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## Call to put rusting' East Rand back to work

Trade and Industry Editor

GOVERNMENT should step in to halt the deterioration of Gauteng's East Rand, which has been reduced from "SA's workshop" into "SA's rust belt".

The decay in manufacturing activity on the East Rand, as industry has restructured to adjust to trade liberalisation, has seen almost 100000 workers losing their jobs in the 10 years to 1999, researchers say.

The area is still important on the manufacturing landscape, accounting for more than 40% of manufacturing in the province.

State intervention was also required in other manufacturing industries, said Trade and Industry Policy Strategies head Stephen Hanival, at a conference on sustainable development in Ekurhuleni, on the East Rand, yesterday.

He said the scope for intervention lay with local and provincial government, rather than with national government.

Government policies, particularly those of the Industrial Development Corporation (IDC), also came under fire from Simon Roberts of the University of the Witwatersrand.

Growth in SA has mainly been in capital-intensive sectors, not labour-intensive industries such as metal products and plastics factories on the East Rand.

Roberts says these patterns have been reinforced by IDC lending in the mid-1990s, which went mainly to large-scale capital-intensive operations such as the Saldanha steel plant .

"Altering this dynamic requires concerted government policies, including reoriented IDC lending patterns, incentive measures and skills development," said Roberts.

A Wits University survey for last year showed few businesses on the East Rand were significant exporters. They had old machinery and low use of capacity.

There had been some signs of recovery in 2001 and 2002 in the area, but a lack of data hampered planning for sustainable manufacturing, the Wits University research has shown.

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