary between R20 000 and R400 000 and interest on repayment of instalments will be determined by the prevalent rate

There will also be a three percent tax on all loans which will be used to cover Business Challenge's administrative costs

Khumalo says deposits totalling over a R1 million are still safe with Allied Bank and members can contact the office regarding the names of financial institutions involved in the new scheme

Markets are the life-blood

South 24/4 - 28/4/93.

Everybody's BUSINESS

FOR any business to succeed there has to be a sustainable market Without it, even the most dynamic entrepreneur will soon be in financial difficulty.

The Cape Town Job Creation Project has identified sub-contracting as a means to promote small business and create employment.

This does not mean only the growth of small business, but also the transfer of technology to small businesses.

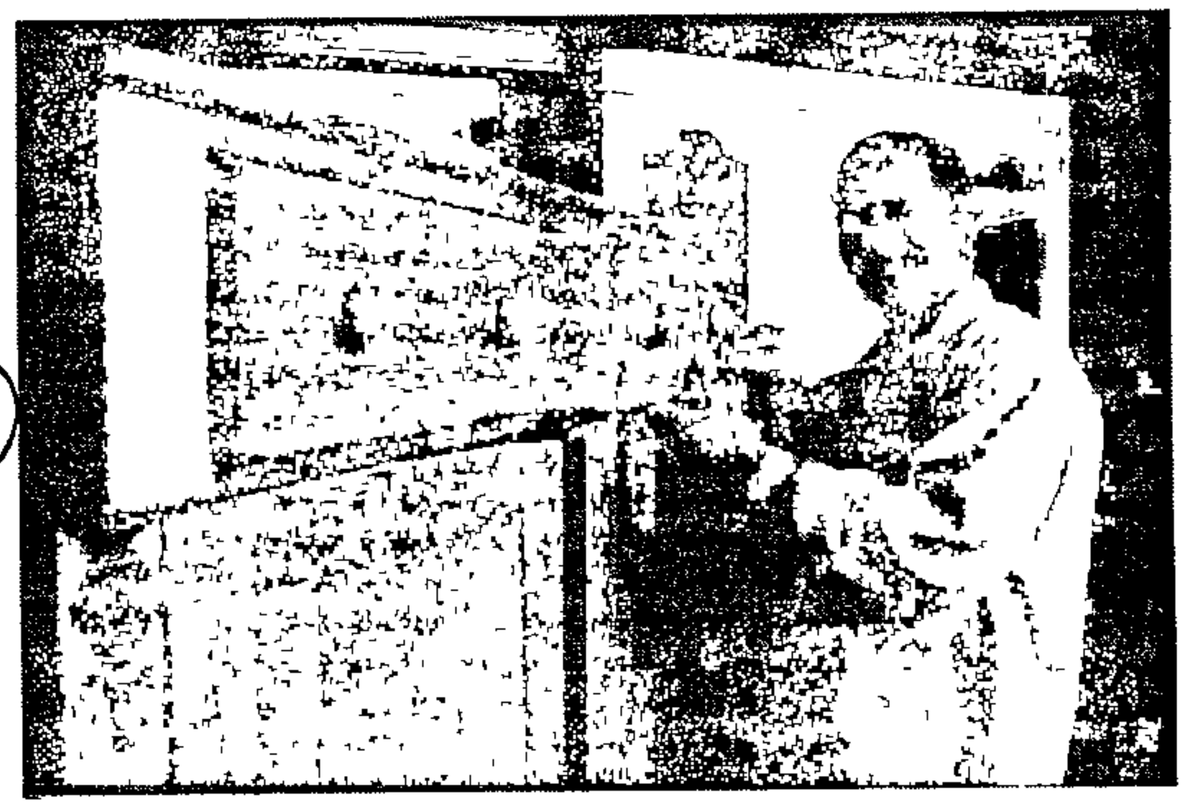
The project offers services such as facilitating credit lines, loans, obtaining premises and linking aspirant entrepreneurs with corporate businesses

One instance of identifying a market is the supply of school uniforms. With the increasing number of schools being built in the townships, the project has encouraged entrepreneurs to target this market.

Monica Kama, a Khayelithsha entrepreneur, from Monza's Designs, has secured a contract to make uniforms for two schools in her area, catering for a total of 3 000 pupils.

Another entrepreneur has also been involved in making uniforms for schools and the project is facilitating this process.

The project helped small businesses to open credit lines at SBH Cotton Mills to obtain material.



ON THE JOB: The Cape Town Job Creation Project provides work opportunities for carpenters

It has also facilitated the securing of a contract for township entrepreneur, Isaac Magandela, to clean the offices of big companies

Insurance groups and retail groups have also been targeted.

Many of the project's clients are carpenters who produce built-in cupboards.

Because there is stiff competition for these items, the project has identified school furniture as the market to target.

The project is currently negotiating with the Department of Education and Training to secure contracts for their clients

● The Cape Town Job Creation Project can be contacted for more information at 31-6101

clusive tourist destination or a place worthwhile visit- borders of Pretoria.

Council levels playing field for the small business sector

BIDAM 27/4/93. 153A

PRETORIA has realised the importance of the small and informal business sector and all attempts are being made to level the playing field for all concerned

The first step was to minimise red tape by deregulating as far as possible to make it easy for the small and informal businessman to operate in the city.

According to the Small Business Development Corporation (SBDC) in the northern and eastern Transvaal region, the small business sector creates about 75% of all new job opportunities — a fact recognised by the council

The SBDC estimates that Pretoria and KwaNdebele to the east of the city are responsible for between 5% and 10% of all informal activity in SA

A feature of the informal sector is the number of whites entering it, particularly those offering "high-level services" This can be ascribed to the city's more relaxed approach towards business conducted from private homes

Identified

To accommodate the city's taxi owners and "pavement entrepreneurs", certain trading points have alreay been identified by the council which will not hamper pedestrian traffic

In co-operation with the SBDC, the council is also providing these sectors with accommodation, finance and advisory serives to ensure optimal growth

The formation of a forum which will provide these sectors with a platform to air their views is high on the council's agenda, Pretoria Marketing director Peet du Preez says

"We want to hear from them about what they want and exactly where they want it"

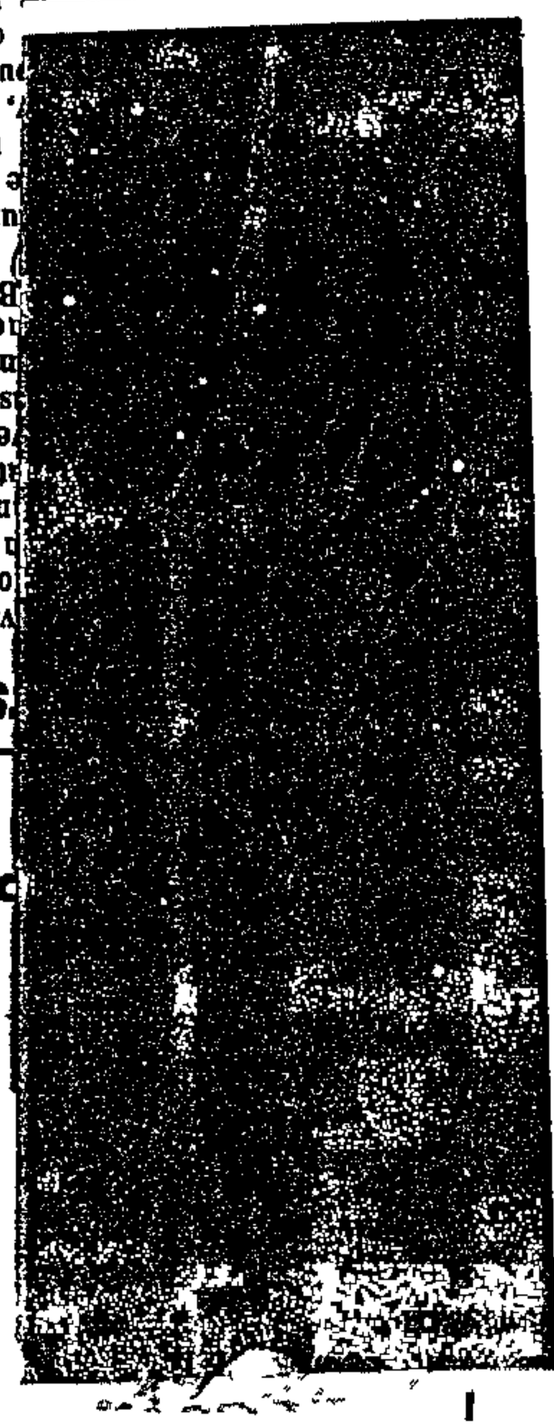
Du Preez says the council, in co-operation with formal business, is available to these sectors in an advisory capacity and is eager and able to assist and facilitate their needs

Training and educational facilities have already been made available by the council to this sector

The council is set on attempting to prevent the migration of this sector to other areas, taking with it an important provider of employment and source of economic growth



PEET DU PREEZ



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Contact
Caron Dean – Tel (012) 342-1167

NEWS Goverment steps down after talks ● Knocking sense into Government's head

May 26 is D-day for schools occupation

Sowetan 29/4/93.

■ **'On that day white education will be brought to a halt':**

WHITE schools, including colleges of education and universities, will be targeted for mass occupation on May 26 to force the Government to address the crisis in black education, the southern Transvaal region of the National Education Co-ordinating Committee warned yesterday

NECC regional secretary Amon Msane said all white institutions which still upheld the status quo would be disrupted in a campaign tot "knock sense into the Government's head"

"On that day white education will be brought to a halt," Msane warned

He added, however, that white schools that were committed to the struggle for integration in education would not be affected

Msane said a short list of schools to be targeted was still being drawn up and the names of those institutions would only be disclosed when the campaign was launched

The NECC is demanding an end to the unilateral restructuring of education, the establishment of a national negotiating forum on education and the scrapping of matric examination fees

Msane said previous meetings with the Minister of National Education, Mr Piet Marais, and the Minister of Education and Training, Mr Sam de Beer, had failed to produce the required results

"The Government has been negative to all our attempts to negotiate these issues All our meetings have ended in a deadlock and so we have to unlock the jams through mass action," Msane said

He said various zones and branches of the NECC would co-ordinate marches to targeted white schools

Sorghum beer will still flow freely

Sowetan 29/4/93.

153/1

■ **LICENSING PERMITS** Proposals to put the industry under the Liquor Act dropped:

By Joshua Raboroko

THE GOVERNMENT has dropped proposals to bring the sorghum beer industry under the Liquor Act after an urgent meeting with the black-owned National Sorghum Breweries in Cape Town this week

The decision was taken after "cordial and friendly deliberations on technical, cultural, legal and principal issues", the Deputy Minister of Trade and Industry, Mr David Graaff, announced yesterday

In a statement the Minister said certain amendments to the Liquor Amendment Bill concerning the sorghum beer industry had been proposed by the parliamentary joint committee on trade and industry

After consultation with NSB's chief executive, Mr Mohale Mahanyele, it was "agreed that the Minister would request Parliament to withdraw the amendments in the Liquor Amendment Bill pertaining to the sorghum beer industry"

NSB executive director Mr Israel Skosana yesterday said they were delighted with the decision Black business had expressed its anger and frustration, he said

The company together with black business — especially the informal sector — had threatened to defy proposals that sorghum beer be placed under the Liquor Act

Sources said the move would have taken black business to the "prohibition days" of the 1950s when blacks were not allowed to buy or drink "white" liquor except by express permission

The proposal also meant that 500 000 informal sellers would have to face unfamiliar legal processes and high capital outlays to obtain licences

SOWETAN Friday April 30 1993

Zodwa strikes clean gold

■ ENTREPRENEUR OF THE YEAR Graduate sweeps up the opposition:

WHEN ZODWA TSHABALALA bought a sophisticated cleaning machine from a salesman after a demonstration, she did not realise that it was the first step towards starting her own business.

The machine cost R5 000 and she wanted it to pay for itself

"I paid cash for it and I decided that it should pay me back my money.

"Then I started cleaning friends' apartments in my spare time," said Tshabalala, who was then a projects co-ordinator for the South Africa Students Internship Foundation

Sasif is an organisation which equips black graduates with skills to market themselves better for jobs

Sowetan 30/4/93, (153A)

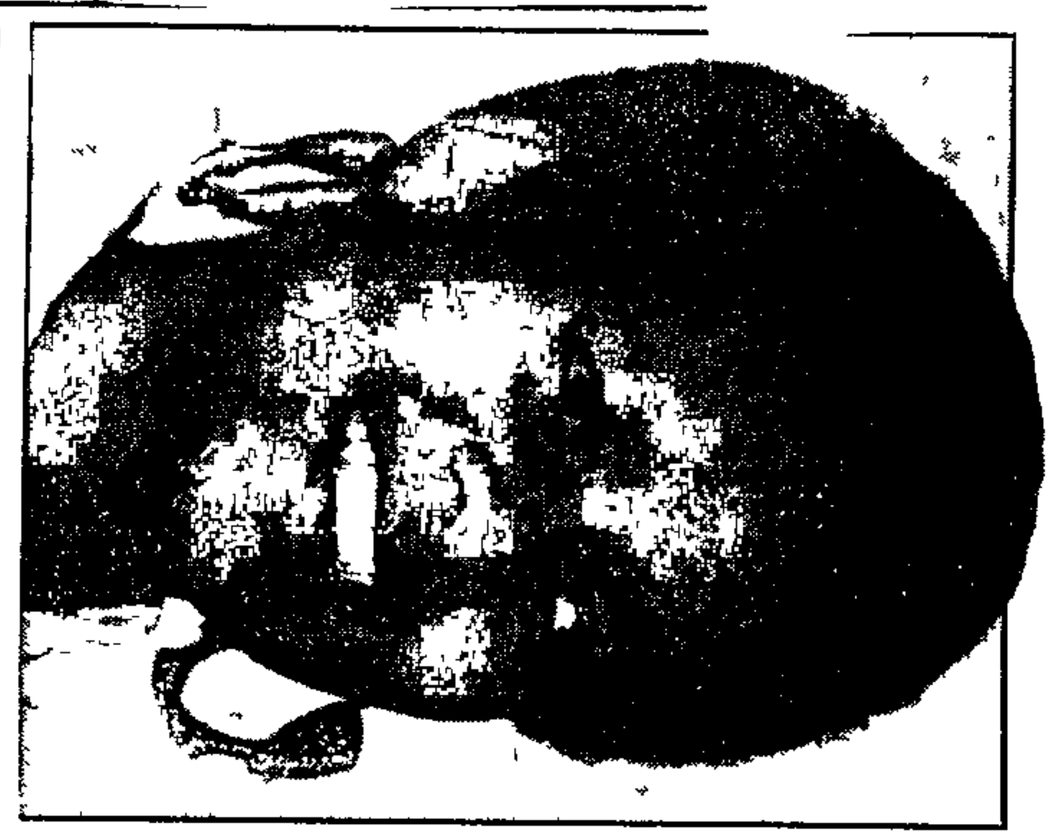
Tshabalala's part-time cleaning business soon gained momentum

"I found that there was a need for this type of service, to the extent that I was able to get someone else to help me"

Things started happening for Tshabalala Six months later her company, the Brush and Broom Cleaning Services, secured a big contract.

She saw an advertisement in *Sowetan* in which the newspaper invited applications from black companies which could offer cleaning services for its offices. She promptly made an application

After waiting for about four months,



Zodwa Tshabalala ... things are happening

Tshabalala secured the contract and employed three more people

She presently employs four people - three men and a woman The money she makes from her newly clinched contract with *Sowetan* now comprises 75 percent of her monthly income

Tshabalala did not turn her back on her other customers The company still provides cleaning services for places like Barnato Hall, a student residence at Wits University's West Campus

Providing cleaning services for private homes contributes 25 percent of her monthly income of about R6 000

The business that Tshabalala has decided to venture into is highly physical in nature and for a university graduate it appears an odd move - but she is not worried

"I know this business is not going to make me rich overnight but, if handled properly, it is worthwhile," she said

She feels much more in control of the situation at the moment and is negotiating additional contracts

As experts say, an act of starting a business itself is a sign of entrepreneurship Although technically, argue experts, everybody can be an entrepreneur, some people's entrepreneurial spirit is higher Perhaps this applies to the Swaziland-educated Tshabalala

Workless woes turn to success

Star 30/4/93

The unemployed are being advised to launch mini-businesses, writes MICHAEL CHESTER

THE FULL impact of the unemployment crisis hit Sean Penrith and Philip Tetley when they started job-hunting in earnest a year ago Even university educations were found to provide no red carpets into the labour market.

"We were almost flat broke and the jobs outlook was bleak," Sean recalls at his home at Broederstroom, about 45 km north-west of Johannesburg

"What turned the problem into a challenge was all the advice pouring out to varsity students and school-leavers to think about starting mini-businesses of their own — to use their initiative to carve out careers as entrepreneurs

"We realised the advice was not merely rhetoric when we took notice of all the success stories appearing in the newspapers and magazines"

Encouragement was reinforced by progress bulletins from the Small Business Development Corporation reporting how the number of fledgling enterprises launched by its loan schemes since it was started in the 1980s had climbed to no fewer than 35 000

Between them, the ventures had created a stunning 340 000 new jobs.

Lessons

SBDC managing director Dr Ben Vosloo sees how Sean and Philip tackled their problem as a microcosm of thousands of small business success stories that he hopes will make the 1990s the "Decade of the Entrepreneur"

"World-wide, it has been proved that the main thrust behind the economic miracles produced by various countries has been provided by the small business sector," he says.

"The lessons to be learned are particularly relevant in South Africa as it searches for new routes toward effective and sustainable economic goals that will solve its chronic unemployment problems — the first prerequisite if we hope to cope with a massive socio-economic agenda

"The initiative shown by these two youngsters should be an inspiration to thousands of unemployment casualties"

When Sean and Philip counted the combined assets they could pool in a mini-business, the cash element was no more than R1 000 And that was scraping the barrel

Sean was also able to chip in a BSc degree from the University of Cape Town, Philip a varsity education as a biology student at the University of Natal.

But far more important, they agreed, was a load of enthusiasm and initiative.

Initiative had already been demonstrated by Philip, when he undertook an adventurous safari on horseback through Africa as far as the Sudan, raising funds for nature conservation schemes; by Sean, when he took sail across the Atlantic, rounded Cape Horn and earned his keep in South America by putting his engineering knowledge to use on maintenance and repair work on flotillas of private yachts.

Neighbours in Broederstroom knew the wheels of initiative were turning — in mysterious ways — when they heard the rattle of hundreds of empty bottles that were heaped aboard the bakkie that started making regular runs to the Tetley home.

Philip's younger sister Mara, an industrial design student at the Cape Technikon, had hit on a brilliant idea to solve the jobs dilemma. Why not convert the bottles — fruit juice bottles, wine bottles, mineral water bottles, any sort of bottles, any shape, any colour — into exclusive, custom-made wine goblets?

Novelty

Simple. Cut the bottle in half, turn it upside down make the neck of the bottle the stem of the goblet — and somehow glue it to a base made out of the bottom of the bottle. Hey presto!

Hosts and hostesses at plush lunch and dinner parties, Mara promised, would go wild about the novelty of their glassware.

"Simple? Heck, we used litres of midnight oil trying to solve all the unexpected problems,' reflects Sean.

"How to give a perfect finish to the lip of the goblet? Even the experts at the big glass companies were baffled about how we would put a permanent weld on the bottleneck stem to the base."

Neighbours knew the problems had been finally licked when a brand new sign appeared on the roadside in June last year to point to the "Green Glass Company" and the Tetley bakkie began making regular outward runs — now loaded with carefully packed boxes of highly-polished wine goblets

Mara was right about the potential demand. The Tetley garage, converted into a workshop, is humming with activity from dawn to dusk.

Abram Mokone, recruited as foreman, heads a labour force of six that may soon have to be doubled to cope with a thicker and thicker order book.

A fruit juice manufacturer has a fixed order for as many goblets as can be supplied — fashioned out of its own distinctive bottles, decorated with its logo, and to be used in marketing programmes

An international minerals water company in France has put in an order for at least 100 000 goblets made out of its own bottles.

And wine estates all over the Cape want goblets to be handed out by their salesmen and sold to tourists on the Wine Route as mementoes.

In January alone, with demand already outstripping production, sales reached R25 000

Sean and Philip have now set aim on a long-term target of a 500 percent increase in the labour force — and annual sales of no less than R1,2 million

Their drawing boards are already packed with designs for still more products they can make from discarded bottles — napkin rings, coffee cups, dessert bowls, candleholders

The Green Glass Company is not the only new enterprise born in the past 12 months to have won accolades from the SBDC

No fewer than 278 budding businesses have been short-listed in a special competition — also backed by Eskom, CCV TV and Ned Enterprise — to find the most outstanding successes among mini-businesses launched between May and September last year and now making a mark.

Winners, who will be announced on Worker's Day, will share prizes worth thousands of rands. The overall winner will collect a jackpot of R1 million.

Among the contestants who have impressed the judges with a brilliant demonstration of inventiveness is Norman Muller a lay preacher from Port Elizabeth.

Norman found his inspiration at local rubbish dumps when he noted the number of rusted and twisted bicycle frames that had been thrown away

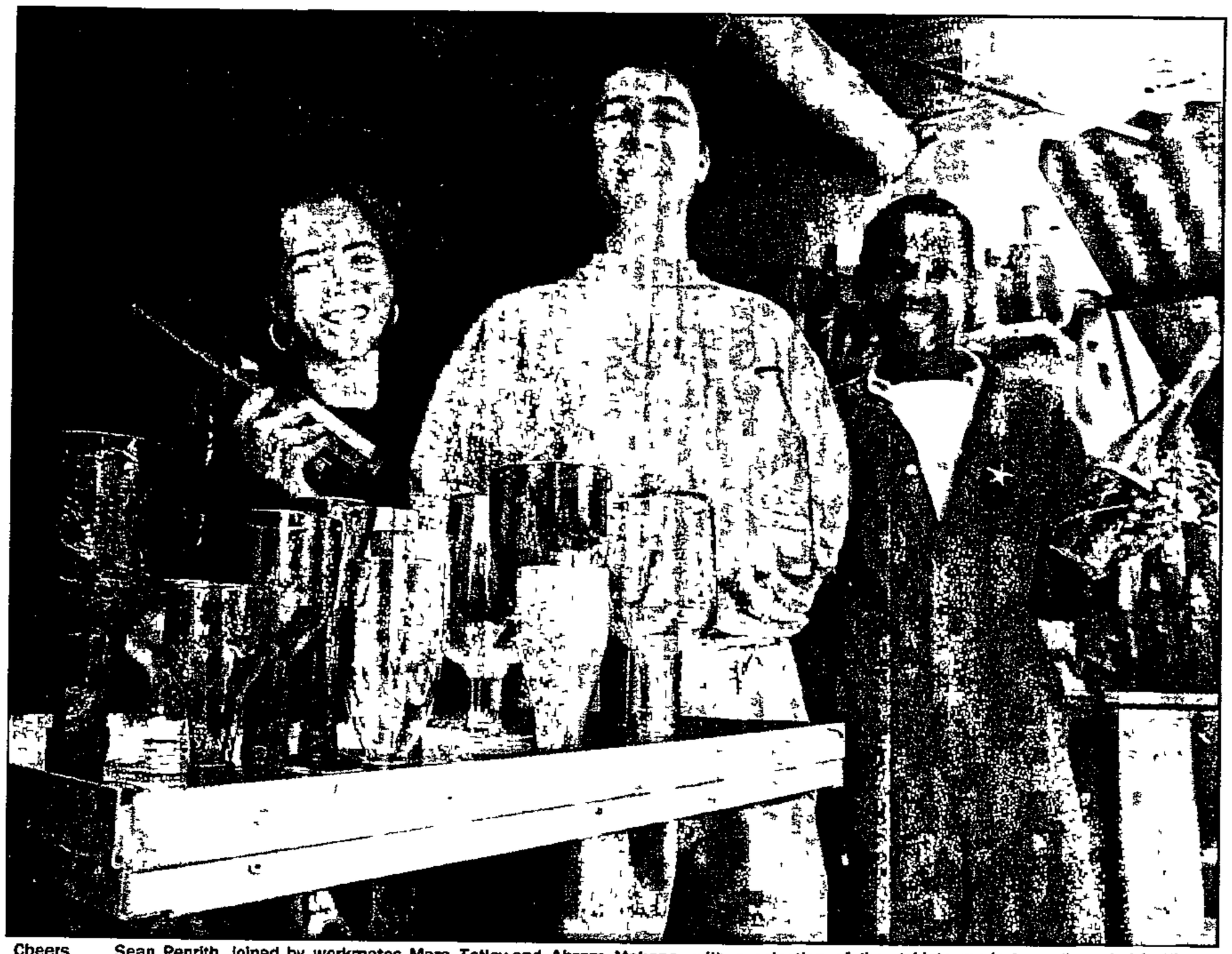
Why not do them up, give them a fresh coat of paint, fix them to solid bases — and turn them into home exerciser machines?

Wait a minute, though. Look at all the broken old washing machines that also end up on the rubbish heap Why not put the home-exerciser bikes to a more practical use about the house?

Take the drums out of the washing machines, renovate them, and fix them in the front forks of the get-fit bikes Then pedal away — and do the washing and spin drying at the same time. Eureka!

Norman is in business He has named his enterprise, based in a lean to alongside his caravan home, the Rellum Treadle Washing Machine Company

The potential market demand? "Unlimited!" says Norman. □



Cheers Sean Penrith, joined by workmates Mara Tetley and Abram Mokone, with a selection of the goblets made from discarded bottles Their mini-company has set an annual sales target of R1,2 million
Picture Stephen Davimes

Roscas: Informal finance in developing countries

Credit associations popular worldwide

THE stokvel concept has been used worldwide, but mostly in developing countries, as a means of bringing financial services to the poor

The World Bank issued a report sometime back indicating that rotating savings and credit associations (Roscas) are a popular form of informal finance

They come under various aliases *ko* in Japan, *kye* in Korea, *hui* in China, *chit fund* in India and Sri Lanka, *arisan* in Indonesia, *hagbad* in Somalia, *tontire* in Niger.

Cash pool

In Nigeria the associations are known as *isusu*, the syndicate in Belize, *san* in the Dominican Republic and Bolivia and *tanda* in Mexico

Andrew Lukhele of the National Stokvels Association of SA (NASASA) says South Koreans living in America brought the *kye* (pronounced keh) concept to the US

At these *kyes*, which are formed by businessmen, large sums of money change hands Members meet once a month over a meal of kimichi, rice, barbecued beef and Korean whisky

The cash pool of some Korean stokvels in the US can sometimes reach up to $500 000 (about R1,57 million). The pool of funds goes to each member each month on a rotating basis The rule is that each member contributes until the last member has received his share.

The report said Roscas are formed through a small number of individuals ranging from six to 40 — who form a group and elect a leader who, on agreed periods, collects a given amount from each member

In some countries such Cameroon and India, they have developed into formal banks

The report identified three types of Roscas The common type is where the leader receives no special commission other than getting the first pool of funds

In the other type, the leader will receive payment and in turn assemble liablity for defaults In this type, all members except the leader pay for the right to participate and will receive back less than their contributions

Consumer durables

The third type is the promotional type which is used by merchants who sell their goods, particularly consumer durables.

Research in Bolivia showed that one-third to one-half of all adults in the urban areas who were participants in Roscas, contributed an average one-sixth of their salaries

More than 90 percent of the people interviewed said they had joined a Rosca because they wanted to save

The report concluded that the popularity of Roscas among the low and middle income groups indicated that even under difficult circumstances people like to save.

Ingenious names attract members

ONE of the striking features of the stokvel movement is the creativity it displays in giving names to stokvels

Members realised long ago that for a stokvel to be famous and attract patrons, it needed a catchy name

It's not surprising that stokvels boast names like The Bold and the Beautiful, Codesa 1818, Heaven Can Wait, M-Net, Benneton, Ladies Palace, Shu-Shine, The A-Team, Brotherhood, Pretty Channel, Spiced Gold, Smirnoff Fusion Club

According to Andrew Lukhele, president of the National Stokvels Associations of SA (NASASA), stokvels are identified mostly by name, ranging from the bland to the colourful

"One stokvel in Kagiso on the West Rand is known as *Fatuku*, which simply means 'dishcloth' According to its members, it was their wish to have a name with no serious connotations They initially called themselves *Serope*, which means 'thigh' The dishcloth is this stokvel's mascot, says Lukhele

"During my visit to one of their meetings, a popular tune was playing everybody took to the floor, when one enthusiastic gentleman went to the kitchen and returned with a dishcloth

"Looking from side to side, he started shouting 'Fatuku'!

Free advertising

"Other names include Dallas, Stock Exchange and Zola Budd Some groups identify with a liquor brand name and make sure the product is available at their parties

"Charles Glass, Hansa Inn, Southern Comfort Syndicate, Hunters Gold, 100 Reserve, Smirnoff Codesa, Bellingham and Pushkin are all names of stokvels operating on the Reef

"Stokvels are becoming increasingly popular among young upper income blacks whose clubs are fashion-oriented, some identifying with shops in Johannesburg's northern suburbs

"Thus there are clubs called Palazzo Pitti, Lacoste, Bear, Le Gym, Daks of London, and Kappa Sport, members often wear clothes from these shops, and occasionally invest in a kind of uniform of T-shirts and caps with their logo"

It is clear that shops and companies that own these brands are benefitting from this free advertising, says Lukhele But because they know nothing about stokvels they end up being unable to cash in on this bandwagon They should sponsor stokvels that display their brand names

"Invitation cards are printed to notify people about the stokvel's meeting The host member prints an average of between 200 and 300 cards, depending on his popularity

Pleasant atmosphere

"The information that goes into the card contains four elements — the name of the stokvel group, the name of the hosting member, the address where the party is going to be held and the date — usually with on 'onwards' notice to indicate that the party could be prolonged if a pleasant atmosphere prevails"



Uniformity . Some stokvel members invest in T-shirts bearing the logo of their club.

Formalising the informal sector

When one talks about stokvels today, NASASA comes to mind, according to Andrew Lukhele, president of the National Stokvels Association of South Africa

The general public knows very little about the organisation's origins, which is surprising when one considers the hundreds of millions of rands its members handle every year, writes Lukhele in his book *Stokvels in South Africa*, published by Amagi Books

"My own involvement in the stokvel movement would not have been possible without the experience I gained while working as a research assistant for the National Institute for Personnel Research (NIPR), a branch of the Human Sciences Research Council"

It was at the NIPR where Lukhele gained insight into the informal financial structures in black communities, where he was involved in a project dealing with this aspect in 1987

The project was aimed at examining "processes and mechanisms of informal housing finance" and included an analysis of the dynamics of stokvels

Those two projects were great eye-openers and prompted Lukhele to think hard about forming a formal stokvel body.

"As a result of my involvement in these studies and my natural understanding of the stokvel concept as a township lad, I decided to scrutinise the internal operations of these structures

"One way of doing this, I believed, was to establish an association for stokvels

"Not only would such an organisation help in researching stokvels, it would also help members in fighting for their rights and promoting recognition of stokvels as important sources of informal credit"

What also reinforced his decision to form such an association was his "observation, during research on the above studies, that because of the perception of illegality, most stokvel members showed a marked reluctance to divulge turnover figures, margins, and so on"

This, Lukhele says, is typical of the attitude of chief actors in the informal sector

It is a striking co-incidence that the first association of stokvels was formally launched on February 14 1988 (Valentine's Day) at Funda Centre, because very often partygoers bring their partners to stokvels

"Several people at the meeting wanted to give the new body a name that would obscure the cultural overtones and connotations of stokvels, so, to maintain the cultural origin of the concept, we decided to call ourselves the Soweto Stokvels Association

"As a result of ever-growing national demand, this soon became the National Stokvels Association of SA"

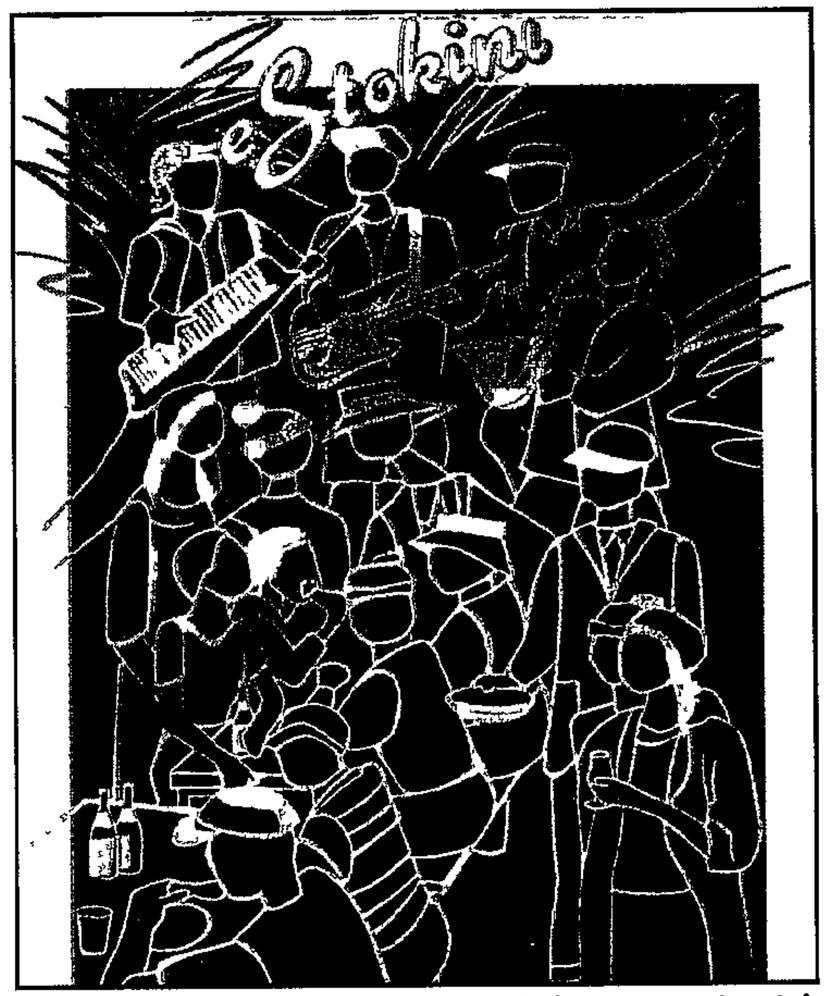
At the launch there was a good turnout of influential black business personalities, who would later be elected to the governing and interim committee and Lukhele was elected chairman

There were problems at the beginning Because of the lack of permanent offices and secretarial help, it was impossible for the association to communicate effectively with members The new organisation had to get publicity to grow, thought Lukhele

After much haggling with City Press newspaper, NASASA published information about stokvels every Sunday which enabled the body to command broad support in the black community

From that time NASASA grew from strength to strength

■ **BLACK POWER:** The National Stokvels Association of SA (NASASA) was formed nearly five years ago and has grown into a powerful financial force in the informal sector. NASASA president Andrew Lukhele looks at the origins of the organisation.



Party on . . . Members often take their partners to stokvels. ●Picture: *Stokvels in South Africa*, by Andrew Lukhele.

NASASA's aims and objectives

These are the aims and objectives of the National Stokvels Association of SA (NASASA):

- **To serve as the mouthpiece for all stokvels affiliated to NASASA.**
- **To promote a positive perception of the stokvel movement in the community as being an integral part of the economic mainstream, and as a potential creator of jobs and wealth.**
- **To research, formulate and implement development plans to improve the operational efficiency of stokvels.**
- **To help stokvel members to promote the stokvel concept as a valuable self-help scheme.**
- **To arrange better deals with shops and other suppliers, such as furniture stores, hotels, supermarkets and liquor stores.**
- **To provide an educational counselling service and legal advice for members.**
- **To provide training for members to enable them to operate in a professional and profitable way and to negotiate on behalf of members for better deals with financial institutions.**
- **To work in co-operation with other business bodies to stimulate business skills among members.**
- **To serve as a marketing vehicle to facilitate the interface between black informal financial schemes and all interested parties.**
- **To assist and encourage stokvel members in starting business ventures and co-operatives.**
- **To initiate, promote or oppose legislation which affects stokvels.**

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STOKVELS
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Unit trusts for stokvels

■ BLACK INVESTMENT:
One way for emerging investors to make the most of the stock exchange is through the Old Mutual's new unit trust product, Group Trust.

INSURANCE giant Old Mutual has introduced a new unit trust product — Old Mutual Group Trust — specially designed for groups such as stokvels and burial societies

"There are relatively few formalities for stokvels to use this new way of investing," says Selwyn Feldman, manager of Old Mutual Unit Trusts

Education

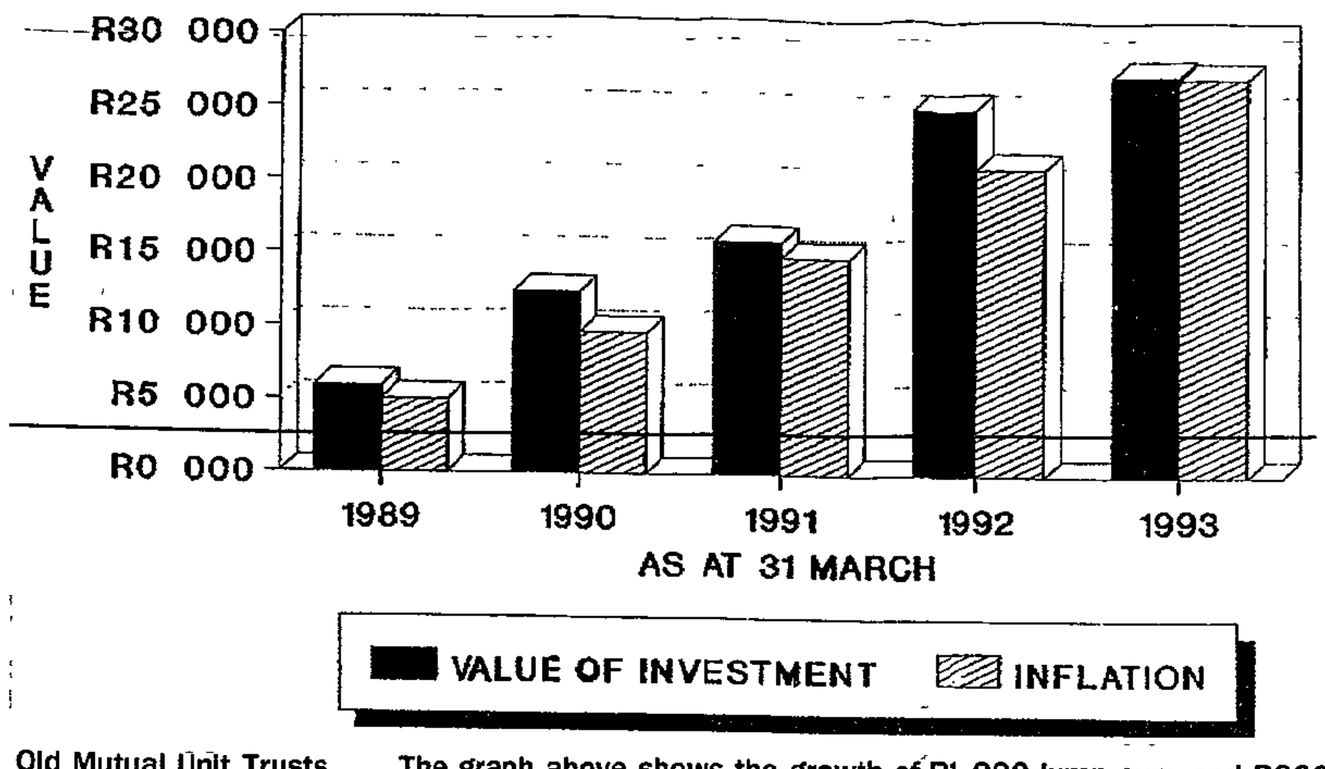
"All the stokvel has to do is to provide a copy of the constitution and minutes of the meeting where members decided on investment plans

"Two stokvel members become signatories and they are then responsible for making investments

"The minimum monthly investment is R200 and the minimum lump sum is R1 000"

Feldman says Old Mutual Unit Trusts is hoping that its Group Trust will lead to substantially increased investment in the stock market by black investors

"Old Mutual Unit Trusts, which accounts for some 42 percent of all South African investors in unit trusts whose investment runs into billions of rands, has for several years been educating emerging investors on how to make the most of the stock exchange



Old Mutual Unit Trusts . . . The graph above shows the growth of R1 000 lump sum and R300 monthly investment in Investors' Fund.

"We already have a relatively large number of black investors as clients, many of whom are using these investments to pay for their children's education

"In launching our Group Trust, we decided against a special unit trust for stokvels, taking the view that stokvel members would want to invest in our long established existing funds such as the country's largest unit trust, Old Mutual Investors' Fund

"And such funds have shown excellent performance in past years"

Old Mutual Unit Trusts is now managing more than R3 billion of investors' savings in its seven unit trusts More than R1 billion of new investments were made over the past five years

"While Group Trust is an ideal investment for stokvels, Feldman warns that it should not be used for short-term investments

Signature

"If you wish to stash your cash away on a short-term basis, a conventional savings account is the answer But medium-term funds should be invested in unit trusts for real capital growth

"Another advantage of unit trusts is that the stokvel can sell its units at any time All it requires is two signatures by the authorised officials and the minutes of a meeting where the decision to sell was taken. Stokvel members have virtually instant access to their funds"

All round fitness is NASASA's goal

IT IS well known that stokvels are a form of savings clubs which will hopefully build the SA economy through co-operation, says National Stokvels Association of SA (NASASA) president Andrew Lukhele

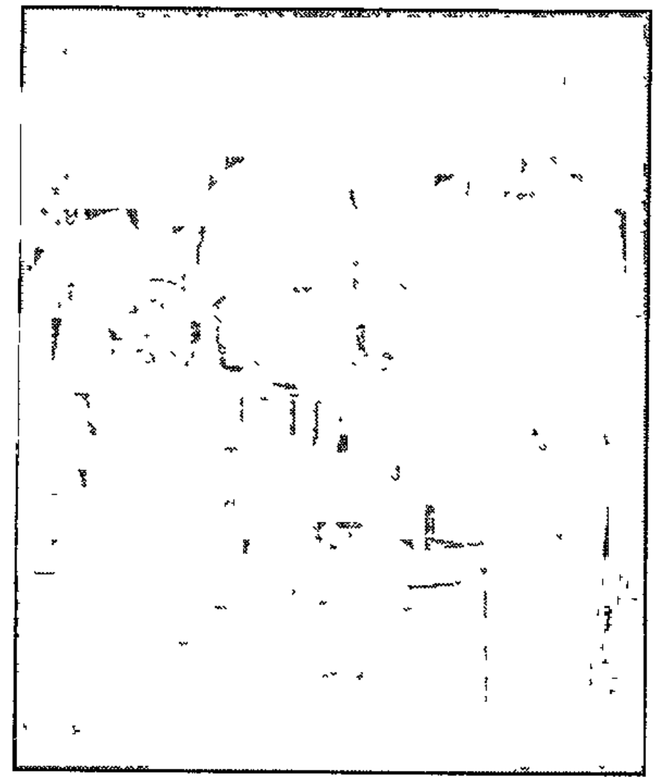
One way of expressing this is through informal soccer matches among stokvel groups

"NASASA is spearheading such activities because we believe in fitness of mind and body

"We are living in an age that makes great demands on people, which is why physical fitness is of great importance"

He says South Africans are inclined to think of themselves as active people But this this is not the case — we are largely a nation of spectators When 22 people are playing a soccer match they are cheered on by thousands of inactive spectators

"This does not even include all those relaxing in their armchairs in front of TV sets"



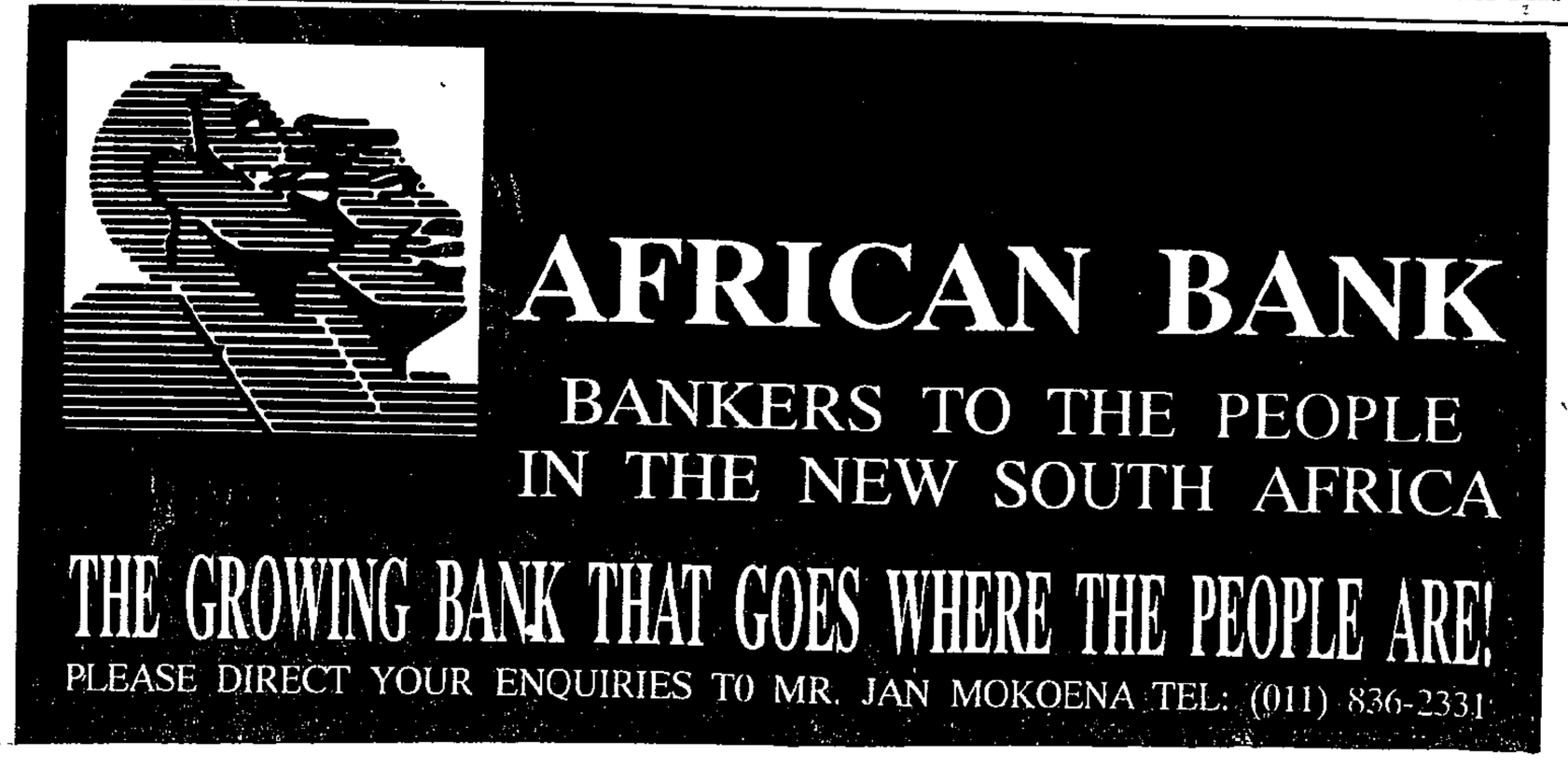
Healthy bodies . NASASA is starting its own football league as part of its fitness drive.

Lukhele says NASASA has decided to run a soccer league — the NASASA Keep Fit League — and is also intent on offering offer prizes for winning teams

This can be done in conjunction with interested companies and would stimulate new marketing opportunities while keeping members committed to the stokvel movement, says Lukhele

With the assistance of the NASASA Executive Committee, the League has already secured a sponsorship of R6 000 from the Standard Bank

"We are also trying to find an interested company which could sponsor us to the tune of R10 200 for the whole season's activities, including administration, transport costs, and prizes"



Bank for the poorest of the poor

GRAMEEN Bank started as a small private initiative in Bangladesh in 1976 to help the landless, whose lack of collateral prevented them from getting bank loans

Grameen's customers, who form the poorest of the rural people in Bangladesh, are organised into groups of five Each group member has to establish a regular pattern of weekly savings before seeking a loan

The way the Bank operates is that the first two borrowers in the group must make a number of regular weekly repayments before further loans can be granted to other group members

According to the World Bank's World Development Report (1989), by February 1987 Grameen had 300 branches in 5 400 villages Over 250 000 people — mainly women, who form 75 percent of the total — had participated in Grameen Bank

Grameen's membership included about 13 percent of householders who owned less than a hectare of land in the areas in which Grameen operated Loans are small, averaging about $100 (about R314).

Loan recovery is excellent As of February 1987 about 97 percent of the loans had been recovered within two years This performance is attributed to close supervision of field operations, dedicated service by staff, borrowing to generate regular income, a peer pressure system within the groups and repayment in weekly instalments

However, the ratio of expenses to loans is very high, having increased from 9 percent in 1984 to 18 percent in 1986 This is due mainly to the fact that bank staff meet weekly with groups to disburse loans and collect saving deposits and loan repayments They also provide training in financial responsibility

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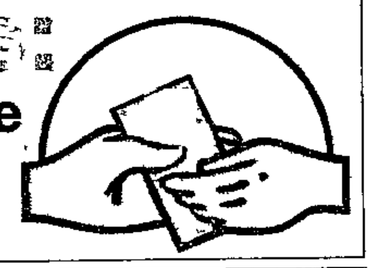
Stokvels: Free enterprise in action!
A Star survey



EMMANUEL LEDIGA reports on the important economic role played by stokvels, which have a well-established place in black communities.

Unit trusts investment for the impossible dream

INVESTING in unit trusts has proved to be one the best saving method of outpacing inflation

Now groups such as stokvels and burial societies can benefit from unit trusts, says for Old Mutual's spokesman

The insurance company gives the example of one investor, Mr Mapeka, who together with a group of his friends used the unit trust concept to help get him started in a taxi venture

They wanted to get into unit trusts five years ago, but the most they could spare was R300 a month between the four of them They then put their money away in unit trusts every month, for five years

Investing in unit trusts has helped Mapeka and his friends make their dreams come true They have managed to buy a taxi.

A unit trust is similar to investment syndicates — thousands of investors use their collective financial muscle to buy shares on the stock exchange

This pool of money is administered by a unit trust management company, which has a team of experts managing everyone's money These experts buy top quality shares to provide a secure investment which will increase in the value over time

Many people, like Mapeka, have investment objectives that are shared by a group

This method of saving is becoming increasingly popular in South Africa, especially with the economic climate making it difficult for individuals to meet their saving objectives on their own

This has prompted Old Mutual Unit Trusts to design an investment package to suit groups of investors — the Group Trust

Old Mutual says the trust is the ideal investment for people who want to build capital together for their own businesses Group Trust is also affordable — the minimum monthly investment amount that can be made is R200 and the minimum lump sum investment is R1 000

What's more, Group Trust is a flexible investment — money can be withdrawn whenever it is needed — but not without the approval of every group member

Mapeka and his three friends started their Group Trust investment with a lump sum amount of R1 000 at the beginning of April 1988

At the same time they also started regularly investing R300 per month Five years later, at the end of March 1993, their unit trust investment was worth R27 449

Just R12 000 gave them a deposit on a brand new taxi worth R80 000 A further R12 000 insured it for fare paying passengers, and the remaining unit to the value of R3 449 was left in their Group Trust account to grow and give their business a further boost in years to come

Nasasa plans for long term

THE National Stokvel Association of South Africa's long-term goal is to form a unit trust management company, says NASASA president Andrew Lukhele

Most stokvel groupings, particularly the burial societies, have large amounts of money which they don't need in the medium term and such funds are just sitting in their banking accounts

For instance, some of the burial societies in Soweto pay up to R1 200 per claim and have R20 000 in their bank accounts as reserves against claims from members But the claims pattern is such that an average of one death is reported each month

Special package

Lukhele says the additional amounts of money — which are not needed in the short-term could be pooled together under the auspices of NASASA and chanelled into high yielding investments

He adds "Our members should be able to split their investment into short-and long-term investments Unit trusts could be used as a long-term investment We are currently working on a special package on unit trusts for our members"

But Lukhele is quick to add that banks and building societies still have a role relative to the level of stokvel members' needs and their understanding of investment

For instance, Lukhele points out that it would be suicidal for NASASA to draw its members towards buying shares on the Johannesburg Stock Exchange

However, there are several investment clubs and syndicates which specialise in buying unit trusts and some even invest directly on the stock market

Lukhele says the ultimate aim would be exert some form of control over the members' funds To this end NASASA would consider a unit trust management company at some stage

But in the short term NASASA would be content with consolidating members' funds and simply become a bulk buyer of unit trusts and other investment products

SOPHISTICATION: Stokvels offer marketers new opportunities

Old concept, new approach

THE stokvel concept is by no means new In fact stokvels have been operating in South Afica for many years, says National Stokvel Association of South Africa (NASASA) public relations officer Janice Sheckter of Indigo Marketing.

"While the modus operandi of the groups has evolved to greater levels of sophistication, the original concept is decades, if not centuries, old

"With the evolutionary process, which has converted savings into working capital, the stokvels present innovative marketers with new opportunities," adds Scheckter

"What exists today, is thousands of groups operating very successfully within sound constitutions

"While stokvels definitely present a new target market, it is important that the formal sector is made aware that within this market, the demographic make-up is numerous," says Scheckter

"Stokvels members range from youth groups funding education, to yuppies making investments, to mothers stocking up on groceries, among many others

"Some of the common factors, however, which marketers should be watching for, is the desire for economic empowerment, investment opportunities and the availability of disposable funds," Scheckter adds

Stokvels are becoming increasingly popular among young upper income blacks, whose clubs are fashion-oriented, writes NASASA president Andrew Lukhele in his book *Stokvels in South Africa* Some of them select as their alter egos, shops in Johannesburg's northern suburbs Thus there are clubs called Benetton, Palazzo Pitti and Lacoste

He adds an anecdote of a stokvel member who approached an upmarket shoe store which the group patronised and requested a table-cloth with the names of the most popular shoes in the store The management failed to see the value of the group's patronage and turned down the request!

The formation of NASASA by Lukhele and colleagues five years ago made access to stokvels a great possibility for the formal sector

One of the original objectives set out by NASASA, is "to arrange better deals with shops and other suppliers, such as furniture stores, hotels, supermarkets and liquor stores"

Another objective positions NASASA as the "marketing vehicle to facilitate the interface between black informal financial schemes and all interested parties," says Scheckter

"These objectives, among others, still form the core of the aims of the association While marketers have long been aware that the greatest percentage of disposable income is fast moving to the black market, much debate has taken place on how to effectively reach the market," she adds

■ **GRASSROOTS MONEY:**
Money circulating around the stokvel movement is said to be over R900 million Participation in this fast growing area can gross the formal and informal sector substantial spinoffs



Nasasa man . Andrew Lukhele

"To have an infrastructure through which they can operate presents a rare opportunity to marketers

"These opportunities exist on both a micro and macro level

"On the smaller scale are the opportunities similar to that of the shoe store, but on the larger scale is the possible development of group purchasing

"A marketing term to emerge in the Nineties is 'relationship building' and this is one of the routes which should be pursued in this case," says Scheckter

"Because the basis of the stokvel concept is friendship and trust, the same approach should be carried through in the marketing efforts

"South African marketers today understand the stokvel concept, are aware of the millions of rands which change hands each month, yet fail to see where they could become a part of the process

"The fact that stokvels are very much a part the informal sector, does not exclude the opportunities of the formal sector," says Scheckter

Indeed, as a 1991 Markinor study done on, among other things, social activities in the black market, shows that stokvels are increasingly becoming an important source of upgrading lifestyles among metropolitan blacks

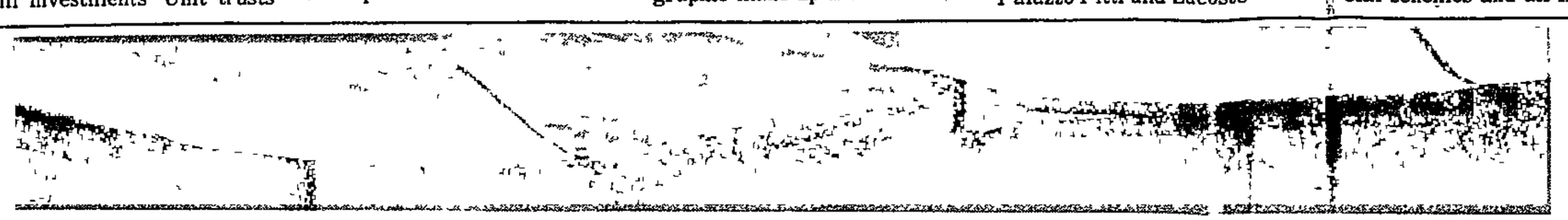
High unemployment

According to the results of the study, over 29 percent of the black metropolitan population were members of at least one stokvel

What also emerged was that membership tended to be biased towards females over age of 35 And in terms of income category of members it was found that the range goes from R1 000 to R1 500 and more in some instances

One type — "the invest in business" stokvel — has grown significantly in the past years

The high unemployment rate has resulted in the need for creating small business ventures and stokvels are helping to set them up



Shebeens and stokvels: a bootlegging legacy

Institute to aid Goldstone Commission

Star 30/4/93

CAPE TOWN — An institute to monitor public violence, backed by a computer information service, is to be set up under the auspices of the Goldstone Commission.

The Institute for the Study of Public Violence was announced by Mr Justice Richard Goldstone and Norwegian Foreign Minister Johan Jorgen Holst yesterday.

The Norwegian government has granted about R2 million and the services of two computer consultants.

Mr Justice Goldstone said the institute would "play an important role" by helping his commission to operate more efficiently.

Holst said: "After wide consultations, the mission identified a need for a fully comprehensive and well co-ordinated computer based information system relating to incidents of public violence and intimidation."

The objectives include to collect, analyse and publish information about violence; to provide the Goldstone Commission with a tool to carry out its mandate and to create a credible data base. — Sapa.

MONEY MARKETS by Tim Marsland

National stokvel could help

A KEY problem facing a new government in SA will be how to raise the funding needed to get the country back on an even keel

Some of the requirements will be satisfied from offshore, but the local market will remain a key source of funding The capital market could become expensive if it suspects there is going to a significant increase in the supply of government paper

One source of income could be to issue a national bond, accessible to all private investors SA lends itself to such a fund because of its unique culture of stokvels (the process where money is pooled for the common good of a community) The fund would in effect be a "national stokvel"

The interest rate would be fixed, but the capital value of the bond would be determined by the market An investor wishing to sell the bond, would sell it back to government rather than to a third party

Such a bond could today yield around 15% (the current rate government is funding at), not bad compared with interest rates offered by banking institutions

A similar system operated during the '80s in the form of Bonus Bonds, used to fund the defence force These paid a low interest rate but the capital value was not determined by the public Their success lay in the monthly prizes offered. The Bophuthatswana government successfully continues to sell similar bonds with monthly prizes Municipal bonds in the US are sought after by the middle class

The system would be managed via a national computer system such as that operated by commercial banks An account would be opened in the name of the investor rather than handing out pieces of paper, which lends itself to forgeries

Giving people a direct stake in the country is a sure way to instill national pride

Six tender to trade on square

CT 4/5/93

(153A)

Municipal Reporter

SIX tenders have been received by the city council for the lease of the lower half of Greenmarket Square for fleamarket purposes, amenities and health spokesman Mr Peter Alston said yesterday

They range from R6 000 to R46 500 a month The committee will interview the tenderers before awarding the contract

The council proposed last year to extend Messrs Bob Hayward and Henry Shields' lease of the top half to cover the entire square

'Increased noise'

There were objections from attorneys C K Friedlander Shandling and Volks, who feared "increased noise and disturbance", and from the National Traders' Association which was formerly the St George's Mall interim action committee

The association opposed the "head lease system", which it said was monopolistic and led to exploitation of individual traders

The council subsequently went out to tender feeling it would be better if responsibility for the conduct of traders rested with one lessee.

● A decision on the number of traders allowed to trade in St George's Mall is expected be taken by the Administrator on Monday

SANLAM ENTREPRENEUR OF THE YEAR COMPETITION



Obed Gama

Craving a slice of market

By Mzimkulu Malunga

■FABRIC SOFTENER Idea in a magazine leads to establishment of manufacturer

A STORY IN a magazine prompted Obed Gama to explore the manufacturing of household detergents as a career

"I was reading a publication which contained an article explaining the size of the market for household detergents I can't remember the figure accurately but it was a sizeable amount.

"That amazed me "Then an idea sprang to mind If one could get one percent only of that market one would be talking millions," says the publicity-shy Gama

After toying with the idea for some time, he swung into action and Black Pride — a household detergents manufacturing company — was born.

Then the retail store he was running in Katlehong on the East Rand took the back seat

With the help of the sympathetic manager of a company which supplies raw materials for household detergents, Gama was able to design a formula for making a fabric softener

Sanlam

Commencing with operations was not easy for Black Pride It required R50 000

Gama had to part with all the savings made from his retail business over the years to try his luck in the world of manufacturing

Three years on there appears to be no turning back Black Pride now supplies some of the outlets of the elite retail giant, Pick n Pay, all three Blackchain outlets, certain Cash 'n Carries and some township shops

"I would have loved to supply every shop in the townships but due to the violence I could not break into that market says the soft-spoken Gama

His company has the capacity to produce about 2 000 litres of fabric softener a day This translates into 800 cases Black Pride also manufactures bleach and dishwasher

"This does not mean I sell that amount daily The production volumes are determined by the demand from customers and this varies all the time

Gama employs seven people but is adamant that it is not necessary to reveal how much he makes on a monthly basis

Lack of finance is at the core of black business problems and Black Pride is no exception

"There are instances when I don t have enough money to buy the amount of raw materials I require to match the demand and being a small businessman, suppliers do not have credit facilities for me," he says

Gama has not deviated from his initial mission since he started Black Pride in 1990 He wants the company to control a certain portion of this huge market, with Black Pride s brand name, Mamas going places as well as contesting space on retail shelves against the likes of Sta Soft

Obed Gama automatically qualifies for the Sanlam Entrepreneur of the Month competition The winner of the entrepreneur of the month will compete with other monthly winners and the overall victor will be *Sowetan* Sanlam candidate at the Small Business Development Corporation's finals for the Entrepreneur of the Year competition

The overall winner will receive R15 000, while the runner up gets R5 000 This year the emphasis is on the manufacturing and services industries Retail businesses are not eligible for selection



Magazine aims to change path

By Mzimkulu Malunga

■ Focus should be on successful businessmen rather than the informal sector:

EVERY TIME people talk of black business, the focus is on the informal sector and very little is said about serious, successful black entrepreneurs The new-look *Enterprise* magazine wants to reverse this trend

"Young whites are told of Anton Rupert or Tony Factor but how many black youths have heard of Herman Mashaba, Don Ncube or Khehla Mthembu?" argues editor Thami Mazwai

"I see *Enterprise* as a publication through which blacks can get a positive image of themselves Throughout the world we are associated with things like violence and failure I strongly disagree with this misconception"

Mashaba is among the market leaders in the hair care products manufacturing industry

His company, Black Like Me, is competing with the elite and it is making serious inroads into the export market

Don Ncube is among top executives of South Africa's biggest company, Anglo American Corporation, while Khehla Mthembu leads a fast growing black insurance company, Afgen

In addition to the three, there are hundreds of dynamic and enterprising black business people out there who never feature at all in the media

Research

Mazwai says research shows there are about two million black entrepreneurs in the country Six percent of black businesses have a monthly income of about R6 000 and above

"It is this six percent that *Enterprise* is targeting We want to use them as role models, then the rest will follow These people are decision-makers in their own right," Mazwai says

Black professionals and business people have their own style of doing things, different from their white counterparts, but some people have the perception that these people are imitating white managers — and it is not true, argues Mazwai

Enterprise seeks to put black economists, accountants, lawyers, medical specialists, senior nursing sisters, engineers and other technocrats in their rightful place in the community In the past, successful black people were painted as "sell-outs' and relegated to the background Some people even refrained from extending their houses to avoid being dubbed "capitalists"

Throughout the history of African liberation struggles, from Cape to Cairo, the emphasis was put on political emancipation with few voices speaking about economic freedom associated with the "exploitative, capitalist and imperialistic expansionism"

Mazwai says his magazine also targets top executives in the white community with the aim of educating them about the black business community

Young whites can also learn something from *Enterprise* The more they are exposed to black business, the better they will be informed

As black business grows, *Enterprise* hopes to become a leader in reflecting the changing culture in South Africa's business community

Here's to the good, old days

Star 8/6/93

JOE LOUW laments the demise of old-style shebeens, which were centres of creativity where you could find cheer even in the worst of times.

163A

THEY came named after movies or their owners — more often after their girth or temperaments or the — kinds of happenings you could expect to find there

They were celebrated in songs and eulogised in poems The 39 Steps, Falling Leaves, The Classic and the infamous Whitehouse, which, after the devastation of the Group Areas Act, simply packed up, moved to Soweto and spawned "Whitehouse II"

But most hard-drinking, rough-talking old shebeeners will tell you in no uncertain terms that the old intimate shebeen — the places many black South Africans used to call home from home — are now a thing of the past.

Doc Bikitsha, an old curmudgeon who, with brown bottle firmly in his grasp, used to hold forth with his tipsy philosopher friend — the poet of the shebeen, Can Themba — laments the passing of the venerable institutions

"Let me tell you, laddie," he says in his inimitable lingo of yesteryear, "these chrome and glass and deep-leather whatchamacallums don't hold a flickering candle to our establishments. They're so so industrial," he says with undisguised scorn. "They got no soul"

He especially remembers the smoky soft touch of a place on Gold Street in Sophiatown It was run by two pretty sisters, Baby and Hilda, one of whom, according to Doc, had a heart of gold

It was not that he was in love with her or anything like that. She was, disastrously for her, soft on giving credit — a trait found only in the saintliest of saints in those cash-starved days, and never in the more successful shebeen owners

Shebeens provided safety and often comfort from the tensions of life, both at work and at home They were a place to socialise and talk and tease and catch up For many of us, especially young writers, they were initiation centres

It was there that we received extensions to our education that were not available in anybody's classroom

"Sonny, do you drink?" asked an indignant Can Themba, Drum's guru-in-chief, as he eyed my innocent be-bop haircut and countrified clothes when I joined Drum "No," I replied

"Do you smoke?" he asked. "No," I replied.

Dog's life

"Sonny, do you f ?" he came back "Errr " I stuttered, and before I could reply, he thundered for all the newsroom to hear "Sonny, you're living a dog's life"

Fifteen minutes later we were off to the Whitehouse, a sedate little place in a backyard around the corner from 80 Albert Street, the old pass office

Forthwith he ordered a "ha-ja" (a half-jack, or half-bottle, of hooch) for himself and a "nip" for me He promptly mixed it with a sickly-sweet cooldrink and offered me what he called a "sangria" It was the last conscious thing I remembered for the rest of the afternoon

Young musicians abounded in shebeens Many a time, a jazz giant such as the late Gwigwi Mwerbi would be holding forth on chord changes and progression to a bunch of gaping tyros like Jonas Gwangwa and Kezi Khambule

The Classic spawned one of South Africa's first black literary journals. Its clients, sequestered to the back of a dry-cleaning shop because of the liquor law, became the artists and poets and short-story writers of later years

But with the demise of the shebeen, and the rise of the colour TV tavern and the disco-fied inn, came another sad deletion from our culture — the death of conversation, of the jokes and the tall tales, the gossip and the creativity that nurtured language and immortalised the thousand and one characters and their improvisations which brought cheer to life even in the worst of times

Hey, don't get me wrong I'm not saying that shebeens as they were then did not lead to broken homes and bring grief to many a hard drinker People did get muggged, stabbed or even shot. Then, you at least knew the guy who pinned you. At least you might have had an argument or a personal difference, or a known score to settle

But it was nothing like the senseless mowing down of unrelated people that occurs lately It has been this growing trend that has forced shebeens and their imitators to shut their doors

Nor am I glorifying alcohol abuse All I'm saying is that shebeens were tremendous fun and important in the evolution of our fledgling urban culture

As James "Sofasonke" Mpanza, the wily old Orlando politician, used to say "Let any man who is against people drinking in shebeens stand up and say so publicly — and he will surely be stoned to death"

Folks surely love them shebeens

SBDC ADVERTISING FEATURE

Small traders can thrive

TO think small is to think big. C/Press 9/5/93

So says the Small Business Development Corporation

Entrepreneurship is the word of the 90s, says the SBDC.

With 18% of SA's economically active population unemployed – 40 percent if the informal sector is excluded – economists have urged people to be aware of the potential of the small and medium enterprise.

SBDC MD Dr Ben Vosloo said: "The existing formal sector can only provide jobs for less than 7 percent of more than 400 000 new job-seekers coming onto the job market every year. It is vital that newcomers to the job market should also see self-employment as a viable and exciting career option."

It was with this in mind that the Be-In Campaign was launched in May last year by the SBDC and founding sponsors NedEnterprise.

The campaign will also focus on the estimated 2,4-million unregistered micro-businesses in the informal sector which employ an estimated 3,5-million people. (153A)

"There are many entrepreneurs in this sector who have the potential to progress into the formal sector by formalising and expanding their businesses," Vosloo said.

The campaign slogan is "Be in, be creative, be your own boss!". Its two-fold aim is to inculcate a culture of business entrepreneurship among South Africans, backed up by better utilisation of business skills, training expertise and services.

SBDC, City Press and Radio Metro have combined forces to promote the campaign

City Press will be publishing a series of practical business information articles on every alternative Sunday, starting today with an article on franchising

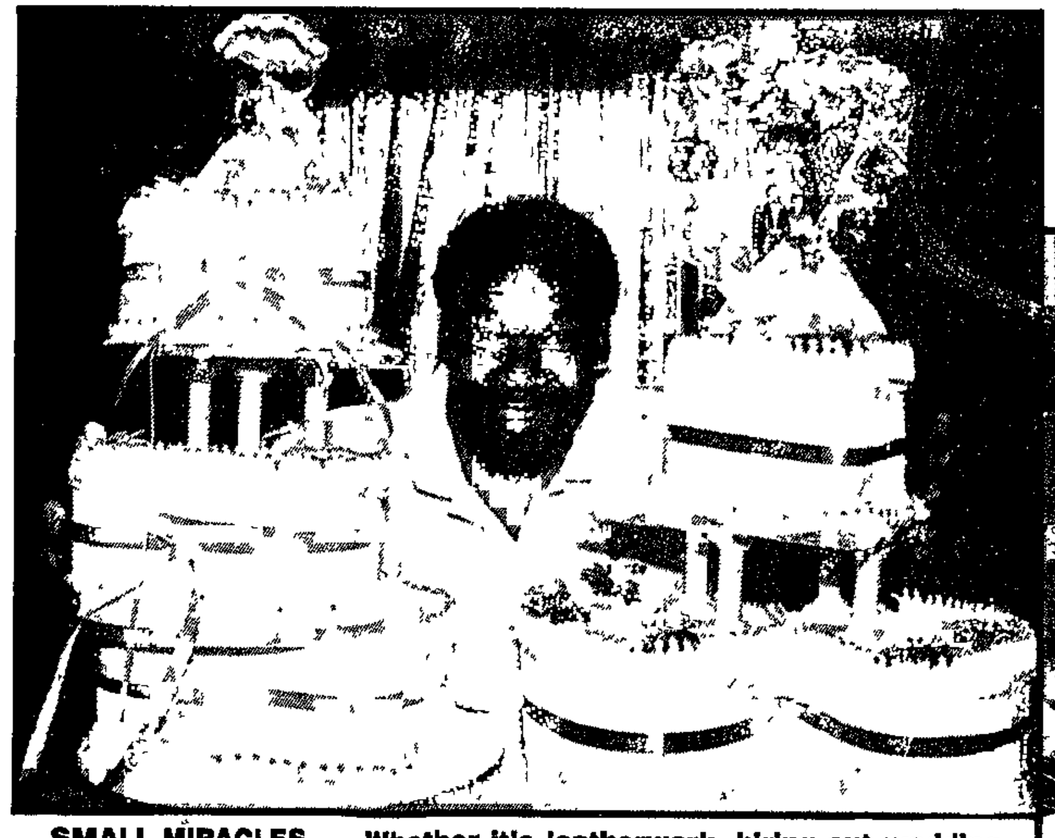
Radio Metro will hold a series of phone-in discussion programmes called Business Sense on alternate Thursdays from 8 to 9 pm

A combined Bizz Quizz competition will form part of the campaign. City Press readers will be asked to collect the series of practical information articles in the people's paper. Readers can use these articles to respond to a question which will be asked on Radio Metro on every alternate Thursday evening.

Those who fill in the entry form in City Press with the correct answer and post or fax it to Radio Metro, will stand a chance of winning an SBDC training course worth between R600 and R800

The winner will be announced during the Radio Metro Business Sense programme. Send your entries to: Radio Metro Business Sense, PO Box 91136, Auckland Park, 2006.







SMALL MIRACLES ... Whether it's leatherwork, hiring out wedding cakes for wedding functions or any one of the other hundreds of ways of earning a living ... South Africans with "fire in their belly" can fight hardship and unemployment through hard work and courage.



ON THE MOVE Marc and Gary Israelsohn of the Bruma Lake flea market Picture CHRISTINE NESBITT

Bruma flea market hops across the road to R4,5m covered site

ST Times (Buss J) 9/5/93 (153A)

By DON ROBERTSON

FLEA markets are talking big bucks

Johannesburg's highly successful flea market at Bruma Lake is to be repositioned to a R4,5-million complex across the road from the existing site

Flea Market Enterprises, which controls Bruma, is constructing a covered flea market, on a 31 000 sq m paved area It will open in September

The site is being leased from Israeli-based Quibell Family Investments which owns the property The lease of an adjoining 30 000 sq m, owned by the Johannesburg City Council, is being negotiated to provide recreational facilities such as pop concerts, puppet shows, buskers and fireworks dispalys The new site will have ample parking

Because of the large number of people expected to visit the market, 10 parking bays have been provided for each 100 sq m of shopping space, plus an additional 11 000 sq m of parking space, says Flea Market Enterprises director Marc Israelsohn.

Most major shopping centres are required to provide only six bays for each 100 sq m of shopping space

The market will stay open until 9pm with full security for shoppers and vehicles

Johannesburg has more flea markets than any other city in the world and this multi-million rand marketing business is growing rapidly, says Mr Israelsohn

About 20 flea markets operate in and around Johannesburg and generally offer a wider range of products, at cheaper prices, than most hypermarkets New York, for instance, has only three, he says

Lower prices are made possible by stall owners having virtually no overheads — daily rentals are about R40 — and the fact that most are operated by a single person who takes all the profits

Saturday and Sunday trade attracts about 100 000 people to the 500 stalls, with about 15 000 moving through the turnstiles on Wednesdays and Fridays

About 20% of these visitors are tourists who are offered exchange rate facilities with the blessing of the Reserve Bank. Over the Christmas weekend, about 140 000 shoppers went to Bruma

Turnover averages about R2,5-million a day at the Bruma market Mr Israelsohn says he has had applications from about 25 000 people interested in setting up stalls

At Bruma, fines have been levied on stall owners who have closed early, some have been forced to change their product range because it clashes with others and dealers have been thrown out because of poor products

Ruling on stalls irks the traders

Staff Reporter

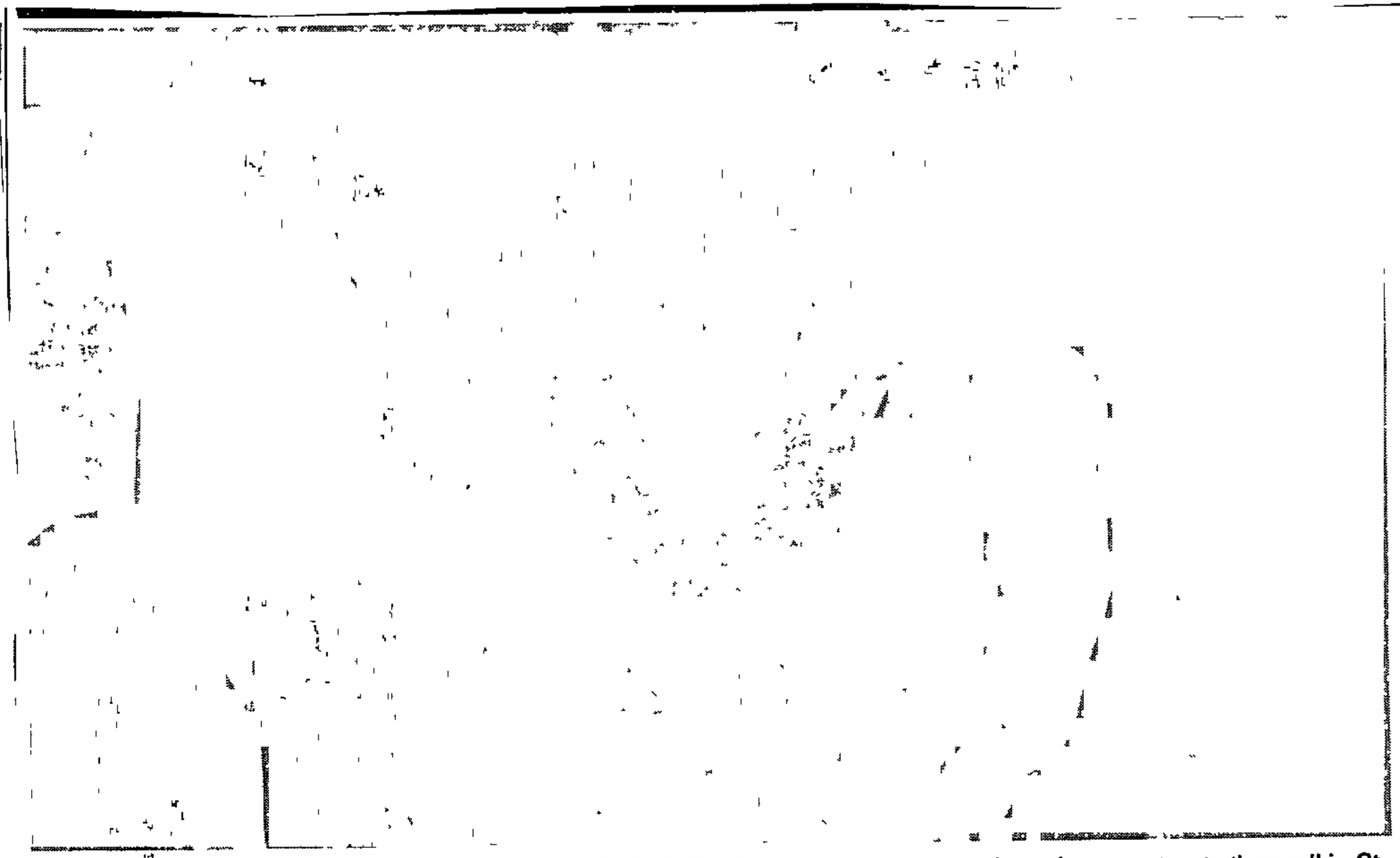
STALLHOLDERS in St George's Mall are so disappointed with the Administrator's ban on any more than 60 informal traders in the mall and its surrounds that some of them have threatened to defy his ruling

There are often 150 or more stalls in the mall at present.

Mr Meiring announced yesterday that just 60 stall sites had been approved, 40 of which are in the Mall itself and 20 in streets leading off it — in Shortmarket, Castle and Waterkant streets, and in Exchange Place

The ruling comes into effect from Friday when it is due to be promulgated in the Provincial Gazette along with a map

Stallholders who want to carry on trading will have to apply to the city council, which will have the final say on who is to remain



LEAVING SOON? . . Mr Marvin Wright and Ms Fadwah Bardien with the home-made mohair waistcoats they sell in St George's Mall They don't expect to be able to stay on after the Administrator's ruling comes into effect Picture ALAN TAYLOR

Disobedience threat by Mall traders

(153A) CT 1215/93

By PETER DENNEHY

FURIOUS stallholders are threatening to slaughter sheep or goats in St George's Mall in protest against street-hawking limitations about to be imposed there by the Cape Administrator and the city council

Mr Chris Lubbe, chairman of the National Traders' Association, said yesterday his organisation did not accept the Administrator's decision to limit the number of stalls to a total of 60 from Friday.

The council's selection criteria for mall stallholders were also unacceptable, he said.

"They want an elitist arts and crafts market which blends in with the present ambience

"We are not moving from the mall. We are going to embark on civil disobedience"

He added that people from the townships may be brought in to participate in the protest, and that livestock could be slaughtered on the pavements

Members of his group had always tried to conduct themselves in an orderly manner, but "if they want anarchy, they will get it", he said

Deputy city administrator Mr Alan Dolby said yesterday permits had thus far been issued for only about half of the 60 available mall sites. About 100 applications had come in, but not all complied with council criteria (153A)

A meeting with stallholders is due to be held this afternoon

According to the Administrator's ruling, there will be 40 stalls in St George's mall between Wale Street and Thibault Square and 20 in side streets off the mall

Star 12/5/93

Innovative concept in car wash franchising

AMONG the franchise opportunities approved by NedEnterprise and which show promise for growth, is top European car cleaning system, Kleindienst and the Euro-Line range of car care products now being franchised, under license, by Cosy Care

Cosy Care's Ernst Budweg reports that he currently has 800 franchisee applications for the system which, depending on which machinery packages one buys, costs between R130 000 and R180 000 to establish.

An interesting departure from the usual franchisee package is that no royalties are charged. Instead a fixed management and service charge which covers training, is based on the size of the operation but not linked in any way to turnover.

Says Budweg. "The use of car wash outlets has increased steadily in recent years, despite the recession"

Room for big and small

STAR 12/5/93 (153A)

BIG and little fish belong in the same economic pond, say small business researchers.

Small and large businesses should not be viewed as competitors, but as essential and different ends of a continuum, and, in a sense, partners

Big businesses give an economy stability They have the resources to withstand up and down cycles in demand for their products

Small business on the other hand, can react faster, take rapid advantage of new opportunities and a prompt stimulus to economic growth

Large firms often rely on small firms for specialist products and services. Those small firms in turn, depend on larger companies as their market.

However, very different tax environments and economic variables affect the two ends of the spectrum, points out SBDC economist, Dr Edwin Basson.

"The geographical focus of small business is more localised compared with the national, sometimes international, perspective of large business.

"A small business often serves a tightly defined area of perhaps five to 50 kilometres. That 'territory' can rapidly become saturated if the situation is not controlled.

"Much of the bitter and violent conflict we see sporadically between rival taxi organisations and hawker groups is a direct result of that principle

"A core problem in our economy now is more people squeezed into the urban areas. Unemployment forces them into some form of trading which overtrades in one area for a finite pool of funds"

While Basson does not believe that this competition has arisen to any great extent between informal and formal traders, he believes that many South African municipalities may find some more regulation on hawking and other informal trading may be necessary.

Tax relief which applied to large business in the March Budget failed to offer significant tax relief to small business, said Basson

The reason is that many small business operators still operate as sole traders and are taxed in their personal capacity.

Aspects of the Budget which Basson said would help to promote the SME sector included funds allocated to small business development and tax relief which would assist the private sector in its many initiatives towards job creation.

Mobilising 'sweat equity'



THE 4,4 million South Africans engaged in various aspects of informal trade are rediscovering the world's most ancient form of trade — "sweat equity" that will provide services at affordable, inflation-dampening prices.

That is the view expressed by the authors of the SBDC's *Strategies for Economic Growth* document. STAR

Handcrafts

12/5/93.

This sector is believed to provide the lowest cost job creation and on-the-job training.

The type of activity that is informal and entirely legally and socially acceptable spans production, distribution and service operators.

In the production category, some examples include handcrafts, diggers, dressmakers, self-employed artisans, home brewers and even cooks

Musicians

In the distribution category, there are hawkers, caterers, messengers, dealers and shebeen owners. In the service category, there are taxi operators, musicians, repair services, cleaning services, shoeshiners and barbers

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You have a dream One that will allow you to express your creativity, allow you the freedom to work in a way that suits you best, and, when it all comes together, makes you independent

Wits Business School

In making your dream a reality you will have to travel a lonely road. There are hazards along the way. This is where the *Centre for Developing Business* can help

Over the past 14 years we have assisted many entrepreneurs in transforming their ideas into plans We can help you

Our part-time course (1 evening per week for 7 weeks) is designed to fit into busy schedules The course will cover

- The critical factors necessary for your business to succeed
- Where and how to obtain finance
- How to budget (the core of the business plan)
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- How to identify potential customers and what will make them buy from you

Your biggest investment will be the time you spend on the course The very affordable fees are made possible by the support of Nedbank who are serious about developing South African entrepreneurs

Call *Mark Peters* on (011) 643-3241 for more information about how this course will give you a head start in your business

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A Star feature

The individual is the kingpin

STAR 12/5/93

153A

■ Backing the unbankable: FNB Small Business Unit Senior Manager Ali Mokoka believes the individual is the most important security when assessing the backing of a small business venture.

SECURITY is not always the first and only criterion a banker takes into consideration when assessing you for a loan and a helping hand into your own small business venture.

That certainly goes for First National Bank Small Business Unit Senior Manager, Ali Mokoka who says: "I'm against just lending against security", and puts the real meaning of security in perspective with the reminder, "we're not out to repossess things".

This seems to put the emphasis back in the right place when it comes to assessing the often "unbankable" and unproven new candidate taking the always risky first steps to entrepreneurship. Because as Mokoka points out, "The individual is the kingpin He makes or breaks the business venture"

Much of the elusive "security" in this very different area of the banking industry is the individual himself, his talents, his motivation, his personal responsibility to make the venture work with just enough of a capital injection and financial consulting help from the banker to improve his chances



Not out to repossess . . . FNB Small Business Unit's Ali Mokoka.

"Our inquiries range from franchising to corner cafes, from small manufacturing to new ideas with great prospects They really cut across the spectrum of business activity.

"We ensure the individual has a reasonable stake in the business because this brings out commitment. That way, if things go sour, he stands to lose something

"Our role here is to advise. We may suggest a partner, or surety for the value of a good name, a recommendation by someone who knows the potential candidate We may encourage a person who has excellent prospects, or caution someone who has motivation but inadequate skills It is a dangerous step to risk life savings on a small business when there are safer investments to be had.

"One successful candidate who had experience only as a general dealer has formed a thriving restaurant/hotel in Katlehong. He had good management skills

"The biggest problem we see is entrepreneurs who do not really know how to run a business or how to meet cash flow constraints, how to contain costs and how to ensure they can meet salary payments."

Explaining First National Bank's pioneering step in taking high visibility in black areas with both banking and small business services, Mokoka says "We had a vision that although this area is quite risky, small business would prove to be the backbone of the economy. We have learned many lessons since the formation of the unit in 1979 and have adapted We are very encouraged by events and we believe this makes a vital low-cost contribution to job creation."

On the relative level of "entrepreneurship" evident in SA society compared to other cultures, Mokoka believes we have some way to go. "I don't think we're so fired up The type of entrepreneurial development one sees in Latin American countries sets a high standard. But it is changing, and our slowness to catch on really has more to do with history and repressive legislation on street vending than anything else."

We're here to stay, mall traders tell the city council

153A

ARG 13/5/93

Staff Reporter

ST George's Mall traders have told city council officials "We are here to stay"

They delivered their message last night at a heated meeting in the Cape Town Civic Centre attended by about 200 members of the National Traders' Association, deputy city administrator Mr Alan Dolby and traffic officials.

Traders are up in arms about the "compromise" decision by the Administrator of the Cape, Mr Kobus Meiring, to allow 60 hawking sites between Wale Street and Thibault Square from next Friday.

Trader Mr Alan Manuel said: "Once again you (the city council) are taking away our bread and butter. You are taking away our livelihood. We have families to feed."

Many traders criticised the council for taking over the task of allocating the 60 sites.

They asked Mr Dolby to leave the allocation of the sites to the association "who are in a better position to decide", and to give the rest of the traders a grace period until the council made a definite decision on alternative sites.

But they would not move until a site was found where trading would be just as profitable.

"We are not going to move and the city council is going to be faced with confrontation if it tries to move us," said Mr Boyce van Rensburg.

Mr Dolby said preference had been given to traders who sold crafts or hand-made goods or those who "generally make a living from trading in the market".

The traders rejected this, saying the council seemed "hell-bent on allowing only an elitist arts and crafts market"

"We received 100 applications for these sites even before the Administrator made a decision on the number and only 38 of these met with our criteria," said Mr Dolby.

These traders would pay R15 a day, whether the weather was good or bad.

"It is true the criteria laid down by the city council eliminate 90 percent of the traders in the mall, but those are the regulations the Administrator has laid down," Mr Dolby said

From Monday traffic officials would have to enforce the law and remove traders from the mall.

"We will tell people that unless they have permits they will have to move. We have the right to confiscate their goods and our last resort will be arrest," said Mr Dolby.

"We would not like to be put in such a situation but we will have to enforce the law," he said.

Mr Dolby said he would forward to the city council the association's proposals on the allocation of the sites and the scrapping of the criteria.

A National Traders' Association spokesman said traders would "definitely take militant action" if they were forced to move.

Traders in mall to defy arrest threat

153A CT 13/5/93

Staff Reporter

ANGRY St George's Mall stallholders last night vowed to continue trading despite restrictions imposed on them — but the city council threatened to arrest errant traders from Monday "if we are confronted by obstructionist tactics".

Deputy city administrator Mr Alan Dolby, addressing about 200 traders in the civic centre, said only 38 of the 100 people who applied for permits qualified in terms of the council's selection criteria to trade.

The meeting follows an announcement on Tuesday by administrator Mr Kobus Meiring that only 60 stalls would be allowed in the mall

Mr Dolby said that from Monday the city council would act against stallholders who were trading without permits

"If we are confronted by obstructionist tactics, regrettably we will have to arrest," said Mr Dolby

He said council officials and traffic officers would "just be doing their job" in enforcing the law

In a heated meeting with council representatives last night, several stallholders vowed not to move

"I had to run from Gatesville (in Athlone) — I am not running from the mall," said one stallholder

Others slammed the council and administrator's decision, saying they were taking bread from people's mouths and likened the move to old-style repression where street hawkers in the city were persecuted by authorities.

Aid for small business is here

■ Now you can get your own business off the ground:

By Joshua Raboroko

LACK of skills among emerging black entrepreneurs has always been a thorny issue in South Africa

With the aim of upgrading these entrepreneurs, the Small Business Education and Training Academy, the Job Creation Action Committee, BP, the Independent Development Trust and FutureBank have designed a scheme to help the unemployed develop business skills and to create jobs.

The scheme is set against the background of centuries of deprivation and restrictive legislation aimed at black business people, according to Sbeta's chief executive Mr Lucas Ntuli

"Sbeta has developed unique business skills, training methods and systems designed to optimise the entrepreneurial potential in our society," he said

Sbeta will run courses on how emerging businessmen can prepare business plans for new or existing ventures Approved business plans will be submitted to the source of finance

After having been granted business development loans, the Sbeta, working with the NJAC, will help trainees start their businesses and provide ongoing advice and mentoring

FutureBank public relations officer Ms Lindi Kubheka said they supported the move

For more information, contact Sbeta at 5th Floor, Suzuki Building, 62 Juta Street, Braamfontein, Johannesburg

Longest recession is set to continue

Sowetan 14/5/93 (153)

By Mzimkulu Malunga

NO IMPACT Economy is expected to grow marginally sometime this year:

SOUTH AFRICA'S LONGEST recession is set to continue this year, say economists

Though it is expected that the economy will experience a marginal growth of about 0,5 percent in 1993, economists say that this will not have much impact

In its quarterly economic monitor, Amalgamated Banks of South Africa say factors like consumer confidence have been shattered by the recent increase in Value Added Tax

The inflation rate is expected to return to double-digit figures because of an increase in VAT, the rise in the price of petrol as well as import charges

Absa says the flight of money from the country has led to a decline in the country's foreign reserves

Old Mutual chief economist Dave Mohr says even if economies of the world's major industrialised countries — many of whom are the country's trading partners — recover, it is unlikely that the South African economy will do the same



Dave Mohr

The only positive signs come from the agricultural sector where production is expected to improve following one of the worst droughts in Southern African history

Prospects for a political settlement could revive foreign interest and lead to an inflow of money into the country, he says

The euphoria which followed gold's surge to the $350 an ounce mark in recent weeks would not last Mohr does not believe the price will rise further

Unfortuante messengers

"In ancient times, some rulers killed those unfortunate messengers who brought bad news to them If that policy were applied to South Africa today, economists would be executed almost every week," he says

Sanlam's economic survey for April says unemployment continues to be a problem as the economy declines and the population increases

An estimated three million people are currently unemployed An equivalent number of people are employed in the informal sector, according to the survey

Greenmarket Square traders fear for future

ARG 15/5/93 (153A)

■ Traders on the lower half of Greenmarket Square believe they face an uncertain future as the city council allocates a new lease.

DALE KNEEN
Weekend Argus Reporter

TRADERS on the lower half of Greenmarket Square are petitioning the city council to reconsider giving the lease for the square to the operators of the Cape Town Station fleamarket.

The traders, mainly women, fear they may be told to leave the square, that there may be a decline in the standard of merchandise available and that it will become unsafe for them, their clients and tourists

A petition was circulated around the square yesterday, less than a week after the city council's amenities and health committee recommended that the operators of the station fleamarket be given the lease

Mr Badih Jamil Chaaban and Mr M Moureimne were given the thumbs up ahead of six other applicants for the tender, including the ANC-affiliated National Traders' Association (NTA) and the present lease-holder, Mr Trevor Hayward.

The NTA, which also represents the St George's Mall traders, called an urgent meeting with Greenmarket Square traders on Thursday at St George's cathedral hall.

Association spokesman Mr Chris Lubbe told the traders he intended appealing against the city council's decision. He believed the traders could be exploited and possibly would even lose their livelihood.

A petition was circulated yesterday morning among the traders, who were furious about not being told of developments Almost all the traders on the square signed it.

"We've been told nothing," said Ms Claudia Ferguson, who sells trendy 1970s-style clothing which she makes herself

There are 120 traders on the lower end of the square every day and approximately 280 on Saturdays Most of the traders are women and some are from Zaire, Malawi, Zimbabwe and Namibia

"This part of the square is a complete cross-section of races and political groupings — from the ANC to conservatives But we all live in harmony," said Ms Ferguson

She said the traders feared they would be forced out by the new management and replaced with traders at the station who sell mass-produced clothing and electronic gadgetry.

Ms Mabel Orange, who sells curio-style sculptures, said many of the traders were single mothers or married women who relied on the income they generated to survive There were also people selling goods for charity

Many other people, like sandwich sellers and a vagrant who swept the square, were dependent on the traders being there So, too, were people employed by the traders to make clothing

Ms Ferguson said a man called "Rocky" was employed by Mr Hayward to make sure the traders on the lower half of the square were protected When Mr Hayward no longer had the lease next month, the women would have no security

"We don't have a problem with the R20 rent we have to pay every day because we have security It's a friendly place where traders can bring their children and where tourists can feel safe"

Ms Orange said she was concerned about rent increases as the station fleamarket owners had offered the city council R46 000 a month for a 140-table market which had been amended to R33 321 for 100 tables

Mr Lubbe had told her the station traders had had two rent increases the month after the city council granted the lease to the present operators

"This is the only way I earn a living If they put up our rentals, we won't be able to survive," she said

Ms Wendy Harvey said the traders wanted to have more crafters on the market, but added they were unable to afford more than R20 a day "They live from hand to mouth"

Ms Ferguson said the market was spacious and could accommodate all the people from St George's Mall who could not be housed in the 60 hawking sites the city council identified between Wale Street and Thibault Square

Traders will abide by Mall ruling

St Times [Cape Metro]
16/5/93

By JESSICA BEZUIDENHOUT

A MEETING of about 100 informal traders yesterday voted to accept the Cape Town City Council's ruling that only 60 licences will be issued to traders to operate in St George's Mall (153A)

The decision to accept the council's offer was taken during a meeting of St George's Mall traders held at St George's Cathedral yesterday afternoon and was made in spite of earlier threats by some people to continue operating in the area without permits

This followed an announcement earlier this week by the Administrator of the Cape, Mr Kobus Meiring, that the Mall is to be declared a hawking-prohibited area and only 60 crafters would be allowed to trade there

The traders accepted the council's proposal that, over and above the 13 permit-holders currently trading in the Mall, an additional 47 would be granted licences to trade

No trading will take place tomorrow as the National Traders' Association (NTA) is to meet with other interested parties to determine the criteria on which the additional 47 licences will be granted.

'Jointly determined'

These criteria will be jointly determined by members of the NTA, the City Council, the Chamber of Commerce and the traffic department, according to NTA member Mr Miles Robertson

Although not all parties have yet agreed to this, "we do not see that there should be a problem as it was proposed at a previous meeting with the council", he said.

All other traders would move to Thibault Square — which was proposed as an alternative venue by the City Council — for the next five weeks The council has told the NTA that there is a possibility they could move to Greenmarket Square from July 1, he said

Several traders who will have to move to Thibault Square said they were "unhappy", but have agreed to this as it means they will be allowed to continue trading until they are granted permits

Mr Malik Mohammed, who is not a member of the NTA, said he "would not bother" to apply for a permit as the council had made it clear that only people selling arts and crafts would be allowed in the Mall He would not move to Thibault Square, he said

New tax guide is aimed at farmer, businessman

ST Times [C | metro] 16/5/93

SANLAM's Tax Guide for the Agricultural and Small Business industries was launched this week and should prove a useful aid to the farmer and small businessman

The tax guide, which previously focused on the farmer specifically, includes for the first time this year, authoritative information for people running small businesses

The guide waa written by Fran du Plessis, a senior lecturer in the Department of Mercantile Law and Accountancy at Stellenbosch University

Mr Mauritz Bekker, agricultural economist at Sanlam, said "The booklet will guide both the farmer and the small business entrepreneur through the various facets of tax legislation The logical and elementary approach used to explain this complicated matter should enable everyone to understand it."

Pressure put on mall stall-holders

ARG 17/5/93 (1534)

Municipal Reporter

TRAFFIC police patrolled St George's Mall from early today, armed with copies of the Provincial Gazette.

They were there to enforce Administrator Kobus Meiring's ruling that from today only 60 designated sites can be used for informal trading.

Protest was averted at the last minute when the city council agreed to suspend a lease on the lower half of Greenmarket Square and allow "overflow" traders there.

Traders reach deal on Mall

153A

CT 17/5/93

Municipal Reporter

A DEFIANCE campaign by organised informal traders in St George's Mall was headed off at the weekend when the council agreed to suspend the allocation of a lease on the bottom half of Greenmarket Square.

Deputy City Administrator Mr Alan Dolby said yesterday that the National Traders' Association (NTA) had been intending to defy the Administrator's ban on any more than 60 informal traders in the entire mall complex, but now a compromise had been reached

"We have negotiated what we believe is a fair settlement with them," he said. An NTA spokesman confirmed yesterday that an agreement had been reached on the terms Mr Dolby outlined

The council will consider ways in which "an acceptable number" of the mall traders could be accommodated on the lower half of Greenmarket Square

Earlier, a council sub-committee with delegated powers had decided to allocate this lease to the highest tenderers But this decision had since been rescinded

The council has agreed to accept further applications from informal traders under the NTA for permits for the 60 demarcated mall sites

Further discussions are to be held on "more flexible criteria" for the allocation of sites The NTA objected to restricting stalls to selling arts and crafts

Some traders will continue to trade in the Mall for free until permanent permits have been allocated

Places will be allocated on a daily basis for up to 60 stalls

The rest of the St George's Mall informal traders who cannot be accommodated there will relocate to Thibault Square, also for free, "or other suitable areas of the CBD"

47 traders chosen for Mall market

153A
CT 18/5/93

Staff Reporter

THE National Traders' Association (NTA) yesterday chose the 47 people to occupy the remaining spots in St George's Mall, as agreed between the NTA and the Cape Town City Council at the weekend

However, the criteria to determine who of the approximately 200 informal traders would get licences to trade on the Mall nearly marred the meeting at St George's Cathedral, when some felt it was unfair

First preference was given to traders who had contributed R50 to the NTA for legal advice in opposing the council's plan to ban them from the Mall last year

The remaining traders who would operate in the Mall were chosen from those who have been in the business for a long period

Those who would not be granted licences to deal in the Mall are expected to start working at Thibault Square and would pay R5 rental

The rental money would be used to improve facilities such as sanitation and cleaning

Some of the people who had been in the business for more than five years felt it was unfair to give those who contributed towards legal costs the first preference, despite the fact that some of them were new in the trading business.

There was also a row about the suggestion that only those people who did not have stalls in Greenmarket Square would qualify for the application for sites

Public welcomes tidier trading in city Mall

Staff Reporter

SIXTY St George's Mall traders eased peacefully into their demarcated zones yesterday — while scores of shoppers stopped to praise the traffic department's hawking squad for ensuring the Mall once again appeared uncluttered (153A)

Meanwhile about 50 traders who were previously ensconsed in the Mall had set up stalls in Thibault Square by midday for the first time — but none were enthusiastic about their prospects and several complained about the lack of passing traffic

On Monday night a meeting of the National Traders' Association (NTA) chose the traders to occupy the sites.

The Mall had accommodated close to 150 traders and the remainder were offered Thibault Square at R6 per day

DT 19/5/93

The eight-man hawking squad said "every second shopper" had complimented them on the spacious appearance of the Mall now that the alloted traders were threaded thinly along the length of St George's Mall

The squad will be stationed in the Mall all day for a fortnight and thereafter will make hourly patrols to check permits to prevent contraventions of the new regulations

NEWS FEATURE *School principal seeks independence by joining the brain drain as a plumber*

From teaching to plumbing drains

By Joshua Raboroko

DRAIN SURGEON *The service Norman Mukhari gives is never out of fashion:*

THE horrible conditions in townships — blocked drains and toilets and the lack of proper sanitation facilities — led former school principal Mr Norman Mukhari (47) to open his first business, a Drain Surgeon franchise, on the East Rand

The giant Drain Surgeon granted him the franchise to trade in the townships, and using his lifetime savings he established the company in Daveyton in 1992

Mukhari says 'I established the business on a small scale Today it is the largest repair plumbing concern on the East Rand

"Far from being affected by the current recession, the company is growing rapidly and expects to turn over thousands of rands by the end of the year," he adds

Customers are private homes, blocks of flats, commercial buildings, hotels, restaurants, just to mention a few

"The service is never out of fashion Irrespective of the economy, people require bathroom facilities

"Population growth dictates installation and expansion of plumbing services at a time when the township housing conditions are filthy and dirty water flows freely in our streets, ' Mukhari says

Born in Louis Trichardt, he obtained his teacher's diploma at Tivumbeni Training College in Tzaneen in 1971 He started teaching in Tembisa in 1972 and soon his career took an upwardly mobile trend when he was promoted to principal

He left the teaching profession in 1992 because "I wanted to explore other avenues and to have financial independence — a move I regarded as one of the steps towards black economic empowerment"

He joined Business Challenge and after an enormous interest in the Drain Surgeon's presentation at a meeting in Johannesburg, he realised the business potential

Squalid health conditions

He says "I fully supported the apppointment of small black entrepreneurs as franchisees to carry out the maintenance of municipal drainage systems when the Government privatised them"

The squalid health conditions in the townships came to his mind while attending a funeral

"It was terrible the way mourners had to queue to use a blocked toilet — even neighbours had their toilets blocked and dirty water was flowing in the street

"The problem was the same at other large gatherings like weddings, footbal matches and festivals Conditions at squatter camps were even worse," Mukhari says

He made inquiries about the business and when he was offered an opportunity he grabbed it It was the turning point in his life "I have never looked back," he said

After his first client, many more came and the news about his business spread like wild fire in the townships

He employs about 11 people whom he trained to do the job He believes he can show people how they can profit from servicing plumbing installations in homes, public and industrial buildings

"This is not a fly-by-night operation It is a respected business," he says, adding, "I am prepared to train more people in order for them to create jobs at a time when the country's unemployment rate is growing daily"

He is married to school teacher Mary, who helps him in the business during her leisure The couple has two children Prinsley and Mikagejo He can be contacted toll free 080 111-8344, Page 922-4000 code BD 50 or PO Box 159 Tembisa 1628



Norman Mukhari ... company growing.

Roping in the private sector to help small business



MENTORS: Small businesses need experienced business mentors from the private sector to help them with training and skills

Everybody's **BUSINESS**

PROVIDING a small business with an experienced business mentor from the formal sector could mean the difference between success and failure.

This vital process remains one of the major challenges facing the small business support fraternity, like the Small Business Development Corporation (SBDC).

The challenge can be addressed in co-operation with the private sector by recruiting a few hundred dedicated and experienced mentors willing to help emerging entrepreneurs handle the many obstacles facing them in the early phases of their businesses' development.

Some of these mentors might be sponsored, others might arrange some payment from the enterprises they represent. But most should come forward and get involved on a volunteer basis

Their brief would involve:

● Adapting technical expertise available to formal sector enterprises to meet the special problems facing emerging entrepreneurs;

● Bookkeepers interested in making a contribution will have to know how to draw up meaningful sets of "statements" from scratches of paper and shoeboxes full of "information" — and present it to the entrepreneur in a way that he or she really understands and is able to use,

● Franchisors have to play a more active role in designing new types of franchises that effectively transfer skills, maintain financial discipline and strengthen independent entrepreneurship — yet do all of this at a reasonable and attainable franchise fee;

● Suppliers of emerging black enterprises should realise the developmental role they can and should play in effectively planning and executing deliveries of equipment, new materials, finished goods and other commodities Quite often the supplier can be the most effective trainer, if willing to undertake that role;

● Financial institutions should accept that current accounts and other normal client services offered to black entrepreneurs provide the opportunity for active training in how to handle their money. Even though this takes time, costs money, and is not a statutory part of bank-client relationships,

● Training institutions offering courses to small enterprises still have a long way to go in finding new and innovative ideas to effectively teach the large number of informal and emerging formal sector entrepreneurs who need skills, but find conventional training methods inappropriate,

● Established enterprises in the formal sector should "adopt" emerging black entrepreneurs, especially in their own sphere of expertise. For example, a pharmacy in Bellville or Claremont could play a partnership role for black pharmacists in, say, Khayelitsha, advising on shop lay-out, pricing, credit control, supply channels, security and medical aid matters. Part of the adoption would imply visiting the newcomer's establishment. Another would entail the newcomer's presence in the well-run shop or industry;

● Chambers of Commerce, industry and related bodies can be used to mobilise panels, or willing "partners", in specific business sectors, so that emerging entrepreneurs can choose likely mentor candidates, and,

● Black entrepreneurs who operate black/white partnerships can show that non-racial business relationships are equally advantageous to both parties. The fatest route to black business advancenent can he in the acceptance of the partnership challenge.

BUSINESS Sipho Nkosi's 12-year-old dream of becoming independent pays off

Bright and shiny sign of success



Sipho Nkosi ... successful signwriter.

By Mzimkulu Malunga

IT TOOK 12 years of soul-searching for Sipho Nkosi to finally take the plunge and start his own business

"During twelve years of working for a firm of signwriters, I used to ask myself if a similar business would work for me And when I told my friends and colleagues, they advised me against it," he says

Just when Nkosi was about to erase the thought from his mind, a man in Randfontein asked him to do a sign for him

"When I told him where I was working he asked me if I could signwrite a board for him I gave it a go and he was very happy with my work"

But he only began taking things seriously in 1983 when he was approached by representatives of the Release Mandela Campaign to design banners for them

The money he made helped him hire a workshop in Orlando West Industrial Park and set up a company called City Signs

REACHING GREAT HEIGHTS Small signwriting company thrives:

Sowetan 21/5/93

Sanlam

153A

Business increased steadily But there was a major handicap the stayaways and boycotts which brought many township businesses to a standstill from time to time

Four years later City Signs found a new home in another Small Business Development Corporation hive, Pennyville It was here that the business really began expanding Today its client list reads almost like a who's who of the corporate world

Ironically, most of City Signs' business comes from white companies

Nkosi says "I have lost a lot of money in the townships The main problem with many of our people is that they give you a deposit — but getting the outstanding amount from them is not easy"

City Signs employs 11 people, most of them skilled signwriters

Sipho Nkosi qualifies for the Sanlam-*Sowetan* Entrepreneur of the Month competition He will compete with other entrepreneurs of the month for the Sanlam-*Sowetan* Entrepreneur of the Year award His business is situated at 73-Pennyville, SBDC Hive, tel (011) 474-9443

Couple die in 'planned euthanasia'

CAPE TOWN — A retired top city psychiatrist and his bedridden wife have died in a well-planned act of euthanasia.

The bodies of Dr Montague Russel Clarke (79) and his wife Angela (54) were found in their Ednam Road, Newlands, flat on Wednesday. Both had been injected with an unknown drug.

Dr Clarke's son Tony said from his home in Constantia that his stepmother Angela had become disabled after undergoing several painful operations to her spine with limited success.

His father had recently had the battery replaced in his pacemaker and had been told by doctors that he would have to undergo serious cardiac surgery within the next four years.

"They felt they had an unhealthy and painful life with little to look forward to," Clarke said.

"This is terribly sad for the family. However, if one looks at this as though the two of them have chosen euthanasia to move on to a better place, then it's wonderful."

The caretaker of the block of flats made the discovery after a note in a sealed envelope with his name on it was found lying next to his car.

The note, signed by the couple, apologised to him for his "grim task" and said they had "decided to end our lives in what you might call assisted euthanasia".

Police have opened two inquest dockets — Sapa.

Ampros to take hawkers under wing

Star 21/5/93

By Meg Wilson
Property Editor

In a move with important implications for central Johannesburg, one of the city's largest property administrators has undertaken to provide proper trading, storage and toilet facilities for hawkers operating outside its buildings.

Anglo American Property Services (Ampros) says two precincts, outside the Carlton Centre along Commissioner Street, and the pedestrian zone adjoining 32 Diagonal Street, will be the first to benefit.

Consultant Monty Sack says the development has come about as a result of street-level negotiations with hawkers already operating in these areas

These followed a Central Johannesburg Partnership (CJP) workshop at which representatives of formal business, hawkers and the city council were brought together for the first time.

Heeding hawkers' demands for relief from local authority harassment, Ampros has decided to lease the pavement space in front of its buildings from the city council, giving it effective control over these areas.

It has responded to other needs by agreeing to provide proper trading stalls, some with water on site, and arranging toilet access and convenient storage facilities.

Daily cleansing and security will be supervised by Ampros, although traders have accepted the need for "self-policing" and are hoping to employ their own cleaners

In effect, says Sack, Ampros will be managing the process of upgrading — "not in an autocratic sense, but in the broader interests of Johannesburg"

Ampros, which is considering other sites in greater Johannesburg, including Braamfontein and Hillbrow, for similar upgrading, obviously hopes the initiative will catch on among other property owners

This would give effect to the objectives of the CJP task group on informal trading, which include promoting more effective planning and design of informal trading pitches, and improving operational considerations.

The next step, says Sack, is to facilitate training for hawkers in such matters as bookkeeping and buying, marketing skills and environmental health, but this will have to be on a comprehensive rather than ad hoc basis.

CAPE TOWN'S CLAMP ON HAWKERS

FM 21/5/93

Street traders in Cape Town's St George's Mall have accepted a deal to limit them to 60 stalls after they initially threatened to rebel against the new restriction. Under regulations published last week by Cape Administrator Kobus Meiring, however, it seems that only craft traders will be allowed. Traders were due to meet city officials this week to resolve the issue.

Until last week there were often more than 100 traders in the mall. Most sold clothing and other factory-made goods.

The traders moved into the mall last year after the Business Act came into force and deregulated hawking and business licences. The city council and retailers in the area immediately objected and appealed for Meiring to take action. But a move to restrict street trading was found technically invalid (*Business & Technology* December 18).

The agreement to allow 60 craft traders is a compromise by the city council, which had earlier decided that no trading would be allowed in the mall, and the traders. The move is also in line with a Cape Town Chamber of Commerce recommendation that the authorities should allow a reasonable amount of informal trading in the downtown mall network.

The chamber recommended that preference should be given to traders selling arts and crafts that would "add interest to the mall and reduce conflict with formal traders."

The traders said at the time that they were not totally opposed to the regulation but wanted it negotiated and not simply imposed by authorities.

Council, traders strike a bargain

South 22/5 - 26/5/93

A SEVEN month stand-off between informal traders in St George's Mall and the Cape Town City council has been resolved "for the time being" as 60 traders have been permitted to stay. (153A)

The issue of informal trading in the Mall came to a head last week as about 200 traders threatened a defiance campaign in the face of Council eviction notices

Emergency meetings held on Friday between the council, the ANC and traders, forged an agreement that defused confrontation

Of the 200 traders, 60 are now permitted to stay in the Mall The remainder will be accommodated in Thibault Square — with the proviso that Council helps to develop the Square into a viable trading centre

In addition, part of Greenmarket Square will be given to traders

"For the time being we are happy with the temporary set up," says Mr Chris Lubbe, spokesperson for the St Georges Mall Action Committee. "It is by no means an ideal solution as not everybody has been accommodated in the Mall, but we are relying on the agreement that we will get the tender for a section of Greenmarket Square "

According to Lubbe, the agreement has "set a precedent" because the Council has taken the demands of informal traders seriously.

Lubbe sees the agreement as a result of a long battle Up until last week, the Council's attitude was to bar informal trading in the Mall, at the request of formal businesspeople operating in the area

But the informal traders refused to budge, choosing instead to fight their pending removals

The Action Committee was formed to ensure the Mall became a presentable trading area

Stall areas were demarcated, a register of traders was drawn up, refuse was collected, emergency routes for ambulances and fire engines were kept open; security provisions were made and a fund was established to cover these costs

But still Council would not negotiate, insisting instead that traders leave, and offering the unpopular Thibault Square as an alternative.

Meanwhile traders sought help from political organisations After the traders were turned away by the Democratic Party, the ANC offered to negotiate with the Council

Late last year, traders also took legal action against the Council and staved off an eviction order

When the Council pursued its eviction policy this year, traders were prepared to turn to violence as a means of protecting their jobs

"It would have been an-all out war," says Lubbe. "We had tried everything else to solve the problem amicably with Council, but still they struggled to even talk to us."

After the weekend agreement, traders faced the dilemma of choosing the 60 traders who can stay.

In the end, they used two criteria. Those who helped with last year's legal costs could stay, and traders who showed the most regular attendance at stalls were given priority

Nonetheless, Lubbe maintains there is unity among the traders

Mr Alan Dolby, deputy city administrator, said the City Council was satisfied with the agreements and that the Council had "negotiated a fair settlement".

QUENTIN WILSON



ST GEORGE'S MALL: After a long fight against the Cape Town City Council, informal trading will remain a feature of the City's business community. Photo: Shadley Lombard

There's nothing like a plan of action for getting you that loan

MANY people decide to start their own small businesses based on either a gut feel, a marketable skill or a business idea which is believed to be viable

It is crucial to first check the facts and comprehensively examine the viability of one's ideas

Starting your own business requires the maximum utilisation of all your talents – and a business plan.

A business plan is a detailed programme outlining every aspect of your proposed business venture It should describe:

- What you intend doing;
- How you intend doing it,
- When you intend doing it, and
- Why your idea is viable

A business plan indicates to financial institutions that you are serious

E/Pen 23/5/93 153P

Format

A business plan can take a format of your choice, but must be written down

That plan should be.

- Of a good appearance;
- Concise;
- Comprehensive; and
- Simple and easy to read.

Step 1: Ensure that the front page is neat It should contain.

- The name of the business;
- The type of business;
- The name(s) of the owner(s);
- The address and telephone numbers of the owner(s) of the business;
- Logo or emblem if you have one,
- The date presented, and
- Divide the contents page into clearly numbered headings with corresponding page numbers

Stimulate interest

Step 2: Your introduction should be concise, stimulate interest and contain the following information

- A description of the service or product you intend selling or manufacturing for resale;
- Why you believe your venture is viable, and
- Your short-, medium- and long-term business goals and objectives.

Step 3 should contain·

- The type of business ownership selected,
- Any legal requirements like licensing, permits and tax regulations,
- A comprehensive outline of your product(s) or service(s). If you intend producing or manufacturing a product, explain in detail the processes involved, machines you intend using, etc;
- A technical outline containing details and capabilities of your machinery and equipment,
- A description of your location, features, floor layout, proximity to competitors, leasing conditions, etc
- A comprehensive outline of your educational qualifications, work experience and training course attended;
- A comprehensive SWOT analysis of your business i e. outline the. Strengths (S), Weaknesses (W), Opportunities (O), Threats (T).

Indicate what you are going to do about each of these four factors – that is, describe your competitors and their products.

In step 4, your plan should explain how step 3 will be achieved. This is one of the critical areas that a financial institutions looks at very closely. It should include:

- A description of your specific target market,
- A projection of your short-, medium- and long-term turnover;
- A description of your competitors' marketing strategy and the potential effect on your business; and
- A description of your purchasing, costing, pricing, selling and sales promotion strategy.

Your financial plan should also contain the following:

- A description of how many staff you intend employing, why, where and how you intend recruiting them,
- A description of your management and staff, their qualifications and experience and what their job descriptions and income packages will be;
- A description of your administration or record-keeping system, and
- A description of your staff policy regarding working hours, fringe benefits, overtime, sick leave etc

Your conclusion should be positive and motivating It should be

- A summary of why you believe your business plan will succeed;
- Why you believe finance should be granted, and
- A motivation for other people to have faith in your proposed venture

If you compile a comprehensive business plan and continue to use it as a working action plan, you will be halfway to achieving your goals. Your Business Plan is an extremely useful tool and should be used to

- Regularly evaluate your overall position;
- Monitor your actual income and expenses as opposed to your forecasts, and
- Make future decisions and plans

Rather spend more time planning properly than regretting it later If you get stuck do not hesitate to contact your nearest SBDC office or small business unit of any bank for advice



Safto GM David Graham, left, and SA Business Interest Group executive chairman Lucas Sebobe at yesterday's launch of an exhibition of SA crafts and small manufacturers' products to be held in Singapore later this year. Picture ROBERT BOTHA

Flea markets spread wings

B/Day 25/5/93

PETER DELMAR

SA's booming flea market business is going international — with official government support. (153A)

The Foreign Affairs and Trade and Industry Departments are co-operating with Safto, the Small Business Development Corporation and others in staging a four-day handicrafts and SA product market in Singapore later this year.

The flea market will focus strongly on indigenous arts and crafts and will be held at the same time as an SA-only trade fair in the city.

It will showcase the products of 30 small producers. Safto GM David Graham said the products would be decorative, original and "uniquely South African".

The market would be held in the Raffles City Convention Centre, one of the world's leading shopping venues, close to the Singapore Exhibition Hall where the trade fair would be held.

Graham said: "With the valuable role small business has to play in the SA economy, it is vital we support these emerging entrepreneurs and provide international opportunities in exciting new markets."

Participants were offered subsidised travel, accommodation and exhibition rates. A panel would select items to be exhibited.

The trade fair is to be held from August 31 to September 3. It comes after last year's Dubai exhibition, which generated business worth about $200m

Council plan to control informal trading spaces

Blom 26/5/93. (153A)

GAVIN DU VENAGE

LANDLORDS can now lease pavements from the council, and have some control over informal trading outside their buildings, the Johannesburg City Council resolved yesterday.

The scheme was implemented on a limited, experimental basis last year, but will now form a permanent part of the council's informal trading strategy.

Anglo American Property Services is already finalising a lease for the area around the Carlton Centre and 32 Diagonal Street, and is considering a number of other sites

The lessees will pay a nominal R49 for not less than a year. Only landlords or a consortium of landlords will qualify for a lease, and the management committee must approve all applicants.

They will not be allowed to rent space to hawkers, but can rent out storage facilities for a nominal fee

In terms of the deal, landlords will have to allow informal trading to continue, and must provide storage and health facilities for hawkers. Lessees are obliged to keep the area clean and tidy, and keep pedestrian walkways clear of traders

Council informal trading spokesman Silas Mbedzi said yesterday the scheme had drawn widespread approval from business and informal trading associations.

Mbedzi said that leases would be granted only on the condition that hawkers be allowed to operate freely It could not be used to ban them from certain streets.

He said before a lease was granted, a steering committee between the hawkers and landlords had to be set up "Some form of communication strategy has to be in place," he said.

Between them, the landlords and hawkers will work out what facilities are needed, how many traders the area can support, and eliminate competition with formal businesses.

Problems such as a hot dog vendor working in front of a fast food outlet could be resolved amicably, he said.

Should additional hawkers begin trading, breaching agreements limiting the number of traders, the steering committee would meet to find a solution, he said.

"Communication is the most important aspect of the project," he said "It is a getting to know your neighbour approach."

Mbedzi added that this formed only part of the council's strategy.

The council has set up a subcommittee to look into informal trading, and is expected to have a comprehensive plan later this year.

nation

Missing man's body found

The body of missing Camperdown farmer Alex Kalafatis was found yesterday Police discovered the decomposed body in an abandoned house at Umgababa on the Natal South Coast It appeared that he had been shot Kalafatis's burnt-out car was found about two kilometres from the house Three suspects have been arrested in connection with his death — Sapa.

Spotlight on abortion deaths

Preventing deaths from abortions is the theme of this year's international day of action for women's health, which falls on Friday To mark this day, the women's health project, a division of the Centre for Health Policy at the University of the Witwatersrand, is convening a workshop to discuss these issues The workshop will be held on Saturday at the Central Methodist Church in Johannesburg — Sapa.

Constable shot in Daveyton

A 32-year-old policeman, Constable Z S Mudugive, was shot dead in Daveyton yesterday. Police said the municipal policeman was walking with a female colleague at about 5 pm when three youths came from behind and shot Mudigive in the back of his head The killers grabbed the policeman's pistol and fled. The woman was not injured in the attack — Sapa.

Scores flee after four slain

Scores of people are reported to have fled their homes in the Bulwer area in Natal after a series of violent incidents at the weekend in which four people, including a five-month-old child, were killed following a rally organised by the ANC Youth League The Inkatha Freedom Party and the league accused each other of harassment before and after the rally — Sapa

Baby dolphin makes splash

The Seaworld Dolphinarium in Durban recorded a "splashdown" of a special kind at the weekend when Indian Ocean bottlenose dolphin Frodo gave birth at 3 pm on Sunday Fathered by Gambit, it was the fifth calf born to the two dolphins A special "maternity" net was used during the birth to shield the infant from the pool's hard walls — Own Correspondent

Toddler drowns on farm

A toddler of 2½ was found drowned in a farm dam north of Pretoria yesterday Police said Andre le Roux went missing about 8.30 am yesterday After an extensive search, his body was found in the dam — Sapa.

Two blasts rock Reef mine

Two explosions ripped through the Vaal Reef

metro

New rules for city's hawkers

By Cyril Madlala

Johannesburg's CBD pavements are to be leased to landlords in a bid to promote orderly hawking and overcome congestion and littering, the city council decided yesterday.

Leasing to landlords, including those in Hillbrow and Joubert Park, will be on a permanent basis with lease periods of at least a year.

Littering

"We sincerely believe that leasing pavements will lead to more orderly hawking in the CBD and that problems such as littering and obstruction will be alleviated," management committee chairman Ian Davidson said.

Before applications for sidewalk leases were submitted to the management committee, the urbanisation department would consult hawker associations, hawkers, and any other party whose interest might be affected, the council said

Davidson said landlords would be encouraged to erect hawker stands on pavements adjoining their properties

"It must be emphasised that the council is not attempting to discriminate against hawkers in favour of CBD landlords. We are in fact trying to improve informal trading so that everyone who shares the CBD can benefit," Davidson said

Landlords leasing sidewalks would have to permit street traders to use a portion of the leased site free of charge, but the number of hawkers and the vending areas would be subject to approval by the municipality.

Although pavements would be leased to landlords only, hawker associations and consortia would be invited to lease identified market sites within the CBD

Lessees would be required to upgrade the quality of hawking on the leased sites by providing temporary or permanent structures, refuse storage and, if possible, overnight storage facilities for the hawkers They would be allowed to charge a nominal rental for the structures

It was up to the landlords to ensure the sites were kept clean and traders did not obstruct pedestrians

Cable theft hits phones

About 1 600 telephone subscribers in the Alrode industrial area east of Johannesburg will be without their services until Friday afternoon following the theft of cable on Monday, Telkom said yesterday.

A Telkom spokesman said three cables were stolen regularly stolen and the copper content sold to scrap dealers.

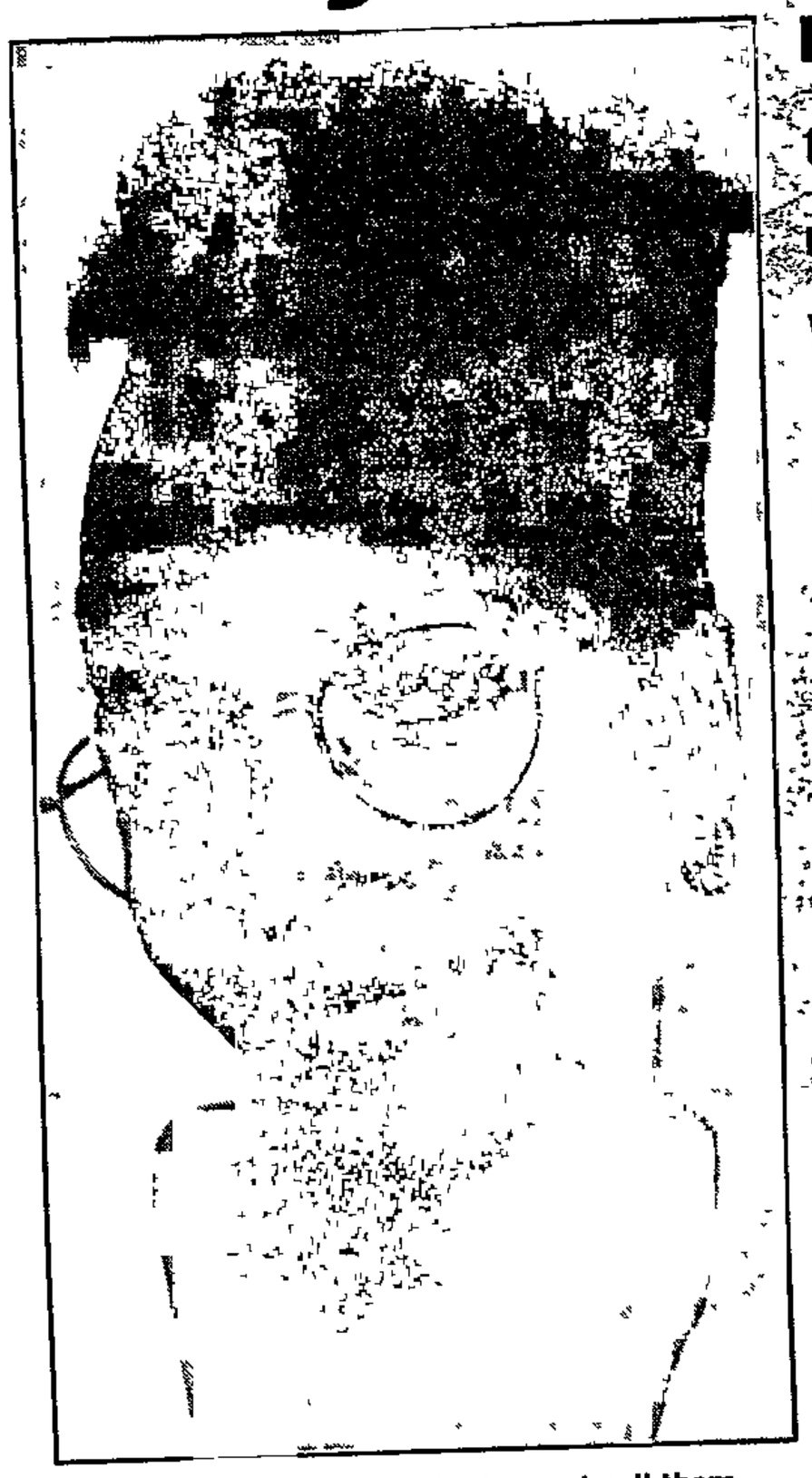
"Last year in the Witwatersrand region we had around R5 million worth of cable stolen"

Telkom hoped services would be restored to Alrode subscribers from about 4 pm

Colly takes the linen route

■ QUALITY THE KEY Mum's old sewing equipment put this ambitious young woman on road to success:

Sowetan 27/5/93



Colly Mahite believes products must sell themselves.

By Mzimkulu Malunga

WORKING FOR someone else has been one of Colly Mahite's less favourite issues in life. "If you work for a white man you are paid in a way that ensures your remaining dependent on that institution forever and not pursue other means that will empower you," she says.

That is why in 1990 the 23-year-old Mahite sought other avenues when a clothing company she worked for as a designer refused to meet her wage demand.

Within months, Colly's Curtain Land came into existence. Fortunately, Mahite's mother used to sew clothes but old age had caught up with her and the young lady inherited the equipment.

Unlike her mother, Mahite decided to take the linen route instead of garments as her area of specialty. Now CCL produces curtains, table cloths, duvet covers and other houseware items.

The company employs five people, four are saleswomen. "I do all the designing and sewing, then they go out to sell. But we have problems securing contracts with established clothing shops as they order their supplies from bigger factories," says Mahite.

However, CCL negotiates temporary contracts with various clinics from time to time. Most of the company's products are marketed at hospitals and other health centres.

She says the quality of her wares speaks for itself. "When you unroll the linen, it should be able to sell itself. You don't have to do the talking."

CCL sells mainly on a credit basis to its customers, the majority of whom are women across the racial lines.

Though most of her customers belong to the same gender group, they have different tastes, says Mahite.

For instance, her white customers prefer floral materials, while their black counterparts like voiles.

Sanlam

153A

Mahite's business has the capacity of producing 80 curtains a day but production is determined by orders.

Colly Mahite qualifies for the *Sowetan*-Sanlam Entrepreneur of the month competition. She will compete with five others in the May Entrepreneur of the Month Competition. The winner will vie for the *Sowetan*-Sanlam Entrepreneur of the Year crown at the end of the year.

Politics will rule, council warned

Municipal Reporter CHRG 28/6/93

INFORMAL trading in St George's Mall and the award of the tender for the lower half of Greenmarket Square would be the first of many civic issues to be politicised — and everyone had better get used to it, said Dr John Sonnenberg.

Lengthy debate yesterday on the future of the lower half of the square failed to overturn a March 30 decision to ask the Administrator to allow the city council to award control of the square without going out to tender. (1537)

Mr Arthur Wienburg lashed out at the National Traders Association, who was recommended for the lease of the square in spite of a recommendation it be given to the highest bidder. He said exco had submitted to political pressure.

Tender plan stays — for now

Municipal Reporter

THE city council yesterday failed to overturn a decision in March to award the lease for the lower half of Greenmarket Square to the highest tenderer.

This follows a decision by the council's executive committee (exco) to rescind its decision regarding the award of the lease after talks with one of the tenderers, the National Trader's Association (NTA). (153A)

The lease has not yet been awarded. For the decision to be overturned, 18 councillors had to vote in favour of it. The voting was 16-12 in favour. It is understood council committees will reconsider the matter. ET 28/5/93

Dr John Sonnenberg said the NTA wanted to run it by committee, instead of one person getting the lease, as it opposed "monopolistic practices". It also wanted a policy of "one table, one trader"

He said allocating the square was "not a business decision. It's about land, about urbanisation, about the problems with which South Africa is faced".

Exco member Mr Leon Markovitz said displaced mall traders should be accommodated there.

S1 Times LBuss J 30/5/93

SBDC DETERMINED TO PUSH BLACKS

By ADRIAN HERSCH

THE Small Business Development Corporation (SBDC) is determined to start more black-owned businesses

Claims have been made that the SBDC funds mainly white enterprises

SBDC senior general manager Jo Schwenke says one of the main aims is to encourage qualified blacks to open manufacturing businesses.

Mr Schwenke says: "We have been approached by overseas companies, including from Germany and the United States, who are keen to establish businesses here with blacks at the helm.

"The technology needed is available and the SBDC is there to provide usual services."

Small to-medium enterprises (SMEs) have the potential to rectify the imbalance of manufacturing capacity

Unlike in several countries, few SMEs in SA are in manufacturing.

"German SMEs produce about 60% to 70% of manufactured goods and a large proportion of these are exported."

Mr Schwenke says Africa presents a "marvellous opportunity for potential South African SME manufacturers looking to export"

African countries import a large amount of goods from Europe and South American countries. But we have a natural advantage over these exporters. We are more closely in touch with the needs of the area and transport routes are less costly for us"

Mr Schwenke says more loans have been given to blacks than whites.

He acknowledges that the larger loans have tended to go to white-owned businesses.

The SBDC has financed blacks in fast food franchises in Johannesburg It is looking to establish blacks in restaurant franchises

The SBDC will consider only those who are prepared to be on the premises permanently

"Many take on a franchise and get others to run it and they often fail. People who think it is an easy way to make money are mistaken. It is a hard struggle and long hours are required," says Mr Schwenke.

Mr Schwenke warns that starting a small business, in any field, requires "a lot of hard work and taking strain"

Those with the potential for success require the entrepreneurial spirit, the doing skills and expertise in a particular field They also need administrative skills.

The SBDC estimates that SMEs (in the formal sector) in SA comprise only about 17% of the economically active population compared with about 70% in most prosperous countries.

Large formal organisations (including the State) account for about 39% of economically active population in SA

Mr Schwenke says SMEs in the formal sector in SA have the potential to employ about 40% of the economically active population in 20 years' time.

BUSINESS Black business is making its presence felt in small manufacturing industry

Stan's cleaning up

153A
Sanlam
Sowetan 3/6/93

TECHNICAL BACKUP Chemical firm puts entrepreneur on right track

By Mzimkulu Malunga

BLACK BUSINESS IS MAKING its presence felt in the small manufacturing industry and Stan Mkhabela of Essence Laboratory is no exception

Essence Laboratories, which manufactures fabric softeners, dishwashing liquid, car-care products, bleach and hair-care products was born in 1991 and currently employs eight people

After reading the then *Black Enterprise* magazine, Mkhabela and a group of friends mobilised their investments to start a company which aimed to invade the manufacturing sector with vigour

With the help of Hoechst's business development service, Essence Laboratories was able to access raw materials much more easily

Hoechst — a chemical products company — also helped Mkhabela with the technology of manufacturing

The car-care products are specifically manufactured for BMW Although the quantities are much smaller, Essence laboratories has a capacity of three tons (about 3 000 litres) of care products a month

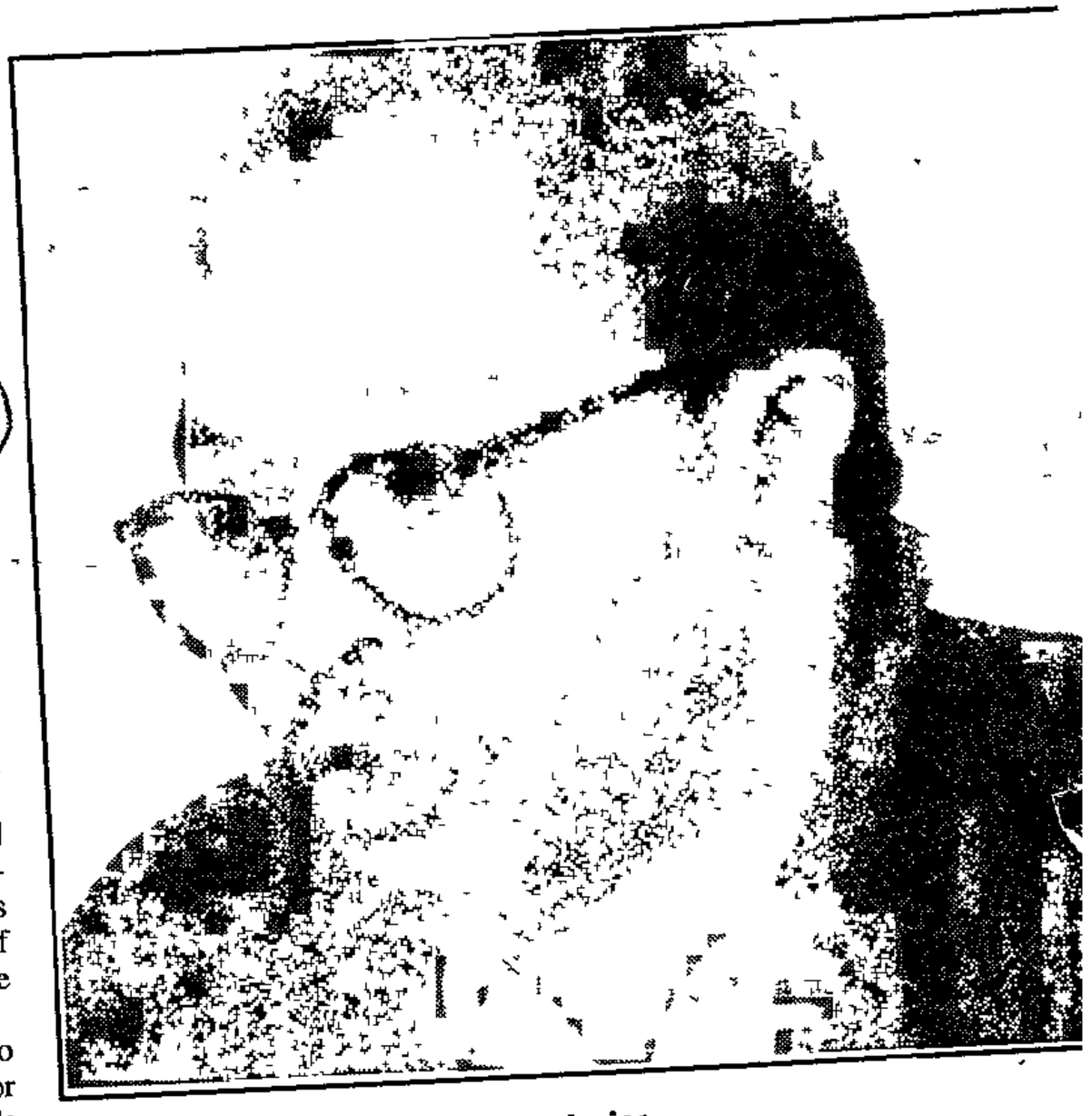
"Though the returns from the BMW orders do not make enough profits to sustain the manufacturing of car-care products without backing them up with making of other detergents, we want to take things step by step

"Once we have established a sound base with regard to infrastructure, we will start exploring new markets There is no need to rush," says Mkhabela

Essence Laboratories supplies some of Pick 'n Pay's Northern Transvaal outlets with household detergents

Some of the eight people employed by the company work as sales promoters Their work entails visiting shops where Essence Laboratories' range of household detergents compete with the likes of Sunlight

The emphasis is to entice customers to buy a fabric softener, a dishwasher or bleach with the brand name Mam's Pride on it



Stan Mkhabela of Essence Laboratories

South 516 - 916193

'Hawkers are a nuisance' — Mitchells Plain residents

(153A)

By Juanita Williams



Photo Yunus Mohamed

PACKED OUT: Uncontrolled hawking is annoying Mitchells Plain shoppers

MITCHELLS Plain residents and civic associations are angry about the overcrowding in their town centre and believe hawking has to be controlled.

At weekends the town centre is filled with thousands of shoppers crammed into walkways congested with the stalls of informal traders

"I know that everybody wants to make a little money, but the traders set their businesses up anywhere, not caring about the walkways," said Mitchells Plain resident Mr James Skriker who says he refuses to shop at the town centre until the municipality cleans it up.

"There isn't even place to sidestep them, but when you accidentally kick one of their stalls over, there's a whole hullabaloo

"I've written numerous letters to the City Council and the Health Department, asking them to come to Mitchells Plain to see how uncomfortable and unhealthy the situation is. But I am still waiting for a response.

"There aren't enough public toilets in the town centre so the hawkers use any empty doorway when they need to relieve themselves."

But the umbrella body for Mitchells Plain civic associations, the Mitchells Plain Co-ordinating Committee (MPCC), does not blame the traders for the overcrowding or the lack of control.

Mrs Teresa Solomon, secretary of the MPCC, said: "We have no violent objections to hawking, but we feel it has to be controlled.

"The blame should be placed at the feet of the city administrator, who passed a by-law that hawking can be done anywhere."

Mitchells Plain residents and civic associations also believe the council is more concerned about overcrowding at St George's Mall in Cape Town, while nothing is being done about the conditions in Mitchells Plain.

"The problems at St George's Mall were resolved in a couple of months, yet the City Council is saying that they have no authority to solve our problem," Solomon said.

Another resident, Ms Jasmine van Schalkwyk, said the conditions at the town centre have been ignored "simply because our area is not a tourist attraction".

Hawkers said trading at the town centre was their only source of income.

"I have to make a living and there is no other way for me to do it. The people who complain about us being here don't understand our situation," said a jewellery trader who did not want to be named.

The stallholders sell a variety of products including spices, samoosas and boerewors rolls, but the most common are fruit stalls.

"The worst thing about fruit stalls is that they leave rotten and bruised fruit lying around," said Mr Ralph Winter, another dissatisfied shopper

"Although I shop at the town centre regularly, it puts me off to see the place in such a mess"

Mr Ted Doman, Cape Town City Council public relations officer, said the council is aware of the problems caused by traders at the town centre.

"At the moment, we are unable to do anything about the overcrowding.

"The city administrator passed a law about free trading. We need new legislature to have control over the hawkers," Doman said.



IN DISPUTE ... the lease for the lower part of Green Market Square has become the focus of a dispute between the Cape Town City Council and some of the applicants Picture: JACK LESTRADE

Crunch council meeting on square

ST Times 6/6/93

CC Metro

153A

By CHIARA CARTER

THE Cape Town City Council, accused of bowing to political pressure over the awarding of the lease for the lower part of Green Market Square, is to meet on Tuesday to try to resolve the issue.

The move follows several council about-turns which have given rise to accusations that its Executive Committee (Exco) has given in to pressure from the ANC

Last month, the council's Amenities and Health Committee interviewed all seven applicants who tendered for the square It recommended that the council award the tender to Cape Town Station Fleamarket, which had put in the highest bid and had a proven track record

The recommendation was endorsed by Exco, but a few days later the committee reviewed and rescinded its decision

Exco then decided to lease the area to the National Traders' Association (NTA) without re-interviewing the other applicants

The NTA's tender for the square was R15 000 for 100 tables — half the amount offered by Cape Town Station Fleamarket The difference in revenue for the city would be almost R1 million over the five years of the lease

According to well-placed sources, Exco's about-turn followed intervention by the ANC in favour of NTA, whose tender was supported by the South African National Civics Organisation and the Foundation for African Business and Consumer Services (Fabcos)

The NTA and its supporters have expressed opposition to the "head-lease" system whereby public land is leased to individuals.

However, the difference is minimal between the amount the NTA would charge traders for stalls and the Cape Town Fleamarket's charges

Exco's decision, taken when St George's Mall was declared a prohibited area for hawkers and most NTA traders were made to leave, was in line with an earlier recommendation by the council's working group on informal trading

The decision has unleashed a storm of controversy

The Greenmarket Square Traders' Association wrote to the council expressing concern about the possibility of the NTA's administering the area The association supported its claim with two affidavits from traders who claimed they had been intimidated by NTA members One affidavit was by a former member of the NTA executive

Meanwhile, councillors expressed concern that in an earlier interview, the NTA had indicated it would not automatically feel bound by council regulations.

At its meeting last month, the council turned down an Exco recommendation that the area no longer be put out to tender

Exco chairman Louis Kreiner said that following representations from the other tenderers, his committee was now re-interviewing all seven applicants

He denied Exco had been influenced by political pressure

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Put your business in the public eye

CIPress 6/6/93

153A

The secret to marketing is knowing the customer

HERE are a few general guidelines to help you market your product or service

It is, however, impossible to cover all aspects of advertising and marketing as it is such a wide field

Even if you have the best product in its field or the most efficient administration system, you will not be able to make a success of your business unless you can sell your product

This means not only attracting orders and turning them into sales but distributing goods and providing the necessary after sales back-up

It also means keeping abreast of changes in the market so that you do not end up attempting to sell an outdated product

One of the most common causes of failure in small businesses occurs when business managers become so preoccupied with day-to-day considerations that they fail to recognise changes in the market

The secret of successful marketing is to know your customers' needs and to know where they are, and to contact those people whom you believe to be potential customers Therefore, you must

- Choose your media carefully – don't advertise a specialised product through a national newspaper;
- Direct your promotion at the area you intend to supply

Various methods are available to you as an advertiser to sell your product or services They are

- National newspaper advertising,
- Local or suburban newspaper advertising,
- Advertising in professional journals,
- Radio advertising (local or national),
- Television advertising,
- Mail shots,
- Display posters,
- Canvassing;
- Telephone canvassing
- Exhibitions, and
- Sponsoring local community events

Unless you are extremely fortunate then you are likely to have competition Try to emphasise the edge you have over the competitors with

- Better prices,
- Improved products or a better range,
- Better delivery or after-sales service,
- Don't get involved in a price war with a major group of companies – you probably won't win,
- Your advertising needs to be professional If you can afford it approach an advertising agency If not, then you will need a freelance commercial artist or a very good printer who can suggest the best layout for you;
- It is well worth developing some sort of corporate logo or "identity",
- Regular advertising will help keep the name of your business in the customer's mind This is important in generating future sales,
- You need to constantly re-assess your market and the effectiveness of your advertising Be flexible and prepared to change if you are not getting positive results,
- Keep as much information as you can about sales you make Note

1. The people to whom you sell – their age, social background, income level, location,

2· What the product will be used for (in the case of specialised products),

3 How the customer got to hear about your product

- It is essential to keep abreast of changes in the market Obviously your own information will help you do this but consider contacting a market research organisation in order to obtain more precise information,
- Maintain a marketing plan setting out your objectives, the expected cost and the allocation of responsibilities and the time frame. Monitor your performance against this;
- Advertising and marketing will gain inquiries for you It is up to you and your staff to turn these inquiries into sales. You and your staff must be fully conversant with your products, their performance and after-sales service

Be smart, courteous and friendly – you won't go wrong

Star 7/6/93

Opportunity still knocks

The outlook for school-leavers trying to find jobs in the formal business sector looks grim. But the opportunities are still there, says an expert, if South Africa makes the 1990s the "Decade of the Entrepreneur" and paves the way for more job-hunters to raise finance and launch mini-businesses.
MICHAEL CHESTER reports.

EARLY warning signals have alerted the 1993 stream of school-leavers that chances of job offers from the formal business sector have never looked as bleak — unless an economic miracle comes to the rescue in the next few months

For the third year in a row, more than nine in every 10 of them can expect to encounter "No vacancies" signs outside factories and office blocks

More and more businessmen fear that trends are following the patterns forewarned in a Nedcor/Old Mutual scenario planning exercise Three years ago it stressed the dangers of growing unemployment and the urgency of laying radical new foundations for future economic strategies

Predictions — that no more than four in every 100 of an annual flow of about 400 000 school-leavers and graduates would find jobs in the formal sector in 1992 — turned out to be accurate.

Concern now revolves around the scenario forecast that in 1993 the number could shrink as low as one in every 100 — or even worse if the recession drags on.

"It may not turn out quite as bad as that," says Neville Edwards, general manager of Ned Enterprise, one of several special small business divisions set up by the big banks "But the ratio is almost certain to be lower than 5 percent."

Dr Ben Vosloo, managing director of the Small Business Development Corporation (SBDC), believes the dilemma should be seen as a challenge

"The answers can be found," he insists, "if we make the 1990s the 'Decade of the Entrepreneur' — an open invitation to our youth to show initiative and create a brand-new generation of business go-getters

"South Africa needs to give far higher priority to giving our youngsters the opportunity to flex their muscles as a new generation of entrepreneurs.

"School-leavers need to be groomed to launch mini-businesses of their own — either in solo ventures or else in partnerships with classmates"

The SBDC hopes to turn pessimism into optimism by going into the classroom. It has packaged a series of special courses for students — run at schools in the evenings and at weekends — that spell out the basic guidelines on how to set about launching a mini-business.

The programme covers everything from how to mobilise individual skills and talents to how to prepare a rudimentary business plan, how to work out operation costs and profit targets, how to keep proper records — even how to handle customer relations

Also on hand is a mass of information-yourself kit on how to create a viable mini-business — and ensure it survives the hurly-burly of competition.

Inspiration is provided in the string of successes scored by the SBDC since it was formed in the early 1980s.

- No fewer than 41 000 budding entrepreneurs have been launched in business.
- In all, 340 000 new jobs have been created.
- R1,6 billion has been ploughed into loan packages.
- A R290 million property development scheme has secured no less than 800 000 square metres of business space that can be hired by fledgling businesses

The list starts with domestic services, like mowing lawns, cleaning swimming pools and washing windows It goes on to make-and-sell services, like dressmaking, pottery, baking biscuits and cakes, weaving rugs The next steps, via training programmes, cover the whole panorama of industry and commerce.

Theo Rudman, executive director of the Self-Employment Institute, also points to the tremendous success of the informal sector.

A recent survey showed that no fewer than 375 000 home-based businesses had been created in the suburbs. Rudman believes the total has by now swollen to more than 500 000 with total combined income over R2 000 million a year.

"A combination of unemployment, retrenchments, inflation and the cash squeeze on many families has also resulted in a phenomenal spread of home-based mini-businesses offering almost anything from home-made jam and marmalade to plumbing services and tax and investment advice."

To widen the access of budding entrepreneurs to start-up finance, the SBDC, aside from its own loan programme, runs a special scheme to encourage the big banks to relax their rigid rules on cash advances.

It is an indemnity scheme that protects banks against 60 percent of possible losses stemming from mini-business failures. That runs hand-in-hand with a similar guarantee pledged by the United States government AID programme, earmarked specifically for black entrepreneurs.

"The banks still work out their own criteria about the profile of borrowers and require a viable business plan that stands the test of close examination," says Edwards. "But the indemnities have made a huge impact on the attitude of most bankers."

Profitability

"In South Africa, entrepreneurs have still hardly skimmed the surface of the franchise business," says Edwards. "In the United States, more than 50 percent of all retail sales are made through franchise operations In South Africa the figure is below 5 percent.

"The potential is enormous Moreover, while the failure rate of the bulk of small-to-medium businesses is about 50 percent, among franchises it shrunks all the way down to only 5 percent."

The nod or shake of the head for a loan largely depends on the potential borrowers themselves "If we believe in their ability to start or run a business," says Edwards, "then we look at the sustainability and profitability of the proposal

"It should show promise of a return on investment of at least 30 percent by the third year of operations Why risk sleepless nights if the return is going to be only marginally better than from a simple savings account?" □

Hopes rise for early cut in interest rates

Star 7/6/93

By Sven Lünsche

A reversal of current Reserve Bank interest rate policy is on the cards in the wake of the lower-than-expected increase in the April inflation rate.

Concerned at the continuing poor state of the economy, sources in the Bank say "the doves calling for an easing in monetary policy" gained considerable ammunition from last week's inflation and money supply figures.

Pressure is said to be mounting to bring forward a cut in the Bank rate, which is expected only in the fourth quarter

The Central Statistical Service (CSS) reported on Friday that inflation rose from 9,7 percent in March to 11 percent in April.

However, this is well below expectations of 12 percent, given the hike in VAT from 10 to 14 percent and the 10 percent rise in the petrol price, both implemented in early April

According to CSS figures, inflation would have been nine percent, excluding VAT

The higher VAT rate also lifted the CPI on a monthly basis — between March and April this year — by 2,5 percent

While the CSS suspects that the changes in VAT, including the lowering from 10 to zero percent on some food items, have not yet been fully reflected in the consumer price index (CPI), Reserve Bank deputy governor Dr Jaap Meijer said the April inflation rate was a pleasant surprise

A few days before the release of inflation figures, the Bank's money supply figures confirmed that demand in the economy was still extremely poor

The broad measure of money supply, M3, showed a 3,35 percent increase in April, compared with April last year, and declined by one percent on a monthly basis

More importantly, M3 was only one percent up on October last year, the base for the Bank's 1993 target range of six to nine percent

Meijer said that the M3 figures had to be approached with caution as they reflected a substantial shift from traditional savings instruments to access bond-type products, the recent fall in gold and foreign exchange reserves and the issue of government stocks

Yet economists suspect that even if the one-off factors are excluded from M3 and the reserves once again show an uptrend, as is expected in view of the gold price rise, money supply will still only linger at the lower end of the Bank's guidelines

Furthermore, evidence is mounting that far from showing a slight upturn, the recession is deepening.

CSS figures show that for the three months up to May, real retail sales were 0,6 percent lower, compared with the previous three months. May's sales are also forecast to be 3,8 percent down in real terms on those of May 1992

In view of these trends, Econometrix director Azar Jammine expects inflation to remain subdued through at least the beginning of 1994

"The expected hike in the official inflation in April and May should be a one-off phenomenon since in the face of as low a growth in money supply as has been recorded for several months now, there is no way that a new upward trend in inflation will materialise in coming months," Jammine says.

The official Reserve Bank line is that the pressure to lower interest rates exerted by poor consumer and credit demand, as mirrored by money supply, inflation and retail sales, is still offset by the poor level of the foreign exchange reserves, capital outflows and the high deficit in government finances.

Yet in a bid to inject some life into the economy, a cut in the Bank rate has become essential.

If the gold price continues to boost reserves and political developments halt the outflow of foreign capital, sources in the Reserve Bank feel that lower interest rates could be implemented in a few weeks', not just a few months', time

SOWETAN Thursday June 10 1993

BUSINESS Salesman starts manufacturing plant

Hair care industry must stay black

Sowetan 10/6/93

■ SALON PIONEER Products mostly used by blacks, says Manasse Shole:

By Mzimkulu Malunga

BLACK MANUFATURERS must fight hard to keep the hair care industry in black hands, says Mr Manasse Shole of Medicos Products

Most of the hair care products are used by blacks and it was important that this industry be kept black, he said

"To me, the hair care industry is like sorghum beer," Shole said

One of the pioneers of the black hair care industry in this country, Shole has been in the business for over a decade

He was involved in the launching of South Africa's first black hair salon, which opened for business in Soweto in 1980

The salon, Lumoman, catered for people nationally as there was no other black salon then

A few years later Shole moved into the distribution of American hair care products He said he was let down by the manufacturers he was dealing with as they started giving business to white companies

This led him to start his own manufacturing plant.

A deal was made with a Zimbabwean hair care products manufacturing company and this saw the birth of Medicos Products.

With the help of the sister company north of the Limpopo, Medicos got the services of a chemical engineer who is helping with manufacturing technology

The company employs 28 people and has offices in Soweto and Cape Town

Shole says the aim is to service the entire Southern African market Already there are outlets in Botswana and Namibia

"I am going to Maputo this week to explore markets there We have had inquiries from people in Zambia, Tanzania and Kenya," he said

Medicos was growing steadily "We are here to stay," Shole said

He feels that with an injection of captal, Medicos could compete with the giants in the industry

Estimates put the market for the hair care industry in this country at R300 million

However, Medicos has not escaped the problems faced by the rest of black business in the country Support from black people is shaky

"Black people still want to buy from white business Some may argue that it is because of the quality of service but I believe our products are among the best in the country," said the man who quit his job as a sales representative with South African Breweries.



Manasse Shole

Manasse Shole qualifies for the *Sowetan*-Sanlam Entrepreneur of the Month competition and will contend with other weekly nominees at the end of this month

"Black people still want to buy from white business. The hair care industry must be kept black"

Entrepreneur of the Month

EACH week the *Sowetan* features an entrepreneur who automatically qualifies for *Sowetan*-Sanlam Entrepreneur of the Month competition.

Monthly winners go through to the final contest of the competition and the overall victor receives R15 000 while the runner-up gets R5 000.

This year more emphasis will be placed on entrepreneurs in the manufacturing industry but other business categories — except retail enterprises — are also eligible.

Contact Mzimkulu Malunga at (011) 474 0128

Nafcoc plans drive for investment

THEO RAWANA

THE National African Federated Chamber of Commerce (Nafcoc) last night invited big business to join it in formulating a strategy to attract foreign capital

Speaking in Johannesburg at a presentation of Nafcoc's status in a changing SA, president Archie Nkonyeni told a function his organisation enjoyed great credibility in the outside world.

"Nafcoc, as a representative of black business, will use its credibility in the outside world to improve our country's image in the eyes of foreign investors

"But the organisation looks to its peers in the business community for assistance in making it possible for it to develop a capable secretariat that will operate comfortably and effectively in the unfolding scenario," he said

Saying a political settlement was certain to be reached soon, Nkonyeni added that it was imperative that parties in the business community "found one another".

This was to ensure positive signals were sent to the investor public and secondly, that they did not lose the ability to influence planning of policies guaranteed to turn the economy around

To position itself for its task, Nafcoc — which had up to now operated only from Soshanguve outside Pretoria — had opened the Nafcoc president's office in central Johannesburg

"The restructuring of the secretariat and the development of our Johannesburg office is going to require a lot of funding assistance from all those who believe that the normalisation of the economic life of SA is inextricably bound up with the existence of a credible and viable body of black business," Nkonyeni said.

Toy-toying with a great idea

South 12/6 - 16/6/93



WORK FOR ALL: Lavender Hill resident, Mervyn Kwindla, left and Neil Witbooi work on their latest "Toy-Toy" creation PHOTO Shadley Lombard

By Quentin Wilson

RETURNING home to Lavender Hill from Johannesburg two years ago, Ms Jeannette Campher had the difficult task of finding a job. Her break came sooner than she expected She began making toys.

She was helped by "Toy-Toys", a project that equips people to make and sell toys Toy-Toys was founded by the New World Foundation, a community development organisation based in Lavender Hill.

So far, 40 formerly unemployed and unskilled residents from Lavender Hill and the Vrygrond squatter camp have benefitted since the project's birth in July 1991.

The Foundation provides the kick-start capital and training while needy residents make wooden toys, soft toys and T-shirts to sell.

"I have learnt a lot," says Campher, who sews in the soft toy section "While I am earning money, more importantly I am receiving solid training which will equip me to start my own business soon."

The intention of the Toy-Toys project is not just creating jobs but also providing training for Lavender Hill residents to break into the business world

Mr Pieter Bruwer, the Foundation's manager of economic development said it is important to make residents independent

"We will provide capital and training, but at the end of the day we are assisting people to get themselves off the ground," Bruwer said

New World Foundation was launched 12 years ago, providing free creche facilities for working parents

Two years ago the Foundation decided to expand into uplifting the area economically. This is where Toy-Toys comes into the picture

Budding entrepreneurs receive one year of intensive training to ensure that high-quality, marketable goods are produced and sold The Foundation provides the necessary tools and materials.

Where possible, surplus profits are ploughed back into the project, but for the most part, says Bruwer, the Foundation is happy to break even, given the difficult economic climate.

Campher, for example, says she only takes home about R400 a month, after her production costs are covered. Not a lot of money for one of four breadwinners in a household of 10 But, Campher says, the sum is not important considering the training provided and the potential for growth.

After all, she says, it is a business and not a charity effort Her view echoes the Toy-Toys slogan "We do not want your hand-outs, we want your business"

Tax education plan for informal sector

GERALD REILLY

PRETORIA — Inland Revenue offices are to spend R3m this year on educating informal sector workers and entrepreneurs to have a more responsible attitude towards income tax and VAT, says a senior Finance Department official

DP Finance spokesman Brian Goodall estimated that more than R2bn was slipping through the tax net because of the difficulties in collecting from the informal sector — especially from taxi operators, spaza shop owners and street hawkers.

The taxi industry had developed into a huge enterprise and the numbers involved in spaza shop trading and in street hawking were growing

The recession-driven growth of the informal sector had led to a situation where government revenue loss could be significant

A Revenue Department spokesman said the department had been grappling with the problem for some time Receivers were trying to get a maximum of informal sector workers on to the tax register

They would be supported in their efforts by the R3m education campaign to be run on TV, radio and through the media

On VAT collections from the informal sector, the spokesman said revenue had to exceed R150 000 a year before an operator became liable for VAT which excluded a large number of people

However, he pointed out that VAT was included on all their purchases, so they were making some contributions to the fiscus

Misfortune turns into life's dream

Sowetan 17/6/93

Sanlam 75

■ ACTION MAN Thugs did this ex-bus driver a favour:

By Mzimkulu Malunga



Danny Lekalakala

WHEN MR DANNY LEKALAKALA lost his left eye in 1985 after being attacked by thugs in Soweto, he did not sit back and wait for pity. He swung into action by venturing into the business world

At the time he was a bus driver and Lekalakala's company felt he was no longer of any value to them. So he left.

Ironically, he had always dreamt of being in business So he tried his luck selling leather jackets He bumped into a German technologist who introduced him to pit toilet care chemicals.

"In my days as a driver, I used to transport people on trips to various parts of the country, particularly the rural areas In the process I recognised the need for pit toilet care chemicals," he said.

He formed a company called Calichem which specialises in producing a chemical that eats up the dirt in pit toilets which extends the life of the toilet.

"The chemical, called calic powder, forms a living micro-organism that dissolves the waste into liquid which in turn dissipates into the ground," explains Lekalakala.

Raw materials are imported from the United Kingdom and blended in South Africa.

To introduce his product on the market, Lekalakala went on an advertising campaign though he had limited resources. In addition to the small advert in the *Sowetan*, he printed 8 000 leaflets and with the help of friends and relatives distributed them nationally

Today, his customers come from as far as Zimbwabwe, rural areas as well as squatter camps

As the response to Calichem's products grew, Lekalakala added a toilet deodorant and pesticides

The company employs four people and has been in operation for the past nine months..

Despite the positive response so far, Lekalakala has been unsuccessful in convincing big companies that he could be a reliable supplier "All those that I tried have given me the cold shoulder," he says.

His enterprise has a capacity to produce about 1 000kg of calic powder a month

"I used to transport people on trips to various parts of the country, particularly the rural areas. In the process I recognised the need for pit toilet care chemicals"

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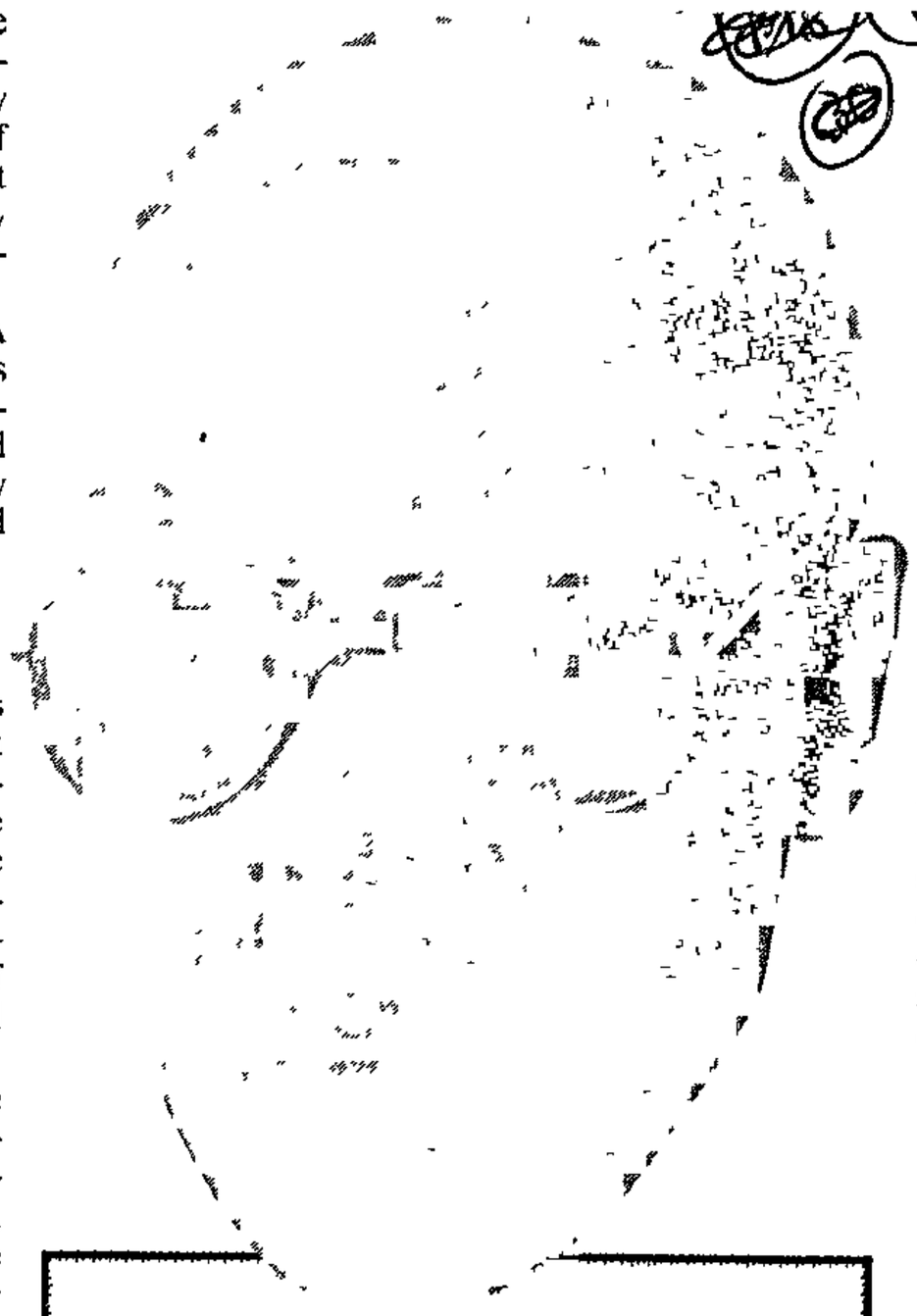
COMMERCIAL UNION Growth	129,08	120,51	3,44
FEDLIFE. Fedgro GE	137,33	128,25	4,48
GUARDBANK. Growth	2770,28	2577,33	4,35
Resources	168,55	156,56	5,01
Industrial	136,75	128,06	5,33
Income	118,71	117,46	13,76
IGI Life GE	136,98	128 14	3,17
METBOARD Metfund GE	207,70	192,66	3 69
	108.83	107,69	12,81

Nafcoc rebuilds to meet the challenge of the day

IN spite of the violence and the acrimonious debates that this country has experienced, some of us are persuaded that from here we can only move closer to one another

To me it looks as if SA has seen its darkest hours and from this point onwards the light at the end of the tunnel can only grow brighter and brighter



Nafcoc president Archie Nkonyeni recently delivered a well-received speech at a Johannesburg function attended by some of the country's big business leaders. The function was a presentation of Nafcoc's current status and an announcement that the black chamber has opened its president's office in downtown Johannesburg. This is an edited version of his speech:

Colleagues

I and all my colleagues in Nafcoc are confident that the Multiparty Negotiating Forum will be able to move swiftly in the direction of a dispensation that will restore confidence in the integrity of this great country as well as its economic future

And it is on that plain that the business community must find one another and ensure that, firstly, positive signals are sent out to the investor public and secondly, that we do not lose the ability to influence planning in the direction of policies that are guaranteed to turn this economy around

The opportunity before us is so unique, I can only agree with Bobby Godsell when he says "SA finds itself in a moment of rare opportunity the past is rapidly fading, the future is not yet in place People and organisations have a chance to redraw the lines of our social architecture in a way seldom given to societies and nations"

Guarantee

As organised business we carry the responsibility to "redraw the lines" of our relationship in a manner that will guarantee the growth of the economy to a level where it is capable of optimally servicing the total needs of the members of our community This will get our communities closer to the central point of the structure that directs and influences the deployment of the nation's resources In the process we need to develop an irresistible thrust into the markets of the world, we need to formulate a superior strategy for attracting foreign capital and we need to develop a greater capacity for job creation in our country The chances of achieving this are slim in that we fail to assume joint responsibility for the rebuilding of our organisational capacities to meet the challenges of the day

Nafcoc's role in marshalling the influence of black business will be as crucial in future as it has been in the past Its lobbying will surely be more effective in the improved political climate, and its guidance to emergent business associations is bound to be invaluable

It will continue to lobby for a larger stake in the economy, for the extending of contracting arrangements between large corporations and their sector, for training and investment, for the dismantling of monopolies, and the many other measures it feels will assist its members

One of the many misconceptions that surrounds Nafcoc is the idea that it is a business federation for wealthy black businessmen This is not so Among Nafcoc's affiliates are taverners' organisations, a farmers' union, a transport and distributors association, a taxi association running more than 100 000 taxis and builders' associations, all of which are made up of small informal business people

But the surest indication that Nafcoc is the common man's chamber of commerce comes from our affiliation with the country's largest hawker's association, the African Council of Hawkers and Informal Business

Nafcoc, as a representative of black business, will use its credibility in the outside world to improve our country's image in the eyes of foreign investors Nafcoc looks up to its peers in the business community in this country for assistance in making it possible for Nafcoc to develop a capable secretariat that will operate comfortably and effectively in the unfolding scenario If this is not done black business will continue to remain on the sidelines of our economic development

Stability

This organisation needs to be proactive in bringing about social and economic stability not only in the townships but in rural areas as well

Hence, the programmes for the current year which range from construction of stock dams to lobbying for the establishment of National Equity Funds for underpinning real small business development and effective employment creation

Assistance

We are expected to influence black SA to begin to participate significantly in developing our tourist potential because the country needs it Nafcoc will have to be assisted to be able to initiate the necessary public awareness programmes

Our appeal to you all is to assist us in whatever possible way to ensure that we play a decisive role in the transformation of our society away from hunger, away from crime, away from poverty, confrontation, violence and assassination, towards a peaceful and prosperous order in which all of us will be co-operating in the creation of a better world for our children

CIPress 20/6/93

Small traders out to make a million



SMALL IS BEAUTIFUL ... Businessman Robert Moretsele (right) is one of the traders at the SBDC stalls in Hoek Street, Johannesburg. The stalls are proving that with the right training these entrepreneurs can also be players in the city's business life.

The stalls were sponsored by the Foodcorp group who, in exchange, were given the right to advertise on the stalls.

(153A)

SBDC assistant manager of development promotion Dawie Crous said that both informal sector traders and big business benefited from the arrangement.

"INCREASING BLACK BUSINESS THROUGH GROWTH
SOUTACOC 23rd ANNIVERSARY – SURVEY

Black bonding is vital for the new SA boom

C/Press 20/6/93

Creativity in spite of apartheid hostility will give us the edge'

Supplement compiled and edited by ZB Molefe

SOUTACOC president Joe Hlongwane swears by every word of this year's conference theme

In fact he sees the theme – "To increase the stake of black business through a programme of growth" – as a signal to his region

He says the Southern Transvaal Chamber of Commerce (Soutacoc), must attend in order to become a major player in the affairs of in its mother body, the National African Federated Chamber of Commerce (Nafcoc)

He said "We must create strong forums at branch level in our region so that we can identify problems that plague black business We believe in going to our members and discussing their problems"

This approach, says Hlongwane, will help Soutacoc's branches move out of a "dependency syndrome" from mother body Nafcoc

And what Hlongwane means is that Soutacoc must help its branches achieve their objectives

He believes business skills programmes are an excellent starting point

"For instance," Hlongwane says, "we could ask Woolworths to help teach our butcheries the art of meat cutting Already one well-known accounting firm will be setting up training schemes to help our members in this critical business area"

Hlongwane is not afraid to point out that black business has for decades been working with an indifferent government which never attempted to give blacks in business a break

Hlongwane says a black business boom is beckoning in the post-apartheid SA

"That is where Soutacoc could work as a catalyst, as facilitators, for the funding of black small businesses in the townships This is where, for instance, we believe organisations like the Small Business Development Corporation will have to take a cue from us in that post-apartheid South Africa"

But something which troubles Hlongwane is the old bogey of township violence and its destabilising effect on black business He argues that the solution lies in township business and the major political movements coming together to hammer out common strategies

"We must address the question of political conflict (Black) business people must be neutral, tolerant and guard against imposing their views on others," Hlongwane points out

He cites the proposed Mandela-Buthelezi peace meeting as the way to go He also urged his region to adhere to the Peace Committee's programme of peace



SMART ATTACK . . . Soutacoc's Joe Hlongwane is urging black businessmen to get smart fast in preparation for the coming post-apartheid boom.

Be brave — branch out and become the boss

CIPress 20/6/93

Avoid the pitfalls, get advice from a professional before you take the big step

THE steps you need to take to set up your business depends on the type of legal structure you have chosen

Whether you decide to set yourself up as a close corporation, partnership, sole trader or limited company, you should seek professional help from an accountant and/or an attorney as there are many pitfalls

Most important after the choice of the legal structure are the requirements for registration with government authorities

The registration required covers things such as income tax, pay as you earn (paye) tax, Regional Services Councils (RSCs), Value Added Tax (VAT), Unemployment Insurance Fund (UIF) and Workmens' Compensation Insurance (WCA)

The registration is done with the Receiver of Revenue, the Department of Manpower (who is the UIF Commissioner) and the WC Commissisoner

■ Setting up a close corporation is straightforward Only one document called a "Founding Statement" needs to be registered with the Registrar of Close Corporations in order to commence business

Limited liability is established, but the incidence of personal guarantees, which will be quite common, may negate a certain amount of this

A close corporation may, under certain circumstances, give financial assistance to a new member to buy an "interest" in the close corporation and it may acquire the interest of a retiring member There is no stamp duty payable on the transfer of ownership

An "accounting officer", rather than a registered accountant or auditor, is required to approve the annual financial statements A suitably qualified member of the corporation may be appointed as accounting officer

The cost of setting up a close corporation is about R650 The affairs of close corporations are regulated by the Close Corporations Act of 1984, as amended

The disadvantages of having a close corporation include that the maximum number of people that may participate in it is 10 The corporation may also not have a company as a member

Members may, however, incur personal liability in certain circumstances Thus every member can legally bind a corporation in respect of transactions with third parties

■ With the exception of registering for taxation, there are no formalities involved in setting up a partnership or starting your own business as a sole trader

You should not go into partnership with anyone without a formal partnership agreement

If the rights and duties of the parties are specified in advance in a partnership agreement, serious problems may well be avoided in the future

A partnership agreement should be prepared by a professional and should cover formation, profit-sharing arrangements, salaries, banking arrangements, changes of partners, dissolution and the responsibilities of partners

The disadvantages of this type of business are that partners are jointly and severally liable for the debts of the partnership This means that if the partnership fails to pay its debts, they become the responsibility of all the partners

A partnership is restricted to a maximum of 20 people, except in the case of certain professions

There is less flexibility in transferring ownership, thus in the event of death, permanent disablement or retirement of the sole trader or a partner there may be difficulties in maintaining the business structure

There are other types of organisations (for example, trading trusts, limited partnerships) which could be used for carrying on your own business. Seek further advice if you consider these alternative structures suitable

■ The average cost of setting up a limited company will be about R2 000 An accountant or company secretarial service will help you in this task

A private company needs a minimum of only one member and must have at least one director

Documentation needs to be completed to set up a company The most important documents are the "memorandum" and "articles of association", which cover the name of the company, the objects of the company, the amount of the authorised share capital and the powers that the company is legally entitled to exercise

In addition, various forms have to be submitted which deal with the appointment of staff

Items which need to be considered at the first meeting are appointment of directors and secretary, appointment of the auditors, the financial year-end, banking arrangements, arrangements for keeping statutory books and the allotment of shares

You should consider whether the standard articles in Table A or B of Schedule 1 of the Companies Act 1973, as amended, are appropriate or need amendments (for example voting rights or sale of shares)

P.T.O.

The Registrar of Companies may refuse to register the name of the company if it implies patronage of the state or is offensive

When all the relevant documentation has been submitted to and approved by the Registrar of Companies, he will issue a certificate to commence trading

It may however be easier and cheaper to acquire the dormant shell of an existing company Contact your auditor or accountant for advice

The choice between a private company and a close corporation as the appropriate business vehicle is normally determined by the ownership and management structure required, whether the operations of the corporation could lead to members becoming liable for the debts of the corporation, and whether a simpler structure will lead to lower costs.

■ This information was adapted from a series of four booklets which are available from the SBDC offices countrywide at R35 each.

Burg Street banger battle





(153A) ARG 23/6/93

Pictures HANNES THIART The Argus

ILLEGAL WORS: Traffic police tell Robin Moodliar that his Burg Street boerewors stand, above, has to go Meanwhile, business is looking up for Mr Moodliar's competition, Wayne Hewlett, left.

It's bread and butter or 'wors'

Staff Reporter

NO quarter is asked for, or given, in the fierce battle of the boerewors stalls in central Cape Town

Ask pavement chefs Robin Moodliar and Wayne Hewlett, who are tempting hungry snackers with boerewors rolls from their stalls in Burg Street

They fry their onions and wors an uncomfortable few metres apart — which can lead to things heating up over a busy lunchtime

The fat was in the fire this week when traffic officers asked to see the men's health permits

Mr Hewlett invested in the necessary documentation after Mr Moodliar, who helps to run a restaurant and a takeaway food shop metres away, had him chased away a month or so ago

Even though Mr Moodliar sells takeaways from the counter in the shop, he cannot sell boerewors roll takeaways on the pavement outside

Mr Hewlett says Mr Moodliar is worried that he will divert prospective customers with the alluring smell of his frying wors

"He came to me last week He wanted to make sure I didn't take his business away," said Mr Hewlett, who believes size is not important.

"I told him he could do what he liked I know it's not the size of the wors or anything else that matters — it's the taste That's why people buy from me."

Although the fried onions haven't started flying yet, the gas-fired protagonists are not the best of friends.

"We're sort of not talking to each other," said Mr Moodliar, who is undercutting Mr Hewlett's rolls by 40c.

Authorities have told Mr Moodliar to remove his stall

"I offered to move if he bought all my sausages Otherwise I'll sell my stuff in prison and improve the standard of food there," he declared

Come to the market

153A

Sowetan

24/6/93

THOUSANDS of people are going to be pleasantly surprised by the lower priced vegetables and fruit at the fresh produce market being launched in 9th Road, Kew (continuation of Corlett Drive), from 6am tomorrow

The R500 000 venture is financed by American companies through an Alex-based job creation organisation, Progress Through Employment

Farmers from far and wide, including a group from KwaNdebele, will market their produce

Project volunteer Barry Shippel says the market will be a free trade area with an "affirmative approach"

Stands at the market complex are also available to individual traders

The idea behind the venture, according to Shippel, is to invoke the vibrant spirit of African markets

African handicrafts will also be on sale

BUSINESS How a photo-journalist with a dream set about makir

Nothing negative for this photographer

Sowetan 2416193

Sanlam 75

OWN DESTINY Bongani Mnguni works round the clock to achieve success:

153A

By Mzimkulu Malunga

IN THE highly competitive photographic world, patience and hard work are the names of the game, says Mr Bongani Mnguni of Black Image

"Many publications and agencies have their own photographers and for them to use your pictures they have to be exceptionally good," says the man who works round the clock

After working in the newspaper industry for over a decade, Mnguni wanted to determine his own destiny and teamed up with a friend to take photographs for various American companies.

But when the sanctions campaign heightened and many American companies pulled out of South Africa, Mnguni and his partner were left in the cold

Despite the setback, he refused to be battered into submission and established a photographic agency which supplied pictures to local and overseas publications

"Initially the objective was to organise journalists who were out of work to form a co-operative through which we could share facilities and be able to survive.

"But that did not materialise because some people could not cope In this field you have to work really hard before your operation matures," he says

Mnguni says he has managed to secure the confidence of a number of publications, companies, institutions and black business organisations

In addition to being the official photographer of the University of Venda, Mnguni takes pictures regularly for the National Sorghum Breweries

The Association of Black Accountants of Southern Africa and the Association of Black Hairdressers of South Africa are among some of Black Image's clients Taking pictures for business brochures or annual reports pays better than newspapers and magazines, says Mnguni, but he is not prepared to turn his back on photo-journalism because of his love of the field

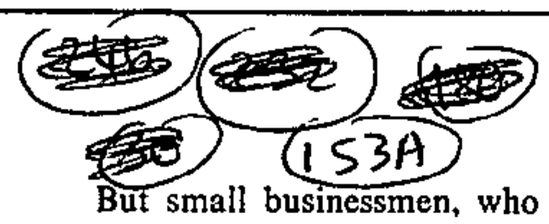
His dream is to expand Black Image into a fully fledged news agency supplying pictures and news stories Already there is someone who writes news stories which are distributed to a number of local and overseas publications as well as agencies



Bongani Mnguni

Fm 25/6/93.

The cheque isn't in the post



A box of chocolates was all a small businessman used to need to sweet-talk a customer's accounts clerk into pushing his payment ahead of the queue Now that no longer works Chocolates have given way to threats, debt collectors and law suits as small businessmen fight to get their money out of tight-fisted customers, including some of the biggest companies in the country

After four years of recession, something had to give Cash flow is drying up as each business tries to pass some of the pain on to the next Liquidations for the first quarter of the year rose 4,1%, to 683, compared with the same period a year ago Forced insolvencies were up 3,3% to 1 004 in the same comparative period Last year 1 142 close corporations were liquidated, 60% more than in 1991.

Obviously not just the small fries are suffering Credit specialists say some big companies are on the verge of insolvency and will take some innocent bystanders down with them

"The morality of business has changed over the past few years, co-incidentally together with the enduring recession and uncertain political future," says Credit Guarantee senior economist Luke Doig "Lack of security has forced many to operate on a short-term horizon only and strength is the key to survival

"Ethics are on the back burner and a rape mentality exists, for example survive the day The small enterprise can rarely compete, let alone prosper, in such circumstances"

For a small businessman, remaining competitive often means letting unfinished work slide while he tries to get paid for jobs already done Nobody wants to list names for fear of making enemies, but all agree it's rare for a company to pay its bills on time

"I spend half of my days collecting debts You have got to thump on desks," says Clint Husemeyer, the MD of Pictech, a Johannesburg firm that imports air-conditioning equipment "Every company has instructed all of its people to lengthen the period of payment"

Husemeyer says there's always a run-around these days, it's part of the system The company needs a statement from the surveyor — in Rustenburg With that piece of paper in hand, the company then decides it needs a statement from the accountant — in Rosebank. Then it needs three weeks to prepare the cheque At the end of the three weeks, you're told the paperwork simply disappeared and could you please deliver duplicates?

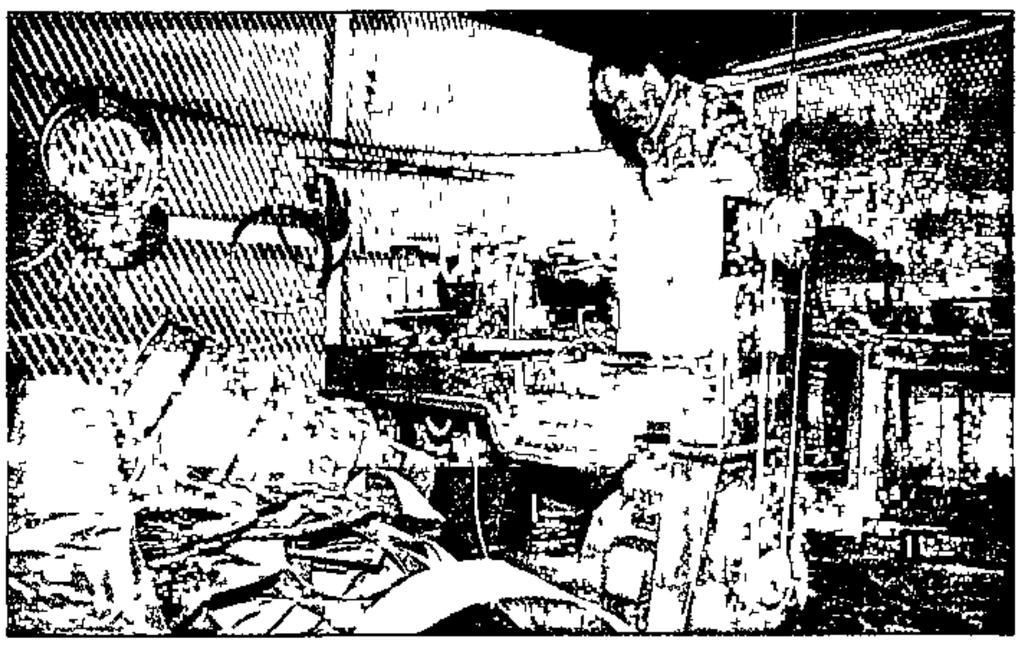
The cycle begins when those on the receiving end of the slowdown have no choice but to delay paying their own creditors and suppliers

"Big businesses pay very slowly but collect quickly," says Small Business Development Corp (SBDC) assistant GM Dawie Crous "We advise small businessmen to do the same"

SBDC senior GM Jo Schwenke says the song-and-dance routine is typical and comes down from the highest corporate levels "When the economy goes into decline, two directives go out The first goes to the sales staff to cut back on credit terms The second goes to buyers to take longer credit Small, private firms can put up little resistance in the face of such an onslaught

"The decision is usually made in some boardroom The board says terms must be increased from 60 days to 90 and if suppliers won't play ball, find new ones And the managers carry it out because it makes the bottom line look better."

But Kreditinform MD Ivor Jones scoffs at the notion that the big, bad conglomerate is taking advantage of the poor, unsuspecting small business owner He says it's a problem of too-high expectations among the little guys, many of whom are playing with the A-team for the first time



Working for a living *but will the customer pay?*

"All companies are not paying on time Few pay right on the nail Most extend their terms As the recession has worsened over the past few years, they have begun to look at their creditors as a means of finance But they must be educated to believe that they will not get away with nonpayment"

Jones says the problem is that small businessmen fear rocking the boat of a big business by demanding payment on time He says the "nice little letter" after 90 days gets thrown in the bin

And, he adds, too few small businessmen are willing to demand interest on overdue accounts, even if that condition is included in the contract

His advice? "When the cheque is due, be there Take a tough line You have to be upfront Let them know that you will be on their doorstep After a while, the clerk will remember the nagging woman from XYZ who's on his back again"

But small businessmen, who are usually workers as well as bosses, argue that they are often too busy doing a job to pester the accounts clerk On a Friday at the SBDC hive in Johannesburg, many of the work stands are empty because the proprietors are out hunting down their money And, if truth be told, they are, indeed, afraid of the consequences of being that squeaky wheel that demands its oil They can't help but ask themselves What if?

Husemeyer has his own way of eking out payment He drives around in a battered old bakkie and pretends he's just one of the humble employees instead of the MD "I get them to feel sorry for me by telling them my boss will fire me if I don't collect"

Jones, naturally enough, suggests enlisting a credit information bureau to provide background on potential customers A credit report sets out a company's ability to pay debts and tells you whether it pays on time Armed with this, a businessman can make deals knowing what to expect

Like many other entrepreneurs, Husemeyer depends on personal judgment rather than a professionally prepared credit investigation, which he believes often contains dated, irrelevant information He has his own tricks For instance, he is wary of taking on new clients because it could mean their credit has been cut off elsewhere One strict rule is that he never deals with a customer who drives a Porsche or doesn't haggle over price "He doesn't haggle because he has no intention of paying you, no matter what the price"

Schwenke acknowledges that it's not practical or even possible to find additional customers now, so it's important to learn to live with the ones you have "We would urge the small businessman who is being squeezed to have an open, honest discussion with the company at the highest level and to have a good go at it"

He says it might be possible to compromise with a recalcitrant corporate client by offering enhanced service or perhaps some concessions in exchange for prompt payment

"The wise companies take a reasonable approach," Schwenke adds "They use their muscle with discretion They know that without suppliers which offer good quality on time, they don't have a business Suppliers are not something to screw left, right and centre"

ess21

Pentech plans small business centre

Sowetan 26/6-30/6/93

A VISITING Canadian expert on small business management will be presenting a workshop on small business at the Peninsula Technikon next Wednesday.

One of the objectives of his visit is to lay the basis for a small business research centre at the Peninsula Technikon which will serve small business activities and programmes in the Western Cape

Professor Ron Knowles is on a five-week visit to the technikon as past of an international linkage programme between the technikon and the Canadian Algonquin Community College.

The workshop is aimed at developing an appreciation for the small business mind, putting into practice a new set of thinking techniques in the creation of business ventures and generating simple tools to teach people to start their own business.

Knowles is also assisting Peninsula Technikon staff with research into the identification of entrepreneurial training needs among students and entrepreneurs.

Knowles said a recent survey involving six million South African coloured and African students found that they grew up believing that they have to work for someone else.

Young graduates, equipped with only traditional business skills coupled with a "vertical" manner of education are often unemployable by large firms, he said.

Knowles is a business consultant for 32 Canadian companies and is a professor in the Small Business Management department at Algonquin College.

To attend the workshop, contact Mrs L Adonis at 959-6290.

SOWETAN 26/6 - 30/6/93

Pay up or get stabbed, hawkers told

By Juanita Williams (153A)

GANGSTERS in Mitchells Plain are running a protection racket, say hawkers who claim they are forced to pay them.

One of the hawkers who has been paying protection money spoke to SOUTH on condition that she is not named as she fears reprisal

"When I first set up my stall, there were only rumours about paying money to the gangs," she said.

She said gangsters watched the stalls and made sure they were successful before approaching traders

"I didn't know they were gangsters in the beginning, they were at the Town Centre so regularly I thought they had stalls.

"But when they had watched for about a month, they approached and said they could protect me from being robbed"

The hawker said she paid the gangsters R40 a month and is "too scared" to go to the police

She said other stallholders paid between R30 and R60 a month

"They do not ask questions anymore, they have seen too many hawkers stabbed for not paying."

Pastor Brown, chairperson of the newly-formed Town Centre Hawkers Association (TCHA) confirmed that the protection racket existed but said the gangsters had been "curbed" with the launch of the association

"There haven't been any incidents since our meeting last week. There is still the 'skollie' element which tries to disrupt things but the Centre has definitely changed," he said.

Captain Dirk Mentoor of the Mitchells Plain police said police are aware of the extortion by gangsters

"We believe that a well-known hawker, who is a gang leader, is the brain behind the scheme but do not have evidence," Mentoor said.

"He was even present at the TCHA meetings and we removed him, but getting him out of the Centre is another story."

He said hawkers are urged to come forward so that criminal charges can be laid against the gang leader

"We are trying to stamp out the racket by having more policemen walking around the Town Centre in the daytime," he said.

Square's traders 'won't lose places'

DALE KNEEN
Weekend Argus Reporter

(163A)
ARG 26/6/93

TRADERS on the lower half of Greenmarket Square will not lose their business space This assurance has been given by Mr Buddy Chaaban, who has been granted a lease for two-thirds of the square

The city council's executive committee this week resolved to award 48 tables on the lower half of the square to the African National Congress-aligned National Traders' Association and the remainder to Mr Chaaban

They pegged the total number of tables allowed on the lower half of the square and half of Burg Street at 144, which means Mr Chaaban gets 96 tables to rent out

A spokesman for the city council said a five-year tenure had not been approved and the leases granted the NTA and Mr Chaaban would run from August 1 until March 31, 1995

The council would enforce a maximum rental of R22 a day, excluding VAT, and the same restrictions on the top half of the square, regarding quality of goods, would apply to the lower half

Mr Chaaban said all the present traders would be guaranteed a position and he assured them he did not intend replacing them with traders from the Station Flea Market, for which he also had a lease

"I'll come down to the square on August 1 and find out exactly who are the full-time traders on the square They will get permanent tables on the square and will not lose them unless they fail to trade there for extended periods"

A security company with uniformed and plainclothes guards had been employed and a guard would be on duty at the square whenever trading was taking place Cleaners had been employed to make sure the square was neat

Mr Chaaban said an office had been secured in the former Methodist Church Hall in Burg Street and a manager would be on duty there every day to help traders with problems

A 225sq m warehouse in the same building could be used by traders to store goods so that traffic congestion around the square could be avoided.

Lock-up storage facilities which could be pushed to the square were available for rental by traders for R100 a month, but no trader would be forced to use this facility

"The traders have nothing to fear We are not going to push them off the square and the conditions will not deteriorate there In fact, I'm confident things will improve"

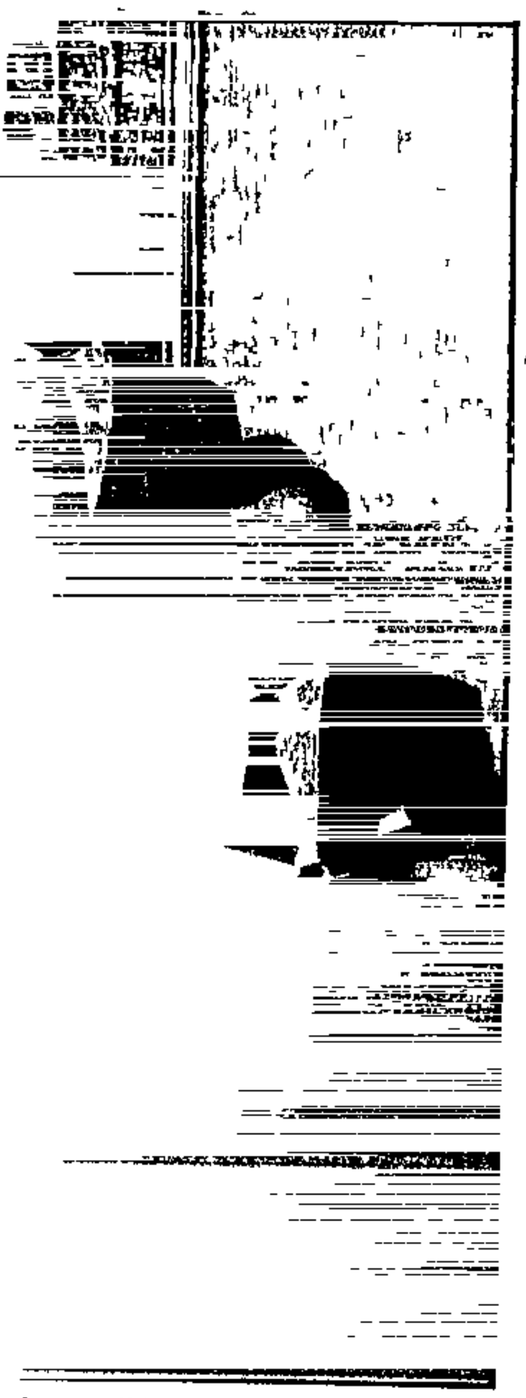
Weekend traders would get tables on a "first-come, first-served" basis and when new traders applied preference would be given to those who relied on their business for their income

rghum Breweries

)MIC EMPOWERMENT A REALITY

Changing the face of business

C Press 27/6/93



(seated) Moss Leoka, Mohale

IN just three years the National Sorghum Breweries (NSB) has become the largest black-owned company in SA

With more than 4 000 employees, the company carries the hopes and aspirations of most black South Africans

In fact, at a recent glittering function in Johannesburg where NSB chairman and chief executive Mohale Mahanyele was honoured with the Businessman of the Year Award, ANC president Nelson Mandela lionised the company as having "put the issue of black economic empowerment very forcefully on the agenda in this country"

What Mandela and many others are already saying is that the NSB is black economic empowerment in action – not some obscure academic concept which does not deliver the goods as promised Its humble beginning has the ring of a Cinderella story

It was after the bewitching midnight hour when it was officially established as an independent business after the Industrial Development Corporation's (IDC) assets and operations were transfered on June 30 1990

On July 1 1990 the NSB was born and black economic empowerment was put to the test

Three years later the NSB has made great strides as it gives the sorghum beer industry a new, serious image and facelift The hard facts are that in pursuing its objectives of real and tangible black economic empowerment the NSB has been recording healthy trading results

Somehow the company can stand tall and proud in confirming that black South Africans can make it – particularly in a big industry like sorghum beer, which for years had blacks demanding that it be handed to them to run and manage

On the other hand, the NSB has become the barometer of how blacks will handle economic empowerment when the majority of South Africans find themselves in a post-apartheid society The NSB was born against the backdrop of a country that is engaged in a painful transition to a democracy

Mahanyele told a business magazine last year "NSB has a massive responsibility to show the people of SA how business should be done in this part of the world"

He went on "NSB does its business among the poorest and amid the squalor of the squatter camps We are therefore more acutely aware of the problems"

Because Mahanyele believes that the new SA will not usher itself in on its own but has to be created, he says the NSB has adopted an active policy of black economic empowerment to contribute to this dream of millions of South Africans who were cast in the role of underdogs

Mahanyele does not pull his punches "There will never be justice, fairness and equality unless past inequalities are addressed through such programmes as affirmative action The recent history of the Afrikaners is a poignant reminder of how vital it is to empower the poor in order to help themselves"

And to see that this dream and responsibility solidifies, Mahanyele has surrounded himself with able and willing people on the NSB board of directors

Included on the 11-person board are well-known businesspeople, Moss Leoka, Peter Wrighton of Premier Milling, popular musician "Mama Afrika" Miriam Makeba, former Soweto schoolmaster and now businessman Legau Mathabathe, musician-academic Professor Khabi Mngoma, accountant Israel Skosana and academic Dr N Mzamane

In addition to pursuing its mission, the NSB has reorganised its management and made numerous appointments No wonder today it boasts the single largest component of highly qualified and experienced blacks of any company in the history of SA

The black community also plays an important part in the affairs of the NSB – it sources a large portion of professional services and supplies from this community within which it conducts business Some of these services include advertising, marketing, insurance, travel, photography and printing

Mahanyele told *Enterprise magazine* "The company has created employment for hundreds of entrepreneurs who operate as independent distributors of sorghum beer and has a close relationship with many more shebeeners and taverners through the South African Taverners Association"

Another proud milestone was reached when an overwhelming number of blacks purchased shares in mid-1991 – there are now more than 8 000 ordinary shareholders plus 4 000 employees who belong to the NSB Employee Share Trust

"Our shares are still available to the public at R1 15 a share in 100 units Those who still want to buy our shares can purchase them from their nearest NSB brewery or Mercantile Bank," said public affairs executive Derrick Luthayi

Other visible jewels in the NSB crown are its brand-new Ladysmith brewery which is in full production and the Naspotie Brewery in the eastern Transvaal's Nelspruit area, which was completed this month and will be officially opened in August

A lot of people sit up and listen when Mahanyele says that the NSB has truly become the "people's company" and is changing the face of business in SA

It is not an idle boast The man is a firm believer in that oft-repeated truism "Nothing on earth is as powerful as an idea whose time has come"

BoE and stokvels in investment package

BTBay 2-9/16/93

WILSON ZWANE

THE Board of Executors (BoE) and the National Stokvels Association of SA (Nasasa) have reached an agreement on a special investment product for members of stokvels (153A)

Neither the BoE nor Nasasa would comment on the deal yesterday

But sources said the product, which they described as "unique" and "revolutionary", would be launched in Sandton tomorrow

The sources said the product was a "package", one component of which would be unit trusts They added that the package was a joint venture by the BoE and Nasasa.

Negotiations between the two began last year in the wake of Nasasa president 'Andrew Lukhele's statement that his organisation planned to alleviate the black housing crisis by diverting millions of rands from banks to specially designed unit trusts, which would serve as collateral for home loans He said the plan would allow black savings to be ploughed back into black communities (58) (R46)

Star 2916193

Informal sector gains recognition

THERE is a thriving "informal sector" in real estate and one example of it is the changing of hands of small pockets of "tribal" land — usually without official legal documentation

While land is relatively cheap, with thousands of such transactions, the sector represents a substantial sum

Among the new issues that the new executive of the Institute of Estate Agents will look at, is "empowering" informal property practitioners in this sector with basic training. (153A)

According to Roy Leigh, chairman of the Institute's Southern Transvaal branch, education is one of the hot topics on the agenda and is one of a number of new plans under discussion

"There is broad consensus that agents must be seen to be competent in the field in which they purport to specialise. The opportunity is there for the Institute to make education available on a broader level

"The Institute may look at obtaining sponsorship from financial institutions so that these courses could be subsidised, or even free in some cases"

Peddling on beaches: Law likely to change

Municipal Reporter (53A)

PEDDLING rights on beaches will in future not be linked to kiosk or restaurant leases

Proposals that peddling rights not be allocated by tender, and that peddling be allowed on beaches in terms of the Businesses Act, are being investigated by the working group on street trading

Civic amenities director Mr Jack Kloppers said Administrator Mr Kobus Meiring had refused to declare Cape Town's beaches hawker-free zones

But the city legal adviser said beach peddling was still controlled by the Sea Shore Act

"Over the past season my law enforcement division has been hard-pressed to control illegal traders who cut into legal pedlars' turf and pay no rent," Mr Kloppers said

Legal pedlars sold only refreshments, while unauthorised pedlars sold other items

Mr Kloppers said peddling rights should be separated from kiosk and restaurant agreements at their next renewal dates ARG 30/6/93

INFORMAL SECTOR

1993

July - Dec

HAWKERS Fm 2/7/93 (153A)

Pavement colour

There's no denying that the awnings over North American porticos have gone a long way towards adding colour and dignity to cities dominated by grey and monolithic skyscrapers The advent of awnings over hawkers' units in downtown Johannesburg could set a precedent for other landlords to enhance the quality of their own pavements, which are frequently host to a variety of street vendors purveying an assortment of items

Landlord Ampros's negotiations with hawkers trading outside its properties culminated last week in a decision to provide them with improved daily facilities permanently The agreement permits the use of its pavements for the selling of goods in permanent or portable units at a nominal fee of R1/day

The first precinct to benefit from the improved amenities is outside the Carlton Centre along Commissioner Street where 17 colourful, self-contained steel stalls with lockable storage facilities have been provided by Ampros (see photograph) A second, informal trading zone adjoining 32 Diagonal Street will follow soon It will comprise 63 vending units

Fm 2/7/93 (153A)



Carlton Centre hawker *many ways to skin a cat*

Ampros consultant Monty Sack says the most popular of the stall prototypes is the 1,85 m wide Carlton Centre stall which has fold-out counter tops, awnings, advertising panels and lockable bases for storage Grill units can be built in for food preparation

Some portable wire units are also available on request Toilets are being provided at both sites along with basement storage facilities Daily cleaning and security arrangements will be supervised by Ampros ■

Star 1/7/93

Financial services open to all

153A

By John Spira

An innovative scheme aimed at providing South Africa's mass market with access to formal financial services was launched yesterday

Called the People's Benefit Scheme, it is based on the stokvel concept and represents a joint venture by First National Bank, the National Stokvels Association (Nasasa), the Development Bank of Southern Africa (DBSA) and the Board of Executors (BOE)

The package offers members four elements — a savings account, fixed deposit, unit trust and loan facilities .

It will initially be marketed mainly to stokvels, which, after a minimum saving period of six months, will be able to invest in either a unit trust or a fixed deposit, which is then pledged as security for a loan

Pat Lamont, FNB's assistant general manager (bank marketing), said.

"It is with great pleasure that we four organisations were able to pool our expertise to develop this package, which we firmly believe will make a meaningful contribution to the upliftment of individuals and communities and, in so doing, have a positive influence not only on the economy, but on the future stability of the country"

BOE's Mike Thompson said "The deal was extremely complex as it involved not only a shared vision, but the individual needs of each also had to be met.

"BOE sees this scheme as a way to apply its financial and other managerial skills to the benefit of the man and woman in the street

"This is particularly important for the disadvantaged.

"I am confident the scheme will make a difference to the South Africa of tomorrow by creating a bridge between the formal and informal sectors, while contributing real value through the gearing facility."

DBSA general manager Div Botha hoped the scheme would inspire further initiatives in the same direction by other financial institutions.

According to Andrew Lukhela, president of Nasasa. "For too long the majority of people in this country have been denied access to formal financing and credit.

"As a result, the entrepreneurial spirit has not been nurtured and encouraged.

"The introduction of the scheme will contribute greatly to economic empowerment, the impact of which can have only positive implications for the economic situation."

Stokvel killings prompt ANC call for MK protection

By MOSES MAMAILA

MERCENARY killers are striking at a pillar of African social life. Stokvels.

In recent months numerous unsuspecting people who were enjoying themselves at stokvel parties have been brutally slaughtered by the killers

Their only motive would appear to be to cause maximum havoc and instability, giving rise to fears among the people that right-wing forces are orchestrating the campaign.

On Sunday night anonymous gunmen stormed into a shack in Evaton with guns blazing, killing six people.

The attackers launched another brutal attack at a soccer field nearby, mowing down three people.

Barely 24 hours before, 13 people were killed in Sebokeng when gunmen went on a shooting spree.

In other similar cases:

- Nineteen people were killed by gunmen in a grey Jetta in Sebokeng on April 29, and
- Eight people – five of them at a stokvel – were shot dead by gunmen in Evaton and Sebokeng on April 2 and 3.

The killings in the Vaal have promted the ANC to consider deploying MK soldiers to protect the people in the area. ANC PWV secretary general Paul Mashatile made the call to deploy MK this week following the latest massacre

■ BUSINESS FEATURE

Stokvels leap into the big-time finance world

CPress 4/7/93

153A

TOWNSHIP economic power leaped into the big stakes of SA's finance this week when the National Stokvels Association of SA (Nasasa) gained a foothold into the country's formal financial services mass market

First National Bank (FNB), the Development Bank of South Africa (DBSA) and the Board of Executors finance house (BOE) announced in Johannesburg that they had joined forces with Nasasa in an innovative scheme

The package – "The People's Benefit Scheme" – offers Nasasa members four seyices which cover savings accounts, fixed deposits, unit-trusts and loan facilities It will be initially marketed to stokvels who, after a minimum saving period of six months, will be able to invest in either a unit-trust or a fixed deposit which is then "pledged" as security for a loan.

Said Nasasa president Andrew Lukhele "For far too long the majority of people in this country have been denied access to formal financing and credit As a result, the entrepreneurial spirit has not been nurtured and encouraged.

"The introduction of this scheme will contribute greatly to economic empowerment, the impact of which can only have positive implications for the country's economic situation"



GO-GETTERS ... Nasasa's director Stephen Japp, left, and president Andrew Lukhele.

Lukhele – who heads the association which boasts more than 132 000 members countrywide – argued that his organisation found stokvel members well-disciplined when it came to saving and understanding the necessity of mobilising funds But, pointed out Lukhele, as well structured as they are, certain growth areas have been stunted due to the lack of capital

"While many stokvel groups and individual members have in the past aspired to business creation and development," pointed out Lukhele, "the traditionally available funds could only achieve results to a certain point"

According to Lukhele the scheme "will enable individuals and groups (in the stokvel movement) to extend their plans beyond that point"

FNB executive Pat Lamont said "The People's Benefit Scheme came about after four organisations were able to pool their resources and expertise to develop something we firmly believe will make a meaningful contribution to the upliftment of individuals and communities of SA "

BOE Merchant Bank managing director Mike Thompson concurred "This is particularly important to the disadvantaged members of our society I am confident that this scheme will make a difference to the SA of tomorrow by creating a bridge between the formal and informal sectors "

New loan scheme for members of stokvels

Sowetan 9/7/93

By Mzimkulu Malunga

THE launching of a new scheme that will enable stokvel members to use their savings as security for loans has added some flair to the investment industry. (153A)

"The initiative represents a true joint venture between formal and informal sectors. It involves flexibility and adaptability on both sides and demands mutual respect and understanding," said the president of the National Stokvels Association of South Africa, Mr Khehla Lukhele

Named "people's benefit scheme", the programme is a joint venture between Nasasa, the Development Bank of Southern Africa, First National Bank and unit trust company Board of Executors

The scheme affords stokvel members an opportunity to choose between savings accounts, fixed deposits, unit trusts and loan accounts All these sectors of investment can be used as security for loans

For a stokvel to qualify for the scheme they have to save money for at least six months before making any withdrawals in their FNB group account



Khehla Lukhele ... it is like a dream come true.

Then after six months the group can apply for a loan from FNB They can borrow up to one and a half times what they have saved in their account

For instance, if a particular stokvel saves R2 000, it can apply for a loan of R3 000.

The bank will look at the investment track record of that particular group when it applies for a loan Loan repayment period is two years and the interest rate will be determined by the prime rate — interest rate levied by banks on loans by their best customers — at the time of the repayment plus five percent as opposed to the usual 10 percent

Unit trusts

If a stokvel chooses a unit trust, the money will be saved in a newly launched unit trust company called the People's Benefit Income Fund managed by BOE The establishment of the People's Benefit Income Fund has been financed by the Development Bank of Southern Africa and the Independent Development Trust to the tune of R18 million

Profits accruing to the PBIF will be invested in the Nasasa Indemnity Trust The trust will manage the loan facility for stokvels Nasasa, FNB and BOE are the trustees Individuals who want loans from the bank can only apply through their respective stokvels.

"We are satisfied with our contribution to the scheme as it provides sufficient comfort to the private financial institutions to enter the risk market and we hope this will inspire further initiatives in the same direction by other financial institutions," said DBSA general manager Div Botha

For people like Lukhele the scheme is like a dream come true as they have always argued that although black people invested billions of rands in financial institutions through various township investment groups such as stokvels, they were unable to get loans

In real terms the townships are subsidising the white suburbs People in affluent areas have an easier access to loans because they meet the collateral requirements needed by the banks

Also, due to the violence which plagues South Africa's townships, they are regarded as high risk areas making it difficult for people living there to be granted loans by banks

Stokvels, finance houses join forces

THEO RAWANA

A MARRIAGE between formal financial institutions and the National Stokvels Association of SA (Nasasa) bore fruit yesterday when The People's Benefit Scheme was launched with an initial R20m.

Development Bank of Southern Africa chairman Wiseman Nkuhlu told the launch in Johannesburg that the scheme, based on the traditional stokvel (savings clubs) concept, was a unique joint venture between the bank, Nasasa, FNB and the Board of Executors (BoE). It was launched with R10m from FNB, R8m from the Development Bank and R2m from BoE.

Nasasa director Stephen Japp said the package offered stokvel members, who otherwise had no access to finance, four elements: a savings account, fixed deposits and unit trust and loan facilities.

Nasasa president Andrew Lukhele said the package would initially be marketed through FNB's branch network mainly to stokvels, which, after a minimum savings period of six months, would be able to invest in either a unit trust or a fixed deposit which would then be "pledged" as security for a loan

The scheme, managed by BoE, meant that members, through the collective responsibility of their groups, could borrow up to 150% of their balances

Loans would be made against security of two-thirds of the amount borrowed that security would be made money the group had available

Nkuhlu said the scheme would help about development and address poverty because it was indigenous in nature



LOOKING FOR BUSINESS . . Dr Victor Kheyfrets has launched a joint venture bank Picture. AMBROSE PETERS

S. Times (Metro)

Ukranian visits to set up trade links with SA

(153A) 11/7/93

By JEREMY WOODS

RECENT political changes in the former Soviet Union has left the industries of the Ukraine, which have a very high level of technology, with spare capacity.

Now Ukranian entrepeneur Dr Victor Kheyfets plans to launch a joint venture bank and cultural centre to fill that vacuum with business from South Africa

"We have the ability to make any sort of piping to international standards and we can use our steel production facilities to manufacture anything from truck bodies to containers," Dr Kheyfets said this week.

He has the backing of the local industries and politicians and feels the first step towards trade between Ukraine and South Africa is to set up a bank and cultural centre, with bases in both Cape Town and the Ukraine.

"The bank would be for facilitating credits between trading partners and the cultural side would introduce South Africans to the Ukraine," said Dr Kheyfets.

"The attraction of buying steel or piping from the Ukraine is price. Wages there are much lower than here in South Africa. Therefore, our unit cost is far cheaper."

As a rough guide, Dr Kheyfets said the price of steel and piping was roughly half the cost of steel and piping in South Africa.

"But we don't just want to sell goods. We also need to buy, and South Africa has a name for exceptional quality," said Dr Keyfets

Top of the shopping list here are certain food items and clothing.

Dr Kheyfets is returning to Cape Town in September. He can be reached via Vascily Kaliazin on ☎ 233-662



Crafty plan for entrepreneurs

South 3H - 7/7/93

Everybody's BUSINESS

The Small Business Development Corporation announces its latest projects to encourage new entrepreneurs to set up shop:

THE SMALL Business Development Corporation and Arts & Crafts magazine have joined forces to promote business entrepreneurship among South Africa's artists and craftsmen.

The campaign aims to develop business skills in the arts and crafts community as well as to promote the work of artists and craftsmen, both locally and overseas.

The autumn edition of Arts & Crafts magazine, currently on sale at bookstores, is the first to be published since the launch of the joint campaign

It introduces a new marketing venture called Becsa (Buzz Exporters Club of South Africa) which incorporates overseas warehousing to make South African products readily available to American retailers and wholsesalers.

In addition it contains a wealth of information on how to learn or improve arts and crafts skills as well as marketing other business skills.

Marketing drives and networking opportunities initiated in South Africa include co-operation with local authorities, tourism groups, flea markets and organisations representing artists and craftspeople.

The SBDC's Dr Ben Vosloo emphasises the vital role that Small and Medium Enterprises (SME) play in igniting South Africa's economic engine.

SBDC research indicates formal and informal SME sectors in South Africa are already employing about six million of South Africa's 14,3 million economically active population and contributes nearly 50 percent of this country's Gross Domestic Product. (153A)

"SME's are flexible and adapt easily to changing market perceptions. They require relatively little capital, can combine simple and advanced technology and as they are generally labour intensive, contribute significantly to job creation," says Vosloo.

The magazine will also be working with the SBDC's six regional offices to focus on facilities and opportunities in each region.

One of the aims is to establish a network that will distribute information on training and marketing to a cross-section of regional communities.

A further aim is to develop closer links with the tourism industry and to introduce marketing ventures such as bus tours to rural craft markets and urban and rural arts and crafts trails.

The magazine also offers advertising and marketing opportunities for artists and crafters, as well as for suppliers of tools, equipment and facilities.



BOOST: The SBDC and Arts & Crafts magazine are promoting arts and crafts among small businesspeople

Floral business is coming up roses

ST Times [C] [Metro] 11/7/93

(153A)

By JEREMY WOODS

FARREL SAVITZ is a man who likes to say it with flowers

But for him, the flowers have to be the best on the market — at the cheapest possible price

A year ago, Mr Savitz took over the Flower Warehouse in Maitland from a friend who wanted to leave the flower business

Now, this 30-year-old entrepreneur's efforts has resulted in Flower Warehouse starting to blossom

Mr Savitz has 550 local companies on his books to whom he supplies flowers, including 80 percent of the businesses in the Waterfront development

And his fresh-cut flower arrangements can be seen at countless weddings and hospitality suites around the greater Cape Town area.

But Mr Savitz's interests are not restricted to running a conventional wholesale business selling flowers to florists.

"I saw a niche in the market. I wanted to go straight to the customer and supply direct to the companies. In effect, I wanted a factory-shop operation where I could sell to at wholesale prices"

And this is precisely what he has done

"A florist's normal mark-up is between 200 to 400 percent Mine is substantially lower, even if my florist has arranged the flowers," said Mr Savitz

"When I do weddings, my prices are often half the cost of the nearest quote I don't make the big profits, but I do a lot more business And that's what counts"

The general public buy from him directly, as do his corporate customers, including Seeff, Imperial Cars, Metal Box, and a range of financial service companies

Many have discount cards which offer a further 10 percent discount

But the key to this growing business must be the sheer energy and ingenuity Mr Savitz puts into its marketing.

"I pick an area of Cape Town and cold-call the various offices, introducing our services and leaving publicity material.Then I pass all the names and telephone numbers to the telephone sales staff who then make follow-up calls"

Although he admits this is not an easy way to attract business, the dividends are starting to pay off

Sales are rising steadily and the Flower Warehouse is rapidly establishing itself as a force in the flower market

Quality

"I'm giving people something they are entitled to — good quality flowers at a competitive price It's as simple as that"

In addition, he runs a delivery service to any area in Cape Town and has embarked on free flower-arranging classes for customers

Mr Savitz works six days a week, has a staff of three, and lives at home with his parents to conserve funds for his business

Is he worried about upsetting the traditional florist?

"No more than a street trader is worried about me A 300 percent profit margin on flowers is unnecessary I'm trying to make flowers more accessible to people"

Only time will tell whether the Flower Warehouse succeeds in its ambitions But if the energy and enthusiasm within this fledgling business is any kind of a barometer, it certainly deserves to blossom



BLOSSOMING BUSINESS . Farrel Savitz is challenging the markup of traditional florists Picture: AMBROSE PETERS

Edited by JEREMY WOODS

Much more to City than office blocks

S/ Times [Cl. Mat=D]

11/11/93

DURING daylight hours the city bustles about its business.

Coffeeshops flourish as people take a break from work to read a newspaper and drink a cup of strong coffee in the European fashion. Since St Georges Mall, now the heartbeat of the city, was completed more small coffee shops offering reasonably-priced meals and hot refreshments have opened.

Pedestrians and diners are constantly entertained by a wide variety of buskers — from gumboot dancers, squash-box players, classical violinists, mime artists to guitarists, portrait painters and trick cyclists.

The St Georges Mall was the centre of controversy in recent months as the city council and Cape Provincial Administration battled to free the Mall from hordes of informal traders.

Businesses in the area complained of decreased trade as the informal traders insisted on their right do business where they could A ceiling was placed on the number of traders allowed to erect stalls on the Mall.

While some preferred the Mall in it less-crowded state; others enjoyed the activity the informal market encouraged. Nevertheless, many of the traders who put in tenders to trade there legitimately sell manufactured goods one can buy in shops, while the craftsmen have been sidelined to less conspicuous spots

But one can still buy wonderful fresh vegetables and fruit, or flowers, from hawkers in the mall. (153A)

Antiques

Historic Greenmarket Square is a major attraction for both locals and tourists. The bazaar atmosphere and the variety of goods on sale beckon many people out of the shops and into the square.

It is fronted by a variety of restaurants boasting Italian dishes, French breakfasts, South African lunches, Bulgarian delights and a host of other cosmopolitan outlets.

Used by C B D workers during the week, Greenmarket Square is chaotic on Saturdays when people leave the safety of the suburbs for the city's attractions.

For lovers of antiques and bric-a-brac, the cosy Church Street antique market — and the numerous antique shops that line it — draws dozens of people searching for unusual items or surreptitious bargains

It is also a stone's throw away from Long Street, which is gradually being upgraded and restored to its former glory. In keeping with the times, many of the beautiful old buildings, long neglected, are being renovated and given a new lease on life.

Long the habitat of second-hand book and clothes dealers, Long Street is now home to several new high-fashion boutiques, delicatessens and restaurants. It is topped by the recently refurbished Long Street Baths where one can delight in Turkish baths and massages.

And if shopping palls, there are numerous art galleries exhibiting diverse artworks scattered all about the city.

NUM ready to strike

ERICA JANKOWITZ

INDUSTRIAL action at gold and coal mines was a possibility if the Chamber of Mines was unwilling to improve upon its current 7% wage offer, the NUM said yesterday. BDay

"If the mines' final positions are not improved substantially, the NUM will seriously consider moving to the next stage of the dispute procedure," said NUM assistant general secretary Marcel Golding.

The NUM and the chamber meet this afternoon in a third conciliation board hearing to try to resolve the wage dispute.

Golding called for a "credible offer which goes some way to redressing imbalances from low settlements over the past two years" Employers should not interpret the union's past acceptance of low increases as a sign of weakness. "There is a strong, defiant mood on the ground and employers should not underestimate our members' willingness to strike," Golding said 2/1/93

Chamber of Mines spokesman Adrian du Plessis said he found Golding's remarks, coming on the eve of a board hearing, to be "totally unhelpful"

He hoped "the parties would find each other" during the exchange

Businessmen told to home in on Indonesia

BDay 12/1/93

GERALD REILLY

PRETORIA — Significant growth in the SA manufacturing industry would depend greatly on expanding trade with southeast Asian countries, particularly the vast potential market in Indonesia, Safto's Asia and Australasia manager Graham Limerick said yesterday

Limerick headed a mission of nine SA businessmen to Indonesia this month.

He said Indonesia was an easier market to penetrate than Europe, with its tariffs and other constraints, and north America.

And there was no shortage of funds. Indonesia was well able to pay on delivery, unlike some African countries where payment delays of 18 months were common.

"Indonesia is a fabulous market. They are not the slightest bit interested in politics, which play no part in their international trading"

Limerick said it was a market which until now had been almost totally neglected by SA business and which clearly merited greater attention and exploration.

It was not an easy to do business with Indonesia which had less sophisticated economic and trading structures than other southeast Asian countries. But once penetrated, the rewards could be enormous

"There are 180-million people with an almost infinite demand for consumer goods and the means to pay."

The economy was growing so fast — currently at 9% a year — that there was little hope of the local manufacturing industry with its limited base catching up with demand. Imports were massive, mainly from other southeast Asian countries and Australia.

The total spent on imports in the region was around $175bn annually. Of that, Indonesia spent $34bn. The biggest importer in the region was Singapore with $55bn, followed by Thailand ($36m), Malaysia ($39bn) and the Philippines ($11bn)

Limerick said the recent mission had found SA manufacturing would be competitive in price and quality with most other countries trading in the vast southeast Asian market.

Small business 'the key to a wealthy nation'

BDay 2/1/93

JOHN DLUDLU

THE informal sector would have to be integrated into the mainstream economy to make SA a winning nation, AngloAmerican gold and uranium division chairman Clem Sunter said last night.

He told delegates at the launch of an international trade practice course that the recipe for the success of wealthy countries lay in developing small business.

Economic opportunities for township traders had to be created because full participation in the economy would lead to social harmony. "We don't need black or white messiahs to help us We need to make ordinary people champions (153A)

Sunter said the education system had to be overhauled to respond adequately to SA's social and economic needs

About 90% of jobs were created in small business. Schools did not prepare children to be entrepreneurs.

Little hope for well-controlled street trading

153A ARG 13/7/93

Industry waits on Businesses Act

CLIVE SAWYER
Municipal Reporter

LITTLE hope is in sight for firm control of street trading until proposed amendments to the Businesses Act are tabled in parliament

Hawkers are crowding sites in Athlone, Rylands, Mitchell's Plain and the Parade, while the situation in St George's Mall is unresolved

Earlier this year, the Major Cities Association — of which Cape Town is a member — lobbied for changes to the controversial Businesses Act, which unleashed hawking on an unprecedented scale

The act provides for all or nothing — free-for-all informal trading or "hawker-free" zones and it was hoped to set a compromise formula to allow controlled, limited informal trading

Deputy city administrator Mr Alan Dolby said proposals were aimed at streamlining "torturous" procedures for controlling hawking

It was proposed that the council would declare a hawker-controlled area by giving notice in the press, and the declaration would take effect on publication

When the announcement was made, objections would be requested and if not upheld, the decision would be sent to the provincial administration for approval or rejection

Meanwhile, work was in progress to resolve problems with informal trading in several areas

In St George's Mall, some sites demarcated in terms of new regulations were to be redefined because they had been found to be unsuitable

There had been 200 applications for sites, but none had been allocated

Mr Dolby said it was hoped sites would be allocated by the end of this month

"For the time being, the sites are being allocated by the National Traders Association," he said

People were still trading in factory-made goods, in spite of a council ruling that only handmade goods should be sold

On the Parade, people who traded on Wednesdays and Saturdays were facing stiff competition from informal traders

The council had suggested they form an association and lease a trading area collectively, which would enable the council to enforce the lease

A lease for the craft market expired soon and was to be advertised on a "head lease" basis — which did not prevent an association of traders applying

In Mitchell's Plain, a meeting of all major stakeholders to discuss a solution was due later this month

It is understood there is unhappiness among formal traders who are paying rates and feel they are subsidising refuse collection and other services where informal traders benefit

Mr Dolby said the future of informal trading in Athlone would be decided as part of a public participation process on the future of the central business district

Hawking in Rylands had caused problems, but action would depend on the outcome of the Mitchell's Plain process

Hawking outside the fresh produce market in Epping was on such a scale that some traders were putting up temporary structures on council ground

Further foreign reserves rise expected

BIDay 14-7-93

Own Correspondent

CAPE TOWN — Every $30/oz gain in the gold price which is sustained for a year is equal to the entire maize import bill last year, noted First National Bank chief economist Cees Bruggemans in the Business Brief

"Provided there are not too many major political accidents ahead, the foreign reserves may rise once more in the second half of the year so that another 1% cut in Bank rate and prime becomes plausible," he said

Dropping interest rates next year would depend on the BoP, the budget deficit being adequately covered by borrowing, and the CPI dropping to 10% by year-end (153)

Bruggemans was bearish on the non-agricultural sector

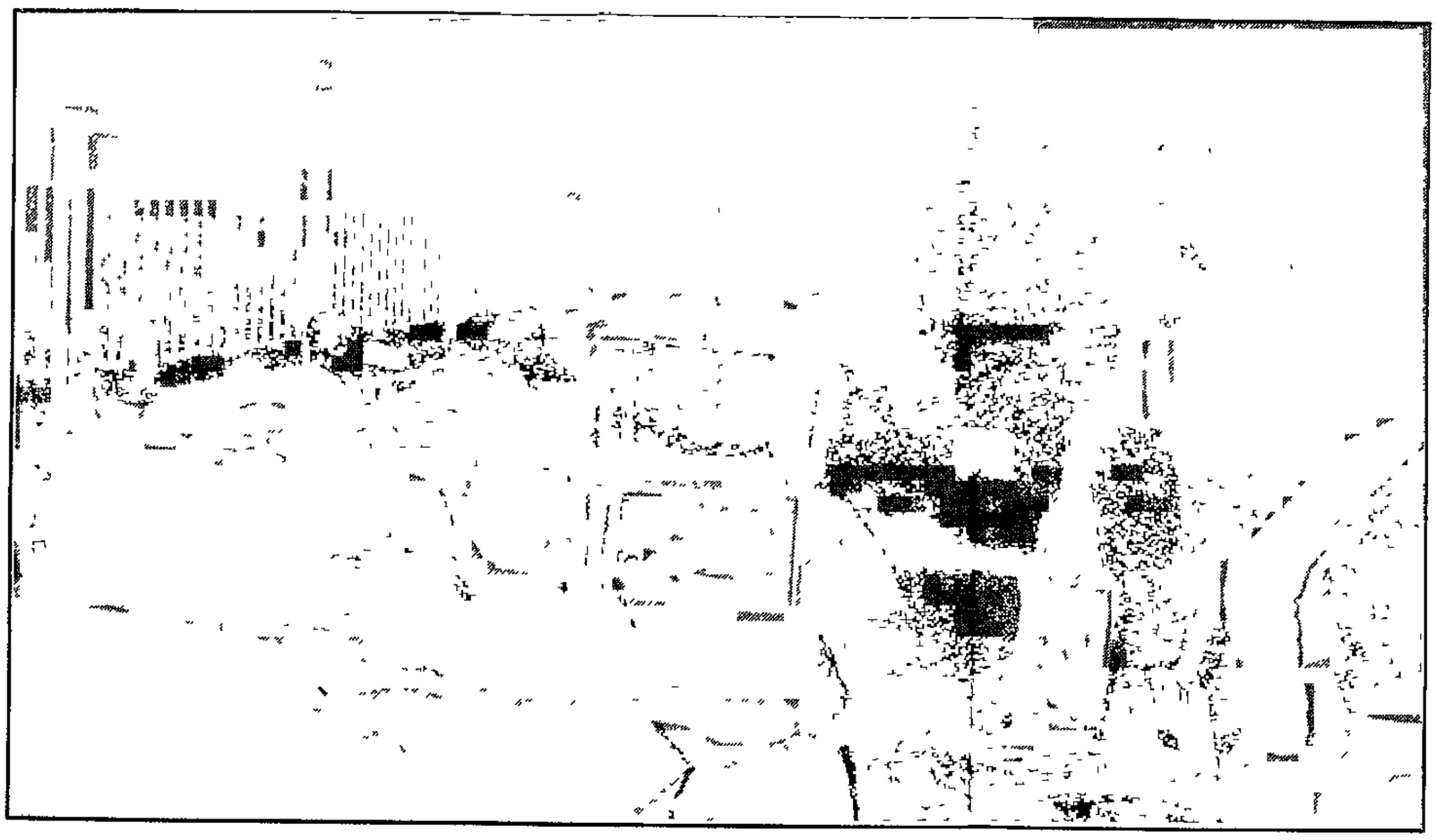
"The Finance Minister has changed fiscal policy from liberally supportive to mildly restrictive, while management insists on maintaining a highly defensive position"

The nominal growth of disposable income would be reduced considerably, Bruggemans said

"After declining 2,6% last year, real consumer spending can be expected to fall at least another 2% this year"

PEOPLE'S LIVES *What could anyone be dreaming of in this cold?*

Bodies in bags writhe in the street



Homeless people in Johannesburg make Joubert Park their home. This scene is repeated in many cities across the country. In Durban, the homeless use plastic bags and sleep on the pavements. PIC MBUZENI ZULU

■ NIGHT PEOPLE *When dusk falls Durban's crop of homeless traders pack up their wares and bed down on the pavements:*

By Musa Zondi

Sowetan 14/7/93

"There are dozens of sorghum beer containers, as well as a few nips of brandy and mampoer. If there is such a thin as a mobile bar, this is it"

ROWS AND ROWS of bulging plastic bags — looking disconcertingly like body bags — line the street running alongside the station It is like a scene from a Vietnam war movie, with rows of corpses in body bags, victims of an unseen enemy, waiting to be taken away from the front by helicopter

But this is South Africa and the city is Durban What looks like bodies in bags are people who have nowhere to go

During the day they sell their wares — clothes, clay pots and other curios — at the station and in surrounding areas When night falls, they pack up all their belongings, put them under a big sail — you can never tell when it is going to rain in Durban — and then line the road for a nightcap

It's a Friday Cars roar up Umgeni Road towards the Whispers Nightclub The sounds coming from the cars are deafening But then, again, the noise from the club itself is not exactly mild either (153A)

Now and again you see a person shifting in a bag You wonder What could anyone be dreaming of in this cold? Maybe he is not dreaming but *feeling* the cold Maybe he is asleep and dreaming about the cold pavement underneath him? Across the road from the body bags another group — of women and some men — sell their wares right through the night But theirs is a different market

On makeshift tables they sell cigarettes, sweets and other goodies But the real merchandise the reason for these women braving the night and cold, is *under* the table

There are dozens of sorghum beer containers, as well as a few nips of brandy and *mampoer* If there is such a thing as a mobile bar, this is it

A number of people seem to know exactly where to find these spirits of the night. The place is frequented by security guards, who every now and then make a detour from their regular rounds Other late-night shift workers coming off duty stop off on their way home

For these people, economic viability is the difference between one nip owed and the one paid for up front While we were taking in the scene at the mobile bar, a man who owed one of the ladies for a nip came under intense pressure to pay Surrounded by five women, he had to explain why he had not paid by then He tried to be aggressive but, it turned out, was no match for the tough ladies of the night They threw their jerseys from their shoulders and braced themselves for an encounter of the physical kind

The defaulter was made aware of the fact that he had to pay or else But he had a bit of a problem because he did not have the money So, the women decided that, in lieu of money, he had to give them his clothes *and* his shoes

Help arrived in the form of male compatriots and he was saved the embarrassment of walking around town naked Although the men chipped in, at the end of the fracas the defaulter still found himself short and was forced to walk away without his shoes

While this spectacle was unfolding, the body bags were turning and writhing on the cold concrete At least they were lucky, they had blankets or whatever to cover themselves

There were others sleeping on the pavements without anything to protect them from the elements

Unlicensed hawkers are ticketed

Staff Reporter

Police issued tickets to hawkers in at least one section of Johannesburg's Central Business District this week after a flurry of complaints were lodged by pedestrians

Street hawkers in the area of Bree and Loveday Streets said traffic police had handed out warning tickets to vendors whose makeshift shops were either too close to traffic lights or were there for longer than allowed by their licences

A spokesman for the Johannesburg Traffic Division said enforcement of the pavement regulations was stepped up two weeks ago after pedestrians complained of being hindered by the growing number of informal vendors along streets

He said traffic police were focusing on different sections of the CBD each week.

Vendors on Bree Street found without licences this week were driven away by police, according to one fruit vendor, who was ticketed for using up too much space.

"They just like making trouble for us," the vendor said.

BUSINESS FOCUS

A flea market with a difference

Boredom a thing of the past for city-centre workers

By BERENG MTIMKULU

A NEW Jo'burg city centre development promises something for everyone – money for traders, entertainment for city workers and a revival of the Central Business District!

That development is the innovative flea market opened in the centre of Bank City, First National Bank's attractive complex in the city centre.

Lunchtime boredom will be a thing of the past for all those office workers, who can now descend on First Market Square – situated between Pritchard and Jeppe streets – where over 50 traders will display their wares under bright and colourful Carribean umbrellas

Adding to the atmosphere are the cobblestone, the trees that dot the square and a number of food outlets

Traders, buskers and musicians will be encouraged to set up their stalls or ply their special skills, at a cost of R29 a day

According to Market Theatre flea market organiser Wolf Weinek, "the weekday market will be the first of its kind in Johannesburg"

Traders who want in on this venture should apply to the Market Theatre Foundation which also co-ordinates the popular Saturday flea market

A statement from the banking group added that the Foundation would work hard to prevent First Market Square from falling into the same trap that led to the downfall of some flea markets

Weinek said flea markets that have moved to Johannesburg's suburbs were moving away from the reality of catering for all the people of South Africa

Clothes, hardware, lampshades, compact disks, cosmetics, gifts and crafts will be on sale at First Market Square.



RAISING THE ROOF . . .Stars Ray Phiri and Nico Carstens recently had the crowds begging for more at First Market Square in Johannesburg.

Small business 'the key to a wealthy nation'

B1 Day 21-7-93

JOHN DLUDLU

THE informal sector would have to be integrated into the mainstream economy to make SA a winning nation, AngloAmerican gold and uranium division chairman Clem Sunter said last night

He told delegates at the launch of an international trade practice course that the recipe for the success of wealthy countries lay in developing small business.

Economic opportunities for township traders had to be created because full participation in the economy would lead to social harmony "We don't need black or white messiahs to help us. We need to make ordinary people champions (153A)

Sunter said the education system had to be overhauled to respond adequately to SA's social and economic needs

About 90% of jobs were created in small business Schools did not prepare children to be entrepreneurs



JACKIE MELTZ and copyright friend: Picture: HERBERT MABUZA

Disney's taking the Mickey out of pirates

THE world's most famous mouse is cracking down on impostors Walt Disney licensed manufacturers in South Africa are losing R50-million in annual sales to Mickey Mouse pirates A ton of clothing has been collected from raids on flea markets and warehouses in the past three months, writes **TERRY BETTY.**

Ray Botha, managing director of marketing licensee Famous Name Company, says the goods will be given to orphans.

Mr Botha says: "The police are empowered to confiscate clothing infringing Walt Disney's trademark.

"Fortunately, we know most of the pirates and several more raids are planned."

Some sellers are unaware they are contravening the law and are merely warned.

"But the best way to stop counterfeiting is for people to lose the goods through confiscation."

"Some chaps are amicable because they don't want to break the law. But some get tough. One storekeeper even stuck a gun in my face"

Licensed manufacturer Meltz Success managing director Jackie Meltz believes the rip-off business is so big that more pirated than licensed goods are sold.

The clothing is seldom much cheaper than the real thing.

Mr Meltz says it has become easier in the past few months to track pirates because fewer manufacturers have received Walt Disney licences.

"Mostly clothing is copied because it is easy to print a logo on cheap t-shirts," says Mr Botha

"Sophisticated operators have printed fabric made up in the East."

The real bugbear for Mickey Mouse manufacturers is a pirate who is turning out car stickers of Mickey making rude signs.

"We have been foiled in everything we have done to catch them."

CP in bid to stop film being shown

Sowetan 29/7/93

Sowetan Correspondent

THE Conservative Party Youth Organisation has called on the *Weekly Mail* Film Festival to reconsider its plans to show the film *De Voortrekker*.

Claiming that the film attacked Afrikaner culture and denigrated Christianity, the CP youth said it would do all it could to stop the film from being shown.

The film is scheduled to be viewed at the weekend as part of the *Weekly Mail*'s "Limits of Liberty" Film Festival.

The organisers said, however, that the show would go on as planned.

Censorship

The festival, which aims to spotlight issues of censorship in South Africa, has become a lightning rod for controversy. (292) (324)

Last week protesters against the anti-Semitic film *Jew Suss*, were successful in forcing its withdrawal from the festival.

The film is a notorious Nazi propaganda piece and groups objected to its insensitive attack on German Jews.

Like the planned showing of *De Voortrekker*, the presentation of the anti-Semitic film was meant to be educational and a panel presentation was scheduled to follow the screening.

Sowetan 29/7/93

R11,9-m gift for Nafcoc branches

NATIONAL Sorghum Breweries is to donate R11,9 million to the National African Federated Chambers of Commerce and Industries (1326) (28).

The money will come in the form of 1 000 bursaries to all of Nafcoc's 15 regions and prize money for the businessman and businesswoman of the year competitions.

"Despite the fact that we are the only company in the corporate world that has met Nafcoc's proposed advancement plan, there are still some doubting Thomases about the capabilities of NSB," NSB executive director Mr Ephraim Skosana said at Nafcoc's annual conference in Sun City yesterday (1316) (153A).

Success

NSB chief executive Mr Mohale Mahanyele thrilled the audience on Tuesday when he spoke of his company's success. "Time for irrelevant talk has passed, now it is time for action," Mhanyele said.

He said NSB had an annual turnover of over R500 million. "Despite these achievements we are still not recognised.

"Companies smaller than us on the Johannesburg Stock Exchange get bigger recognition than us because they are white.

"Some of these companies which come to conferences like these to give you small change do not have black directors on their boards," he said.

BUSINESS Tembisa-based manufacturer started company called Home Care Products

He never said die after firm folded

Sowetan 30/7/93

BURNING DESIRE Even before he was retrenched he had decided to create a job for himself:

By Mzimkulu Malunga

"I decided not to go and look for a job but create one myself"



Elijah Mjwana

Entrepreneur of the month

EACH week the *Sowetan* features an entrepreneur who automatically qualifies for the *Sowetan*-Sanlam Entrepreneur of the Month competition

Monthly winners go through to the final contest of the competition and the overall winner receives R15 000 while the runner-up gets R5 000

This year more emphasis will be placed on entrepreneurs in the manufacturing industry but other business categories — except retail enterprises — are also eligible.

If you want to enter for the competition or nominate someone else, contact Mzimkulu Malunga at (011) 474-0128.

WHEN Elijah Mjwana was thrown into the streets in 1991 after the company he was working for went bust, he never said die "It was tough. But because I had this burning desire to start my own business even before I was retrenched, I decided not to go and look for a job but create one myself" says Mjwana.

The Tembisa based manufacturer then started a company called Home Care Products that produces carpet shampoo, bath foam and hair care chemicals

He sources his raw materials from chemical companies on the East Rand and making the products is very basic The manufacturing process is manual from start to finish

Home Care Products employs three people

The Eastern Transvaal town of Witbank provides the bulk of the clients in addition to an East Rand based wholesaler who specialises in chemicals

School clients

Schools in the semi-rural areas of the Eastern Transvaal are also Mjwana's clients though they do not buy regularly

"At some stage I wanted to start marketing myself in areas around Tembisa and the East Rand but after placing an advert in the local paper and receiving very little response, I decide to change my strategy and target outside areas," he says

However, packaging remains his main problem. As of now Mjwana is battling with labels and what brand name to call his products

"I never knew that just placing a label on a two litre container of bath foam was so expensive I was sure that people tend to attracted by the packaging rather than what is in the container itself," said Mjwana

Elijah Mjwana qualifies for the *Sowetan*-Sanlam Entrepreneur of the Month competition.

Monthly victors will compete with each other until the end of the year when an overall winner will be chosen

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Nafcoc to chart a new course

City Press 18/7/93

By ZB MOLEFE

ORGANISED black business meets next Sunday to chart its future course at the National African Federated Chamber of Commerce's 29th annual conference

The four-day conference at Bophuthatswana's Sun City is expected to attract more than 2 000 delegates, various business organisations from southern Africa, foreign government representatives and the major South African political parties and movements.

It will tackle finance, skills and technology as it affects black business now and in the post-apartheid era

World Bank infrastructure operations divisions chief for Southern Africa, Isaac Sam, will deliver the keynote address.

Another keenly awaited item is Nafcoc president Archie Nkonyeni's inaugural presidential address

Nkonyeni, a Nafcoc stalwart, became president last year when "father" of the chamber, Dr Sam Motsuenyane, stepped down after 28 years

But Nkonyeni will attract attention for his leading role during the past two years in the chamber's crucial 3-4-5-6 programme for black economic empowerment

The programme sets the turn of the 1990s as the target by which 30 percent of seats on boards of companies quoted on the Johannesburg Stock Exchange be occupied by blacks. In addition, 40 percent equity in these companies should be held by blacks and 50 percent of business should be sourced from black enterprises while 60 percent of managers should be black

Another strong focus will be the role of women in the South African economy in general and in business specifically. Leading the debate will be Adelaide Tambo. Well-known businessman Enos Mabuza will officially open the conference

■ In a story last week City Press said businessman Moss Nxumalo is a director of the ANC-linked Thebe Investment Company. It has been pointed out to this newspaper that Nxumalo no longer serves on the board of that company. City Press regrets the error

Jobs project angers small business tenants

South 31/7- 4/8/93

Tenants in a Phillipi small business hive claim a job creation organisation which rents them premises has neglected them

TENANTS at small business hives in Phillipi are angry about working conditions and lack of technical support.

They said promises by the Cape Town Job Creation Project, which manages the hives, had not been fulfilled.

But project manager Lionel Maqina said the problems arise from trying to balance third world business in a first world context.

The hives were officially opened last October to provide a "shopping mall" atmosphere for residents from surrounding townships

Maqina said many of the tenants are barely literate and lack basic business skills.

However, tenants also complain a leaking roof over the hives has caused hundreds of rands' damage. Joiner Xolile Monzi and clothing designer Jackson Lungiso said they complained about the roof last December but it had not been repaired.

Monzi, who owes R400 in rent, said storms in April had let ankle-high water into his hive and he was forced to throw away damaged wood.

Maqina said the project had repaired the roof, but much of the material used had been donated and was below standard, which caused the roof to break again.

Monzi said the project had also promised to secure contracts with outside businesses, and to place advertising boards in Lansdowne Road, bordering on the hives, but this had not been done.

Maqina said the project had not promised this. It had tried to assist in securing contracts, but many products from the hives were below standard. Many outside companies were also difficult to "penetrate" He said the advertising boards were only an idea, and had been scrapped as many of the businesses failed or moved on.



ANGRY: Ganief Isaacs and Zola Maneli are among a number of tenants at the Cape Town Job Creation Project complain about a lack of support and poor working conditions at their hives in Phillipi

When rain caused R1 800 damage to television and radio repairperson Zola Maneli's business in February, the project allegedly promised to pay for repairs. Now the project apparently says it cannot pay and Maneli says his equipment is being withheld at another repair shop.

However, according to Maqina, all the hives were insured and it was a matter of time before Maneli received his money

Sheet metal workers Wilson Matontsi and Kelby Fani said they were refused loans after these were promised to them when they moved in Matontsi asked for a R1 000 loan to buy building material but was told the project did not have enough money

Maqina said the project did not provide loans but would assist the tenants in getting money.

Appliance repairperson Ganief Isaacs admitted he made mistakes in his business, but said the project now wanted to evict him.

A father of six, Isaacs is R1 500 in arrears. He said his business suffered because many traditional clients from Mitchells Plain refused to come into the townships. He has now rectified the situation by placing his home address in advertising, but the project does not want to give him another chance.

Maqina, however, denies wanting to evict any of the tenants. He says the project has to pay R5 000 a month for rental of the old factory in which the hives are situated, but received only about R1 000 a month in rent.

WAGHIED MISBACH

(153A)

CI Press 11/8/93

Sisters are going it alone

255A 153A

By BERENG MTIMKULU

THOUGH very little is done to upgrade their business skills, women make better customer-friendly traders, and have more successful businesses than their male counterparts

This is the view of Mark Peters, a senior consultant and lecturer at Wits University's Centre for Developing Business He said despite South Africa's "entrepreneurial-unfriendly environment" small businesses run by women are mushrooming.

Though the number of female entrepreneurs is on the up, Prof Ronel Erwee of the University of Pretoria's Business School said the "vast reservoir" of potential businesswomen are still ignored.

In an interview with City Press this week, Peters said problems affecting the growth of black women's businesses are given scant attention at most business conferences

Women also tend to open small businesses to avoid the high costs of sourcing loans from financial institutions According to the Small Business Development Corporation (SBDC), only about 20 percent of its clients are women.

However Prof Erwee notes that major shifts are evident in women's focus on business sectors Established businesswomen are diversifying into new, multiple ventures, especially shifting to imports and exports

Some are moving from informal sector micro enterprises to larger informal outlets like flea markets.

Though most businesswomen still tend to target their products and services at women, Peters said they have a better understanding of people's needs, have an ability to pay more attention to detail and male customers feel more at ease when dealing with women traders than dealing with men.

"They're better at short-term horizons while men tend to look at the bigger picture," said Peters.

Peters said that businesswomen in rural areas open small business for social survival rather than the urge to have booming businesses. These businesses, he said, do not usually grow.

According to a document compiled by Wits Business School Centre for Developing Business (and attributed to Small Business Opportunities in SA), women develop managerial skills within their businesses.

"New sources of entrepreneurs are emerging. More and more females are starting their businesses with a high success rate," said the document.



Juice the right stuff to make her the boss

C/Press 11/8/93

By BERENG MTIMKULU

SHE had become yet another unemployment statistic, but hard-working Pamela Nkwenyane's aspiration to be her own boss could not be thwarted

She persevered and endured the emotional torment after the company at which she worked as a receptionist suddenly closed down But after opening her own business mixing and selling fruit juices in 1991, she now has reason to celebrate

Nkwenyane is the holder of this year's July 1993 Sanlam/SBDC Emergent Entrepreneur of the Month award

Based at the Small Business Development Corporation (SBDC) in Johannesburg, she worked as a part-time supervisor for a Johannesburg juice company To her this was action training and learning-on-the-job as her enthusiasm drove her to gather information on mixing and selling juices (110)

Before long, 40-year-old Nkwenyana opened her own Juice Fountain stall! (153A)

With financial help from the SBDC, Nkwenyane bought machinery and stock and since then, has never looked back

A mentor from the SBDC, who visits her stall weekly, advises her on budgeting, banking and profit-making

Nkwenyane has watched her business grow considerably, making substantial profit to maintain a warm and stable home for her family, as she now sells over 10 flavours of juice to hawkers

White schools, shops in Bophuthatswana and Potgietersrus and the phenomenal Soweto "kitchen parties" are just some of the many enthusiastic clients that depend on her for the supply of juice

The mother-of-three said running a business does not stifle her caring role at home She has the full support of her husband, Sam

"Business is a bit slow in winter At the moment I'm working on skeleton orders, but there is obviously a lot more demand for drinks in summer," said the soft-spoken Nkwenyane

SUCCESS STORY ... Pamela Nkwenyane won the Sanlam/SBDC Emergent Entrepreneur of the Month Award after opening her own juice supply business.

Chinese peddlers stick it out on SA's streets

CPress 22/8/93







HARD TIMES ... Chinese hawkers are beating up and down the pavements in every big SA city. City Press found many of them selling watches – sometimes earning only R7 a day. Some could speak hardly a word in English, others laughed when asked if they "had a house". And yet they stay here. Perhaps it's better in SA than back home ...

■ Pic: BLACK IMAGE

By SIPHO ZUNGU

CHINESE hawkers and traders in SA's big cities say that, despite frequent muggings and pitiful earnings, they are happy surviving where they are.

How do they survive in SA?

Speculation on the street is that the Chinese are given identity documents quickly and do not face harassment by petty officials

Meanwhile, Zambian, Zimbabwean, Zairean and Mozambican traders say they are often given a hard time by the police who constantly threaten them with deportation. They claim that bribes are often the only way to get out of trouble

In Johannesburg's Bree Street, Lu stands selling watches for R35 each You can get it for R25 if you haggle – and he'll still smile if he makes a profit of R7. (153A)

In the next street, opposite Lu's spot is Lui – also selling watches for the same price Lui speaks not a word of English. They are not related

Down the same street stands Lu'is – selling watches Phew!

Then there is a sweet chap down in Eloff street, just off Market street His name is Lee. I wished he could understand English better. He is humble; he gestures and bows. I tell him I'm "from the newspaper". He smiles broadly seeming to indicate that he understands

He said he was not making enough money, sometimes selling only one watch a day for R35 ..

City Press learned that the hawkers can make between R25 and R300 a day.

Qui Yong Tai, who sells watches and jeans, says in broken English "I like the Aflican people. I know, no work, many people hungly sometime dey steal sometin', I give so'time thlee land"

Thebe 'sold hawkers short'

153A wm 27/8-2/9/92

Iden Wetherell

THE African National Congress' business arm, Thebe Investment Corporation, has abandoned more than 50 hawkers to fend for themselves on the streets of Johannesburg, sources within the organisation allege

The hawkers were part of a R65 000 hawker training and development scheme operated by ANC-initiated Movement Marketing Enterprises (MME) with funds from First National Bank's small business unit Thebe took over MME in April But it has been learnt that Thebe representatives failed to attend a crucial review meeting with the bank which might have secured the future of the hawkers.

The scheme, launched in October 1992, provided credit of up to R500 each for hawkers recruited by MME from the ANC's 140 branches in the PWV region The hawkers were expected to purchase ANC memorabilia from MME for retail on the streets. Items included ANC T-shirts, tracksuits, pens, and caps. MME provided training and back-up

Initiators of the scheme, including MME's R17 500-a-month managing director Willie Ramoshaba, were reported to be pleased with the scheme's progress The US Aid-funded Informal Business Training Trust had been involved in the training component, while some 50 hawkers had gained access to FNB credit worth R15 000 A total of 130 hawkers were eventually recruited in line with the pilot contract between MME and FNB.

However, shortly after taking over MME, Thebe closed down several of the company's operations Among the projects closed were arts and crafts marketing in the United States, and a video learning scheme for schools

Accountants were despatched from Thebe head office to run the day-to-day affairs of MME and at least two employees were reported to be exploring legal action against arbitrary severance of their contracts. ANC president Nelson Mandela was asked to investigate employees' grievances. According to former MME employees, Thebe managing director Vusi Khanyile had already decided the hawker enterprise did not match Thebe's up-market corporate profile

However, Thebe referred in a press statement to "serious management problems" at MME Internal Thebe documents revealed a R4,5-million loss at MME in the 11 months to January 1993, although Thebe subsequently rejected this figure as "both incorrect and misleading"

FNB executives were understood to be furious when they were stood up by Thebe at a meeting called in mid-May to review the future of the hawker project. "Not a single Thebe representative showed up at what was a crucial meeting," said one source close to the project. Thebe claimed their officials had been summoned to a meeting with Mandela scheduled at the same time

"It effectively killed a very promising partnership between the informal sector and an established bank," the source said "And it abandoned the hawkers to a precarious future "

MME's new general manager, Terry Musiyambiri, who works out of Thebe's head office, said the hawker scheme was to be revived He said he had recruited 150 new hawkers and promised to look into charges that the original hawkers had been abandoned He said he had written to them inviting them to a meeting this week Financing was being sought from a variety of sources, including FNB

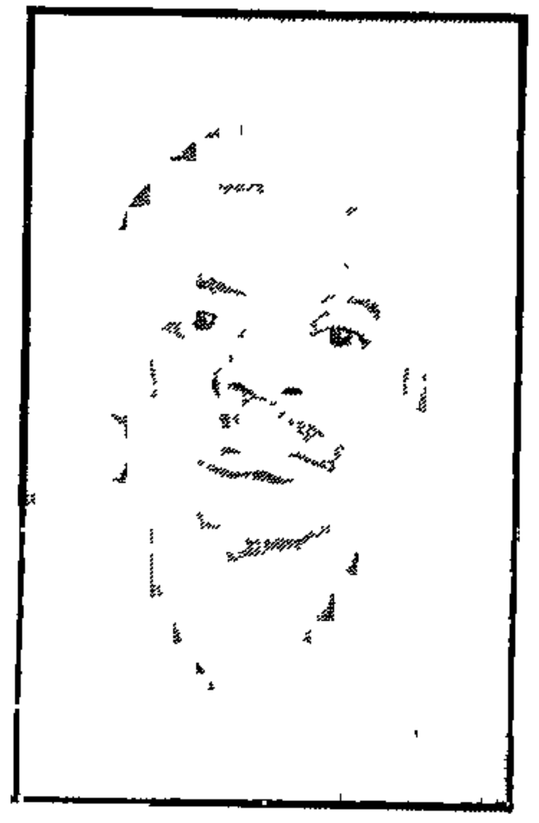
FNB's small business unit manager Ali Mokoka said there was a possibility of the project being revived once MME got its act together, a prospect he described as "remote"

When the *Mail & Guardian* visited MME's hawker distribution centre, it was locked and deserted

In another development, it has been learnt that MME secured the rights last year to market South Africa's Barcelona Olympics souvenirs — including tracksuits, flags, ties, badges and stickers — at the time the ANC was contemplating an Olympics boycott over the Boipatong killings

There's gold out there . . .

CPress 5/9/93



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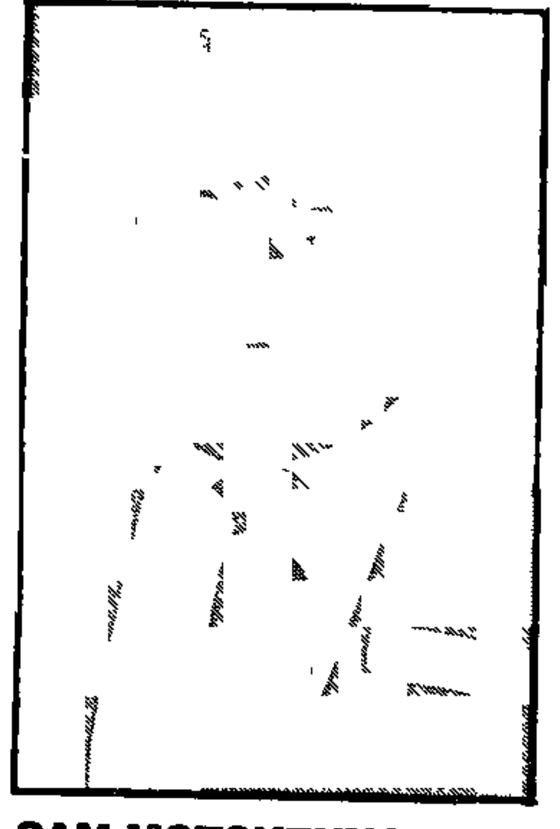

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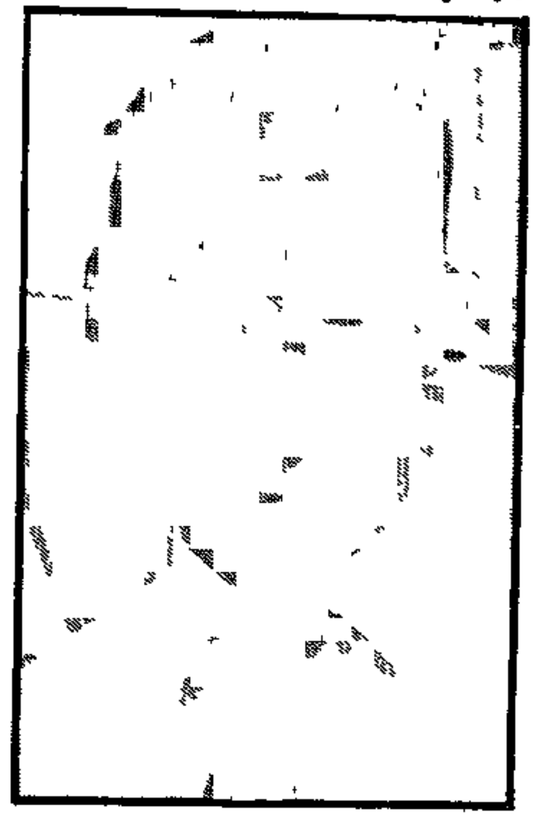

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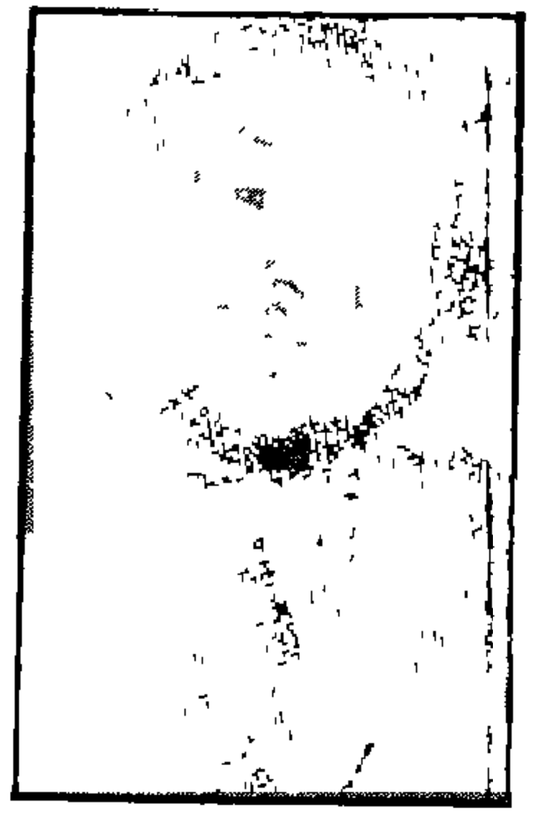

RICHARD MAPONYA



LES DISHY

Achib to home in on foreign competition, litter problem

(153A)

Compiled and Edited by ALI MPHAKI

THE pavements on which they ply their trade have been jocularly dubbed "the pavements of gold" But that gold does not reveal itself easily

Every morning about 900 000 gold-seekers countrywide "take to the streets" to try rake in a living

Hawkers, once described as a scourge, have come a long way The days when they were not allowed to trade without licenses are now history

Police raids which saw them being bundled into vans and their wares spilling all over the streets are behind us

Surveys show that theirs is the most popular enterprise in the townships, followed by shebeens and spaza shops

It was eight years ago when former National Union of Mineworkers' (NUM) shopsteward Lawrence Mavundla saw the need to organise this "informal sector"

This resulted in the birth of the African Council of Hawkers and Informal Business (Achib), which holds its eighth AGM this week

The theme of the AGM is "Black Economic Agenda" It will be held at the Johannesburg Country Club from September 9 to 11

Reflecting on the past eight years, Mavundla readily admits that "it has been tough"

"The present government had laws that restricted blacks from participating in the mainstream of the economy As a result, South Africa has more than seven million unemployed These are the people who, in the face of uncertainty, join the hawking business to earn a living," he says

Added to this is the influx of foreign hawkers, some from as far afield as Taiwan, Zambia and Zaire

With dwindling profits and increased competition, tensions have mounted between the foreigners and locals Fights have even developed

Early this year, it was found that more than 2 800 hawkers from Zambia and Zimbabwe were trading at or near the Johannesburg station

These foreigners, it is argued, sold their wares for less, taking the custom of hard-pressed consumers

Said Mavuso· "In the whole of Africa, small businesses are restricted We want to draft an agenda and afterwards visit all political parties and tell them what we expect Political freedom is not enough without economic freedom "

In an effort to clean up, various city councils are drawing attention to the amount of litter generated by the hawkers daily.

In the Johannesburg CBD area alone, it was found that the more than 4 000 hawkers generated eight tons of litter a day

"Our CBD and environs are litter-free at the start of the day – let us try and keep it that way throughout the rest of the day," pleaded Johannesburg mayor Les Dishy

He urged hawkers to avoid chaining wood, tins and other items to street poles and to keep their areas of business as clean as they found them in the morning

While hawkers' problems are as varied as the wares they sell, the Achib AGM has invited top foreign businessmen to address delegates on various issues

Taiwan's Minister of Small and Medium Business Administration PK Chiang, and a member of the Bank of Bangladesh, have confirmed they will attend

Local luminaries to speak at the AGM include Sakie Macozoma, of the Pula Foundation, Leo von Essen of Keep SA Beautiful, Dr Steph Naude of the Department of Trade and Industry and City Press Editor Khulu Sibiya Businessman Richard Maponya will also speak

Former Nafcoc president Sam Motsuenyane will present business achievement awards

Like any other black organisation in the country, Achib has had its ups and downs

Initially it was a Foundation for African Business and Consumer Service (Fabcos) affiliate, but later joined the African National Federated Chamber of Commerce (Nafcoc)

This was after Mavundla had accused Fabcos of attempting to form a new hawkers' association, allegedly by poaching Achib's members and "spying" on Achib

Fabcos, in reply, suggested Achib hold elections and provide audited financial statements to its members

Fabcos said it had been inundated with statements from Achib's staff about non-payment of salaries as well as from business organisations that claimed total mismanagement of administration and finances at Achib's offices

These rumblings within Achib saw the formation of the Foundation of African Informal Business Sector (Faibs) in 1990 – a breakaway from Achib – which is affiliated to Fabcos

Another reason cited for the split was the alleged dictatorial management style of Mavundla

Judging from the AGM's programme, it looks like Mavundla is set to continue as president of Achib, as there will be no elections

In some quarters, this does not augur well for the association because since its formation on May 6 1986, only one man has occupied the presidential seat

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A SOWETAN FEATURE R11307

'Selling' informal business

Sowetan 7/9/93 (153A)

■ **STRATEGIC PLAN** Ensuring that resources are directed to this sector: (cut)

By Abbey Makoe

PLACING THE INFORMAL business sector on the national economic agenda will ensure that attention and resources are directed towards an area in which many thousands of people engaged in a daily struggle for economic survival

This is part of Tiger Oats deputy group public affairs manager Mr Bobby Makwetla's message to the African Council for Hawkers and Informal Business (Achib) annual conference to be held in Braamfontein this week

Specific policy

Makwetla said Achib needs to establish a specific policy for the informal sector at the national economic level to underscore the essential contribution of small businesses

Makwetla says the Achib conference will touch at the very foundation of any national reconstruction programme

There is need to nurture and develop individual flair among communities

Makwetla also warns that informal and small business should not be seen as an end in itself

"Instead, it should be viewed as part of a process whereby some of the most successful business people will be encouraged to come up through the ranks to form the large companies of tomorrow"

He makes a plea for youth to be exposed to the workings of the informal business sector and have a greater awareness of business skills

"Organisations such as Achib could make representations to the educational authorities to ensure that our youth have knowledge of entrepreneurship," Makwetla says

Another possible avenue for encouraging business skills is for Achib to spearhead the establishment of a bursary fund

Makwetla also envisages a situation where the children of informal business owners would be assisted through courses to acquire basic business knowledge "As part of its long-standing and extensive support of black business, Tiger Oats and its trading companies have given considerable assistance to Achib both in financial support and expertise

Recent support initiatives include sponsorship of Achib s national and regional conferences, providing trading infrastructure to Achib members and assisting the organisation with its broader operational and strategic issues

Economic agenda

"By placing the informal business sector on the national economic agenda, Achib will ensure that attention and resources are directed towards an area in which many thousands of ordinary people are engaged in a daily struggle for economic survival," Makwetla says

The high rate of unemployment estimated at 46 percent, makes it imperative for all concerned to give assistance to informal business development as part of a broader plan to uplift communities



Lawrence Mavundla .. driving force behind Achib.

Achib is set to boost small business

Sowetan 7/9/93

By Abbey Makoe

THE African Council of Hawkers and Informal Businesses will hold its eighth annual general meeting from Thursday to Saturday at the Braamfontein Rec reation Centre

Achib's president, Mr Lawrence Mavundla, says the theme of the confer ence will be the "Black Economic Agenda

"The issues to be addressed are finance training, infrastructure sub con tracting and the use of black services Mavundla said

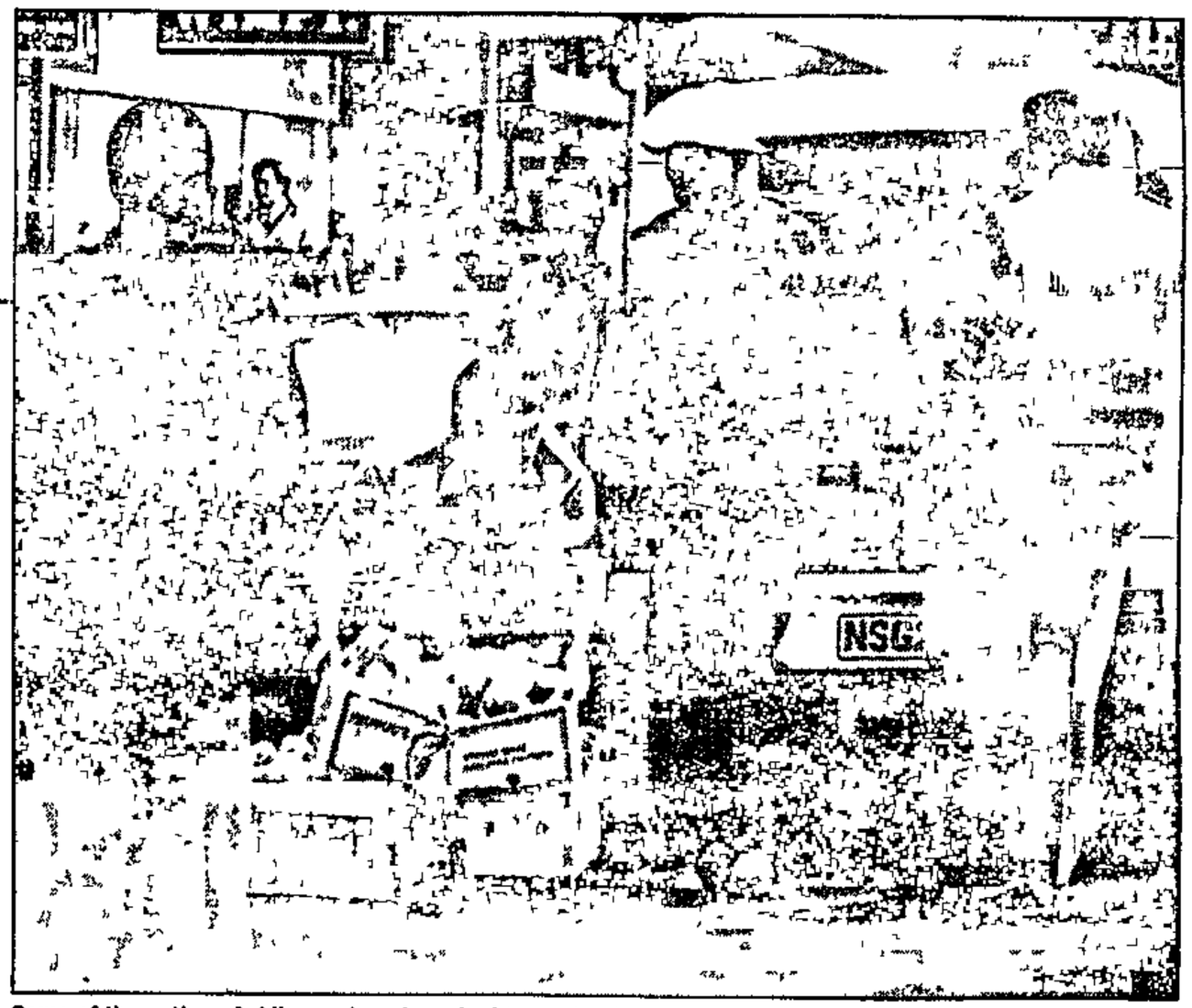
Mavundla lashes out at the Government s social welfare policies saying it still has the laws th t restricts blacks from taking part in the mainstream of the economy

As a result South Africa has more than seven million unemployed people and yet the Government has allocated only R12 million to develop small businesses (153A)

He says Achib is now "worried" that in the whole of Africa it is clear that the development of small businesses is restricted (cut)

Achib is on the brink of drawing up a plan regarding boosting small businesses after which his organisation will visit all political parties and tell them what we will expect of them if they came to power

"Political freedom will not be enough without economic freedom Politicians do not think for us We must tell them what we want"



Some of the actions Achib members have had to contend with while trying to make a living.

Informal sector 'no answer to unemployment'

Business Editor

THE informal sector is not the answer to SA's unemployment problem, Tony Ruiters, spokesman for Cosatu on small business affairs, said yesterday "We have got to get the formal economy back on track and give these people jobs"

Ruiters was taking part in a debate on the future of small business in the new SA, held at Cape Town Chamber of Commerce offices as part of the Small Business Week programme.

He said apparent "unbundling" of large companies was sometimes used to create worse conditions for the labour force. An example of this was one large company near Katlehong which had been split into a number of independent units all subcontracting to each other.

CT 8/9/93

Sweat shops

It would be undesirable to have a proliferation of "sweat shops" too small to have to abide by industrial council wage agreements

He thought these agreements should apply to small businesses, too, unless they could prove they needed an exemption

Kobus Visser, head of the Small Business Institute at the University of the Western Cape, said state schools in SA were turning out people with an employee mentality

It was wrong to educate children with the assumption that they would find jobs when leaving school, instead of encouraging them to develop entrepreneurial skills

Informal sector has 'formidable clout'

BIDay 10/9/93

THEO RAWANA

THE informal sector's enormous size made it a formidable interest group that no electioneering political party could afford to ignore, a Latin American free enterprise leader told hawkers in Johannesburg yesterday.

Addressing the African Council for Hawkers and Informal Business AGM, Centre for International Private Enterprise director Keith Miceli said SA hawkers were better off because they were more organised than their Latin American counterparts

Miceli, who heads the centre's South American division, said the informal sector in Peru represented 31% of the voting population and was so strong that Peruvian President Alberto Fujimori won the 1990 election on a campaign promise to address its needs

The dramatic resurgence of democratic government in Latin America in the 1980s and 1990s had meant free and fair elections in which political parties had to compete for voters among the electorate, Miceli said.

"The enormous size of the informal sector makes it an interest group that political parties and elected officials cannot ignore — or they will be voted out of office in the next elections," he said.

The same situation would apply in a democratic SA (153A)

Miceli said the informal sector had proved to be the answer to governments' need to create jobs

His organisation, seeking to increase public and government awareness of the informal sector, had financed the production of a videotape entitled The Message of the Informal Sector.

The centre also helped research and fund Peruvian Hernando de Sowto's best-selling book The Other Path, which highlighted the informal sector's importance.

Miceli said the centre stood ready to help the SA informal sector, which was destined to play a constructive role in both the economic and political future of the country

Most believe poll will be free and fair

BIDay 10/9/93

PATRICK BULGER

MOST people in SA believe next year's election will be free and fair, a survey conducted for the SA Institute of Race Relations (SAIRR) says.

The poll was conducted among 2 000 people. It found that whites appeared more confident than blacks that the election would be free and fair.

Three-quarters of people who said they would vote for President F W de Klerk claimed they were not worried that anyone would stop them from doing so, while 65% of supporters of ANC president Nelson Mandela and 62% of those who would vote for the Inkatha Freedom Party's Mangosuthu Buthelezi also said they were not concerned.

Poorer people were less confident of free and fair elections: 55% of respondents earning less than R599 a month said they were not worried that they would be stopped from voting for the party of their choice, while 85% of respondents earning more than R3 500 were not worried.

Natal respondents were the most concerned with voter intimidation.

In the PWV area 85% believed they would not be forced to vote. In the rest of the Transvaal the figure was 83% and in the Cape 82%. In Natal 71% believed they would not be forced to vote (153A)

Three-quarters of people earning R3 500 or more a month thought their ballot would be secret, while 73% of people earning between R600 and R1 199 and 68% earning less than R599 believed their ballot would be secret.

Informal rag trade growing

1534 1847

ARG 11/9/93

■ Despite a growing scarcity of available jobs in the formal garment industry, the informal sector continues to grow and provide employment.

MARC HASENFUSS
Business Staff

IN the next ten years one garment in two will be sold through the informal sector, National Clothing Federation economist Arnold Werbeloff said this week.

About one-third of total clothing business was already being sewn-up in informal outlets, he told delegates at the Renaissance Business Associates conference in Cape Town

The portion of the clothing market not measured by official statistics could grow to over 50 percent in the next decade, he said.

"There is no doubt that the informal sector and its various forms of purchase are the growth market of the future for South Africa"

Mr Werbeloff said changes in the laws relating to starting up a business, the relaxation of restrictions on hawking and retrenchments in the formal garment sector had combined with the economic downturn to encourage informal sector development

He outlined a number of adjustments taking place in the clothing market in the new South Africa

■ The channels of distribution of clothing were becoming shorter, with fewer middlemen and less use of retailers

■ Factory shops were becoming the norm with their merchandise far more competitively priced

■ Mail order was becoming a key marketing tool — not only in far-flung rural areas, but also in urban markets

■ Hawkers were assuming an ever increasing importance as old barriers to trading dissolved

■ Party plan selling with friends and acquaintances to provide a 'fun' buying experience at low cost

■ Workers who are retrenched from the garment sector were now sewing at home and selling through flea markets "Just as the formal clothing output has shrunk, so informal production has boomed"

Mr Werbeloff pointed out that a lowering of tariff barriers to trade would mean that an increasing volume of low priced clothing would enter the local market

As the economy becomes dominated by the lower income consumer, large chain stores were being forced to come down market, squeezing margins at the manufacturing level, said Mr Werbeloff

"We are being forced in the clothing industry to meet the needs of a changing local marketplace, become world class in our production methods, and ultimately to compete on world markets," he said

Bill shifts control of vendors

B1Day 16/9/93

TIM COHEN

CAPE TOWN — Government intends granting powers to local authorities to clamp down on street vendors, pedlars or hawkers by restricting the places where they set up stalls and imposing health regulations

According to the memorandum of the Businesses Amendment Bill tabled in Parliament yesterday, it is proposed that the power of provincial administrations to make regulations in respect of street vendors be withdrawn

The power will be handed to local authorities, who will be able to "impose a greater degree of regulation in their own areas of jurisdiction".

The Bill also provides that failure to comply with health laws regarding equipment or other articles used in connection with the preparation or sale of foodstuffs will be grounds for the refusal of a licence

The Bill states that a local authority will have the power to make regulations restricting street vendors from carrying on business in an area close to a shop selling similar goods

The local authority will also have the power to prohibit street vendors from setting up stalls next to residential buildings, if the residents object (153A)

The local authority will also have the power to prohibit street vendors from operating in specified areas, but only after considering whether such action would drive many of them out of business

Currently, failure to comply with the health laws is a ground for withdrawing or suspending a licence only

In certain instances, a licensing authority will have to furnish an applicant or licence holder with the reasons for its decision, whether or not the applicant requested the licensing authority to furnish this information.

The licensing authority will also be required to inform the applicant or licensee of his right of appeal

'Legalise spaza shops'

Sowetan 16/9/93

By Mzwandile Jacks

HAWKERS have threatened to take to the streets if spaza shops are not legalised

This was said by Lawrence Mavundla, president of the African Council of Hawkers and Informal Business during the organisation's annual general meeting last weekend

Mavundla, president of ACHIB, said the Johannesburg City Council must reverse its new laws on street vending.

He also called on companies to stop leasing pavements to hawkers

He said the most important thing was that spaza shops should be legalised and that the Government should stop viewing spaza shops as a threat to established business

Biggest trouble (153A)

"If the Government does not allocate money to informal business, continues excluding us from the National Economic Forum and does not give money for job creation before the end of this year, they will see the biggest trouble this country has ever seen," said Mavundla.

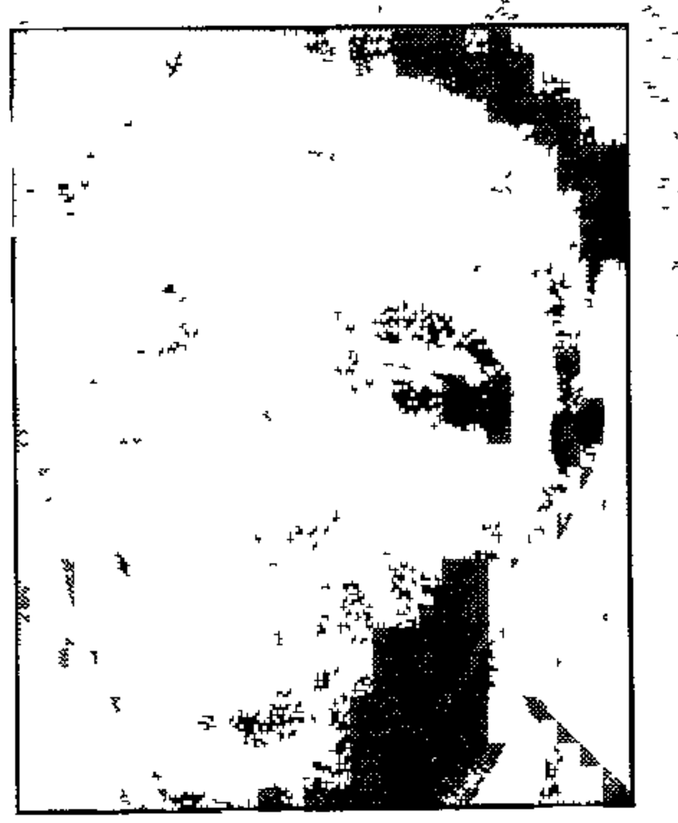
When asked about what forms of action they are going to take if the Government responded negatively to their demands, Mavundla said they will withhold their votes

The keynote address was delivered by Keith Miceli, senior programme officer at the Centre for International Private Enterprise

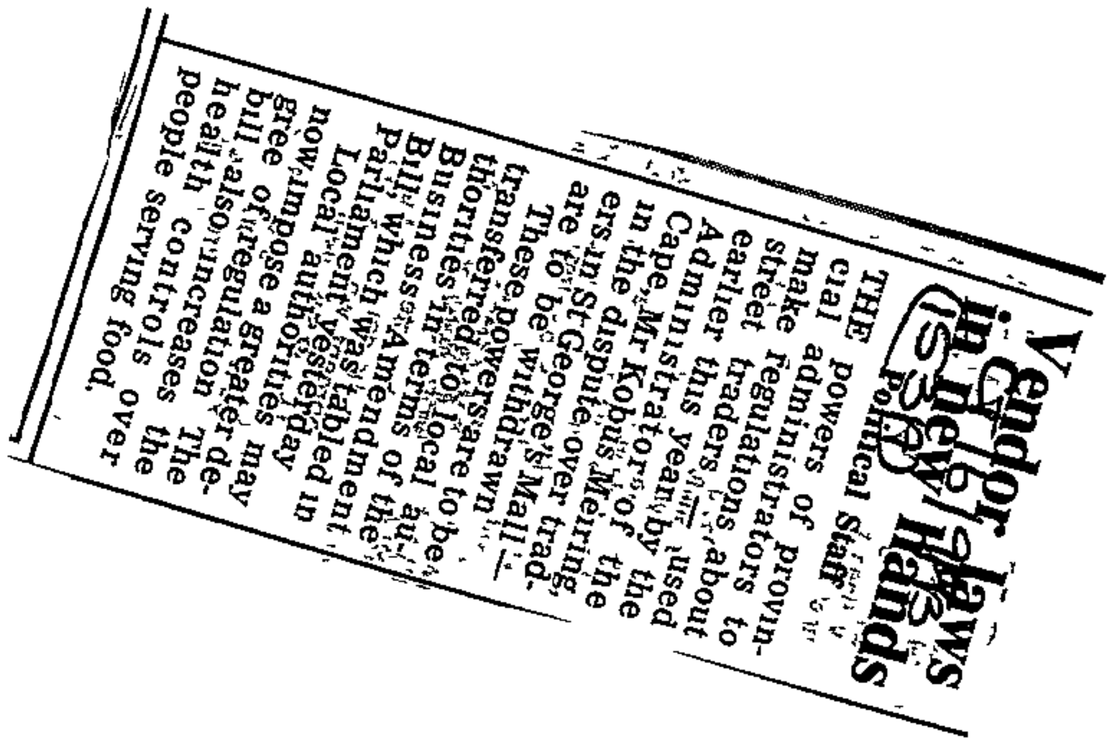
He said the informal sector was characterised by daily struggles for survival and political instability

"Without the benefit of savings or capital, families must apply very basic technology to produce and sell their products, while struggling to meet their basic needs," he said

The meeting started five hours later than scheduled because of the late arrival of members from far-away places.



Lawrence Mavundla...threatens mass action.



Vendor laws in new hands

CT 16/9/93 (153A)

Political Staff

THE powers of provincial administrators to make regulations about street traders — used earlier this year by the Administrator of the Cape, Mr Kobus Meiring, in the dispute over traders in St George's Mall — are to be withdrawn.

These powers are to be transferred to local authorities in terms of the Business Amendment Bill, which was tabled in Parliament yesterday.

Local authorities may now impose a greater degree of regulation. The bill also increases the health controls over people serving food.

Bid to curb hawkers in Jo'burg CBD

Star 29/9/93

■ BY JACQUELINE MYBURGH

The Johannesburg City Council last night took its first step towards controlling pavement hawkers in the CBD, aiming ultimately for the creation of formalised street markets in designated areas in the city.

Once it is implemented, the hawker management plan will effectively ban hawking on the pavements of Eloff Street between Plein and Commissioner streets, on all sections of the Kerk Street pedestrian mall, on the pavements adjacent to the Supreme Court, St Mary's Cathedral, the City Hall, the Library Gardens and the Ernest Oppenheimer Park. (153A)

Acting management committee chairman Eddy Magid said the council had commissioned a feasibility study into setting up large and small informal hawker markets in areas of the city "where they would flourish".

Formalised markets are envisaged on the pavements around Johannesburg station and Joubert Park, with larger informal markets likely to be set up west of the Magistrate's Court and to the west of Joubert Park.

Magid said all the controls were being introduced in close co-operation with hawkers' representatives

PAGE 2

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Markets could boost township economy

30
153A
AKG 2/10/93

☐ The creation of wholesale and retail markets on the edges of the black townships is one way to develop the township economy and fight unemployment, say economists.

ALIDE DASNOIS
Business Staff

A THIRD of Cape Town's population of 2,7 million people live in the black townships With unemployment at 70 percent of the labour force, most are forced into the informal sector for survival

The creation of wholesale and retail markets in the townships would create a link between informal township operators and the rest of the metropolitan economy, as well as providing township consumers with better services, say economists A S M Karaan and Wolfgang Thomas

In a paper to the conference of the Agricultural Economics Association in Cape Town this week, they point out that 85 percent of business in Khayelitsha is informal (see table) and that R91 million of business is transacted each year

But, informal traders — usually located near bus and taxi ranks stations and main pedestrian routes — face serious supply problems because of their isolation from the metropolitan economy

Fresh-produce sellers in the townships, for example get their goods mainly from the Epping market but this is time-consuming, costly and difficult for hawkers with low levels of literacy

New strategies to create better links between formal and informal sector operators should be based on the right of consumers and traders to operate either inside or outside the townships as they choose, say Karaan and Thomas

Attempts to "gild the ghetto" – by developing the townships – should be combined with policies designed to support township inhabitants who prefer to operate elsewhere

A key mechanism for improving formal/informal-sector links would be the creation of a large-scale wholesale market on the edge of the townships

Such a market could be located somewhere on the Philippi-Mitchells Plain-Khayelitsha triangle

It could start as a fresh-produce market (including a livestock auction) and could expand to include other goods, depending on demand Access should be easy, safe and cheap The market should operate principally on certain days (Mondays and Fridays)

At the same time, informal retail markets should be developed in areas where trade is already concentrated

Markets, say the economists can become a means of productive exchange between the townships and the rest of the economy They will contribute to employment creation and to reducing poverty

Increased competition, lower distribution costs and better access should reduce food prices and give the poor more room to manoeuvre in their household budgets Nutritional status may also improve

Small business set to be a big force

153A

ARG 2/10/93

LIBBY PEACOCK
Weekend Argus Reporter

IN the United States small businesses have created more than two thirds of new jobs since the 1970s

In South Korea at least ten percent of the national budget is set aside to promote small enterprise

But in South Africa over the past 40 years entrepreneurial activity was not only discouraged, it was stifled, says Informal Business Training Trust deputy director Stephen Umlaw

"Small business is the economic future of this country The other options, like vast crime and prostitution, are unthinkable"

That is why the IBTT has organised the Be-Your-Own-Boss pilot programme for youth in danger of being marginalised

The programme, funded by the Joint Education Trust, produced its first 43 graduates aged between 16 and 25 in Johannesburg in August

And Mr Umlaw is confident that the programme could be running in Cape Town by early next year

"We feel we are fully geared to start here There is a vast need for such a programme We need to pull out hidden talent and find a platform to express it"

More than seven million young people in South Africa are at risk of marginalisation as a result of a lack of opportunities

"A marginalised person may have attempted to write matric, but failed, and felt that was the end Or he might have been struggling with fees"

Mr Umlaw and IBTT development manager Pam Johnston feel strongly that the term "lost generation" is a misnomer

"These people still have a lot of potential They just don't have the opportunities

"One guy from the East Rand arrived at the pilot programme with a gun strapped to his leg

"He forced his way out of the strife-torn township After a short while his code of dress and his attitude changed

"Two weeks already make a difference."

The business management component of the course uses the IBTT's One-Up Business Training Programme

Added to this are initial motivational training, which stresses self-confidence, perseverance and commitment, and post-course assistance and counselling

Traditional markets urged

(153A)
CT 7/10/93

Municipal Reporter

TRADITIONAL African markets should be developed at major transport interchanges, according to Cape Town's town planning committee

In a discussion document entitled "Low-cost job creation — a market-driven bottom-up approach", planners said that unless street hawking was properly managed "it could ultimately threaten the viability of the major cities"

Some people without jobs tried to establish backyard businesses and then threw their waste products into the stormwater or sewerage systems, it said.

Business Report

Bifsa welcomes informal building sector into fold

Property Editor

THE Building Industries Federation of South Africa (Bifsa) has issued a five year strategic plan embracing the informal sector for the first time and is aimed at "consolidating its position as the leading body in the building industry"

The plan, unveiled yesterday at the opening of the association's 99th annual congress being held in Swaziland, again stresses that building can be South Africa's "engine for growth" and that a genuine all out effort to get a major housing programme off the ground would result in large social and economic benefits for the country as a whole.

One of the key points to emerge from the plan is that Bifsa, which represents all 11 Master Builders or Building Industries Associations through the country, has had a change heart over the role the informal sector can play within the industry (153A) CT 19/10/93

After years in which it sometimes denigrated this sector, arguing that it contributed nothing to the formal training efforts in the industry and could "seldom be held accountable", Bifsa now acknowledges the sector as a real and necessary part of the industry

"The federation does not regard the informals as mere refugees from the formal sector of the economy but rather as one of the essential driving forces behind a sustainable growth scenario," said executive director Ian Robinson.

Quoting from Clem Sunter's "dual logic" economies, the plan states that what is needed is big business with high technology and the financial resources to undertake major projects in a country and compete with other giants of the world

"But underpinning big business, you need a thriving small business and informal sector because that is where most jobs are going to be created and that is the birth place of the future stars of business.

"Bifsa is now committed to a policy of integration, joint decision making and information sharing with the informal sector in accordance with the trends in the new South Africa"

More space expected for street traders

Star 20/10/93

Cape Town —The Government is expected to amend legislation to allow for more informal sector trading areas, says Trade and Industry deputy Minister David Graaf.

Graaf was reacting yesterday to a motion at the SA Chamber of Business annual congress calling for the Government to support the informal sector, not stifle it

He told the congress that the National Economic Forum would consider the application for additional areas

Once agreed to by the tripartite forum of business, by labour and the Government, Parliament would consider the necessary legislation to amend the New Business Act at its sitting next month. (153A)

Graaff said additional trading areas would alleviate the overcrowding of vendors in such areas as the Durban beachfront and Cape Town's St George's Mall

Durban chamber of commerce representative Mark Norris said, in proposing the motion, it would be short-sighted to allow the informal sector to be totally deregulated — Sapa

Bothasig 'shantytown' claim

CT1/11/93 153A

AN irate Bothasig resident fears his neighbourhood is turning into a "shantytown" as hawkers selling their wares in the area are allegedly moving in.

Mr M A Kruger said yesterday "The trucks park right here by my wall, making a racket — I have no privacy"

Mr Kruger said the hawkers "sell everything — fish, biltong, wood, and carpets, and they're staying here too"

"I've told the police the traffic department and the council about this, but no one is doing anything

'I've asked the council to put up white poles to prevent the trucks parking here, but they have not come back to me," he said

A Milnerton police spokesman said he was aware of the hawkers presence, but not of any complaints made against them, or of "trucks" being parked overnight and creating a disturbance

He said he knew that one small truck which was used by hawkers to store their goods sometimes parked in the area, from Wednesdays to Saturdays, but not overnight

Police would act on complaints received from residents, he said

The Milnerton Town Clerk, Mr Peter Gerber, and the Deputy Traffic Chief, Mr Louis Snyman, could not be reached for comment last night

Legalise spazas - Achib

Sowetan 4/11/93

By Joshua Raboroko

THE African Council of Hawkers and Informal Business has presented a memorandum to the negotiating council at the World Trade Centre detailing serious problems affecting hawkers

Achib president Mr Lawrence Mavundla yesterday said the informal sector wanted the freedom and means to create wealth and jobs for millions of disadvantaged members

They wanted the legalisation of spaza shops hawkers, and shebeens

He claimed that hawkers were still harassed by Johannesburg traffic department officials but this has been denied by a council spokesman who said they held several meetings with Mavundla to discuss problems

The spokesman said that hawkers who were harassed by traffic officers should lodge complaints with the department

Mavundla appealed to the Independent Development Trust, the Development Bank of Southern Africa and other financial institutions to give loans to hawkers

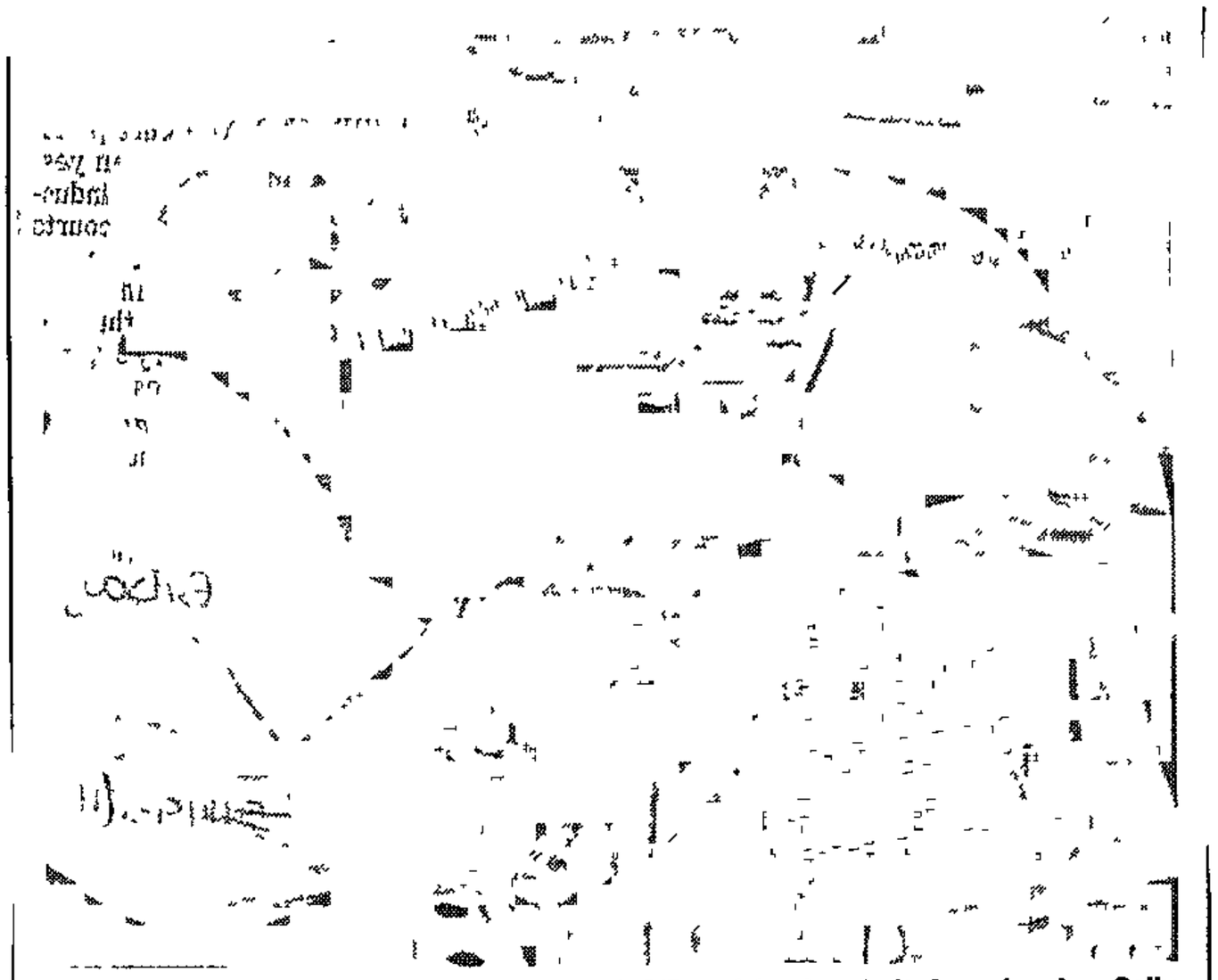
Millions of people, especially blacks, are presently functioning outside the formal sector with their status being either unemployed or operating in informal businesses

The Reserve Bank estimates that 46 percent of the work force in South Africa is formally unemployed

The outlook for school leavers trying to find jobs in the formal sector looks grim and economists and black organisations say they have observed a spiralling number of jobless blacks creating wealth for themselves in the informal sector (153A)

Most economists believe the economy needs to grow by more than two percent a year before new jobs are created, slower growth can be achieved as existing employees work more efficiently Mavundla said the Government and its agencies should provide funds for training issue loans and infrastructure for hawkers --the reason he wrote a memorandum to the negotiating council

"We want the plight of the hawkers to be looked into" he said



Anglo American executive director Michael O'Dowd buying fruit from hawker Solly Makoloko yesterday.
Picture GARTH LUMLEY

Mavundla slams hawkers' removal

THEO RAWANA B/Day

HAWKERS' champion Lawrence Mavundla yesterday invited Anglo American executive director, Michael O'Dowd to sample fruit from a Johannesburg hawker's stall, and immediately attacked the city council's plan to remove hawkers from certain CBD streets 5/11/93

Mavundla said 10 000 hawkers were responsible for R100m of the Johannesburg Market's R500m annual turnover. He said the aim of inviting prominent personalities like O'Dowd, also chairman of the Anglo/De Beers Chairman's Fund, was to improve hawkers' image, as was the declaration of November 29 as a promotional National Hawkers' and Spaza Shops' Day

Mavundla said the council had told him the hawkers in front of St Mary's Cathedral in Hoek Street, in Eloff Street between Plein and Commissioner streets and in the vicinity of the Rand Supreme Court had to move from this week (153A)

The council had explained this was to prevent formal traders leaving the CBD because of competition from hawkers

"But we don't complain about shop owners who have come out of their shops to trade on the pavement," Mavundla said.

"We know that according to bylaws they should not. Because we believe in free market principles, we do not object."

Mavundla warned that the council would be responsible for any trouble arising from customers finding hawkers gone

O'Dowd remarked: "Even in Rome, informal traders are found in front of cathedrals, although they sell religious wares there."

Koos Roets, city council health, housing and urbanisation department head, could not be reached for comment yesterday.

O'Dowd said Anglo believed in the informal sector and was contributing increasingly to its development.

Muti trade shows growth symptoms

ST Times (Buss) 7/11/93

FOR hundreds of years, black people have used plants for medicine Today traditional remedies are big business.

By DON ROBERTSON

Sales of traditional medicines by sangomas, street vendors and muti shops fetch between R750-million and R1-billion a year, an increase of about 50% since 1991.

Treatment with "plants for pain" may soon be recognised and paid for by medical-aid schemes

Research shows that between 60% and 80% of blacks consult traditional healers. Use of the 24 500 species of indigenous plants in SA is increasing

Bert Fourie, medical adviser at Noristan Laboratories, says his firm has tested about 350 plants since 1974 and about 80% have medicinal properties More research needs to be done because only about 10% of the world's plant species have been tested for medical uses.

The Amazon Basin alone has 73 000 types of plants, many of which have pain-killing, anti-inflammatory, anti-infective or anti-ulcer properties Others contain morphine and anti-cancer properties

Interest in the medicinal properties of plants is increasing About 35% of modern medicines come from plants The most significant is aspirin, derived from the willow tree

Several SA organisations have been set up to assess the potential of plant medicines Medical-aid schemes are being encouraged to recognise the role these remedies play in the black community

Reg Magennis, executive director of the Representative Association of Medical Schemes (Rams), says some medical aids offer limited benefits for the use of traditional medicines

He says "It would be in the interests of the rest to at least consider similar benefits"

Many problems, however, exist and it will be necessary to establish councils and ethical codes for the distribution and use of traditional medicines, he says

A problem over the years has been the indiscriminate gathering of plants from the wild, leaving large areas barren (153A)

Recognising this, the Durban Parks Department has established the Silverglen medicinal plant nursery south of the city It grows seedlings for sangomas and healers

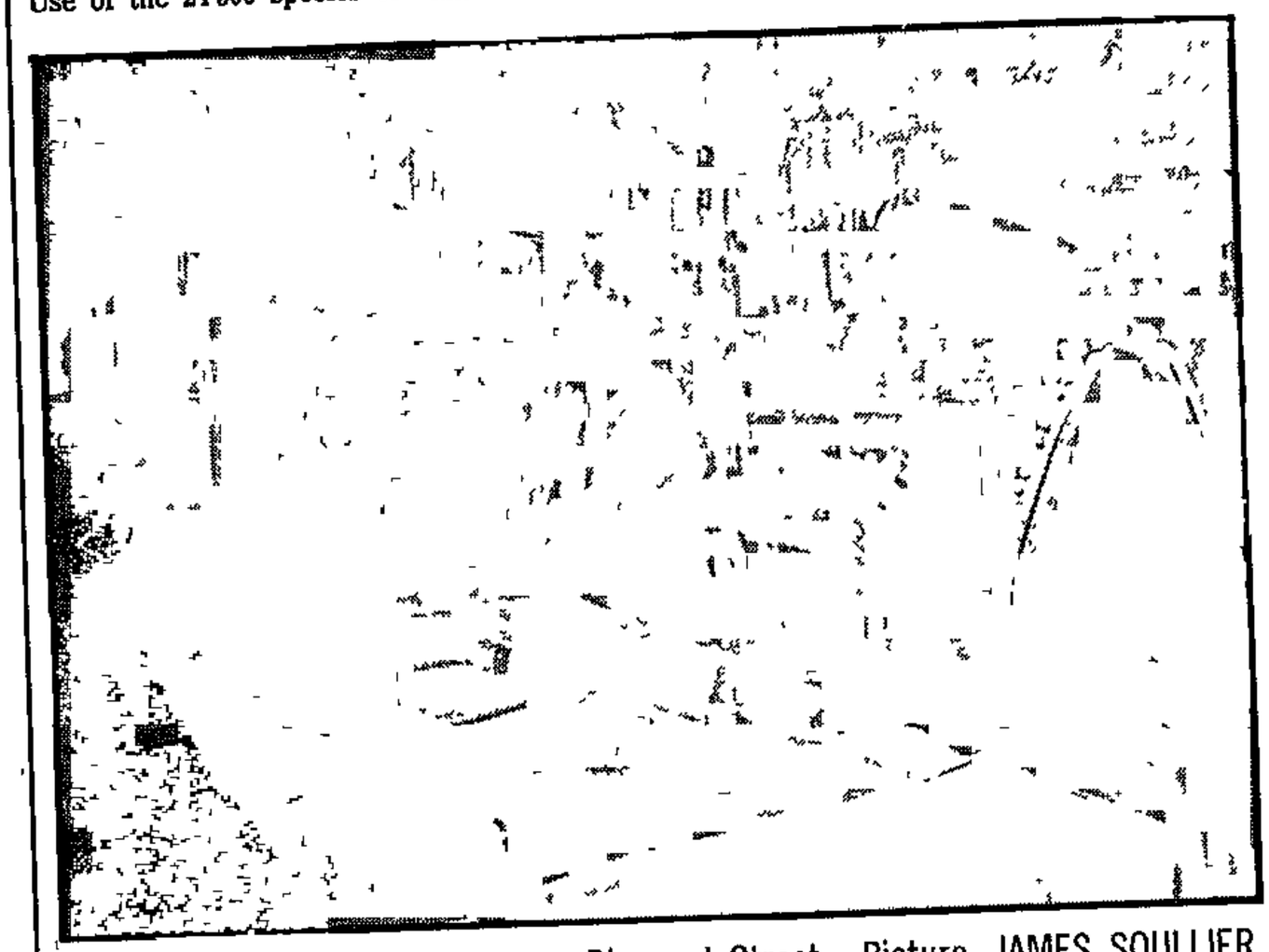
Horticulturist at Silverglen Enver Buckas says that although the nursery provides between 10 and 25 plant species, it could increase its output It has been building up seed material for several years

Carl Albrecht, of the department of pharmacology at the University of Stellenbosch which recently set up an indigenous plant use programme, says more funds should be allocated to this aspect of research

He says the maiden hair tree is used to counter asthma and has become a $500-million business in America.

Rooibos tea last year earned R3,6-million in foreign currency

The maroela tree's fruit is used to make a liqueur which is becoming popular in the US.



HERBAL DEALER: In business on Diagonal Street Picture. JAMES SOULLIER

Hawkers plan march

THEO RAWANA

THOUSANDS of hawkers are set to march on the Johannesburg Civic Centre tomorrow after a meeting of the informal traders yesterday decided to fight the planned removal of hawkers from some city streets.

Achib president Lawrence Mavundla said SA National Civic Association national chairman Henry Fazzi would co-lead the march on the council to present demands. B/Day 10/11/93

The council last week issued notices informing hawkers they would not be allowed to trade in front of St Mary's Cathedral in Hoek Street, in Eloff Street between Plein and Commissioner streets and in the vicinity of the Rand Supreme Cour (153A)

Achib national organiser Mtutuzeli Madalani told yesterday's meeting the council had given the hawkers until Sunday to move out of their trading areas, or face forced removal and prosecution on Monday.

The meeting decided that all hawkers would gather in front of St Mary's Cathedral early tomorrow morning, before marching to the civic centre.

The hawkers would demand that the council stop harassing hawkers; allow hawkers to "own" the pavements; rescind the ruling limiting hawkers to 2m² to trade and remove all foreign hawkers, unless they are there by agreement with their consulates.

Hawkers' street fight for space

ST Times (Buss) 14/11/93

By CIARAN RYAN

BUSINESSES in central Johannesburg are accused of driving hawkers away by charging "rent" on pavements and prohibiting trading in some streets.

The 52 000-member African Council of Hawkers and Informal Businesses (Achib) says hundreds of hawkers are being chased away and losing their sole source of income.

Among the culprits, says Achib executive president Lawrence Mavundla, are Anglo American Property Services, First National Bank and the Johannesburg Stock Exchange.

"About 200 hawkers used to operate around the Carlton Centre. Now there are only about 30. Anglo American built shelters for hawkers outside the centre and charges them R30 a month for pavement space. Anglo calls it a cleaning and servicing fee."

More than 600 hawkers have been driven out of Johannesburg railway station, says Mr Mavundla. Rents have risen from R2 to R24 a day, says Achib.

Mr Mavundla says: "For many hawkers, this is more than they earn in a day. If Anglo American starts off charging R30 a month, what will it be in five years?"

The city council denies it is trying to drive hawkers out of town.

"The council has a balanced policy on informal trading," says Cedric de Beer, director for urbanisation.

"It is committing resources to the provision of facilities for hawkers and recognises street trading as an important economic activity.

"However, hawkers like all other users of the city's services, need to operate within the by-laws intended to protect the rights of all."

Marietta Marx of the Johannesburg City Council's management committee says: "We have no desire to drive anyone out of the city centre. But we have to strike a happy balance between the informal and formal sector, which after all pays huge rents."

Mr de Beer says hawkers are charged equipment fees, not rent. In terms of their leases, businesses are precluded from charging rent for pavement space.

But they are allowed to "manage" the space and restrict the number of hawkers.

Monty Sacks, a consultant with Anglo American Property Services, says shelters were built outside the Carlton Centre after negotiations with hawkers.

"The hawkers indicated that they wanted better equipment and facilities, for which they would be happy to pay a fee. This is not rent.

"There were never more than about 25 hawkers outside the Carlton Centre, not 200 as Achib claims. At R1 a day, this is a modest fee and is not a rent-earning scheme.

"We built similar shelters in Diagonal Street where there were originally 60 hawkers. Because it was such a success, we expanded it to accommodate 80 hawkers."

Achib says the leasing of pavements by the council to property owners is an attempt to transfer responsibility for clean walkways to hawkers.

The number of hawkers allowed to trade outside FNB's BankCity headquarters and other blocks is strictly controlled.

Mr de Beer says space at BankCity was allocated to hawkers, but has not been taken up.

(153A)

The council intends to outlaw informal trading along the newly pedestrianised Kerk Street.

There are an estimated 15 000 hawkers in central Johannesburg and 900 000 in SA.

Achib plans to mobilise hawkers, civic and other associations to allow easier access to the central business district. It wants all spaza shops, shebeens and hawkers to be free to trade without fear of prosecution.

It calls for the legalisation of street liquor sales and cooking. It wants all political parties to disclose their policies on small business before the election so "we can advise our members accordingly".

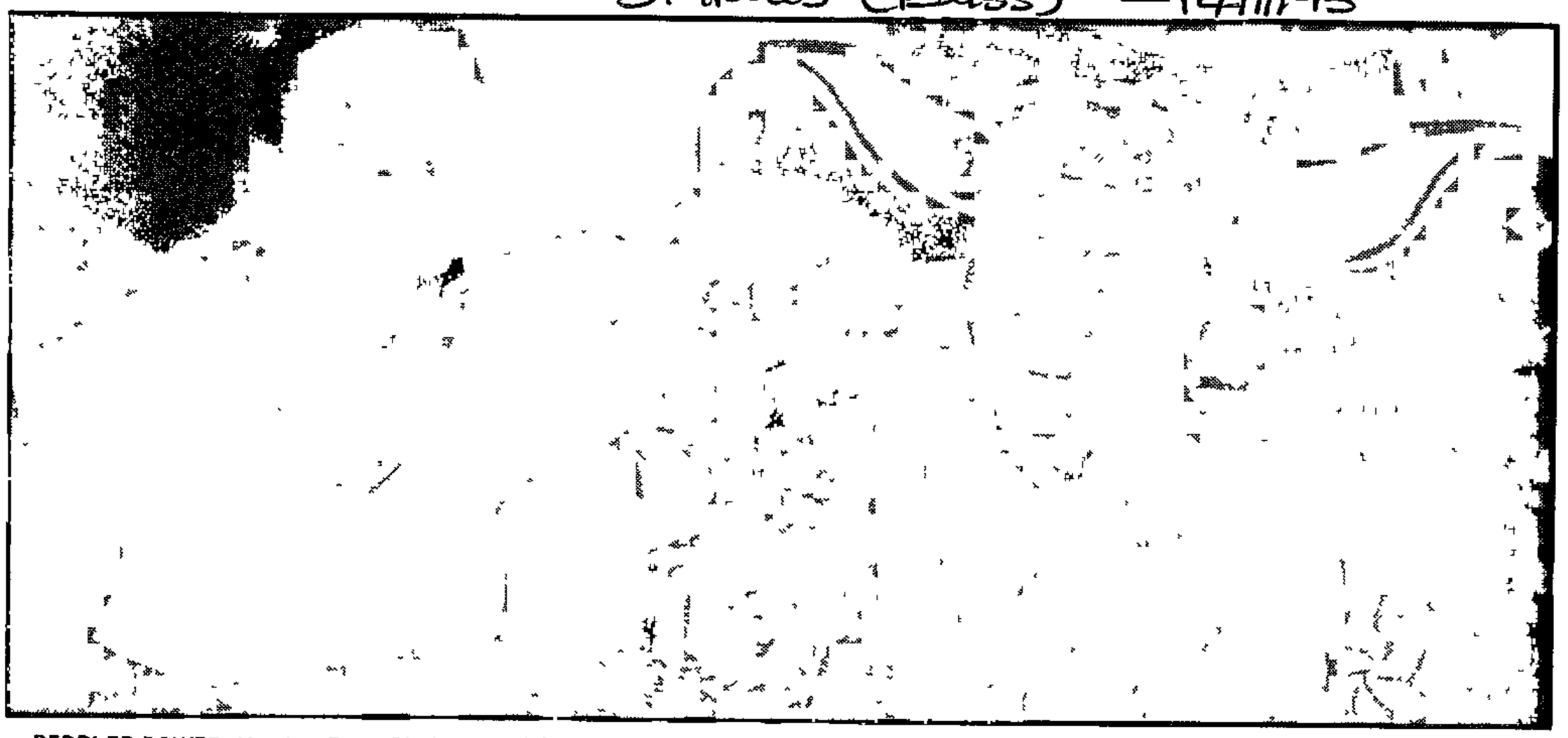
Prosecutions of hawkers without licences have resumed after a two-year moratorium pending enforcement of the New Business Act which dispenses with the need for licences.

Only the Cape Province has enforced the Act, leading to charges that the other provinces are trying to squash micro-businesses in urban areas. An average of five prosecutions are instituted each week in Johannesburg, says Achib.

The two square metres allowed each hawker by city councils are insufficient, says Mr Mavundla.

"Hawkers are also prevented from trading within 10 metres of an intersection, but no such restriction is placed on vendors employed by white newspaper companies."

Mr de Beer says the city council is keen to have the New Business Act enforced, but the matter is in the hands of the provincial administrator. City by-laws will be amended to take acount of the Act, making life easier for hawkers.



PEDDLER POWER. Hawker Dora Oliphant and Achib president Lawrence Mavundla (right), fighting for the smallest of small businesses

A frothy, instant mix of tradition

(163A)

TOWNSHIP dwellers enjoying a "traditional" sorghum beer in a shebeen may in fact be drinking an instant mix from Tiger Oats, says Theo Rudman of the Self Employment Institute

He mentioned this to the Menswear Group of SA at their annual seminar as an example of how far-sighted people in the formal sector are benefiting from the growth of the informal sector "Tiger realised the amount of business done in shebeens and are producing this mix All the shebeen owner has to do is add water."

Rudman says 70% of all alcoholic drinks sold in SA, including 80% of SA Breweries' production, now pass through the hands of the informal sector at some stage

CT 23/11/93

COMPLEXITIES

Sue Olivier, client service director at Young & Rubicam (Transvaal) has been working with African markets over the past year for the launch of

MARKETPLACE

by AUDREY D'ANGELO

A column on the media, PR and advertising

M-Net International in the rest of the continent

She says tastes, habits and aspirations vary widely from country to country — and marketers "should not fool themselves into thinking that because they live in SA they understand African markets

"North of Namibia, Botswana and Zimbabwe attitudes, lifestyles and aspirations change dramatically and it will be many years before we have an in-depth understanding of these complex and colourful markets."

However, Sue says, these markets "are a source of tremendous scope and oportunity just waiting to be tapped The barrage of sound and colour is incessant and exhausting but somehow it all works Understanding, accepting it and looking for the opportunities within the kaleidoscope as opposed to trying to change it and apply Western standards to it is one of the primary ingredients for success"

AWARDS

The National Television and Video Association (NTVA) will hold its national awards banquet at the Rotunda, Camps Bay, on Saturday Cape finalists are the Old Mutual TV Centre, KCV Video Production, Platypus Productions, Idol Pictures, Lindy Wilson Production, Syncrolink, Evergreen Pictures and Trilion Cape

R5 000-a-month tender for fleamarket opposed

153A ABG 2/12/93

Municipal Reporter

A PROPOSAL to give the tender for the Green Point Stadium fleamarket to a bidder who offered R5 000 a month — when the highest offer was R27 500 — was turned down by the utilities and works committee

A decision on the tender will be made by the full council

The committee voted four to three against the recommendation to give the tender to Green Point Fleamarket Traders' Association, who have run the market since it was started.

The highest tender came from a partnership which has operated fleamarkets elsewhere, including the railway station forecourt

Green Point councillor Clive Bilski said he would not like the fleamarket to become commercialised The present operators ran it on a democratic basis

Kenny Penkin said refusing the highest tender was a dereliction of duty to ratepayers

"I don't believe with the state of the city's finances we can throw away an extra R22 000 a month," he said

Chairman Ian Iversen said the higher table fees which would be charged by the highest bidder would make traders unhappy "Fees would go up 300 percent"

Jack Frost said the council would get the money, irrespective of table fees charged at the market

"If people do not want to pay their fees and they have to reduce them, that is their problem and not the council's," he said

Frank van der Velde said he did not believe the council had leased the fleamarket to supplement its finances

Fleamarket 'to highest bidder': Traders furious

Municipal Reporter (1534)

GREEN Point fleamarket operators, who face losing control of the market, are furious at a proposal to give the tender to the highest bidder — who has outbid them by more than R20 000

Green Point Traders chairman Brian Purwigsky said a council decision to give the market to the highest bidder would mean many whose only hope for employment was in the informal sector would lose their jobs. ARG 9/12/93

He rejected arguments by councillors Kenny Penkin and Jack Frost that the council had a duty to maximise income to aid ratepayers, and rentals charged for stalls was a matter between leaseholders and stallholders

A decision on the tender is to be made by the full city council later this month

Trader Sue Downard said people may resort to stealing if increased rents forced them to abandon the market

Some traders were "in abject poverty" and their stalls were their only source of income

The highest bidder already ran the station and Milnerton lagoon fleamarkets and he would be able to build an empire if he was given the Green Point Stadium tender, Mrs Downard said

Green Point traders seek Keegan's support

(153A) ARCT 11/12/93

DI CAELERS
Weekend Argus Reporter

THE battle for control of the Green Point Fleamarket site is hotting up with the National Traders' Association moving to get exco chairman Clive Keegan on its side in a bid to retain the market for traders

The association will meet Mr Keegan on Monday to put its case and hopefully persuade him to come out in its support when the full council meets to finally decide the issue, according to association representative Quinton Fredericks

The controversy revolves around future control of the site and the council will decide this month whether to give the lease to the highest bidder, Badih Chaaban, or to allow the traders to keep the market

Mr Chabaan has offered to pay the council R27 500 a month and while the traders' tender is much lower, they claim giving it to their opposition would be "at the expense of the informal sector"

Mr Fredericks said yesterday the money from rentals had previously gone to charity and that it was now destined for a "parking fund" if Mr Chaaban won the contract.

"That money should instead be directed to helping people establish small businesses because the only help in this direction has been coming from non-governmental organisations, virtually nothing from the city council

"Denying the informal sector access to such resources means the demands on government and formal business to finance such initiatives will increase"

Discussing Mr Chaaban's bid, Mr Fredericks said he already ran two-thirds of the market on the lower half of Greenmarket Square, the station market and one at Milnerton, "and that kind of monopoly doesn't bode well for informal sector development"

"The association opposes in principle a system that enriches one person at the expense of others and we are concerned that a continuation of this trend will deny the informal sector the opportunity to become self-sufficient"

Hawkers plan march

THEO RAWANA

HAWKERS would mount a mass action campaign in Johannesburg next month to protest against the city council's decision to close some streets to informal trading, African Council for Hawkers and Informal Business (Achib) president Lawrence Mavundla said in the city yesterday. Bilby 15/12/93

Hawkers would be transported from other regions and would be backed by black political organisations. Wholesalers that supplied hawkers with stock would pay transport costs, he said.

The council was removing hawkers from Hoek Street, the area near the Rand Supreme Court, Eloff Street and Kerk Street, Mavundla said. "Shops in these areas will be boycotted and picketed and will be forced to close." (153A)

PAC national executive committee member Themba Godi said his organisation would back the hawkers by mobilising its members.

Council health, housing and urbanisation acting executive director Eric Buch and director Cedric de Beer could not be reached for comment yesterday.

'Beach trading needs a permit'

CT 17/12/93 (153A)

Municipal Reporter

IT is illegal to trade on beaches without a permit, the city council warned in an advertisement which appeared in newspapers yesterday

Enough permits have already been issued to traders at Camps Bay and Muizenberg and the council would take action against people trading illegally

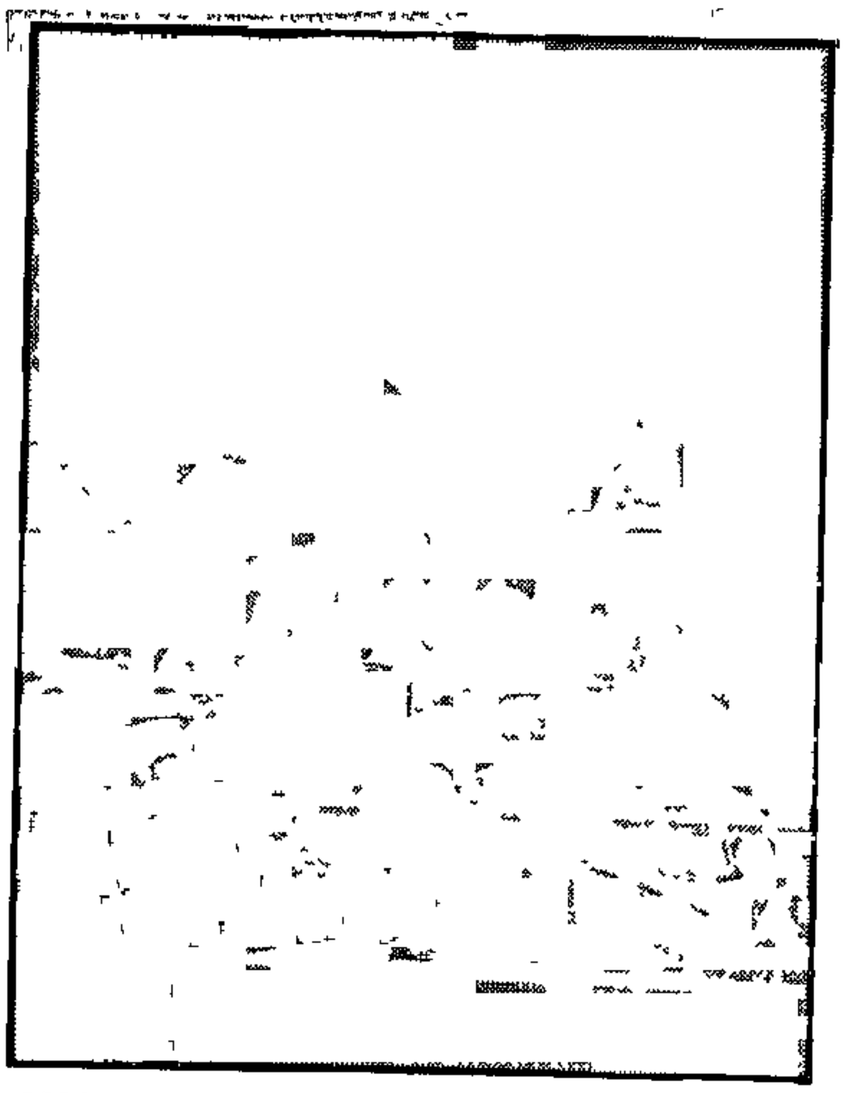
At other sites in Sea Point, Green Point, Mouille Point, St James, Dalebrook, Sunrise Beach, Sonwabe, Strandfontein, Blue Waters and Mnandi still operate under lease agreements or tender permits They are not available to general trading.

When the existing agreements at the above beaches expire, trading there is likely to be controlled in terms of permit and tariff regulations applying at Camps Bay and Muizenberg

Council spokesman Mr Ted Doman said there was a temptation to just go and trade wherever a market is seen at this time of year, when so many people descend on the beaches

However, it is illegal to just go and sell ice-creams at the side of the road in Camps Bay, for example The traffic branch would put a stop to that.

"We don't want people to say they did not know," Mr Doman said He said the council was looking at allowing people to come and trade at the beaches, but only under controlled circumstances



ANGRY TRADERS: Green Point fleamarket traders at the council offices today.

Decision delayed on future of fleamarket

ARG 21/12/93 (153A)

CLIVE SAWYER
Municipal Reporter

THE city council today referred back to its utility and works committee a decision on Green Point fleamarket

Councillors voted unanimously for the reference back, to applause from a public gallery packed with fleamarket traders

Utilities chairman Ian Iversen said there were a number of reasons for the matter to be reconsidered

There had been advertisements in newspapers placed by the traders and legal advice was needed on the implication of the advertisements

The ordinance forbids tenderers to canvass councillors or officials

Mr Iversen said it would be necessary to investigate "illegal" trading on the south side of the market

He said he was worried about traffic implications of changes to the running of the market and whether the present traders would be disadvantaged by an increase in the number of stalls allowed at the market

He said his committee wanted to examine further details about each tenderer

Kenny Penkin said councillors should use the opportunity of the matter being delayed to inspect the fleamarket for themselves

Clive Bilski said the current financial statement of all bidders would be examined

INFORMAL SECTOR

1994

Chained equipment 'unsighty'

Council by-law upsets hawkers

Star 10/11/94

153A

A NEW city council regulation means hawkers could have problems in finding a suitable place to store their wares overnight

■ BY ZINGISA MKHUMA

Emma Mazibuko is a free hawker — she has a valid hawker's licence and has been selling fruit and vegetables in the Johannesburg city centre since 1992

Mazibuko is not even worried by Johannesburg Traffic Department officials who keep reminding her and other hawkers in Pritchard Street, opposite the City Hall, that they are not wanted there

"All they can really do to us is to order us to move to a new spot," she says

However, there is one thing that is giving Mazibuko sleepless nights lately, and that is the prospect that city council officials could impound her trolleys, boxes and crates at night

An amendment to a Johannesburg City Council by-law empowers it to remove any objects left without supervision and attached to lamp-posts, parking meters, traffic lights or any other fixture after hours

A council statement said it recognised informal trading as an integral part of the city's economy, but leaving equipment chained to lamp-posts was making the city unattractive and unsafe It also made street cleaning very difficult It said the impounded equipment could be returned only after a fine had been paid Hawkers have known about these laws for some time, it added

The council also said it was working with the Central Johannesburg Partnership to find suitable locations where traders could store their goods It said a system whereby hawkers paid property owners R49 a year for storage of their goods and improvement of trading facilities was already operational in some areas

Mazibuko and many other hawkers who The Star spoke to fear that the new by-law will put a stop to their livelihood The hawkers come from East Rand and West Rand townships, and say it would be difficult to take their wares home every day Most of them commute to the city and use taxis or trains

Says Mazibuko. "Taking my stuff in a taxi every morning and evening would be impossible I have a seven-month-old baby to carry on my back, and there is no way I can afford to hire a car

"What we do is to take out R3 each and pay a man to look after our things at night, which we leave on the pavement"

However, Mazibuko admits that some of the trolleys and boxes chained to poles and traffic lights are unsightly, and she blames other hawkers who do not trade in the area for creating a mess.

Although Mazibuko admits that she was told about this law, she asks "Where do we leave our stuff after hours? Why can't the council arrange a storeroom for us?"

Mazibuko says traders charge them "a lot of money" when they ask for their goods to be stored overnight. Some items have gone missing and hawkers were simply dismissed with a "sorry" when they demanded compensation, she says

327.

New trailer designs could help take the hassle out of hawking

(ST Times (Buss)

By DON ROBERTSON

THE plethora of street hawkers that often block our pavements could be a thing of the past if two new portable kiosks or shops are accepted by the informal sector

According to the Small Business Development Corporation (SBDC), the informal sector contributes about 20% to the gross domestic product and has created 3,5-million jobs Of these, about 70 000 are street vendors, who contribute about R1,2-billion to the economy

But, they are generally small operators with minimal stock and who have little assistance from the corporate sector

Now Makro and a company called Origami have developed small shops that can be erected or dismantled in minutes, and which could involve the formal sector through advertising

The Makro trailer-shop was designed by its food division and manufactured by Venter Trailers During the first three years of production, the shops will be sold exclusively by Makro

Shelving and racking from the trailers fold out to create kerbside displays A trader can set up the stall in minutes and can easily move from one site to the next It sells for R5 999

"It represents a livelihood for life for a hawker or start-up trader Our organisation is committed to its customers — the traders We do everything we can to encourage the spirit of enterprise," says Makro's Paul Susan

Makro has also developed larger container shops, made from modified containers, which can be positioned on site by a crane (153A)

Origami is the Japanese word for the art of paper folding, and this aptly describes the covered framework of the kiosk developed by Johan Conradie

The shop is 2,1m high, 1,25m wide and 2,5m long It is fitted with fibre-glass shelf space and a counter, and offers 5 sq m of trading space, sheltered from the wind, rain and sun

It can be assembled and dismantled in minutes and can be moved on a light cart or packed into a car boot

The intention, says Mr Conradie, is to sell the kiosks to companies for between R2 100 and R3 000 They would then rent them to vendors Each kiosk has up to 9 sq m of advertising space on which the company can display its products Ideally, a vendor would pay R10 a month to the company for 12 months Then he or she would own it Icecream producers, Dairymaid, has a number of units in operation

The Origami company has sold 54 units already and has had inquiries from groups like Sanlam



TRADERS' DELIGHT . . Graham Rebello of Makro with one of their new easy-to-move trailers

Council acts against hawker overcrowding

CT 18/1/94

1S3A

By ISABEL KOCH

OVERCROWDING by hawkers in Parow's Station Road Arcade, where several violent incidents have occurred, will now be controlled by the municipality, according to a resolution adopted by the town council last week

Lack of control resulted into the situation deteriorating to the extent where some hawkers staying overnight in the arcade, which has no ablution facilities, to a secure trading space

Mr Johan Marais, deputy chairman of the Association o Informal Traders, said "We have asked the municipality to charge us rent and allocate permanent trading areas"



OVERCROWDING . . . Parow's Station Road Arcade, where informal traders are competing to sell their wares.

Resisted

Matters came to a head after mayor Mr Jan Burger visited the area on Christmas Day after he had been inundated with complaints about conditions in the arcade

The situation was discussed at a council meeting last week after Mr Burger requested that it be put on the agenda as an urgent matter

Shop owners in the arcade, regular hawkers in the area and the Tygerberg Chamber of Commerce and Industry have been pressing the council to resolve the matter

The council resisted taking action, 'although the matter had been on virtually every one of its agendas during 1993, saying it had no authority in terms of the law

Littering

The new Act regulating businesses, promulgated in December, gives local governments the authority to restrict hawkers to certain areas

Ms Melanie Dedekind, spokesman for the Cape Provincial Administration, said a sub-committee of the Cape Municipal Association made up of law enforcement officers and legal advisers from Parow, Bellville, Goodwood, the Western Cape Regional Services Council, the CPA and the town clerks of Goodwood and Parow, had been working on guidelines and procedures to put the law into practice. She said this committee would also look at standard procedures to control hawkers

Parow's acting Town Clerk, Mr Arrie du Plessis, said the council would ban hawking in certain areas

Meanwhile, the Parow council has resolved to put "a full component of law enforcement officers on duty to patrol Station Road Arcade"

"Hawkers restricting the free movement of pedestrians and entrances to shops will be asked to move Spot fines will be issued for littering

"The City Engineer's Department will also clean the area on Sundays," Mr du Plessis said.

Heart of Mozambique on show as artist visits SA

Coke boycott hurting spazas

Star 20/11/94

■ BY ABDUL MILAZI

Shopowners in black townships are not supporting the consumer boycott of Coca-Cola, called by striking workers at the Amalgamated Beverage Industries (ABI) two weeks ago.

But none dare to protest openly after several shopowners selling Coca-Cola were intimidated in Soweto, Atteridgeville and Mamelodi by members of the Food and Allied Workers Union (Fawu).

Two major Coke distributors in Soweto said they had eight truckloads of Coca-Cola worth more than R100 000 still to be sold.

Spaza owners said they would starve if the boycott continued.

One shopowner, Patrick Soyaya, said business was bad because residents did not support township shopowners.

Soyaya said: "Township residents shop in town. When there is a boycott we are forced not to sell while the same people who call the boycotts continue to support white businesses in town.

"And when all is over they still buy in town and nobody thinks about us.

"We are being used and discarded at will by unionists. When the ABI strike is over they will be counting their gains and we will be counting our loss," he said.

Fawu shop steward council chairman George Nene disputed the claim that the business community was coerced into supporting the boycott.

Meanwhile ABI marketing director Mike Bind said the company would be sympathetic to its customers affected by the boycott

Stokvels want a shot at lotteries

ABOUT 500 000 stokvels hope to play a role in the national lottery, which they estimate could draw R1-billion in its first year.

Their plan involves the use of a smart card and existing on-line, electronic networks which will cut operating costs and allow up to 98% of the money collected to be distributed in prizes and welfare disbursements

It will also draw the disadvantaged into the formal banking sector

The suggestion from the National Stokvels Association of SA (Nasasa) is one of many to emerge this week as fears mounted that the national fund-raising effort would not be debated or put out to tender

Many fund-raising organisations believe the lottery will be handed to Games Africa — management company of Ithuba — because of its recent link with Thebe Investments Thebe Investments has close links with the ANC and owns 18% of Games Africa

By CHERILYN IRETON

An on-line lottery is in operation in Natal. Run under the auspices of the Operation Jumpstart Association, Natal Lotto was started to raise money for job creation in a bid to boost the economy in the Durban area (SITimes)

By using the computer network of the Totalisator Agency Board (TAB), Operation Jumpstart Association, a non-profit company, has cleared R1,5-million since its inception little more than a year ago and created 37 000 mandays of work.

Operation Jumpstart Association chief executive Christine Lengvari says experienced, regional fund-raising bodies should be used to help run the lottery (Buss)

The money raised should be ploughed back into the regional economy. 30/1/94

The stokvels' plan, still in conceptual stage, is based on estimates that once the infrastructure is in place and smart cards have been issued, operating costs will be limited to about 2% of turnover

Nasasa think-tank member Peter Willis says that by issuing smart cards to the disadvantaged for contributions to the lottery — using existing electronic networks like those of banks and the Post Office, which stretch throughout the country — stokvels will be able to link participants to formal banking (Fin) (153A)

Mr Willis estimates that the 500 000 stokvels, averaging about 10 members each, save R100 a month, equivalent to R6-billion a year

"If 4,1-million people contributed only R20 a month, the lottery would draw about R1-billion annually," says Mr Willis

He envisages that the lottery should be open to individuals, charitable trusts and companies This would turn it into a multibillion-rand operation

If a company won, its prize should be divided equally among staff members

Lottery tickets should be tax deductible

The lottery should be used as a vehicle to co-ordinate all social responsibility contributions for national welfare If properly implemented, it would be taxpayer-friendly and eliminate the need for a wealth or reconstruction tax.

It should be run through the Department of Finance in co-operation with the private sector to ensure optimum operational effectiveness

The department's control would make the lottery's credibility unimpeachable regarding disbursements and possible fraud and corruption

Existing voluntary welfare structures should be drawn in to assist with disbursements

"By definition a state lottery should be operated by the state for the benefit of the people and not the personal enrichment of a few," says Mr Willis.

'Fight' is the flea market's intention

(153A) CT 2/2/94

Staff Reporter

THE Green Point Flea Market Traders' Association is to institute legal steps against the Administrator of the Cape, the Cape Town City Council and opposing traders today to prevent acceptance of a tendered bid for use of the stadium market site it occupies

Mr Brian Purwitski, chairman of the association, claimed last night that the "dictatorial" City Council had not given the association a chance to answer at being disqualified from tendering, nor to respond to charges of illegal support canvassing.

Mr Purwitski said the council had ignored repeated calls for a fair hearing and the association had no alternative but to "demonstrate and fight" for its market in the Supreme Court

He said traders had made no profit from their use of the Green Point Stadium parking lot as a market site and had donated hundreds thousands of rands to more than 30 charities

Legal threat by ousted Green Point traders

ARG 2/2/94 (153A)

Staff Reporter

THE Green Point Flea Market Traders' Association could go to court to stop Cape Town City Council giving the tender for the market site to the highest bidder.

A meeting of the traders at Sea Point Civic Centre last night was told that the association would take the city council to the Supreme Court unless it reversed its decision

Last month, the council disqualified the traders' association from tendering for the site because it claimed the association had illegally "canvassed or solicited" councillors with a newspaper advertisement calling on them to support its application.

The hall reverberated with shouts and applause when association chairman Brian Purwitsky said he refused to sign eviction papers served on him last Friday "pending possible litigation against the city council"

The traders' association has been given until February 28 to relinquish control of the popular Sunday market.

The highest tender came from a partnership that runs markets at Greenmarket Square, the station deck and Milnerton

At the meeting it was alleged the new partnership would ask up to R25 for a table and would decrease the size of stalls to four square metres.



DEFIANT: Brian Purwitsky addresses fellow traders last night

Presently, traders pay R8 for a stall of about 12 sq m

When asked where the money was coming from to finance legal action against the council, Mr Purwitsky said the association had enough money but, for a while, some of the charity organisations that had benefited from the market would not receive the large donations they had been used to.

Market traders ask court to set aside lease

ARG 24/2/94 (153A)

Supreme Court Reporter

THE Green Point Fleamarket Traders' Association has sought a Supreme Court order interdicting the municipality and two businessmen from continuing with a new lease agreement for the fleamarket beside Green Point Stadium

A separate application was also launched to set aside the January 20 decision by the council's utilities and works committee accepting a tender to lease the area to B Chabaan and M Mouniemne of the Cape Town Station Fleamarket

In papers association chairman Brian Purwitsky said the acceptance of the new tender was unlawful

He said the association had been conducting a fleamarket in the area for six years and had had a lease with the council since 1989

He said it was well known that it was the biggest and most successful fleamarket in Cape Town, with nearly 500 traders

The traders now paid R8 a day for their sites — but this was expected to increase to R25 a day when Mr Chabaan and Mr Mouniemne took over

He said most of the traders could not afford such an increase and many of them would cease to operate

"The fleamarket provides employment for a large number of people who would otherwise be without work Over the years we have donated R178 000 to charity and we have become a landmark in the city '

He said that in September the council had called for tenders and the association had bid R5 000 a month (up from present R2 500) He said Mr Chabaan and Mr Mouniemne had bid R27 500 a month

Mr Purwitsky said that in December the utilities and works committee had accepted the R27 500 offer He had been informed that the association's tender was disqualified because it had "canvassed the council" by publishing a statement in a newspaper

He said the decision to accept the new tender was "irregular, invalid and unlawful" because the association had not canvassed the council but had stated to the public and the council what it perceived to be the merits of its case

The matter was postponed until later today after Mr Chabaan and Mr Mouniemne indicated they would oppose the application

Dawid de Villiers, QC, and R Goodman, instructed by Arthur E Abrahams and Gross Inc appeared for the association

Laws threaten hawkers

ET 13/94

Municipal Reporter

NEW anti-hawking by-laws, threatening the livelihood of thousands of hawkers, are being drawn up by municipalities nationwide through the Business Amendment Act

Yesterday hawker Miss Ayesha Patel complained that the council plans to close the fruit-selling stalls between Gunner's Circle and Viking Way in Epping through the new laws

The traffic department had made the area a no-stopping zone and were ticketing cars from 5am, she said, even though their business was finished by the 7am rush-hour.

Mr Paul Williamson, a spokesman for the council's administration division, said they had received several complaints about the market

It was possible that land might be leased to hawkers, he said (153A)

Few traders will be within the law

DURBAN — Come April 1, many formal businesses will be guilty of the same "offence" as street traders — they will not have licences. B/Day 1/3/94

When the new Businesses Act comes into effect on that date, the old Licences Act, under which many existing businesses are licensed, falls away. Technically they ought to be in possession of new licences, but the licensing authorities will not be able to issue them in time.

Natal's legislation deputy director, Tony Harvey-Williams, said yesterday: "We have a problem here." While legislation did not mention a period of grace during which applications could be made, "licencing authorities will exercise discretion".

A notice in next week's provincial gazette will call for comment on the Natal Administrator's suggestion that application fees for new business licences be standardised — R200 for formal businesses and R25 for hawkers. If successful, applicants obtain licences at no extra cost, if not they surrender their application fees.

Own Correspondent

Those who need to apply for new licences under the Businesses Act are:

- ☐ Fixed businesses selling meals;
- ☐ Entertainment and health facilities, including massage parlours, cinemas, health clubs and night clubs; and (153A)
- ☐ Hawkers selling meals and perishables.

Durban city council licensing manager Eddie Cross said: "More people than you think are going to have to have these licences. Supermarkets which slice packaged meat or produce those pre-made salads, for example, require new licences."

However, they will not be required by people selling food on their own property.



Elias Radeba makes trestles for hawkers to use while a hawkers' meeting goes on behind him in Johannesburg yesterday.

Picture GARTH LUMLEY

Hawkers vow to remove foreigners

THEO RAWANA

JOHANNESBURG hawkers have vowed to remove foreign illegal traders, mainly from Asia and Africa, from the city's streets, by force if necessary

Hawkers' organisation Achib met yesterday to discuss the city council's response to its demands, including direct representation on the council

Achib national organiser Mthuthuzeli Madalani called on black political organisations to get involved.

He said "Chinese and Koreans crowd our pavements, underselling local entrepreneurs with their cheap items, and Indian and Portuguese shop owners employ Zairean, Zimbabwean and Mozambican cheap labour to front for them

"All this poses unfair competition for the local entrepreneur, who has the added burden of observing council regulations" 10/3/94

The meeting decided that "block committees" would be formed in the CBD to push out any foreign hawkers. They would be co-ordinated by the foreign hawkers committee at Achib head office. (153A)

"We are going to drive them out by force if necessary," Madalani said.

City urbanisation director Cedric de Beer, responding to a demand for direct hawker representation on the city council, said this was not legally possible since the council was an elected body.

The new order in SA would make it possible for everyone to vote their representatives in, he said.

Stokvels body launched in Durban

THE National Stokvels Association of SA (Nasasa) has opened its first formal branch in Durban in an expansion programme designed to facilitate dealings with the formal sector, Nasasa president Andrew Lukhele said yesterday. B1Bay

He said Nasasa had over the past seven years managed to mobilise the informal savings clubs into an association that now commanded the respect of the SA financial sector.

The launch of The People's Benefit Scheme (a joint venture between Nasasa, First National Bank and the Board of Executors) in July last year and Nasasa's being part of a consor-

THEO RAWANA

tium that had acquired a controlling share in life assurer African Life, had been two of the factors making the creation of formal structures urgent, Lukhele said 11/3/94

Under the People's Benefit Scheme, stokvel clubs would be able to stand surety for members' loans

"It has become apparent over the past few years that a gap needs to be bridged between the informal and formal business sectors — for the mutual benefit of the two," Lukhele said (153A)

THE WEEKLY MAIL & GUARDIAN
March 11 to 17 1994

Catch a bhabhalazi or sex cure at the Bara taxi rank

153A

WM 11-17/3/94

The taxi rank at Bara is more than a terminus for thousands of 'Zola Budds' and 'Mary Deckers' Business is thriving for entrepreneurs, reports **Mduduzi ka Harvey**

BARAGWANATH taxi terminus—once a quiet station—has been transformed into a beehive of activity with a burgeoning culture of enterprise

Compared to the 1950s, when the "spaza" shops were "koffie carts" and the only taxis available were the "valaza's" (Valiants), Dodge Monaco's and the "Six Mabone" (huge sedans with six tail-lights), today the place is buzzing with make-shift shelters and stalls where free enterprise is working

Today, the vehicles are the "Zola Budds" (Toyota E20s) and the "Mary Deckers" (Isuzu microbuses), which ferry passengers to any point in Soweto and the neighbouring homelands. Getting lost in Soweto should be no problem: just get to Bara, and you're sure to get a cab home.

Hundreds of taxis spill in and out every minute, taking township folk to and from work and nurses and patients to Baragwanath Hospital. Lay preachers shout against the sound of ambulances blaring and street vendors selling anything from *sangoma's* muti and mixtures to tyre repairs

Visiting Bara terminus was an eye-opener The first call was to one of the many drinking holes at the rank. Dingy and dark inside, the structure—made of plastic and corrugated iron sheets—doubles as a home by night

The fat mama welcomes me with a smile, seeing me as potentially thirsty customer "Lot's of cold, cold beers and lovely girls," she says

It's Monday and talk is centered on *bhabhalazi* (hangover) Some patrons are regulars, while others have come to catch taxis into town

A few of the *makgosha's* (ladies of the night), with their *phuza* faces (drunkard's face) are still hanging around for an offer of a free beer or a glass of malt The tables sag under the weight of "Babylon waters", ranging from *mbamba* (sorghum beer) to hot stuff (spirits)

Nearby, the fires of the local *shisanyama* (buy and braai) burn alongside *pap en vleis* stands to tempt passengers' and taxi drivers' taste-buds These "fast food" stalls cater for all and sundry: taxi drivers, the gents from Diepkloof hostel and the nurses.

Amid the kaleidoscope of people, a *sangoma* displays different herbs and *muti*. Just around the corner is her "consultation room", where customers can walk in for professional advice. This is where she throws her bones

She explains some of her mixtures "This is *umvusankunzi* (for impotent men) If you are having problems with your wife or girlfriend, I recommend *bhekamnangedwa* (literally, look at me only), which will make your partner love you eternally."

Not only is free enterprise working for the township residents, but for Taiwanese vendors too A couple are making a quick buck selling digital watches, or *panyapanya* (Tswana for flashing), R30 jeans and bottom of the range plastic takkies

Entrepenuer Kim Feng explains his presence in pidgin English "Me make lot's money here Business vely, vely good here " Although he has been robbed before, Feng says he will not leave Soweto because the locals have accepted him and sales are booming

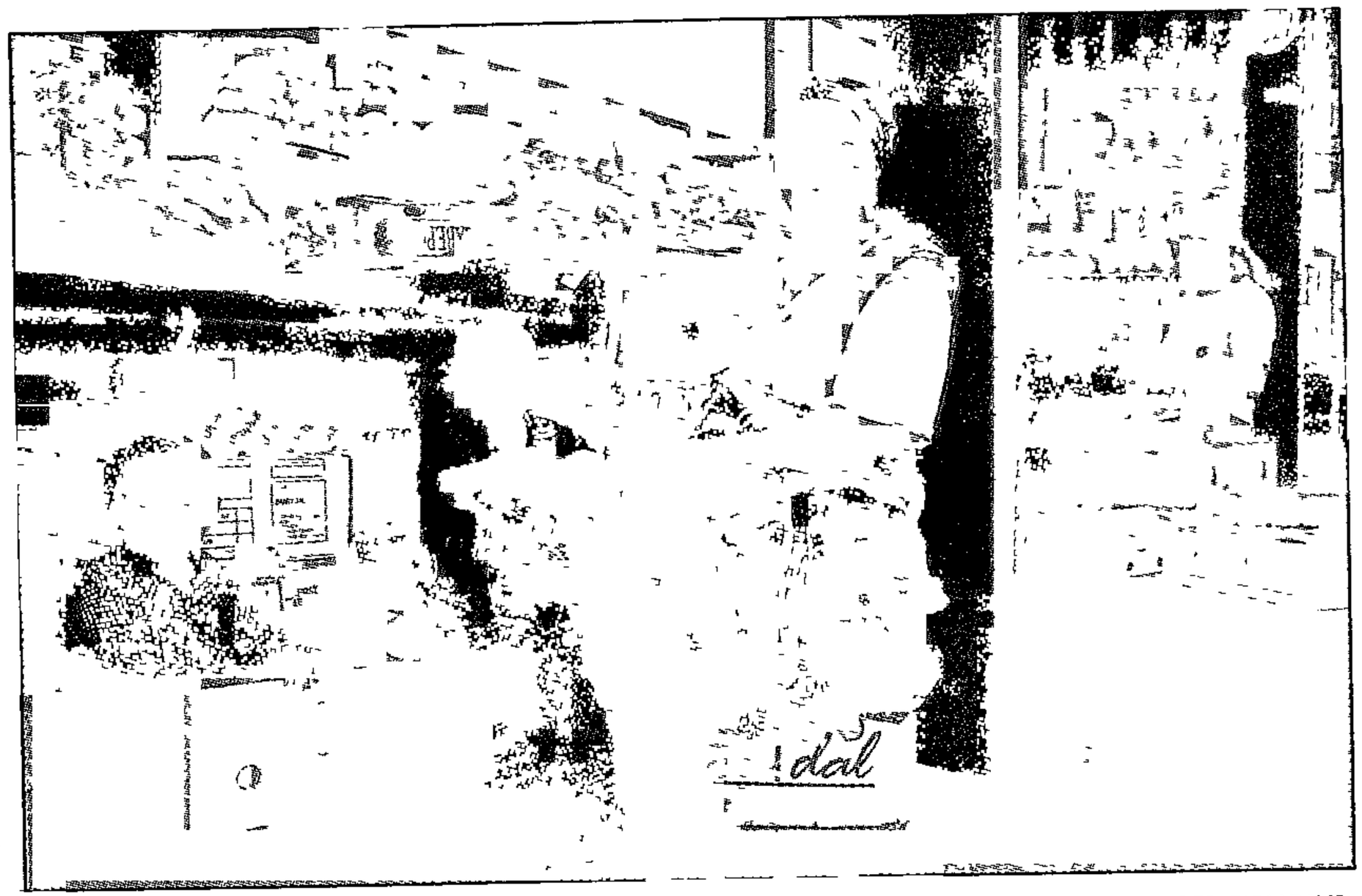
Other business ventures at the terminus include fruit and vegetable markets, hair salons, barber shops, stalls offering car repairs, sign writing, public phones, car-wash boys, clothing, television and radio repairs, shoe repairs and many more

Near the terminus is one of the first black-owned shopping complexes, Black Chain

A story about Bara is not complete without mention of the hospital, especially the nurses' home, across the road from the terminus In the 1950s, this was a favourite haunt of *Drum* writers Doc Bikitsha and Casey Motsisi, who called it a "fishpond"

Times have changed since it cost 60c to travel from Bara to town and the gents wore their straw hats, Budd Berma floral T-shirts, two-tone St Louis shoes and ankle block-socks

Today, those visiting are yuppies driving top-of-the range "dolphins" (BMW five series) and "envelopes" (Mercedes Benz 230 Es) and dressed in Hilton Weiner silk threads — not forgetting their bleepers, a township status symbol



Catering for commuters .. A fruit and veg vendor at Bara taxi rank PHOTO GUY ADAMS

P.T.O.

But one thing remains the same — *umngenandlini* (a present for the lady host) It is unheard of to visit empty handed. Way back in the 1950s, say reliable sources, a big slab of Cadbury chocolate did the trick Now, a barrel of Kentucky Fried Chicken or Chicken Licken is sure to present you in a favourable light.

For those without "stadiums" (a place to sleep), there is no need to worry Around the block from the terminus is the Diepkloof Hotel Although not up-market, it offers a roof over the customer's head at a low cost.

My sources confirm it was popular with hostel residents during the days when women were not allowed into their quarters.

Activity at the terminus climaxes on Sunday, popularly known as "visiting Sunday" Bara streams with taxis from as early as 3am At the nurses home, there's excitement as those with the weekend off prepare to visit friends and relatives.

As for the township folk, they dress in their Sunday best and get ready to visit loved ones in Bara Shangaan women wear their traditional *sibhelwana* (skirts) and *mtjeka* (Afro-print cloths), while the modern women strut around in *pepe* (multi-coloured jeans) and *pallazo* (baggy bell-bottom pants)

Music blares from the different sound systems owned by the vendors and taxi drivers Mbaqanga, rap, local music and more — all depending on the drivers' and vendors' taste

While a lay preacher spreads the Word, a few *dronkies* sneak into one of the drinking spots for some *sco* (home made brew) or scorpion (half a nip of gin dashed with beer)

Taxi queue marshals scream at the top of their voices "Orlando", "Jikeleza", "Orange Farm", informing passengers of the cab's destination. Others direct the flow of traffic thousands of taxis move in and out of the terminus daily.

Customers scurry around the fruit and veg stands, choosing the freshest goodies for that special Sunday meal.

Achib wants all foreign hawkers out

Vuyo Mvoko

A STORM is brewing in the hawking business, with serious implications not only for small business legislative intervention by the government, but for a future immigration policy as well.

Members of the African Council of Hawkers and Informal Business (Achib) are demanding the immediate removal of traders from Taiwan, China and African states from the streets of Johannesburg and Durban.

Following a heated meeting in the centre of Johannesburg two weeks ago, Achib members threatened to forcibly remove their business rivals if their leaders did not take the matter up with the government, or if the government was not prepared to accede to the demand

Sources say while Achib's national council feels obliged to execute tasks given by its members, it also fears a possible backlash, given the invaluable support African countries gave to the ANC, Pan Africanist Congress and the Black Consciousness Movement of Azania (BCMA)

Achib national organiser Mthuthuzeli Madalani, however, argued that South Africans who sought refuge in African countries were "political and not economic refugees"



Protecting their turf . . Hawkers claim foreigners are stealing business PHOTOGRAPH GUY ADAMS

153A WM 25-30/3/94

A group of hawkers from African states who met Achib on Wednesday claimed they were selling goods that were not sold by South African hawkers. "You see, you people here wear suits and ties We are selling traditional African wear," one reportedly said

The delegation labelled Achib "a toothless bulldog" that would not block their trade

Sources within Achib said if the anger could be contained until the elections, a new government would be better positioned to deal with the issue The ticklish question, however, was whether Achib itself would survive until the elections, given how seriously the ordinary members feel about the issue

According to Madalani a moratorium has been placed on removing the unwanted hawkers by force "until all peaceful channels have been exhausted".

He said the issue was important to South Africans as Achib was seeking to alleviate the suffering of unemployed people who comprised 51 percent of the population

"This is a national issue Ten to 15 years down the line the Asian immigrants the government is now allowing to live here will cause problems Some of them are 40 to 50 years of age Who will pay their pensions, who will take care of them when they are sick?"

Madalani was adamant the Department of Home Affairs wanted to "create problems for a new government"



Picture OBED ZILWA, The Argus

DREAM HOUSE: Joseph Price with his pride and joy.

Joseph's the very model of a way to beat the jobless blues

ARG 5/5/94

153A

HENRI DU PLESSIS
Staff Reporter

IT takes a lot to beat the blues when you're unemployed, but life is all colour for 26-year-old model-maker Joseph Price of Netreg

Mr Price decided to keep a positive outlook on life after he was retrenched at his job in a furniture factory and began to make beautiful models from what is generally known as junk.

"After I lost my job, I decided I had to do something to make money for myself My girlfriend is pregnant and we will need money to care for our child," he said.

So, Mr Price followed the only route he could take — pick up the strings of a talent his father developed in him and create something beautiful from virtually nothing.

Sucker sticks, some paint and glue, and a host of other titbits such as pieces of carpet are now valuable material.

The sucker sticks, he picks up in the street.

"When I walk to the station now, I will pick up lots of sticks to use for my next project," he said.

Mr Price's first effort — to see if he still could do it — was a simple house which he sold for R390 to a local indigenous art shop in the city

The second was far more ambitious: A perfectly designed suburban house, complete with pool, double garage and, wait for it, electricity.

Yes, Eskom is represented by a tiny wiring network switching on lights at the pool, in the garden and inside the house.

This model, being kept for him at the National Gallery in the Gardens, will be sold for about R850, Mr Price said.

He has not yet started a new project, because he went to Cradock to attend his sister's funeral and only returned last Monday.

But, he already has an order. Somebody who fancied his work ordered a model as a birthday present for her son.

Apart from the sucker-stick models, Mr Price also makes flower pots from old tyres, photo-frames and images cut out of plywood fruit trays.

Shebeen licences open to all races

By CIARAN RYAN

A LANDMARK decision to grant a liquor licence to a coloured man to run a shebeen from his house in Ennerdale, near Johannesburg, has been hailed as another nail in apartheid's coffin.

S Times

Alfie Martins applied three times in four years for a special taverner's licence, but was turned down — the last because he lived in a coloured area. Last month the Liquor Board granted him a shebeen licence, the first outside a black area. Taverners' licences were introduced in 1989 to legalise shebeens in black areas.

Mr Martins says the decision opens the door for hundreds of other shebeen operators in formerly coloured, Asian and white areas.

The Liquor Board granted the licence after Mr Martins's neighbours drew up a petition supporting a shebeen. (Buss)

The Sunnyside Group, which lobbies for appropriate legislation, and the SA Taverners' Association, welcome the decision.

Sunnyside's Chris Darroll warns that shebeen applicants must satisfy stringent criteria.

3/4/94

She says: "Either the applicant must apply for rezoning of the residence as a business, or he must obtain consent from a local authority." (182) (153A)

Mr Martins was raided by police on 25 occasions in seven years Each time the police confiscated liquor and fined him between R300 and R1 000 depending on the quantity of drink involved.

His shebeen provides him with an income of R1 000 a month — sufficient to support his family.

Miss Darroll says the strict regulations make it unlikely that hundreds of shebeens will open in residential areas

A Liquor Board spokesman says each application "is considered on merit without regard to the race of the applicant".

Obtaining consent from neighbours for a tavern is not always easy. One applicant in Cape Town was turned down because of opposition from neighbours in a Muslim area

April 8 to April 12 1994

Traders bargain for a fair deal

By Alexandra Zavis

Efforts to negotiate between the ANC and the Nationalists have succeeded, small traders' representatives say, but they are still waiting for the first tangible evidence that their interests will be recognised by the government.

"We are under the impression that the deal is done," said Mr Fredericks, co-ordinator of the National Traders' Association.

Small traders in St George's Mall, Greenmarket Square, Adderley Street and other areas are aggrieved about the city's collapsing economy and the obvious returns they pay into the Greenmarket Square Management Committee.

They say they are not represented on the Central City Council, which charges stallholders for the right to trade in the malls.

Mr Fredericks, who represents traders in St George's Mall, Greenmarket Square, Adderley Street and other areas, said he was optimistic that the ANC would address their concerns.

"We have had meetings with the ANC's economic planning unit and they have assured us that they will be addressed in the reconstruction and development programme," he said.

Mr Fredericks said he was also optimistic that the ANC would address the problem of the Quintion Department of Economics, which has been responsible for the demolition of many buildings in the city centre.

Mr Fredericks said traders were also concerned about the lack of consultation between the ANC and the Democratic Party.

"We have had meetings with the DP

Manuel cautions on 'micro-industry' focus

153A

CT 8/4/94

By AUDREY D'ANGELO
Business Editor

MANY people in "micro-industry" are not there from choice but as a survival mechanism in the recession and would rather have a permanent job with a fixed income, Trevor Manuel, head of the ANC economics department, told Cape Town business people yesterday

So efforts to help "micro-industry" expand should be concentrated on the 21% who are true entrepreneurs and will make the step up to small and medium business, providing jobs for others — particularly in manufacturing or farming rather than retail or services

Manuel was speaking at a luncheon at the Vineyard Hotel, Claremont, organised by the Informal Business Training Trust (IBTT)

He was introduced by Mashudu Romano, of the IBTT board, who said it had so far trained almost 10 000 people to run their own small businesses

Romano is also chairman of the Johannesburg-based Sunnyside organisation which recently received substantial US aid to develop black business and has supported a suggestion that there should be a Ministry for small business

Manuel said in his talk that he considered it would be disastrous to have "the Ministry of Trade and Industry for whites and a Ministry of Small Business for blacks"

Other signs of policy disagreement between the two were hinted at during question time. Romano commented. "We have 2,5m people in SA in the informal sector and we cannot just write them off We have to bring them into the economic mainstream"

Agreeing that there was a need to encourage small business in the manufacturing sector, he said it was also important to encourage them in other fields such as tourism and agriculture

Romano said he thought it would be "unfortunate" to make the Ministry of Trade and Industry responsible for encouraging small business because "small businesses are not only in trade and industry but cover the whole gamut of economic activity"

Manuel said not everyone wanted to be an entrepreneur and those who did needed the services of professional people such as accountants

Many schools included business skills in their curricula but it would not necessarily be a good thing for every SA school pupil to receive instruction in entrepreneurship

Pointing out that he had avoided using the terms "formal and informal sector" Manuel said this gave a false dimension.

It was a major issue in a country like SA to upgrade and increase manufacturing capacity Throughout the world small and medium-size enterprises had been the "dynamoes of growth and suppliers of jobs"

A drawback in SA was that there were too many mega-businesses controlled by accountants rather than entrepreneurs and too few small and medium-sized businesses. And too large a proportion of small and medium-sized businesses were in retail or services rather than in manufacturing production

It was necessary to encourage entrepreneurs who found it difficult to raise finance, afford research and development and travel the world looking for markets

There was a need for a global strategy and for a Ministry of Trade and Industry and Small Enterprises to tender services to small business

Emphasising that it was necessary to break out of the idea that entrepreneurship meant selling apples by the roadside or driving a taxi, Manuel said many of the people who did this were "trapped in a cul de sac"

They worked so hard that they could not spare the time to go on training courses

In answer to a question, Manuel said that both central and regional government should have some responsibility for helping small and medium enterprises There would have to be an allocation of resources — but a Western Cape regional government would think of encouraging such things as export and import business or fruit picking and processing

Hawkers' chief pulls out of poll

BIBay 8/4/94

STEPHANE BOTHMA

AFRICAN Council of Hawkers and Informal Business chief Lawrence Mavundla has withdrawn his name from the Federal Party list because of intimidation

In a letter to Federal Party leader Frances Kendall, Mavundla said. "My family has persuaded me to give up the Federal Party as a candidate. They have lost four family members in one year; they don't want to lose me or my kids."

The Federal Party said Mavundla had hired a bodyguard after announcing his candidacy but that he no longer felt the move was adequate (153A)

Mavundla was scheduled to appear as a feature speaker at the Federal Party launch last week, but failed to appear.

Master of ceremonies Des Lindberg said the reason Mavundla was not present was because of the violence following last Monday's march in central Johannesburg by thousands of supporters of Zulu King Goodwill Zwelithini.

Mavundla told the party that he could not afford to be away from his family for even one day, but said he would return to the Federal Party after the election "if I am still alive".

Kendall said the party had faced similar problems before

"Several black intellectuals and business leaders, who supported us, told us that they could not put their names on the list because of intimidation. One withdrew from the list just minutes before the deadline," Kendall said

She called on other party leaders to publicly condemn intimidation and to guarantee the rights of black candidates to run for any party they wished.

Report by S Bothma, TML, 11 Diagonal St, Jhb.

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BIDay 8/4/94

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Report by S Bothma, TML, 11 Diagonal St, Jhb

Cape Town faces rise in water and electricity bills

BIDay 8/4/94

EDWARD WEST

CAPE TOWN — Electricity and water tariff increases of 9% and 5% respectively are being considered by Cape Town's city council

City treasurer Eddie Landsberg said in a report that a 12% rise in wages and an increase in staff to manage pre-payment meters was behind the electricity tariff increase (154)

The establishment of metropolitan structures was likely to result in strong pressure to levy a standard tariff on domestic consumers It was considered prudent to impose a slightly higher increase on domestic consumers than commercial consumers

Eskom's electricity tariff increased 7% in January and was expected to rise a further 8% next January

Electricity tariffs should rise 15% from December 1 1994, but this was considered too steep a rise The suggested date of implementation of the price rise was put forward to August.

Capital spending on the Palmiet water project would be R95,9m this year and R51,3m in the 1994/95 financial year.

At a public meeting yesterday, Water Affairs and Forestry spokesman Peter Pyke said an additional water resource scheme would be needed to meet Cape Town's needs by 1998

Desalinated sea water, which would have to be considered eventually, would cost 20 times as much as water from the Palmiet project

New address for treasury

SUSAN RUSSELL

THE City Treasury is moving from the Johannesburg City Hall to Braamfontein to make way for the PWV Regional Parliament.

A department spokesman said rates and service accounts could still be paid at the old rates hall, but other treasury functions were being moved to Jorissen Place, corner of Jorissen and Bertha Streets.

A temporary help number (407 7349) would operate from today.

The transportation department had also closed its City Hall bus coupon office. Facilities at the Vanderbijl bus terminus were to be extended, and a coupon van would sell tickets outside the City Hall from April 27-29.

Street traders seek say in law

(753A)

A NEW street traders' lobby group, the National Informal Business Forum, asked the council yesterday if it could contribute suggestions to a hawking by-law now being drawn up

CT/4141/94

Under the Business Amendment Act, local authorities are empowered to draw up by-laws on street trading areas

FM 29/4/94

about 45% (6m people) but Small Business Development Corp executive director Jo Schwenke says this figure should not include people who work in the informal sector "We estimate that there are about 2,5m informal businesses, including all the hawkers and the roadside exhaust repairers" (153A)

Riley found that most micro-enterprise owners went into business to survive and had net monthly incomes of below R650 About 62% are run by women, usually from home, and street vendors account for about half

The owners tend to be young (35% are below 30) and undereducated (up to 40% lack basic literacy skills) And few have worked in the formal sector, so they have neither skills nor managerial experience Riley found a strong correlation between an owner's education level and turnover "Micro-entrepreneurs who have achieved a Standard 10 have an average turnover nearly twice that of those who have completed only Standard 8 — the status of 80% of micro-entrepreneurs"

The owners of more established black businesses, such as those in the taxi and construction industries, are in general older and have more education, prior business experience and higher incomes than micro-enterprise operators Most went into business for entrepreneurial reasons, not survival

The constraints facing both are the same though These include lack of access to financing, insufficient knowledge of support agencies such as the Small Business Development Corp, highly competitive markets and inadequate business premises.

Riley found that regulations which had been a serious obstacle to black entrepreneurs in the past now were mostly ignored, though some, such as municipal bylaws governing street trading, health, safety and taxation, still "pose actual or potential constraints."

The real problem, however, is money "Access to financing is a tricky issue in that bank financing is not readily available to micro-enterprises in most of the world's financial systems," Riley says

SA's banking institutions are no exception Only 20% of the businesses surveyed for the report have received credit and then mostly from stokvels The remainder relied on loans from friends or families Riley says the solution lies in developing new financial instruments and intermediaries such as group lending schemes to reduce risk

The report makes various policy recommendations, including the promotion of

- ☐ Incentives to encourage big business to buy from suitably qualified small enterprises,
- ☐ Government procurement from small business Housing schemes, for instance, could provide long-term work for township contractors,
- ☐ Police protection to foster a stable business environment and,
- ☐ The loosening of regulations that maintain public transport monopolies ■

BLACK BUSINESS

FM 29/4/94

Realising the potential

The black informal business sector deserves attention from policymakers because it has the potential to help distribute employment, income and wealth more equitably between blacks and whites, says a recent World Bank report

Written by the bank's private sector development specialist, Thyra Riley, the survey scrutinises the characteristics and constraints facing black businesses and finds some problems that have to be addressed if this sector is to realise its potential

The numbers indicate how important the informal sector has become Only 8% of job seekers found employment in the formal sector between 1985-1990 — before the recession began to bite — so it's no surprise that there has been explosive growth in what the report calls the black micro-enterprise and small business sector Half of all micro-enterprises — mostly one-person businesses that rely on unpaid family labour — are less than three years old and employment among surviving firms is estimated to be growing at 24% a year (153A) (BEE)

SA's unemployment figure now stands at

Informal businesses must be elevated, says Manuel

Business Day 11/4/94

EDWARD WEST

CAPE TOWN — Most businesses in the informal sector were trading for basic survival only and the challenge was to move them into the small to medium business sector, said ANC economics head Trevor Manuel

He told an Informal Business Training Trust function yesterday that SA was characterised by a large informal sector and big businesses and industries, with very little in between

Small businesses were almost entirely retail and services oriented, but the focus should be manufacturing to achieve sustainable economic growth, said Manuel

Manuel said a recent survey had shown 79% of SA's informal traders were not trading in the sector by choice. Informal traders had to work so hard to survive they could not spend time or money on training or expansion, said Manuel

Internationally it had been small to medium businesses that had stimulated long-term sustainable economic growth SA's mineral endowment had become a curse and its exports of mainly primary products provided no basis for sustainable economic growth

No thought had been given to adding value by manufacturing products from the aluminium ingots to be produced and sold into an oversupplied world market by the Alusaf aluminium smelting project

Impediments to the small business sector were access to capital, markets, training and technology research

The Trade and Industry Department's scope of activities should be broadened by a new government to deal with large and small businesses

Government tenders should be awarded to aid the development and expansion of the small to medium business sector, said Manuel (153A)

A number of organisations such as the Development Bank of SA, the Industrial Development Corporation and other development organisations in the homelands were not performing their functions correctly and would have to be redefined and refocused under a new government, he said

The informal sector gets recognition in needed

Sowetan 23/6/94

By Mzimkulu Malunga

FOR years the informal sector remained unrecorded and unknown, but South Africa's newly born democracy has prompted those in the corridors of power to think again

From now on, the informal sector will be part of the national statistics and also included in the calculation of the Gross Domestic Product, the total value of goods and services produced in the country in any given year

The inclusion of the informal sector comes as a blessing to the Government because it contributed about R20 billion and, thereby, boosted the country's GDP to R440 billion

Also, the new sense of realism in Government circles has helped to reduce the difference between revenue and expenditure or fiscal deficit, to the 6,9 percent of GDP

153A

In line

Officials of the Department of Finance say South Africa is now in line with international norms as other countries of the world consider their informal sectors when compiling national figures

"The fact that we did not do it makes us an odd country internationally," says Department of Finance director-general Dr Estian Calitz

It is not clear how the information of the informal sector was compiled because in the past excuses have always been that the size of the informal sector was hard to quantify

An economist in the Finance Department says the Government employed the services of the Development Bank of Southern Africa to compile information on this sector

SA's small businesses grew during recession

GERALD REILLY

SMALL businesses in SA — including those in the informal sector — had flourished in the past 10 years despite the severest recession in the country's history, the Small Business Development Corporation's Dawie Crous said last week

Crous told a conference organised by Pretoria University's Institute for Strategic Studies, that, of the more than 800 000 business enterprises in SA, 91% or 720 000 could be classified as small or medium enterprises.

Their estimated share of the GDP stood at 45% and they employed more than 2,4-million people — 17% of the total 14,3-million economically active population.

The figures, he said, did not include the informal sector, which involved another 4,4-million people and accounted for a further 15% of GDP.

This brought the small to medium enterprise contribution to the GDP to at least 45% and the number of jobs provided to 6,8-million.

According to figures presented at the conference by SBDC chief executive Ben Vosloo, half the SA population and nearly 50% of the able bodied population was without work.

In the past five years, 500 000 people had lost their jobs in mining, agriculture and industry.

What was needed, according to the ANC, was equal access to finance and credit, serviced sites for trader and informal markets, and the award of contracts to small to medium enterprises.

Crous said in the larger economies of the world — the US, Japan and Germany — small to medium businesses accounted for more than 60% of their economies.

In Taiwan, for instance, which had the largest foreign reserves per capita, 70% of the workforce was employed in enterprises with fewer than 10 workers.

In the past 13 years in SA, more than 300 000 jobs at an average cost of R5 500 a job had been created at a time of heavy retrenchments About 80% of the 300 000 were blacks, he added

JOBS

People survey adds up to a mighty challenge

The CENTRAL STATISTICAL SERVICE's October Household Survey, reprinted in this edited extract, gives an insight into the need for housing and employment, and the informal sector's ability to provide them



INFORMAL WORKS the CSS estimates the informal sector's contribution to GDP in 1993 at R32 772-million, or 9,2%

IF the problems of unemployment are to be understood, more should be learned about those in the labour market who experience them

The October Household Survey (OHS) is an official attempt to provide insights into and perspectives about the most important elements of unemployment.

The OHS also provides perspectives about those who are not (only) accommodated in the formal labour market and are thus (also) active in the so-called informal sector

☐ **Population.** According to the OHS, the population at October 1, 1993, was 1 025 082 Asians, 23 161 286 blacks 3 414 485 coloureds and 5 162 077 whites.

The OHS says 405 506 Asians, 8 003 241 blacks, 1 460 308 coloureds and 2 483 268 whites are officially economically active, a total of 12,353-million. The Central Statistical Service (CSS) 1993 mid-year estimate was 12,320-million.

☐ **Unemployment:** Although unemployment is a major economic problem, there is much uncertainty and speculation about the number of joblesss.

The uncertainty is confirmed by unqualified general unemployment rates (mainly subjective opinions) of up to 50% quoted in the media Offical figures for unemployment are needed.

SA's official unemployment rate is 29% (3 587 737) The highest rate occurs among blacks — 37,1%, or 2 968 539 persons. Of the total of 3,588-million unemployed, almost half (1,690-million) wish to work, but have not taken steps to find it or set themselves up in business.

It is thus a direct result of this important characteristic of the present working of the labour market that the extended rather than the strict definition of unemployment should be regarded as the official one.

More than half (1 904 504, or 53,1%) of the jobless are younger than 30 Furthermore, 2 147 880 (59,9%) unemployed persons had been out of work for more than a year at the time of the survey

The OHS shows that most of the jobless — 3 521 217, or 98,3% — do not have an after-school qualification.

☐ **Informal sector** By definition, this sector comprises all economic activities not reflected by CSS statistical surveys.

According to the OHS, 4 048 246 people are employed in the informal sector A total of 1 054 268 are estimated to be employed full time in the formal sector, but are also involved part-time in the informal sector Because of calculation problems in the survey, an unknown number of housewives and children were included in the 3-million employed in the informal sector only Strictly speaking, these people should be regarded as non-economically active.

According to the previous survey of the informal sector (before the OHS) conducted by the CSS in 1990, 2 778 028 people were employed in the informal sector

It should, however, be remembered that the figure for 1990 is not strictly comparable with the latest one because predominantly white residential areas were not included in 1990

The informal sector's contribution (in terms of added value) to gross domestic product in 1993 is estimated at R32 772-million. This is 9,2% of SA's estimated offical GDP (excluding Transkei, Bophuthatswana, Venda and Ciskei) for 1993.

This informal sector's contribution was taken into account in the revision and re-basing of the GDP estimates, released on Friday

☐ **Vital statistics.** Incomplete birth and death registration is characteristic of most developing countries. SA is no exception. To compensate for this gap in information, questions about births and deaths were included in the OHS questionnaire.

The most significant result was confirmation of the sharp decline in the fertility rate among blacks that became clear in validation of the outcome of the 1991 population census.

A fertility rate of 3.7 children a woman was recorded for blacks, which is considerably lower than the estimates for the early 1980s of from four to five. The fertility rate for Asians is estimated at 2,3 children a woman, for coloureds 2,4 and 1,8 for whites.

☐ **Services available in dwellings:** There is a huge discrepancy between the standard of services available for blacks and those of other population groups.

An estimated 97.5% of Asian 73,7% of coloured and 98.1%' of white households have running water in their dwellings. The figure for blacks is only 26,0%

Most Asian, coloured and white households use electricity as the main energy source for cooking — 98% in the case of Asians, 71.4% of coloureds and 98,4% of whites

An estimated 28,9% of black households use electricity as their main source of energy for cooking.

An estimated 13,4% of black households have no sanitation facilities. Only 0,1% of Asians and 4,1% of coloureds have no such facilities. All whites have them

Spazas are taking off

1634

BY BARBARA-ANN BOSWELL AND VUYELWA MOTLALI

HOUSE shops or spaza shops are becoming more popular because they are convenient and their prices are competitive.

In Mitchells Plain the most successful house shop belongs to the Cassiem family

Their double-storey houses so many businesses, it is almost like a shopping mall.

In the past four years their three-bedroom house has been transformed into a booming, multi-purpose business centre with a cafe, tyre workshop and hairdressing salon.

The business started as a small shop in a kombi in their yard. Mrs S Cassiem said she was bored looking after children, so she started the shop to make extra money

Her son, Mr Riedwaan Cassiem, runs the tyre shop and pays rent to his mother

"People flock here because my place is the cheapest and I am the only dealer who will fix tyres after eight o' clock at night," he said.

Upstairs is Manie's Hotspot, a spacious, fully equipped hairdressing salon owned by Mrs Cassiem and run by Mr Manie Hendricks, a professional hairstylist.

The kombi in the Cassiem's yard has made way for a bigger, better cafe It has fridges, two counters, two ovens and a big storeroom.

The cafe is run by Mr Cassiem's brother, Mr Nazeem Cassiem, and has a video arcade, which is crowded with children.

Mr Cassiem says that the shops have not changed the family's life Every time they add to the house, they build more bedrooms so that the family is comfortable







ABOVE LEFT: Mr Manie Hendricks of Manie's Hotspot with a customer

BELOW LEFT: The Cassiem's cafe has a range of products for shoppers in a hurry

ABOVE.Mr Gassant Fredericks fixes a puncture while owner of the tyre shop Riedwaan Cassiem looks on

The family will soon open a spares shop at their house

Another trader who has turned part of his home into a thriving business is Mr Abdul Gani Parker of Belhar.

His mini-supermarket called "On the Spot" has been going for only three months, but already it is highly successful

On shelves bought second-hand from a supermarket chain, shoppers can find anything there is to buy in a big supermarket.

There are groceries, detergents, breakfast cereals, washing powder, baby products, vegetables and toiletries

Mr Parker also stocks meat and dairy products, and has all the latest newspapers and magazines in his neat shop

"I decided to mess up my house to earn a living," Mr Parker says jokingly

"This whole shop used to be my dining room and TV room I only made one extension to this house"

Miss Matu Ntshuntshe, of Langa, believes the success of her spaza shop lies in the support she gets from backyard shack dwellers

"There are many shacks in the neighbourhood, and most of these people buy their groceries from me, even bulk buying," Miss Ntshuntshe said

She started business in 1990, soon after losing her job as a domestic worker

"When I started I had R400 and used to buy from small wholesalers in Rylands where you can buy small amounts"

Working from her kitchen, she used her cupboards to store the groceries, with a table as her counter

Although reluctant to say how much she makes now, Miss Ntshuntshe says business is booming

"I extended the back of my house to make more room for my groceries I bought myself a van last year and I now buy from Metro," she said.

Although she is constantly disturbed by customers knocking at night and on public holidays, Miss Ntshuntshe said she wouldn't trade places with anyone

"My family life is not the same anymore But I am not complaining as I love what I do and business is good," she said.

Hawkers face tough by-law

(153A)

Vendors may be excluded

By PETER DENNEHY

A TOUGH new by-law, which could see hawking banned in front of businesses selling similar goods and even banned in some areas, may be in operation by October

The amenities and health committee heard that amendments made to the Businesses Act of 1991 allow municipalities to make their own hawking by-laws

In the interests of uniformity, Cape Town had been asked to draw up a single by-law for the whole Western Cape The by-law was tabled yesterday

It carries a maximum fine of R1 000 or three months' imprisonment

The new by-law permits municipalities to lease the verges of public roads or other council property, and issue permits to vendors

Hawking in front of a business selling similar goods without its consent can be banned

A municipality may also restrict or ban hawking in declared areas

But it must first consider whether supervision, control or negotiation would make a ban unnecessary and whether a ban would drive a substantial number of vendors out of business

It must advertise its intention to declare an area restricted or prohibited and allow 21 days for objections, which must be considered before the declaration is gazetted

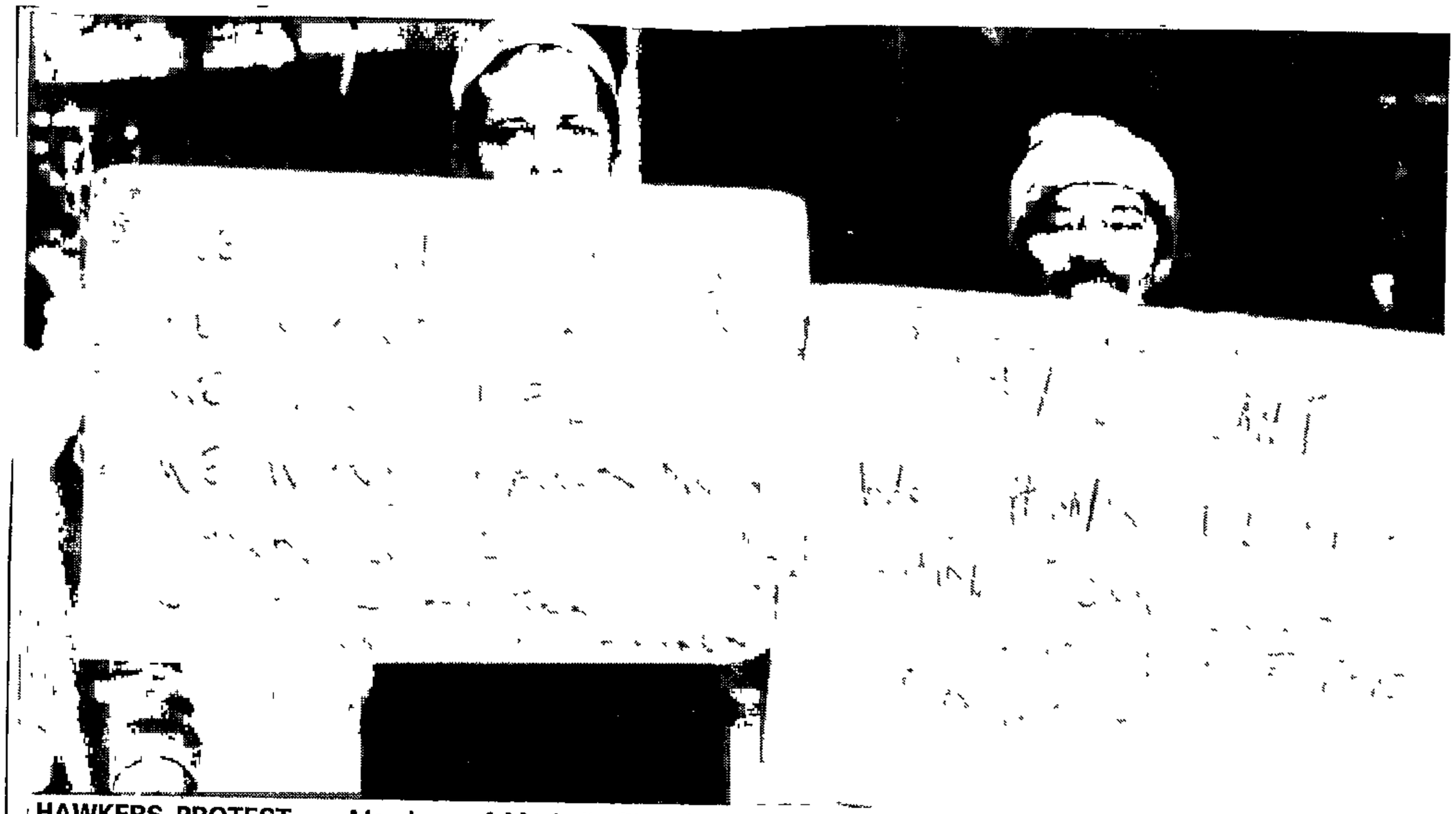
Three weeks later, all the objections go to the regional authorities, who then have 60 days to amend or revoke the declaration

Deputy city administrator Mr Peter Alston said he expected the by-law to be in effect from October

• A City Council delegation is to seek an interview with provincial Roads Minister Mr Leonard Ramatlakana to formalise a lease with the Hawkers' Paradise Association of Gunners' Circle

This could improve the hawking situation between Gunners' Circle and Viking Way, about which residents and officials say they have serious cleansing, health, social and traffic concerns

• Efforts are being made to form a single association to represent the interests of all Cape Town hawkers



HAWKERS PROTEST .. Members of Mitchells Plain Hawkers' Association protested outside the Civic Centre and Newspaper House yesterday

Picture STEWART COLMAN

Hawkers seek voice in forum

(153A) CT 28/6/94

Staff Reporter

MEMBERS of Mitchells Plain Hawkers' Association protested outside the Civic Centre yesterday.

Their chairman, Mr Anwar Carr, said they wanted their association represented in the local community forum

An organisation in the area was also trying to force security fees on the hawkers, said Mr Carr

The hawkers had set up a meeting with the deputy city administrator, Mr Alan Dolby, to air their grievances.

Mr Dolby confirmed that he would be seeing them on Thursday

The hawkers later moved away from the Civic Centre and demonstrated outside Newspaper House in St George's Street.

Hawkers plan to take protest to the streets

B1Day 10/1/94

THEO RAWANA

JOHANNESBURG hawkers would begin mass action next month following a city council decision to close some streets to hawking, African Council for Hawkers and Informal Business national organiser Mthuthuzeli Madalani said on Friday (153A)

Madalani said marches, boycotts and other forms of protests in Johannesburg would mark the beginning of a national campaign by hawkers against harassment by local authorities.

A planned hawkers' march on Johannesburg's civic centre would receive support and additional numbers from political, labour and civic organisations, and hawkers from other towns and areas, Madalani said

"The ruling that forbids people from marching in areas other than their own won't be observed We don't believe in boundaries set by a handful of people

"Nobody should decide how we strategise our resistance," Madalani added

He said "Since the towns and cities were designed without consideration of the small business person, we demand that planners address this matter

"We demand a department that will specifically serve the interests of the informal sector

"We demand to be protected by the constitutional planners, just as big business is"

The city council could not be reached for comment

BUSINESS R100 loans are offered

Mobile bank for small businesses

HAWKERS TARGET Pilot project

will start operating this weekend:

By Joshua Raboroko

THE SMALL business sector has started a project that is completely new — a mobile bank for hawkers which will start operating at Empangeni in KwaZulu-Natal this weekend.

The president of the African Council of Hawkers and Informal Businesses, Mr Lawrence Mavundla, said yesterday that the bank was a pilot project

They intended making finance available to the small man in the townships

Small businessmen were hamstrung by different obstacles whenever they applied for loans That time had passed and "we take business opportunities and think big", Mavundla said

"We must be job creators," he added

The bank will give loans of R100 at an interest of one percent a day

They will run the scheme together with Richards Bay Minerals, which provided the initial capital for a month

The bank will not take deposits and is looking for a sponsor from wholesalers in order to boost its image

The money will be available to members only (153A)

Nafcoc president Joe Hlongwane and other business personalities will be guests at the launch

Hawkers raise objections to influx of illegal aliens

BONILE NGQIYAZA

ABOUT 300 hawkers marched to John Vorster Square police headquarters in Johannesburg yesterday to present a memorandum urging that laws relating to illegal aliens be tightened

African Council of Hawkers and Informal Businesses president Lawrence Mavundla said 40% of hawkers in Johannesburg were aliens who, because they did not have any immediate family responsibilities, "are prepared to accept virtually anything from buyers".

He said these hawkers held forged documents received from corrupt officials

He said his organisation had documented evidence that at least 300 Chinese immigrants were promised identity documents and trading licences in the period before the elections

The marchers threatened to police the streets and remove aliens themselves if government continued turning a blind eye.

Mavundla said his organisation would start a nationwide campaign to have illegal aliens removed, although negotiations at a national level would continue.

He said the march had taken place because "there are more problems in the streets than we can handle" Profits had decreased because of the influx

Chief immigration officer G Vosloo accepted the memorandum

Small business: An informal 'shopping centre' takes off

The busy little boxes on the Freedom Square mall

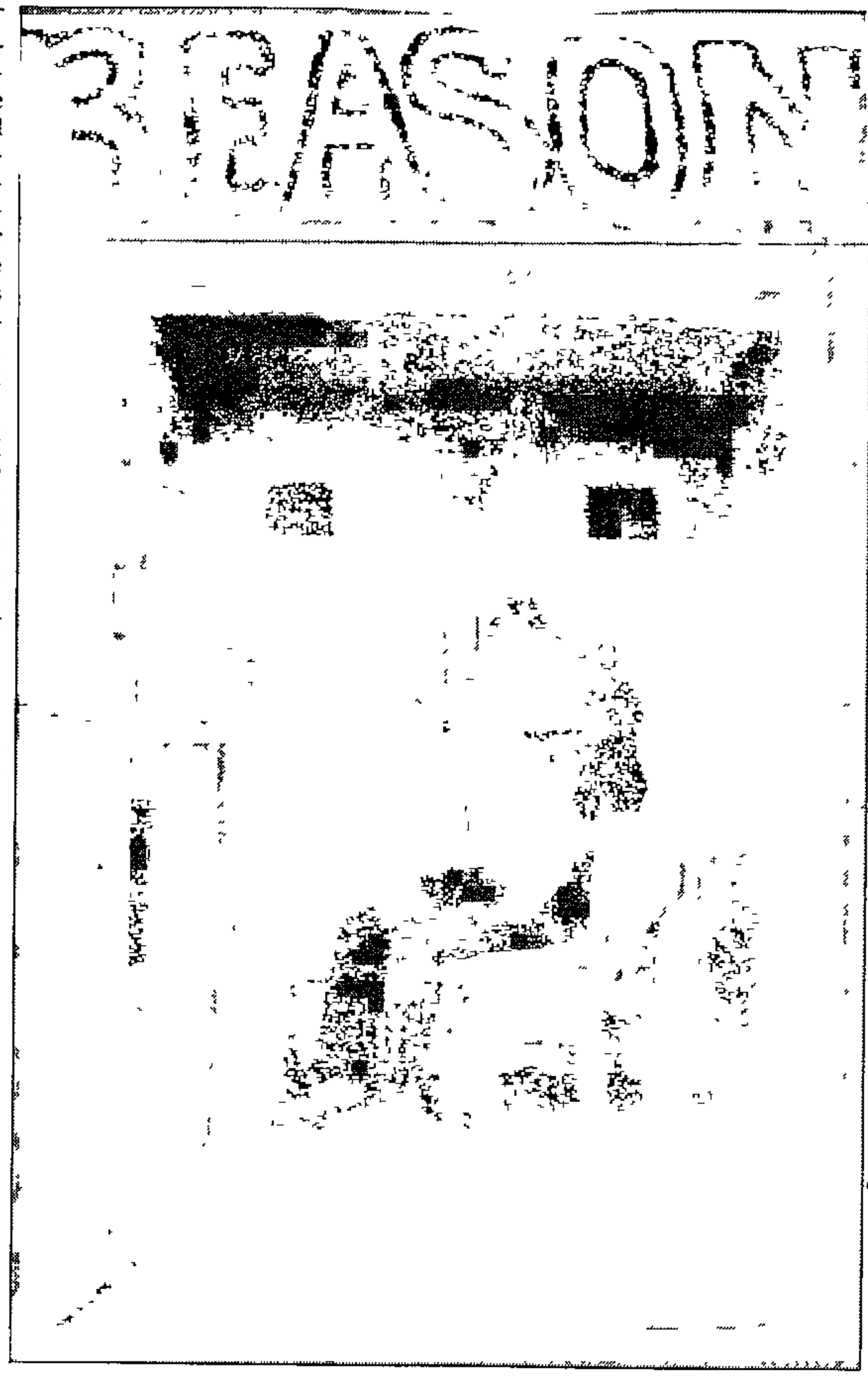
Ray Nxumalo

AN INSCRIPTION on one of the faded shipping containers standing on Kliptown's historic Freedom Charter Square — where the Freedom Charter was adopted in 1955 — declares war on hunger, poverty, disease and ignorance

The war has taken a small step towards being won thanks to an initiative by the National Consumer Co-operative Union Inside those shipping containers on the square are a host of flourishing small businesses

There's a paraffin merchant, a meat seller, a fast-food joint, a blanket stall, a rest-room, as well as hair salons, sweet stockists, car alarm and radio technicians, live chicken sellers, sorghum beer and second-hand clothes merchants Anything one needs can be had at the square at a competitive — if not better — price than in town

Bertha Seleke, a nursing sister at a private clinic in town, has opened a fast-food joint where local traders, policemen, shoppers and taxi-drivers can relieve their hunger pangs



'Reason Salon' ... A hairdresser at work inside a shipping container on Freedom Square. The water has to be fetched from a nearby filling station
PHOTO THEMBA HADEBE

Rebecca Matlou trades in sheep trotters, offal, some boerewors and a little red meat Hers is a sizzling — if hiccuping — trade. During our visit to her stall she had to turn away five customers because her suppliers had not yet delivered While disgruntled customers moaned, she grumbled to me: "When they have that bhabhalazi (hangover) they can get real nasty."

Matlou wants to increase her weekly order of sheeps' heads to nearly 2 000 units because the 400 she now receives "sometimes get finished within an hour"

Johannes "Maswiswi" Matlala is a resourceful paraffin trader who has seen a gap in the market and is now branching out into gas "While I was still working with paraffin only, I had to turn a lot of people with gas cylinders away," he said.

Like many traders here, Matlala was retrenched in the 1980s He used to work at a furniture shop and received no severance package when he lost his job With sales experience as his only resource, he started selling soft goods door-to-door

The streetwise Matlala then heard of the NCCU and its container initiative, launched last September He promptly forked out the R50 joining fee and set up shop His monthly rental is R200 a month "The rent is OK, it's not steep at all," he said

One would expect crime to be a worry, but the traders say a firm of security guards looks after them They have the support of nearby Kliptown police station, and security is further beefed up by the presence of an adjacent taxi rank — taxi drivers being a breed not to be messed with.

The situation isn't quite a shopper's paradise yet. "We have no toilets, water and electricity," said Matlala No electricity means shorter trading hours — and less income Hair salons have to fetch water from a nearby squatter settlement or filling stations

More seriously, Matlala worries that the traders are to be relocated a Soweto investment company has bought the square and intends building a modern shopping centre

"We would like to see this square belong to us," he said "The people who have braved all kinds of weather and have always traded here — and not see it become another Highgate or Southgate "

Vanishing breed?

PWV premier Tokyo Sexwale is giving hawkers a bad case of *déja vu* In what he describes as an attempt to clean up downtown Johannesburg, hawkers could be relegated to demarcated trading areas away from the city centre History repeats itself not long ago Nat government officials banned street trading because it supposedly hurt the country's image

Sexwale has not outlined where or when this move will take place, but it is part of his stated goal of curbing crime, drugs and taxi violence Unfortunately, he believes it's also necessary to crack down on working people trying to escape the poverty engendered by 50% unemployment He told the PWV legislature last month. "We can't market Johannesburg with the unattractive trading that is taking place on our pavements "

The African Council of Hawkers & Informal Businesses (Achib) has asked for a meeting with Sexwale to discuss the issue and pitch for more amenities, such as shelters, for hawkers Achib executive president Lawrence Mavundla doesn't pretend that hawkers on city streets are an attractive sight and he does believe that making a city attractive leads towards development But he strongly condemns any attempt to move street traders out of the city centre "You cannot take hawkers away from the people "

Mavundla adds that his council's plans will not end simply with a meeting between Achib and Sexwale He aims to push its policy plans with leaders of the other provinces as well

Free Market Foundation executive director Leon Louw rejects the idea that hawkers are an eyesore to prospective foreign investors He contends that experience worldwide shows that cities with hawkers tend to attract more tourists than those without And, he adds, exchange control and other economic structural problems are what's really turning off potential foreign investors

The Small Business Development Corp's Johann Muller concedes there are innumerable problems surrounding hawking, especially in the Johannesburg area, but says the informal sector is an invaluable part of the economy rather than an impediment to growth "That is where our future lies " He believes the appalling rate of unemployment can at least be mitigated by sustainable growth in the informal sector Achib reckons about 3m people around the country depend largely on hawking for their livelihoods

The history of hawkers around the country is indeed painful City councils, at their discretion, repeatedly pushed hawkers out of the CBDs and police often confiscated their goods and harassed them

Though hawkers no longer need licences, unless they are selling food cooked on the streets, the Johannesburg City Council plans — in terms of its amended constitution — to form a "Section 59" committee to deal exclusively with hawking and informal trading

The committee will draw members from the council, Achib, the SBDC and other stakeholders, and get input from the provincial authority One function will be to control the influx of foreign traders to the city Achib believes six out of 10 hawkers in the city are illegal immigrants, mostly from Zimbabwe Achib is also unhappy about the overseas hawkers — especially those from Asia - who are on the streets competing with locals

Most of the committee's participants agree that informal trading in the city centre should be assessed and changes implemented Nevertheless, Louw warns that if changes lead to the removal of hawkers from the city centre, the whole process is likely to backfire

He believes that regulators should take into account the fact that hawkers are not doing business for fun "They too have families to feed " ■



Jo'burg's street traders *evesore or attraction?*

Lease plan for hawker problem

SHARON SOROUR, Municipal Reporter

PROBLEMS with hawkers in the Mitchell's Plain Town Centre have prompted the city council to consider a three-month lease agreement with the town centre merchants' association to control informal trading

The council's utilities and works committee heard yesterday the merchants' association was worried about the effect of uncontrolled hawking on their businesses. (153A)

Any decision will have to be ratified by the council ARG 12/7/94

Deputy city administrator Alan Dolby said one faction of the hawkers had also put in an application to rent the town centre, but other hawker factions had opposed it

He said the community would have to be consulted and the council would have to set up its own structures to do so.

Mr Dolby said the council should enter into a three-month lease with the merchants' association This could be extended on a monthly basis 'and allow forrr consultation with the community.

Meanwhile, the council is also proposing enforcing a by-law to restrict hawking in the town centre

Police have agreed to support the merchants' association in controlling the hawking

Last year the city administrator entered into a 12-month lease with the Mitchell's Plain Town Centre Management Association which represented interest groups including property owners, businesses, hawkers, stallholders and the community.

However, some hawkers refused to be bound by the conditions of the lease. The merchants' association has proposed upgrading the town centre by providing informal trading kiosks

Street sellers face crackdown by council

SHARON SOROUR
Municipal Reporter

TOUGH regulations are on the cards to supervise and control hawking, peddling and street vending in Cape Town. Penalties include a fine of up to R1 000 or three months in prison and the impoundment of goods.

Under a draft bylaw accepted today by the city council utilities and works committee, anyone selling goods in the street will have to obtain council permission first.

If the bylaw is accepted by the council when it meets on September 1, trading will be restricted to certain areas.

Traders will be barred from damaging public roads or places, from making a nuisance of themselves or from creating a traffic hazard.

They will also have to keep their sites clean and dispose of litter generated by their business.

Law enforcement officers will be able to confiscate goods immediately if trading takes place in prohibited areas or if the business obstructs traffic or local authority service works.

ARG 8/8/94

Vendors will be issued with a receipt and the goods will be delivered to the council.

153A

Cape Chamber of Commerce and Industry spokesman Charl Adams said the chamber believed regulations would help to manage and control informal trading in the city centre.

Doubts about hawker by-law

Municipal Reporter

THE August 1 cut-off date for objections to the publication of a hawker-control by-law, likely to be accepted by the City Council on September 1, has elicited only three responses. CT 9/8/94

These came from the government, the city planner, and the Cape Town Chamber of Commerce and Industry.

Some of the members expressed reservations about immediate confiscation — without warnings and due process of law — of goods of transgressing hawkers. (153A)

Now women traders in Durban fight for their rights

(153A) WMP 2-18/8/94

Farouk Chothia



Unionised Vice-president of the new union in Durban, Zodwa Khumalo PHOTO Courtesy of

CRAFT vendors who display their wares on Durban's Golden Mile, the sangomas who scatter dead pigeons on the city's bustling pavements, the dress-sellers who shout their prices on street corners — these women are all members of one of the country's newest unions, the Self-Employed Women's Union (Sewu)

Muti-seller Zodwa Khumalo is Sewu's vice-president Sitting with a mortar and pestle to crush wood for her medicines, she remarked "Let the women be on their own We want them to learn not to be afraid when men speak.'

Sewu's members hail from northern Natal and the former Transkei homeland They have settled in Durban, just like others in their families have done before them, to eke out a living on the beachfront, in Russell and West streets and in Block AK, an informal trading centre near Greyville race-course

Some live in single-sex hostels, but for many, home is the pavement, where the women sleep in turns, some staying awake to fend off muggers and rapists who wait to strike

Daytime is no different Rain destroys their precious goods, self-styled rentlords demand cash for pavement sites — and, before the change in government, police would hound them off the streets

Against this backdrop, Sewu was launched last month with the aim of helping the women improve their working conditions

Khumalo has plied her trade in Russell street ever since her husband died four years ago Now 50 years old, she said the women would welcome the market the city council is considering building for informal traders "We will have toilets We will have shelter for our goods Maybe even a creche for our children But the market must be at a good spot where our customers will come — near the taxi ranks and train stations Otherwise, we will get no business," said Zodwa.

One of the prime-movers behind Sewu's formation was Pat Horn, a white woman who cut her teeth in the Chemical Workers' Industrial Union (CWIU) Now Sewu's secretary, she said "Individuals cannot resist. As a group, they can be empowered. The women think they have no rights When you talk to some of them about rights, they laugh "

She related the experience of Sewu's president, Mankinto Ngcobo (49), who, along with two other women, was assaulted, allegedly by a tourist, on the beach-front recently. A craft-vendor since she was 11-years-old, Ngcobo was allegedly punched, leaving her with a blue-eye

"The women accept this type of humiliation because they are afraid they will lose their livelihood We eventually persuaded Ngcobo to lay charges of assault with the police but the other two women still refuse to do so," said Horn

Another serious problem was street sellers being raped "Our members reported a rape that had occurred in the Block AK area recently We are trying to contact the woman to see how we can assist. We intend to take up the issue of rape strongly," said Horn

The women are organising themselves on the beachfront, for instance, there is now an elected "trade committee" which attends to grievances and holds report-back meetings

The union's membership stands at 251, with more then half the members — 141 — coming from the beachfront The union also recruits "home-based" women One of these is Patience Mahlaba (41) whose story bears testimony to the womens' survival instinct.

Fired by her employer two years ago for failing to report to work because of political violence in Umlazi's shack settlement, she and other women formed a co-operative, sewing dresses

After a fresh wave of violence swept through the township, the co-operative folded Undaunted, Mahlaba restarted it in Umbilo, a predominantly white business area But the co-operative had a major problem, however no customers

With the help of Sewu, negotiations to give the co-operative a market site at Durban's Snake Park on north beach were successful

The market operates between 8pm and 5am in the first half of the month, targeting passengers who disembark from buses arriving from Northern Transvaal and Swaziland

Horn said the problem of a shortage of customers would not disappear, as the trade was saturated

"Our challenge is to address the structural problem (and) to get the women to diversify into non-traditional areas, like carpentry and electrification," she said Sewu is now negotiating with the Khuphuka Skills Training and Employment Project to run part-time classes for Sewu members "Many of the women are eager to learn such non-traditional skills in order to obtain employment in RDP building and electrification programmes," added Horn

On the beachfront, craft-vendors complain of business falling off They say it's because white holiday-makers avoid Durban now that its beaches have been desegregated

Some of Sewu's beachfront members have now obtained financial loans from the Get Ahead Foundation which assists small traders

Ngcobo said "We formed a group of five and the Get Ahead Foundation gave us R3 000. We divided the money equally amongst ourselves."



BUSINESS *with Ali Mphaki*

Bank rolls up

C/Press 4/9/94

Loans to help hawkers

LIFE will become a little easier for Johannesburg's hawkers on Wednesday – when the African Council for Hawkers and Informal Business (Achib) opens its first mobile bank for hawkers.

Achib launched similar mobile banks in Durban and Empangeni in Natal last year and – thanks to their popularity and success – hopes to have several mobile banks throughout the country soon

"The mobile bank will offer loans ranging from R100 to R500 to help hawkers buy their stock," said Achib president Lawrence Mavundla

"The loans are payable within a week – and so far where we've been using this system, we've not experienced serious problems when it comes to repayments." (153A)

Mavundla said the mobile bank would be situated opposite Shell House between Plein and Klein streets

Various speakers have been invited to the opening, including PWV Premier Tokyo Sexwale and Minister without Portfolio Jay Naidoo

Johannesburg hawkers will get yet another facility when the bank opens – next to it will be the city's first storeroom where hawkers can store their wares overnight

Meanwhile the 52 000-strong Achib grew 60 000 stronger with the affiliation of the Western Cape Hawkers and Informal Business last week. Affiliate president Khaya Mqhayisa will automatically become the Achib Western Cape president



FAST MONEY . . . Achib's new mobile banks are a hit with hawkers, says Achib president Lawrence Mavundla.

Bank for hawkers

Sowetan 8/9/94

Sowetan Reporter

THE PWV provincial government was looking at finding solutions to the problems facing the small business sector in the province.

Speaking at the opening of the "Hawkers' Bank" in Johannesburg yesterday, PWV premier Tokyo Sexwale said his government planned to build a trade centre for small business in the city.

He said the centre would make its easy for the informal sector to ply their trades without harassment and intimidation from big business.

The bank, the brainchild of the African Council of Hawkers and Informal Businesses, is sponsored by the Anglo American and De Beers Foundation Fund and will make loans of between R100 and R500 (153A)

Sexwale suggested a committee be formed to deal with problems facing the informal sector.

The informal sector was a key component of the Reconstruction and Development Programme because it helped to create jobs for thousands of unemployed people, Sexwale said.

PPI jumps to 9% in wake of weak rand

BDay 14/9/94

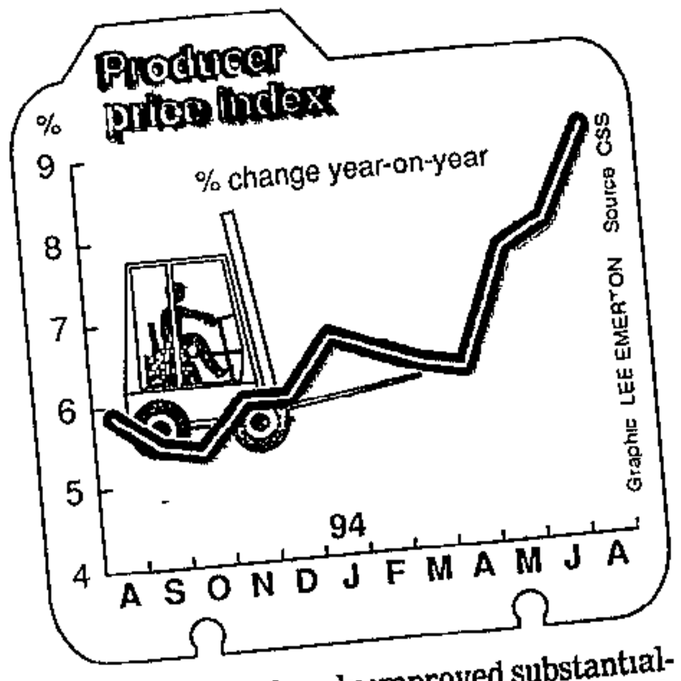
GRETA STEYN

THE weak rand finally made its presence felt in SA's inflation statistics, helping push producer inflation to its highest rate in nearly two years in July with an unexpectedly large jump to 9% from 7,9% in June

The oil price rise earlier this year, high food prices and the increase in excise duties in the Budget also took their toll

The imported component of the producer price index (PPI) rose 6,9% in the year to July — the highest level since September 1992 and substantially higher than the 4,4% recorded in June Economists said the rise came off a low base and was the result of rand weakness and the rise in oil prices earlier this year (2 col 153A)

Rand Merchant Bank economist Rudolf Gouws said it was about time that the rand's weakness filtered through to producer inflation. But July's figures were an upward spike that were unlikely to become a trend



"The rand has already improved substantially and oil prices have softened The outlook is not as gloomy as these figures might suggest" He expected the producer inflation

To Page 2

PPI

BDay 14/9/94

From Page 1

rate to average about 10% next year.

Southern Life economist Sandra Gordon said the positive effect of the recent changes in the rand and the oil price would filter through to the PPI in September at the earliest. (2 col)

The PPI's domestic component rose 9,4% in the year to July compared with an increase of 8,7% in June. Food continues to be a major factor, with fresh meat prices surging almost 47% over the year to July

The month-on-month rise in the PPI of 1,7% was unusually large after an average of less than 1% for the year to June. An economist said if the new average of about 1% a month continued for the rest of the year, producer inflation would be about 12% by December. The average for the year would be about 8,7%.

The imported component of manufacturing prices rose 0,8% month-on-month after recording no increase in June. The "other mining and quarrying" component — mainly the oil price — rose a hefty 5,9% between June and July this year.

Comment: Page 14

Informal traders seek recognition

CAPE TOWN — Cape informal traders, who believed government was neglecting the informal sector, had called for the establishment of an informal trading section under the provincial economic affairs department, Cape Peninsula Informal Traders' Association chairman Hassan Kahn said yesterday

In an interview at the start of Small Business Week, Kahn said 250 000 jobs had been created through flea markets nationally and the sector could assist in the reconstruction and development of SA through job creation

His association, which represented more than 850 informal traders in the Peninsula, recently aligned itself with the National Hawkers' Association and Cape taxi associations to form a co-ordinating council of informal traders

Kahn said the sector needed formal endorsement from government to implement projects, establish co-ordinating infrastructure for the sector and submit proposals to large companies and foreign countries regarding potential funding, training and educational programmes and expansion

"We believe the RDP should start at community level but we have no endorsement or any co-ordinating infrastructure. We see big business influencing banks to be tough on informal traders and it is difficult for us to obtain financing facilities from these institutions," said Kahn

EDWARD WEST

He said big business and institutions such as the Small Business Development Corporation used strategic alliances such as the Western Cape Economic Development Forum to obtain foreign funding for the informal sector, but these funds never filtered down to informal traders

Although informal traders should be self-funding, the sector needed a kick-start.

Flea markets were overtraded in the Cape, and traders had called for policies to ensure regulated and planned trading sites by controlling the number of traders and product diversity at each market, he said.

Local traders needed to restructure their relationships with the growing number of foreign informal traders who were importing cheaper goods, mainly from the Far East This meant alien traders were importing goods which were then sold by local informal traders. (153A)

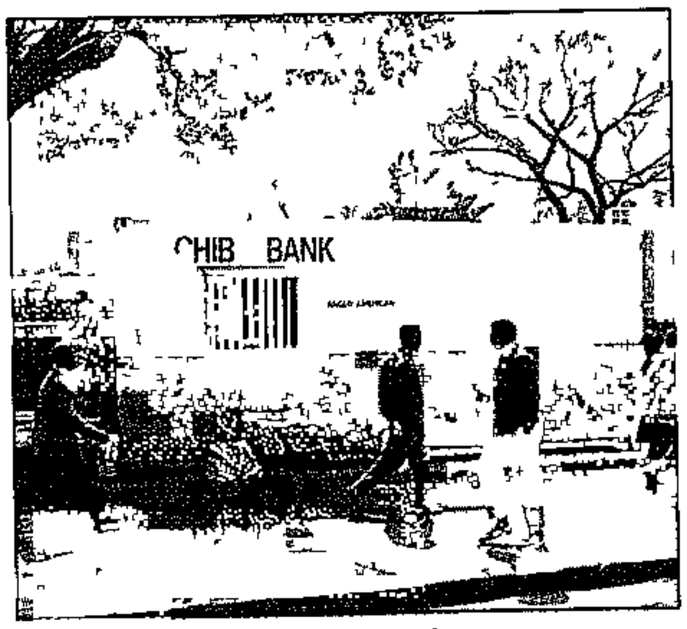
Fri 23/9/94

HAWKING

An informal solution

By its nature, the informal sector cannot get finance from formal banks This is one of the impediments faced by a trader trying to set up an operation

A financing operation, established by the African Council of Hawkers and Informal Business (Achib) is attempting to fulfil that



A mobile unit *banking at grass roots*

need It lends small amounts of money (between R100 and R500) to hawkers — usually for the purchase of stock — to be repaid within a week

No interest is charged on loans, since the bank is not registered But borrowers are charged a raising fee of a few rand on repayment

To reduce bad debts

- A recommendation is required of prospective borrowers from two other Achib-registered hawkers,
- A hawker must ply his or her trade in the area, and (153A)
- Borrowers are asked to participate in an Achib-run training programme which teaches basic business skills such as costing, cash management and basic bookkeeping, and provides information about suppliers of stock

Lawrence Mavundla, executive president of Achib, says major difficulties identified by hawkers in the running of their businesses are the lack of supplier information and poor understanding of costing

There are two branches — one in Empangeni, Natal, which has been going for six months, and one in the centre of Johannesburg, opened last week Each branch processes about 50 loans a day

They have been launched with grants from large corporations as part of various social responsibility programmes The Empangeni outlet had backing from Richards Bay Minerals, and the Johannesburg outlet from Anglo American

Anglo says it will help set up outlets in Soweto and in the Eastern Transvaal soon, depending on how well the Johannesburg branch works out ■

153A

Squatters to sell wares to tourists

■ An exciting new venue for crafters at the Masiphumelele informal settlement at Noordhoek, with stone-walled and thatch-roofed stalls, will showcase squatters' work.

DI CAELERS, Weekend Argus Reporter

A UNIQUE, new craft market in Noordhoek's informal settlement, Masiphumelele, is set to provide some stiff competition for Cape Town's established markets

It is perfectly positioned — on the road to Kommetjie next to the Noordhoek settlement — to woo tourists on their way to Cape Point

The market features attractive crafters' stall of stone and thatch that are likely to tempt visitors to take a closer look

Once the hard work of the Cape Technikon horticulture students grows into the fine garden it promises to be, there will be little to beat this venue

The market is a joint initiative of the residents of Masiphumele, the Provincial Administration of the Western Cape and the Small Business Development Corporation

The Cape Technikon, Noordhoek's Bayridge Training Centre and The Green Trust also played an important rôle

Project manager Warwick Bayer described the market as a self-help exercise that, once viable, would be handed over to be managed entirely by the local community

"What we're establishing here is a unique craft market with an African ethnic look

"We're working towards plenty of character and atmosphere so that it'll be impossible for tourists not to stop here."

Training is an important aspect and experts in ethnic crafts are expected to be included in the training programme

Esteban Azorin, of the University of Cape Town's Institute for Plant Conservation, explained that the clearing and building work had all been undertaken by local residents

"We hope there'll be a lot of interaction between this community and the surrounding ones too We hope to see crafters from the established areas also here selling their creations

"Among the thatched crafters' huts we've left plenty of room for crafters' tables which can be set up according to the demand," he said

The design includes an amphitheatre which will be a venue for music and drama groups from the informal settlement

Mr Azorin said the market would be open for trading in time for the holiday season



□ **GARDEN OF EDEN:** Horticulture student Chris Gallant is one of the many students who put in hours of work to ensure a verdant environment for the craft market



Pictures BRENTON GEACH, Weekend Argus

□ **TAKING SHAPE:** Unique crafters' stalls take shape on the site of the new market at the Noordhoek squatter camp, Masiphumelele. Making sure work remains on track are project manager Warwick Bayer, left, and stonemason and resident Gibson Kapela.

'Small business' heads for scrapheap

ARG 25/10/94

Political Staff

THE Small Business Development Corporation appears headed for the scrapheap in a reform of the country's support systems for small, medium and micro-enterprises.

A ministry of trade and industry discussion paper on strategies for development in this arena recommends all of the government's financial transfers to the SBDC be terminated as a means of levelling the playing fields "in the transitional period".

The head office of the SBDC should be transformed into a "small, tightly structured small business development agency" (SBDA), which would also serve as the secretariat for a national small business council (NSBC)

The NSBC would "sanction national small business support framework and become an effective sounding board of small business interests and concerns"

The report also bluntly states "a new chief executive officer of the SBDA should be appointed by a committee of government, shareholders of the old SBDC and the provincial and small business representatives."

The SBDC's operational activities — including loan finance, property development and informational services — would be decentralised

SBDC assets in six of the provinces would be consolidated into share capital

Offering new options for Cape's jobless is Cafda's aim

☐ Project already bearing fruit

ARG 10/11/94
153(A)

JENNY VIALL
Staff Reporter

UNEMPLOYED people driven to doubting their own skills, achievements and interests need to reach out to everyone — including themselves

Putting dejected, poorly motivated jobless people in touch with themselves is the object of a thriving, five-month-old project of the Retreat-based Cape Flats Distress Association (Cafda)

Cafda's new, regular "employment options workshops" are designed to make struggling members of the community less reliant on services such as the organisation's feeding scheme

The job creation programme based on the options workshops is bearing fruit, with a few participants already working full or part-time.

Heading the programme is Lynette Thorne, who invites people to the workshops after careful screening.

The workshop focuses on clients' skills, achievements and interests as well as their feelings about being unemployed.

After this, people are channelled into programmes such as garment making, computers, child-minding, youth development or Operation Clean-Up, a programme run by the Fairest Cape Association where people get vouchers for food or clothing in exchange for cleaning up areas.

Some participants have been employed at a spice business in Tokai

Discussing progress in the project, Ms Thorne said "We felt we had been issuing food parcels to people for far too long, and this was not developing people We decided we had to do some development work"

A success story has been the garment manufacturing course, with 12 women graduates

Six of them have decided to start home industries with their new skills and have been "adopted" by the Small Business Development Corporation which will teach them marketing and costing skills

The other six have chosen to form a co-operative, and Cafda will provide material, machines and premises rent-free

Some people who attended the employment options workshop have joined Cafda worker Mary Sloster's job-hunting skills workshop.

Ms Sloster teaches domestic workers skills, what to expect in terms of payment, travel allowance and working conditions She also links employees with employers The next group of people she'll be working with are gardeners

Plans include the launch of a home gardens project, where unemployed people can learn to grow vegetables for their own use and to sell

"The unemployment project is still in its early days," says Ms Thorne, "but we're already doing what the RDP sets out to do — develop people and communities"

● Cafda will be distributing some of the Argus/Spar Christmas hampers to underprivileged people in the area served by the association



SPICE OF LIFE: Denise Geldenhuis, front, June du Preez and Margot Jacobs are working at a Tokai spice business, thanks to Cafda's employment options workshop
Picture ROY WIGLEY, The Argus

More than R21 000 raised for hampers

The Argus SPAR Christmas Hamper Fund

Staff Reporter

MORE than R21 000 has been collected towards the R105 000 Argus/Spar Christmas Hamper Fund Challenge, which will provide Christmas cheer for 3 000 underprivileged families this year

By supporting the hamper fund you'll also be helping the environment, as a portion of the money raised will go to the Fairest Cape Association to expand its township food gardens project.

Over 1 500 food gardens have been set up by the Fairest Cape Association in the townships.

Last Christmas 1 100 hampers were distributed through well-known charities. The target this year is 3 000 hampers.

Hampers cost R35 each, but are worth a lot more as Spar is supporting the project by supplying food at cost.

If you have ideas on how to raise money in your place of business or community, and would like to challenge others to match or better your contribution, please contact the Fairest Cape Association ☎ 462 2040.

Contributions can be sent to: The Argus/Spar Christmas Hamper Fund, PO Box 97, Cape Town, 8000. Cheques should be made payable to The Argus/Spar Christmas Hamper Fund

Dismay at street trade law delay

(153A)

CT 10/11/94

By PETER DENNEHY

CITY traders are dismayed that the tough new by-law to ban or control street trading hasn't yet been approved and is unlikely to be through in time for the Christmas rush

The City Council had referred the proposed by-law to the Department of Trade and Industry in Septemer

"The Christmas shopping period is almost upon us and the lack of regulation of street trading is giving rise to serious problems in a number of important business areas in and around the city, including Adderley Street in the city and Main Road in Claremont," the Chamber of Commerce said in its business bulletin this week.

A spokesman from the office of Dr Zav Rustomjee, the new director-general of Trade and Industry, said the by-law that Cape Town had drawn up had been put in the post to the minister, Mr Trevor Manuel, yesterday

Mr Manuel is expected to sign it and pass it on to the President's office

The President is expected to sign it, making it law The by-law falls under the amended Businesses Act, which is already law

The next stage, however, is that the City Council must decide in which areas hawking will be banned outright, and where the selling of goods similar to those in adjoining stores will be banned

Mr Les Barchard, a spokesman for the council's legal office, said the council would advertise its intention to declare an area restricted or prohibited, allow three weeks for objections, and then publish the new by-law in the province's official gazette

The by-law carries a maximum fine of R1 000 or three months' imprisonment. Goods of transgressing hawkers may be immediately confiscated, without warning or legal process



STREET MARKET . . . These Adderley Street pavement traders may soon have to find another area to trade if the government passes the City Council's tough new by-law to regulate street trading Picture BENNY GOOL

Informal sector growth badly needs help

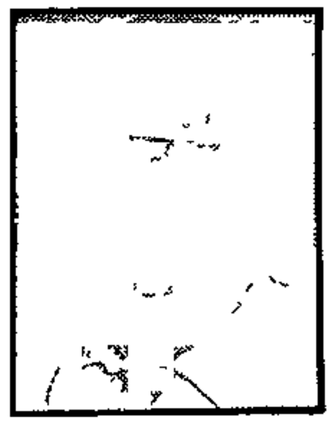
UNTIL now the informal sector in South Africa has been romanticised, yet not everybody in it is an entrepreneur

Most informal sector operators were created by the unemployment in the formal sector which is now over 45 percent In some areas, for instance Queenstown and Port Elizabeth, it is over 72 percent The thousands losing jobs are trying their hands at everything just to survive, and the bulk end up as "spaza shops" or hawkers and barely survive

Research by the central statistical services four years ago showed that only six percent of over two million black entrepreneurs had incomes of over R6 000 a month. Yet more than 70 percent had incomes of less than R700 a month Figures in a World Bank report on South Africa confirm the trend

In 1992 the bank researched 175 retail (food and non-food) manufacturing, engineering and service operations and found 21,34 percent had monthly incomes of less than R300, 20,62 percent incomes between R301 and R600, 18,69 percent between R600 and R1 000 and 21,16 percent between R1 000 and R2 000. For over R2 000 the figure is 18,31 percent.

On the turnover and profitability of micro enterprises, the bank says the mean monthly turnover is R1 502 and the median is R800. A sectoral breakdown reveals the concentration of low levels of turnover in the traditional, easy entry activities in which female enterprises are concentrated, especially soft production.



■ Black business is the key to a growing and vibrant South African economy and everything must be done to develop the growing number of entrepreneurs coming out of the townships.

THAMI MAZWAI

Informal sector liquidations, if one can call them that, are common A "spaza shop" owner says some people stay in business for only three months. Most informal traders would leave immediately if they were offered employment in the formal sector

This, then, means that while the contribution the informal sector makes to alleviating unemployment and poverty must be appreciated, it is, however, not the avenue to assist the economy.

Even if there is a marginal contribution to the GDP, it does not provide employment in the true sense of the word, nor is there any contribution to the exchequer

We need to turn the people in the informal sector into the formal and meaningful businesses Statistics show that throughout the world, it is these enterprises that provide employment

In Japan about 60 percent of jobs are created by small to medium-sized enterprises Therefore, instead of creating entrepreneurs who barely survive, we must try to strengthen the existing ones How can we do this?

Research in Britain 10 years ago revealed the following major shortcomings in the small business

- Lack of management expertise
- Lack of finance, and
- Lack of technical know-how

These then are the areas of concern that must be corrected There are other causes, such as the effect of apartheid legislation on black business

The most vital of these three is lack of management expertise Management expertise means the ability of the entrepreneur to control and direct the factors of production at his disposal, using them efficiently and therefore ensuring that output exceeds input

It is, therefore, not lack of finance which is the biggest cause of the collapse of businesses, but management expertise In fact, people's inability to manage finance is a bigger problem than the lack of finance itself We have instances where people borrow in the short-term market for long-term investments

We then have entrepreneurs who do not know anything about financial reporting, and operate on a day-to-day basis, not knowing if they are making a profit or not

The best way, however, to overcome the shortcomings is by practice This means big business must lend a hand It should give small contracts to black entrepreneurs, source supplies from black business or get into joint ventures with black entrepreneurs Also, there is no disgrace in giving management contracts to white organisations, after all they have the expertise

Lesedi Clinic tried this out and it has made a remarkable turnaround. After initially running at a loss as its managers did not have the skills to run a clinic, it then asked Afrox, which owns several clinics countrywide, to manage the clinic with a Lesedi nominee as an understudy This worked The nominee has now taken over, and he has the skills

Government intervention is also vital Instead of talking deregulation, the government must talk strategic intervention in the economy We must stop trying to apply first world solutions to what are essentially developing world problems..

■ *Thami Mazwai is editor of the business journal, Enterprise This article was published in the Sept/Oct Edition of the South Africa Foundation Review*

Retail property picks up, but hawkers dampen surge

(53A) CT 29/11/94

By MAGGIE ROWLEY
Property Editor

THE Western Cape retail property market outside the CBD has picked up in the last year with vacancies dropping and a proliferation of new developments in planning stages, says Martin Swanson, Seeff Commercial Properties' retail specialist

Swanson, who has concluded retail contracts with a total capital value of more than R17m in the past six months, said the surge in demand for commercial trading space had seen prime retail rentals surge to levels "few in 1993 believed possible" and hardening attitudes in negotiations

Rentals upwards of R150/m² were being attained in high density passing trade areas for stores between 100m² to 180m² in size

"We see this as a massive demonstration of the confidence shown by commerce in the market since the April elections," he said

The average escalation now being signed, he said, was 11% which he perceives as a compromise between tenants' demands for 10% as influenced by the drop in the inflation rate and landlords' desires to retain the traditional 12% on the assumption that inflation will rise again

"We have seen this tendency in all areas outside the Cape Town CBD and as far as Stellenbosch where we recently let a 500m² shop in Bird Street where the lease has a capital value of R481 375"

However, he warns it was not all good news in the retail market In the Cape Town CBD the same upward pressure on rentals was not present as landlords and tenants were struggling with the informal trading issue

"This problem has largely been avoided in the large regional centres where stringent security has kept the illegal traders at bay"

Swanson said one CBD trader had seen his trade drop 60% in the past six months after hawking was legalised in St Georges Mall

"The complaints are that the informal traders keep upmarket clientele away, leave dirt behind and are not paying for the privilege of trading in the heart of the CBD"

As a result, Swanson says a controversy now surrounds buildings which command high rentals for retail premises today but whose shopper profile has changed from when the lease was first struck

"The store that caters for the upmarket shopper can only be expected to pay a premium rental if the building attracts that shopper"

Swanson argues that where the shopper profile has changed, this change should be reflected in the market rentals asked by the landlords for new contracts

"However, the question about sitting tenants who have historically committed themsevles to high asking rentals and still have tenure left on their contracts then arises

"The response tenants have given us indicates that, if there is a legally binding contract, landlords will hold tenants to the terms and conditions thereof

"Some tenants have had to change their merchandise, shop design and marketing approach to meet the requirements of their new customer profile Very often this includes reviewing the merchandise pricing structure with a detrimental effect on the projected bottom line target, but there has been no accompanying rental relief"

Swanson said it was difficult to dispute the binding commitment between landlord and tenant

"But one must ask where the relief for the compromised tenant can be found The grumbling of discontent is growing and someone had better listen before it is too late

"CBD landlords should come to terms with the location of their building and to put through the relative adjustments in their balance sheets to fairly reflect the value of their buildings"

'Drive for the mainstream' trust chief tells small producers

(153A) ARG 3/12/94

Business Staff

INFORMAL manufacturers must move their goods out of craft markets and into high-volume retail outlets by adopting a hard-sell, market-driven approach.

This was the message from Peter Hinton, manager of Triple Trust's Africa Trading division, at a marketing seminar for small producers held in Cape Town this week.

Triple Trust is a private sector development group providing marketing, training and financing assistance to informal sector producers The goods produced by its clients are purchased by Triple Trust and sold in over 200 domestic retailers and exported to ten countries

Informal manufacturing would only bring about substantial job-creation if producers became efficient, competitive and innovative, Mr Hinton said. "Soft" treatment of producers by Triple Trust in the past had given rise to economically "diabolical" results.

"The motivation to create jobs can make you soft on producers We used to say. 'You made it, we trained you, we'll buy it,' without paying attention to detail or to quality," he said

But the organisation soon realised that "you can't let the heart rule the head"

Mr Hinton urged producers to undertake market research and manufacture goods according to customers' demands

"Just because someone has a skill, it doesn't follow that a thing made with that skill will sell. You've got to be market led, not skill led."

The newly market-disciplined Triple Trust has dropped craft stalls as outlets for its range of African gifts, leather goods and sheepskin slippers. Instead it has focussed all its marketing energies on formal sector retailers and the export market

Meeting the formal market's requirements helped producers improve quality and increase production volumes, Mr Hinton said.

Vital elements in informal producers' sales success included:

- Frequent new product development.
- Effective and prompt communication with customers.
- Good administrative backup, including processing of the "huge amount of paperwork" required of exporters.

For further information call Triple Trust ☎ 448-7341. Trade inquiries should be directed to Africa Trading ☎ 386-1840 or fax 386-2261

Matrics urged to join informal sector

(153A) CT 6/12/94

Staff Reporter

THE Department of Labour has encouraged matriculants to seek self-employment in the informal sector after graduating

Despite the possibility of new work opportunities in the manufacturing and service sectors, job prospects in the formal sector remained bleak, the department said in a statement yesterday

They encouraged matriculants to consider working for themselves in the informal sector, where 75% of all new job opportunities are created

To reduce unemployment and to accommodate new entrants in the labour market each year, annual economic growth of at least eight to 10% was necessary, they said

However, growth predictions indicated that jobs would only increase by an average 1,4% annually This meant there would only be 500 000 more jobs by the end of the century, they said

There are 560 000 matric pupils in South Africa this year alone

The department encouraged matrics to make use of the department's free job placement service.

Efforts were made to find applicants jobs that matched their qualifications, aptitudes, interests, personality, training and experience

Matriculants could also apply to the department's training scheme, which equips the unemployed with marketable skills to enhance their job prospects

ARG 6/12/94

Traders 'refuse to pay' stall rent

153A

Supreme Court Reporter

THE Mitchell's Plain Town Centre Merchants Association has brought a Supreme Court application to interdict 18 hawkers from trading at the town centre until they pay R40 a month rent for a trading bay

The association also wanted the hawkers restrained from assaulting or threatening it's members.

In papers the association's chairman Yusuf Ebrahim said they had an agreement with the Cape Town City Council to lease certain portions of the Mitchell's Plain Town Centre.

He said the association had the right to sub-let the area to hawkers and was responsible for controlling hawking and keeping the area clean and crime-free.

He said in an effort to control hawking at the town centre, the association allocated trading bays for R40 rent a month.

He said all the hawkers, except for 18, had applied for bays and were trading in "a responsible manner".

He said the 18 hawkers had refused to pay rent and were setting up stalls "when and where they wish".

He said this behaviour was "offensive" to the formal traders.

He said attempts by the security guards to move the 18 hawkers had "elicited a spate of attacks" on the guards.

Mr Acting Justice Steyn postponed the application to December 13 to allow the 18 hawkers to file replying papers

Hawkers' status still same

153A

SELLO MOTLHABAKWE

BD 9/12/94

TRADE and Industry Minister Trevor Manuel has appealed to local authorities to observe the status quo in regard to trading by hawkers until a policy framework on microenterprises is in place

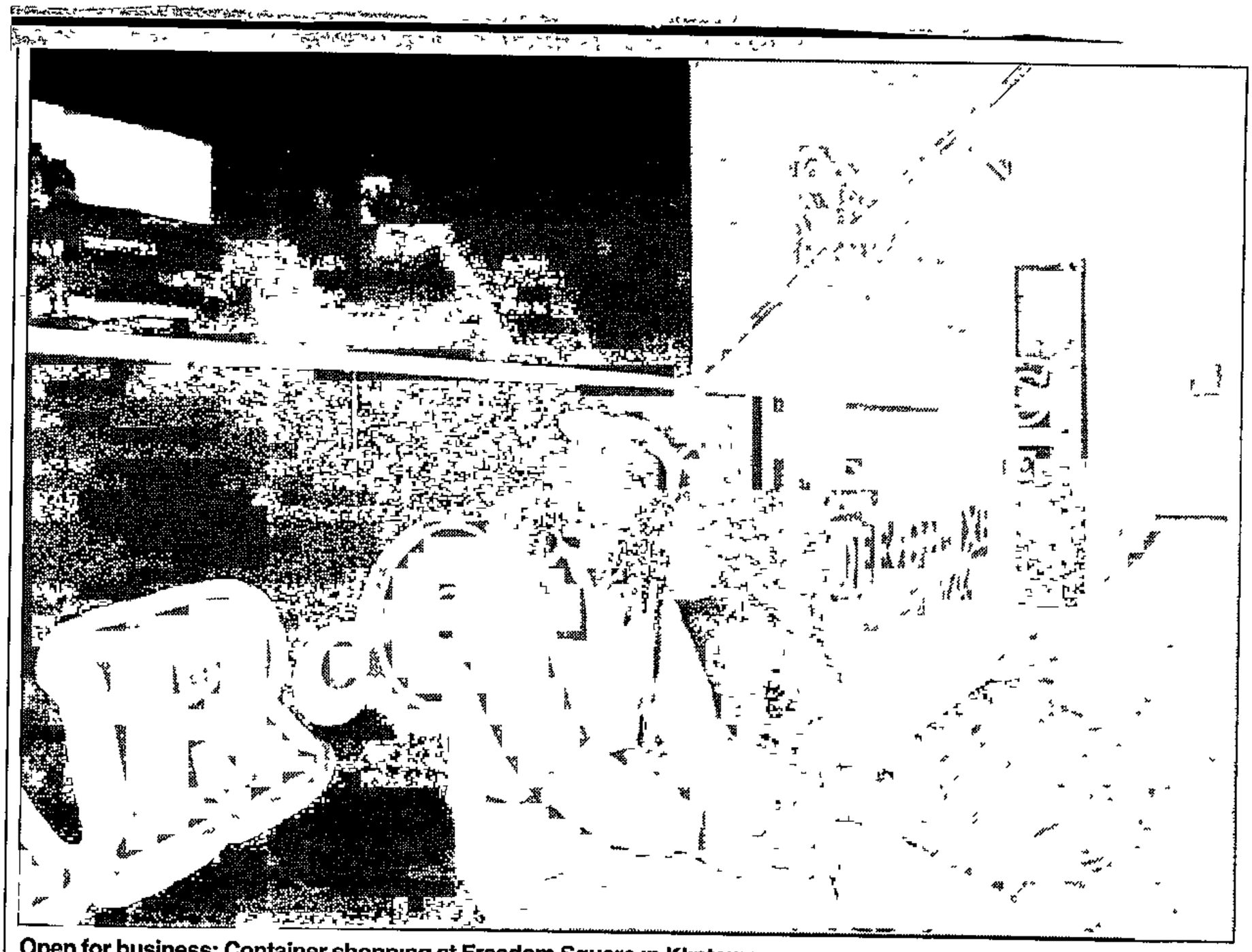
The Trade and Industry Department said it had dealt with numerous requests for amendments to municipal bylaws to address issues related to trading by hawkers

It had initiated a process to develop a single policy framework within the context of a comprehensive policy on medium and microentreprises

The department had examined legislation, scrutinised the proposed amendments and assessed the likely effect amendments would have on trading

It appeared "undesirable" to continue in a piecemeal fashion as the process was time-consuming.

In the interim, the status quo would remain, save for gross violations of the bylaws.



Open for business: Container shopping at Freedom Square in Kliptown

PHOTOGRAPH NAASHON ZALK

From shipping to shopping

wm 15-22/12/94 (153A)

Nombuyiselo Maloyi

YOU can't miss the Freedom Square RDP and Healing Centre, launched on Saturday. Fifty shipping containers painted in all the colours of the new South Africa flag now occupy the field in Kliptown, near Soweto, where the Freedom Charter was drafted 49 years ago.

The traders' containers and corrugated iron units were donated by Safmarine Paying homage to the historic site, one container has been set aside and the main principles of the Freedom Charter painted in bold black letters on the wall.

The rest of the containers have been converted into restaurants, butcher shops, a tavern, hair salons, a library, and various retail spaza outlets

The containers are managed and rented out by the National Consumer's Co-operative Union (NCCU), a community based economic empowerment project in Soweto The co-op — the first black consumer co-operative society to be registered — was founded in 1986 by Bizzah Molotov, a former official of the Soweto Civic Organisation

The Freedom Square project is not perfect. There are complaints from the traders that there is no electricity, there are no toilets — and the rental is high

Like the other occupants of container-shops, trader Rebecca Matlou used to do business from a stall in a fleamarket next to Freedom Square, and there are still many traders in the fleamarket, selling clothes, food and second-hand furniture

Matlou said her container-shop is better than a stall, but the lack of electricity is a problem "Without electricity, I am running at a stock loss I have to order frozen meat which I must sell within a week I didn't order anything for the festive season because it is extremely hot during December and meat gets spoilt "

Thembi Mahlangu, who sells food and cold drinks, also raised her concern about electricity, but her main complaint was the rent "We pay R200 for a place without electricity Our stock is safe here but we have to close before dark."

Molotov's response to the traders' complaints is that management has spoken to Eskom and is waiting for the installation of electricity in the area He confirmed that there are some shortcomings with the centre, but said the community's response is overwhelming

He said aspiring entepreneurs are constantly asking to be accommodated in the Freedom Square Traders' Market or asking for facilities and training to enable them to set up their own business elsewhere

The rental is being used to pay for the security guards who look after the place 24 hours a day , as well as the management staff

... or spend, spend, spend without leaving the beach in Cape Town

Sushi on the sand

BT (153A) WM 23/12/94-5/1/95



Beach boom: Cynthia Sokoko hawks mineral water and cooldrinks on Clifton beach
PHOTOGRAPH RODGER BOSCH

Now that the struggle for socialism has been fought, won and ignored, Cape Town's beaches are hot on the heels of shopping malls, writes Justin Pearce

WHEN I was a *laaitie*, Cape Town's beaches were for swimming. Or at least for building sandcastles, exercising the dog and similarly wholesome pursuits

The nearest thing you got to commercial activity on the beach was a kiosk that looked like a public lavatory and which opened whenever the person inside felt well disposed towards the universe, which wasn't often. When it was open, the kiosk sold special sand-flavoured ice-cream If you wanted to spend money at the beach well, isn't that why God created Durban?

But all that was in the days of *volkskapitalisme*, when much of South Africa's retail sector closely resembled a bad day in Bucharest Now that the struggle for socialism has been fought, won and ignored and the retail sector aspires to Los Angeles, Cape Town's beaches are hot on the heels of the shopping malls

It's at Camps Bay and Clifton that you notice it first· people stalk around with insulated boxes of Magnum ice-creams, or with plastic backpacks filled with fruit juice which they pour out through an elephantine rubber tube. (The backpacks are an import from Norway, where they are used for hot drinks.)

Others sell canned cooldrinks or rent out sun loungers from stalls on the sand. *Hokkies* dotted along the edge of Camps Bay beach sell hot dogs, Mexican tacos, mineral water and oysters.

These, after all, are the beaches with the money, visited mostly by tourists and singles On the False Bay beaches, frequented by families, the traders look less happy — even the Carmen Miranda-style fruity hats worn by the juice vendors haven't persuaded people to part with their cash An enterprising tool rental firm in Fish Hoek has, however, done well by expanding into flipper and boogie-board rentals from a stall on the beach

Still, the sight of people tucking into sushi on the sand is likely to remain exclusively an Atlantic Coast phenomenon Mr Delivery, a service which does home deliveries from a variety of city restaurants, has obtained a permit to deliver to Camps Bay beach as well.

If mere cones are insufficient to satisfy your ice-cream lust, you can order the stuff by the litre and have it delivered If you have the kind of money which enables you to order restaurant food on a beach then you probably won't think twice about packing your cellphone in your beach bag and placing your order without getting up from your freshly laundered kikoi.

A new development this summer is that you can really use your cellphone on the Atlantic beaches Earlier this year that side of the mountain wasn't yet on the network, though this didn't stop people from airing their phones at the beach anyway.

Robin Horn, Cape Town City Council's acting director of civic amenities, says the beach trading boom is the result of a shift away from the previous policy whereby the council invited tenders for beach facilities (such as the sand-flavoured ice-cream kiosks) and associated vendor services

Now the council invites applications for temporary trading licences. Most of these are taken up by small entrepreneurs who operate only during the high tourist season of December and January, and who either operate solo or employ students

Food vendors are subject to inspections by the city's medical officer of health and the council regulates the issuing of licences to ensure that the beaches do not become full-scale flea markets, and that there is a reasonable variety of produce on sale at the different stalls

At the moment the only gap in the market is for pocket-sized containers of Vim, which is the only effective way of getting the remains of oil slicks off your feet.

For a full list of where to find your entertainment in any of the country's major centres, turn to Out to Play on Pages 46 to 48

Informal sector workers remain untaxed — Seeff

Business Staff

THE Katz Commission had made a mistake by tackling salary earners instead of informal sector operators, said Seeff Trust sales and marketing director Andrew Smith

In South Africa like in other African countries, he said, informal sector operators were often beyond the reach of revenue collectors.

"The amount of money being lost to the fiscus because of non-collection of VAT and income tax, on income or sales that is never reported by these privateers must be colossal and immeasurable", said Mr Smith

"You never see anybody from the Receiver's office or a City Treasurer's department collecting in the townships

"They stay away because understandably they are just too scared to police these areas.

"Try and chase away an informal trader from the sidewalk and you have a near riot on your hands."

"Nevertheless they are earning an income, in many cases a very lucrative one, but they earn it with impunity, tax free."

Mr Smith stressed that he was not referring to "the black vegetable hawker sitting on the pavement with a few tomatoes and potatoes", but to traders — black and white — who often carried stock as big as many small shops but managed to avoid paying tax, UIF, medical aid, pension plans, rentals, garbage collection or municipal rates

The Katz Commission should have tackled this problem instead of going for the "soft target" of higher salary earners, he said

"In Africa personal income tax is inefficient, focussing as it does on the easily identifiable, soft targets, of salary and wage earners, while the informal earner and casual worker, of which there are hundreds of thousands, escape the tax net, although they continue to enjoy the social services like civil pensions, free health care and education for their children"