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**THE IMPLICATIONS OF CHANGING MIGRATION PATTERNS IN SOUTHERN AFRICA**

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**ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT**

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# THE IMPLICATIONS OF CHANGING MIGRATION PATTERNS IN SOUTHERN AFRICA

## I. Introduction

1. Over the past century the labour market in Southern Africa has been dominated by a migrant labour system shaped by economic disparities and racial segregation. The demise of apartheid, unfolding regional stabilization and a more open approach to economic integration foreshadow new patterns in the distribution of the region's human resources.

2. Southern Africa is undergoing a labour crisis. Though much of the blame has been laid on structural adjustment policies, recession and drought, this paper focuses largely on migrant labour to demonstrate that it still remains extremely important for South Africa's neighbours but that economic and political transition will diminish the role of foreign unskilled and semi-skilled labour. In the meantime, a new and ominous migration pattern is emerging: South Africa's acute skills shortage arising from apartheid's ill-conceived education policy is draining the region of its most talented citizens.

3. The paper also looks at the implications of peace in a region long afflicted by armed conflict -- by and large perpetrated or supported by the apartheid regime. Hundreds of thousands of ex-combatants expect to be given special treatment during demobilization and ensuing reintegration, and millions of refugees and dislocated persons will be subject to herculean logistical support to re-launch them into sustainable livelihoods. In light of the important contribution of development co-operation in the area of migration and refugee flows, this paper makes recommendations about how the donor community can play a more effective role in the region.

4. Southern Africa is perhaps unique in the variety of extremes confronted by its sub-regions. Botswana and Swaziland, both dependent on migrant labour (about 20 000 miners from each country are engaged by the South African mines) are the only two countries spared of any severity. Lesotho, at the other extreme, is the classic labour reserve with about one-quarter of its working age population employed outside its borders (approximately 100 000 working in mines) and whose remittances account for more than half the gross national product. Mozambique, however, is perhaps the most extreme case. Not only is it highly dependent on migrant labour (miners working on the South African mines constitute about one-fifth of domestic wage employment with earnings accounting for one-third of current account foreign exchange earnings), it is also coping with 5 million refugees and dislocated persons as well as demobilizing about 100 000 soldiers. Malawi, on the other hand, hosted more than a million Mozambican refugees, bearing the tremendous economic cost of confronting an invasion equal to 15 per cent of its population while suffering irreparable environmental damage. Zambia and Zimbabwe have, by contrast, encountered what may be the most disturbing phenomenon: since 1980, Zimbabwe has lost 15 000 of its most skilled citizens including doctors, veterinarians, qualified school teachers, dentists, nurses and engineers. In Zambia, the exodus of high level manpower has virtually paralysed tertiary education and health services.

5. It is clear that, even with transition, the effects of the old order South African hegemony will continue to be felt for years to come, as the region braces itself for changes in the flow of lower skilled migrants and slowly recuperates from its devastating conflicts. The new order hegemony, stymied by its inherited vacuum of skilled resources, will however -- especially with the prospects of growing regionalisation under the Southern African Development Community (SADC) -- benefit from the mobility of skills at the expense of the comparatively underdeveloped peripheries.

6. The policy implications of dealing with such large, volatile and fluid population groups are enormous. So far, despite the existence of specialized regional bodies, efforts other than those being directed to refugee flows, are at best ad hoc and of minimal impact. Given the severe unemployment

already affecting the region, the solutions for the effective reintegration of these vulnerable groups will be costly and difficult, but imperative.

## **II. The South African Labour Crisis and its Regional Implications**

7. Rapid population growth, a myopic education policy, economic stagnation and political uncertainty have jointly contributed to the emergence of South Africa's worst employment crisis. Once heavily dependent on cheap foreign labour from a radius extending to Zambia and Tanzania, there is increasing agitation to close the borders to even Lesotho, thus sparking off serious debate inside Lesotho about the possible merits of incorporation into a democratic South Africa.

8. Data from the 1992 Annual Report of the National Manpower Commission starkly demonstrate the extent and the likely worsening of the South African crisis. For the past three years the gross domestic product decreased (declining by 1.7 per cent in 1992) and resulted in a loss of at least 250 000 formal sector jobs (of which 117 000 were in the mining sector). During the decade 1981-91 only 15 000 formal job opportunities were created annually despite some 300 000 people entering the job market every year. The economy's absorptive capacity has significantly shrunk: during the 1960s more than 70 per cent of the new entrants in the labour market found formal jobs, in the 1980s this dropped to 14 per cent and in 1992 only 5 per cent were absorbed. Changing technologies have meant that the economic growth rate of 5.7 per cent enjoyed in the 1960s which absorbed 74 per cent of new labour force entrants would today only employ 28 per cent. Of an estimated economically active population of 12.7 million, it is conservatively estimated that 4.9 million or about 40 per cent are without formal employment.

9. The distorting effects of apartheid's bantu education policy have left South Africa with a severely imbalanced manpower structure. Two-thirds of South Africa's population remain functionally illiterate while economic change demands a rapidly expanding level of educated and trained manpower. In 1965 low level manpower contributed almost two-thirds (63 per cent) of non-agricultural formal employment, high level manpower accounted for less than one-tenth (9 per cent) and middle level 28 per cent. Twenty five years later, in 1990, the structure changed dramatically, with low level manpower accounting for little over half (52 per cent), high level 15 per cent and middle level over a third (34 per cent). Over the past 20 years, the number of unskilled jobs in manufacturing dropped by a third, while the number of semi-skilled jobs doubled (ILO, 1992).

10. Apartheid's impact is evident when the structure is analyzed by race. Although whites make up only 19 per cent of the economically active population, they occupy 85 per cent of high level and over half (51 per cent) of the middle level manpower positions. The legacy of repressing black education and skills will be particularly painful once the South African economy achieves positive economic growth. Despite the problems inherited from past policies, South Africa still only spends 2 per cent of its national budget on training vs. an average of 5 per cent in other industrialized countries (ILO, 1993). A growth rate of 3 per cent per annum is expected to produce a shortage of 288 000 high level positions by the year 2000 (the ILO, 1993, puts the figure at 921 000 by the year 2005). On the other hand, projections show a labour surplus of 3.8 million for those with an education of standard 8-10 and 5.6 million for those with less than standard 8 (Weekly Mail, 6-12 September 1991).

11. The prognosis for South African unskilled and skilled labour demand will have important implications for regional labour flows. Just as shortages of unskilled cheap labour in the past led to substantial flows of manpower from surrounding labour reserves, future shortages of skilled and professional labour will draw qualified manpower from the same areas and beyond, while growing economic and political pressures will tend to reduce the inflow of lesser skilled migrants.

### III. Foreign Workers in South Africa

12. While apartheid enters its twilight, the future remains much less certain for low wage migrant labour. Long associated as the operational instrument for apartheid, it continues to legally supply labour to the mines and clandestinely to other sectors, particularly agriculture where working conditions are inversely related to the desperation of workseekers.

14. Previously a favourite target of the National Union of Mineworkers (NUM) and the African National Congress (ANC) in exile, the migrant labour issue appears to have been momentarily sidelined, awaiting an explicit policy statement from an ANC much closer to power. Though subordinated by their leaders, recent violence from ANC stronghold communities towards Mozambican miners recently (1) suggests that the foreign migrant labour issue could spark strong grassroots xenophobic sentiments as the unemployment crisis worsens for South African unskilled workers.

#### A. Foreign mineworkers

15. Amongst legally employed foreign migrants, those working on the mines account for by far the largest sector. In 1986, the last year for which statistics were available, 84 per cent of the 378 481 registered foreign workers were employed on the mines, with agriculture accounting for only 13 849 (3.7 per cent). In 1991, according to the Chamber of Mines, foreign workers comprised 45 per cent of the total labour of 354 452 in the gold mines and only 18.6 per cent of the 35 406 employed in the coal mines. Over the five years 1986-91, total employment on the gold mines dropped by 25.6 per cent as a result of decreasing gold price and labour saving technologies. Significantly, the brunt of these reductions was equally borne by foreigners and nationals (2). Foreign workers have, for the better part of a century, provided the bulk of South African gold mine labour complements, peaking at about 80 per cent in 1972. However, two events in the mid-1970s radically changed the relative importance of foreign workers. Malawi unexpectedly ceased the recruitment of more than 100 000 Malawians -- the only supply-side initiative to withdraw labour on a major scale -- while Mozambique's transition to Marxism resulted in a sharp reduction from more than 90 000 recruits annually in 1975 to 37 000 in 1977. Lesotho, supplying some 100 000 workers became the predominant supplier state.

16. The mine's sudden vulnerability to an erratic foreign labour supply led to two new major policy initiatives: "internalisation" (domestic workers recruited in preference to foreign) followed by "stabilization" (effectively a forced proletarianisation of migrant workers). Internalisation was accomplished by significant increases in wages and led to a much greater domestic labour supply response than anticipated, prompting the stabilization programme which aimed to convert desultory migrants into "career" miners. In combination with the abolition of influx control (1986) and the right of mineworkers to form trade unions (conceded in 1981), these policies significantly changed the face of migrant labour.

17. Data made available from the Anglo American Corporation (AAC) for the years 1985 and 1993, accounting for approximately 40 per cent of all workers in the gold mines, provide invaluable insight on these changes. Data for 1985 showed that, although foreign workers only accounted for about 40 per cent of the total workforce, their relatively longer experience meant that they occupied 70 per cent of the highest skill positions. By contrast, the same percentage (70 per cent) of the lowest skilled jobs were occupied by South Africans. Using the distribution of age and work experience, combined with the composition of novice composition, the author predicted in 1987 that in the near future, because of age distribution and low novice intake, the share of foreign workers would decrease significantly through attrition (de Vletter, 1987).

18. Data from January 1993 clearly demonstrate the effects of stabilization. Miners are tending to stay much longer on the mines than previously. Foreign workers averaged 10.2 years of service (a

remarkable increase of 4.4 years over a 7 year period) vs. 8.46 for domestic workers. The average age for foreigners rose by about 3 years to 39 years (vs. 35 for South Africans). Foreigners still dominate the upper skill categories by the same sort of magnitudes as found in 1985 and a more evenly divided distribution at the lower levels.

19. Another notable distinction between the two groups is their level of education. Partly reflecting the fact that older miners tend to be less educated than new recruits, foreign workers, on average, were found to be much less educated. New recruits are now more educated than their predecessors, reflecting the mines' ability to be more selective in a surplus labour situation, higher educational output and the higher demands of a more mechanized production system.

20. The emerging policies within a New South Africa, accompanied by significant changes in mine labour policies, led to experts predicting a "new era" for migrant labour which would eclipse the role of foreign workers. Such predictions were based on likely pressures to replace foreigners with unemployed South Africans and the need for raising productivity with more skilled labour using improved technology -- implying a more permanent (i.e. South African) labour force (3). Following, the 1987 NUM strike, it was also predicted that the Anglo American Corporation would greatly reduce the numbers of Basothos who played a key role in the strike. This, combined with the attributes of foreign mine workers, implied that a significant drop in the foreign contribution could be expected.

21. Recent evidence, however, belies the above prognoses. The foreign component on the gold mines, hovering around 40 per cent since about 1977 has been lately creeping upwards, reaching 45 per cent in 1991. The Anglo American Corporation figures show that the relative contribution of Basothos has increased from 27.7 per cent in 1986 to 32.8 per cent in 1993 and, contrary to the common belief that AAC policy is to reduce the complement of foreigners, their overall contribution has shown a significant relative increase from 39.7 per cent in 1985 to 46.7 per cent in 1993, in tandem with the industry as a whole. Although it can still be argued that many of the foreign migrants are older and more skilled, and that attrition will take its toll, AAC's novice intake rate of foreigners at 44 per cent, as well as foreigners accounting for 55 per cent of those with 1-2 years of experience, strongly suggests that AAC and probably the whole industry is unlikely to take any initiative in phasing out foreigners. During a recent visit to Lesotho, Bobby Godsell, a senior executive of the AAC and recent president of the Chamber of Mines, tried to reassure his hosts by emphasising that gold mining was a **regional** industry.

## **B. Clandestine labour flows**

22. The growth of illegal immigration of unskilled labour into South Africa has reached substantial proportions, particularly of people crossing the border from Mozambique and Lesotho. There will undoubtedly be an increased inflow of clandestine migration. However, its magnitude will depend above all upon whether future regional development in Southern Africa will see a narrowing of economic disparities and living conditions between South Africa and its neighbours.

23. Citizens from the High Commission Territories (now Botswana, Lesotho and Swaziland) had no restrictions imposed on their movements to South Africa until the early 1960s when new legislation drastically reduced the flow of female migrants and substantially modified the sectoral distribution of and opportunities for male migrants. Since then, mining became the only important sector offering legal employment for unskilled workers. Other sectors can legally employ foreigners only on sufficient evidence of inadequate supplies of domestic labour.

24. There are, nevertheless, large numbers of illegal foreigners working in South Africa, especially Mozambicans working under exploitative conditions on the farms of the eastern Transvaal. Some recent reports have exposed forms of slave trade with Mozambicans desperate to flee the devastation of war and drought. The number of illegal foreigners in South Africa has been subject to considerable speculation.

The refugee situation confuses the issue, but it is probable that 150 000-200 000 are working on farms (only about 13 000 are officially registered). Before the Peace Agreement in October 1992, the increase was reflected in the numbers apprehended and repatriated (approximately 50 000 annually).

25. One development that could have significant effects on such clandestine movements is the imminent application of tougher legislation on agricultural labour. However, as Barker (1993) points out, if such legislation is not properly enforced, there would be a greater incentive for farmers to employ compliant illegal labour who would be less inclined to report transgressions to the authorities. Strict application would make agriculture more attractive to domestic workers, opening up a scenario not dissimilar (but less transparent) to that witnessed in the mining industry over the past two decades.

### **C. The brain drain**

26. One of the more direct and alarming consequences of political transition has been the brain drain, affecting countries as far away as Ghana. Already perceived as legitimate in the eyes of many professional and skilled workers, an imminently democratic South Africa as well as Botswana (the only two countries in the region experiencing an increase in real wages during the 1980s) are seen as offering opportunities -- previously excluded to Africans and Asians by the Immigration Act -- for substantially higher salaries and living standards, better working conditions and, ironically, more liberal political environments (Barker, 1993).

27. In recent months the issue has been the subject of various feature articles and academic papers as well as being highlighted in the last meeting of the Southern African Labour Commission (SALC) as a priority issue (4). That it receives such attention is not surprising. The exodus of university lecturers, doctors and other scarce professionals has had a devastating effect on their countries of origin, particularly Zambia, Malawi and Zimbabwe. Neighbouring countries are estimated to have provided between 30-40 per cent of all immigration to South Africa between 1982-88. In the early 1980s just after independence, Zimbabwe represented 90 per cent of immigration from Africa largely accounted by an exodus of whites. Now it continues to provide 30 per cent, with other main suppliers being Zaire (16 per cent), Lesotho (10 per cent), Zambia (6 per cent), Swaziland (5.5 per cent) and Malawi (5 per cent). More than half (51 per cent) were professional, semi-professional and related; clerical and sales provided 19 per cent, managerial 9 per cent and artisans 6 per cent (Barker, 1993).

28. As mentioned above, any improvements in the economy will result in a substantial demand for high level and middle level manpower which cannot be provided by domestic resources alone. A new government is likely to turn away from the previous policy of promoting immigration from Western and Eastern Europe but will be less averse to skills coming from within the African continent.

29. Already, the figures are alarming. Over the past decade the University of Zambia has lost more than 200 lecturers, forcing the closure of some of its departments. Out of a total of academic staff of 345, the University of Botswana has 209 expatriates of whom 59 were Zambians. Since 1985, three-quarters of Zimbabwean graduate veterinarians have left the country. In 1991, 200 Zimbabwean doctors emigrated to South Africa and Botswana. Four-fifths of Malawian students do not come back after training. And Angola is seeking assistance to bring back 10 000 nationals who graduated abroad during the civil war (all figures cited by Leistner, 1993).

30. The main reason for the movement of skills is remuneration although other factors such as working conditions, unemployment and adverse political and social environments also influence movement. Leistner (1993) showed that university salaries scales between the lowest (Zambia) and the highest (Transkei) differed by eight fold.

31. There have been various programmes and policy proposals aimed at reducing the flight of skills. The International Organisation for Migration (IOM) has run its "Return of Talent and Reintegration Programme" for a decade and helped resettle barely over one thousand qualified Africans. This is commendable but is hardly likely to stem an economically driven flow which has probably seen the loss of more than 100 000 high level African personnel (Leistner, 1993).

32. Inducement schemes, bonding programmes, exit deposits, banning leaves of absence for academics, etc. have been proposed or tried but are unlikely to have any significant impact on mobile resources searching to find the best returns in a highly variable international market. The irony of the situation is that Africa is said to receive about as many qualified expatriates as the number of qualified Africans lost to the more developed economies. Absurd as the fact might appear, there is little that can be done to rectify it in the short term. Expensive expatriates often underwritten by donor agencies (5), thus undermining the real market for high level manpower, resulting in only those who place other factors above economic inducements or the incompetent to stay behind.

33. Governments in the Southern African region are recognising the dangers of the brain drain but have so far done little to consolidate their efforts for a negotiating platform with South Africa. Efforts to date seem to have been limited to reforming the civil service, but probably more in response to losses to the domestic private sector than cross-border leakages.

#### **IV. The Economic Impact of Migration on Supplying States**

34. The value of labour surplus derived from the millions of man years contributed by foreign labour has been to the extreme lopsided benefit of the South African economy. The returns to capital and labour from mining are conspicuously imbalanced in favour of the South African urban centres while the more dependent labour reserves such as Lesotho and the Transkei declined, especially when wages were too low to sustain the miners' own reproduction. It has only been in the past 20 years that real mine wages significantly increased. Migration is analyzed here only in terms of the microeconomic impact on the homestead and its macroeconomic impact on the state and does not take into consideration the considerable social and psychological effects on families and the migrants themselves. Given the scope of the paper, only some broad generalizations can be made.

##### **A. The rural base**

35. Internal migration from rural homesteads to domestic employment opportunities, as is common in most of Africa, is now more important than external migration for all Southern African countries except Lesotho. In Lesotho, there are approximately four times as many Basothos employed in South Africa as in domestic employment. By contrast, in Swaziland there are more than three times more employed locally than in South Africa. But the impact on the labour resources at the homestead base remains similar: more than half of the adult males and approximately one-third of the females are unavailable for agricultural activities (except for seasonal short-term inputs such as ploughing), and many of those remaining behind are old, infirm or unmotivated.

36. Migration studies in the early 1980s in Botswana, Lesotho and Swaziland (BLS) (de Vletter, 1982) found common effects of labour migration (both external and internal) and on the rural economy common to the region. These are summarised as follows:

- i) *Pervasive rural out-migration, with most homesteads having at least one absent worker* (data collected from the National Migration Study in Botswana, Cooper, 1981).

- ii) *A high level of dependency on wage remittances which are the most important contribution to homestead income.* At least half the homesteads in the BLS countries receive regular remittances accounting for the bulk of total homestead income -- both cash and in kind. Remittances, after covering basic consumption needs, were often invested by younger men without dependants into cattle and, by those with immediate family, into education, developing economic activities and housing.
- iii) *An almost universal homestead involvement in the cultivation of staple crops, but in generally deficient amounts.* Homesteads appear to be responding quite well to new cropping technologies and inputs but, because of the comparatively low opportunity cost of exporting labour from maize production, food production remains inadequate.
- iv) *A highly skewed distribution of income and wealth between homesteads.* The role played by migrant workers in the homestead development cycle remains somewhat obscure and merits further research. In Mozambique, many of the poorer homesteads had absentee members working on the mines, but wealthier homesteads developed businesses such as transport with remitted mine earnings.
- v) *A low uptake of viable cash cropping options, with little evidence of accumulated migrant wage earnings catalysing any radical transformation of homestead cropping patterns.* Reduced labour inputs and increased cash inflows have probably stimulated improved cropping methods but there is little evidence of significant movement into commercial farming by migrants or ex-migrants.
- vi) *A prevalent desire amongst returning migrants to invest surpluses in the purchase of cattle.* Homestead wealth in the BLS countries which on the whole is pivoted around cattle and labour migration has had a close association with its accumulation, remaining the main investment target of returning miners with substantial sums accumulated through the deferred payment system. In Lesotho, the effect of purchasing livestock by miners has resulted in a severe negative environmental impact (Russell et al., 1990).
- vii) *The changing role of women in crop cultivation.* Though women have generally been responsible for overseeing homestead crops and men the main decision makers and participants in the heavier preparatory stages of farming, stabilization on the mines has now prevented seasonal return to rural homesteads which so long characterized contract labour. As men have increasingly become "career" miners, there is a greater tendency to hire agricultural services such as tractors, while extension workers are tending to focus their activities more on women as they are now taking more important decisions on cropping, especially with changing technologies.

37. External migration, principally to the mines, was previously a convenient means for young men to accumulate cash for purchase of bridewealth or other assets. Today, men mine as a career with a standard 1 year contract including only a month break before returning again. The pattern is now to work on such a regular basis for 20 years or more before returning to agriculture or to take up non-agricultural mostly rural based business activities such as transport, shops, tailoring, restaurants, and building.

38. In 1990, the average pay for unskilled and semi-skilled workers was R 841 per month (fringe benefits valued at R 302 per month). Out of a total of R 815 million paid out by all the TEBA (recruiting arm of the Chamber of Mines) regional offices in 1990, R 648 million was disbursed to foreign workers. This represented approximately R 3 600 per miner p.a. but only accounts for directly traceable transfers, i.e. in the form of remittances, deferred pay and transfers of savings through TEBA-CASH (Chamber of Mines, 1991). If we assume that the average wages earned by miners in 1990 was R 10 000 per annum

and that 30 per cent was consumed while working on the mines, approximately R 3 400 worth of materials and consumer goods would have been exported to the supplying states.

39. Miners commonly return heavily laden with purchases and often arrange to transfer goods from South Africa via distribution agencies. Wealthier miners invest in transport (pick-up vans, trucks, cars, motorcycles) or in forms of capital equipment such as sewing machines, grain mills, etc. In Mozambique, miners are exempt from paying taxes on goods purchased in South Africa. In recent years special services have been established which have set up a network of warehouses throughout southern Mozambique where mineworkers can collect a wide variety of consumer goods and building materials ordered before their return. Many of these goods are then sold for considerably higher prices to local residents: in recent months, for example, white plastic garden chairs have flooded rural Mozambique via the miners.

## **B. Macroeconomic aspects**

40. Development patterns associated with external labour migration have resulted in a paucity of investment in the more extreme labour reserves such as Lesotho and the Transkei -- distinguished by severe underdevelopment and structural dependence on the mining industry. Capital accumulation around the mining centres resulted in further distortions of concentrated industrial development and infrastructure, the development of an industrial labour force, financial markets, etc. This, in turn, led to heavy public investment concentrations as virtually all related revenue was collected in South Africa (Gay et al., 1980).

41. Consumption patterns by migrants and their families have also tended to favour South Africa's more sophisticated goods which are difficult to restrict because of the customs union membership of the BLS countries and customs duty exemptions for miners in Mozambique.

42. As mentioned above, supplier states developed a strong fiscal dependence on migrant labour to the mines. For the BLS countries, taxation and interest earnings on deferred payments provided considerable state revenue. In Lesotho the government in 1976 imposed compulsory deferred pay of 60 per cent of earnings. This was a source of major grievance to the Basotho workers who, largely because of this issue, played a major role in the formation of NUM. Compulsory deferred pay was reduced to 30 per cent in 1991.

43. In Mozambique, fiscal dependence has been even greater. Since 1928, miners have had to convert 60 per cent of earnings after 6 months (contracts usually lasted 18 months) which was converted into local currency and until 1978 deferred pay was transferred in gold which, even on the freeing of the gold price, was paid at the official rate, allowing for substantial surpluses for the former colonial regime and subsequently the Frelimo government. Despite the sharp decreases in recruitment and the abolition of the gold clause, deferred pay was still the most important source of visible foreign exchange, accounting for approximately one-third of total export earnings.

## **V. Policy Responses to Migrant Labour**

### **A. Supplier state initiatives**

44. Labour supplying countries have, since independence and particularly during mounting hostilities with South Africa, adopted a somewhat schizophrenic approach to migrant labour. The politically correct position was to condemn migrant labour and to at least anticipate its dissolution if not actually encourage its demise. The reality was that there was never any conclusive evidence that foreign migration would significantly dwindle and, even if there was, most states preferred to negotiate larger quotas for their workers while the opportunity existed.

45. The world saw current and even former supplier states form a cartel in 1980 through the Southern African Labour Commission (SALC) which advocated the position of withdrawal and contingency planning. But it didn't see government delegations secretly travelling to Johannesburg to negotiate higher quotas for their workers, regardless of the consequences for their cartel partners. These contradictions were made transparent in 1984 when, on the one hand, Mozambique and South Africa signed the Nkomati Accord leading to the creation of the Joint Economic Working Group for which increased quotas for mine labour was a key issue. On the other hand, Mozambique, in the same year, hosted the SALC, amidst banners calling for the withdrawal of migrant labour.

46. SALC's short-term objective was to jointly negotiate with South Africa for better conditions of service for migrant workers. In the long term it sought to abolish the system of migrant labour and promote alternative forms of employment. The importance of a common approach was seen as instrumental in "totally eliminating the chances of the Government of South Africa, employers, etc. for playing one SALC member state against another." The intentions were admirable but SALC's approach to its objectives were confused and irresolute.

47. SALC failed to come up with a clearly defined strategy on how to use its leverage over 40 per cent of the mining force to extract concessions from South Africa. The ILO had, before the formation of SALC, proposed establishing the Association of Home Countries for Migrants (AHCM) with a detailed plan calling for international assistance to facilitate a withdrawal strategy to take place over 15 years (Stahl and Bohning, 1981). Though it was never seriously contemplated by SALC, the proposal was taken seriously in South Africa and prompted the Chamber of Mines to urge major supplier states not to join the plan. The Chamber also developed a counter strategy in 1979 which would have replaced all foreign workers within 5 years (Crush et al., 1991). It was, in fact, South Africa which took the initiative and used migrant labour as one of its most effective destabilizing tactics, especially against Lesotho and Mozambique.

48. As the prospects for withdrawal faded, SALC strategy -- ineffective as it was -- gave way to a more passive approach of contingency planning to alleviate possible South African initiated repatriation measures. SALC seemed to take greater comfort in defense than offense.

49. In the past year SALC has turned its attention more to the question of the brain drain. However, apart from being raised as a priority concern, there has so far been few concrete recommendations. Failed efforts to obtain further reaction on the problem from the ILO's Southern African Team for Employment Promotion (SATEP) -- SALC's think tank -- suggest that, though serious, the issue remains largely rhetorical.

### **B. Country-specific initiatives**

50. South African action against supplier states, especially the 1986 repatriation order by the South African Government against Mozambique, underscored the extreme vulnerability of supplier states to the

whims of the South African Government. On the basis that Mozambique was alleged to continue harbouring ANC combatants after the Nkomati Accord, South Africa declared that all legal Mozambican migrant workers (mostly on the mines and farms) would be repatriated on the termination of their contracts. Particularly sinister about such action was that it was contrary to the interests of the employers. Pressure from the mines and farms led to a diluted version of the repatriation order and two years later the order was rescinded.

51. This event led to the Mozambican Government calling for emergency assistance from the ILO and the UNDP -- the only time outside intervention has been called upon by a supplier state to urgently deal with a migrant labour problem. The joint ILO-UNDP response was to send a mission to assess the impact of the order and prepare ways for reintegrating the expelled miners. The proposed \$2 million project was to establish a training centre to re-train miners for agricultural and other rural income generating activities but was aborted after several months for security reasons. The project was then considerably modified, limiting itself to the creation of irrigation associations for ex-miners.

52. The project operates in two districts areas heavily populated by miners, aiming to assist poor families with ex-miners of which there are many. One association of 300 families has been officially registered, while in the second area 11 smaller associations have been formed. The original intention was to obtain bank credit to rehabilitate irrigation canals and purchase pumps. Due to unwieldy banking requirements, a unique mechanism of financing these requirements was negotiated with the World Food Programme whereby food was donated to each association and the association shops sold the products for subsidised prices to their members. The proceeds were then used for rehabilitation and to buy further stocks for the shops. The project was severely hampered because of the war -- operating in two of the worst affected areas -- compounded by initial problems with accountability. With peace and greater control, this project is drawing considerable attention from the donor community, not only as a means of dealing with retrenched migrant workers but to cope with the more immediate problem of demobilization.

53. On the whole, however, there has been little action for supplier states to boast about either in terms of current assistance for retrenched migrant workers or contingency planning. There have been a number of ad hoc initiatives aimed at helping migrant workers in the region, mostly executed through the ILO. Some have involved the preparation of research papers, the production of manuals and guidelines for labour agreements, while others took a more grassroots approach such as workers education (trade unions, legal rights, etc.), occupational rehabilitation for disabled miners, etc.

54. In recent years there appears to be less urgency amongst the region's governments to treat the problem of migrant workers as a special issue. The Botswana Government, for example, has a policy which rules out "projects or programmes that address a certain sector of society." As the employment crisis worsens, special treatment of retrenched migrants who have generally enjoyed comparatively high salaries, is becoming more difficult to justify. The problem of migration is now being seen as just one element of the complex issue of unemployment. In Lesotho, where migrant labour forms the backbone of the economy, the problem of mineworker retrenchment is being dealt with through an integrated approach involving a variety of donor agencies, including the ILO, UNIDO, UNDP, the EEC and the World Bank, working through various government departments. The approach is a generalized one, i.e. not only directed to ex-mineworkers but largely focusing on microenterprise credit and complementary training.

### **C. Miners' initiatives**

55. Since its inception in 1982, the National Union of Mineworkers has achieved much more in improving the lot of domestic and foreign mineworkers than have the dilatory efforts of the supplier states. The NUM has also proved more effective in dealing with retrenched workers, even though the fruits of these efforts are still meagre.

56. In the wake of the mass dismissals following the 1987 strike, the NUM established production co-operatives, initially starting out with T shirts. There are now some 30 co-operatives operating in South Africa, Lesotho and Swaziland involved in a variety of agricultural and industrial activities and serviced by 10 support centres which provide training, business education, bulk supplies, appropriate technology, etc. Although some of the co-operatives have become very successful, the performance of others has varied considerably.

57. The NUM is now focusing on "micro loans" which are offered to individuals belonging to small associated groups. The loans are offered on a graduated basis starting from R 300, to R 600 and then R 1 000 with commercial rates of interest. These loans started as a pilot programme in the beginning of 1993 and are basically used for informal sector, self-employed activities such as selling chickens, welding, tuck shops, and marketing firewood. So far, only 80 loans have been disbursed but 7 funds amounting to R 7 million have recently been established with the collaboration of some of the mining houses.

58. In Lesotho, two miners' groups -- the Miners and Dependents Welfare Association and the Basotho Mine Labour Co-operative -- have also established production co-operatives. They have been receiving assistance from the donor community and are involved in the Lesotho employment strategy referred to above.

59. In Mozambique, the Mozambican Workers Organisation OTM is collaborating with the ILO with a small project assisting 6 agricultural associations (about 30 members each) for ex-miners. In Botswana, the same ILO project supports a few miners' production co-operatives (carpentries, leatherworks and bakeries) at the village level.

## **VI. Stabilization and Reintegration**

### **A. Demobilization**

60. The region has endured 5 major conflicts in the past two decades, three of which have only very recently ended [Namibia, South Africa (excluding civil unrest) and Mozambique], while another (Angola) ended briefly only to flare up again, underscoring the tinderbox stability of the region. Two of the wars, that of Angola and Mozambique, have been particularly devastating. But the process of peace as currently being witnessed in Mozambique and previously in Namibia and Zimbabwe also bears a high price tag.

61. Despite high levels of civilian unemployment, ex-combatants, though not particularly well educated nor skilled, must be treated with special care because of the high risks attached to their unsatisfactory reintegration in highly charged environments. Large numbers are usually involved: Angola has an estimated 150 000 men fighting in the conflict; Mozambique is now attempting to demobilize some 100 000 out of 130 000 soldiers; Zimbabwe demobilized some 4 000 out of 75 000 soldiers by 1983 and Namibia demobilized 15 000 out of 22 000 by 1990 (World Bank, 1993).

62. Demobilization and the reintegration of ex-combatants is a more complicated and sensitive process than the resettlement of refugees who, on the whole, wish to return to their previous activity (mainly agriculture). In the case of ex-combatants many, especially the child fighters of the Renamo and Unita forces, have developed no skills outside of combat. Zimbabwe survey results showed that more than half (52 per cent) of the soldiers had never been employed before and 23 per cent were unskilled. Career ambitions showed considerable variation (often reflecting the working of the questionnaire) between countries and even between armies. In Angola, for example, 39 per cent of Fala soldiers wanted to take up agriculture and 23 per cent commerce, while only 9 per cent of Fapla soldiers were interested in agriculture but 59 per cent wanted to become involved in transport or construction. In Zimbabwe, a survey

of Zanla and Zipra soldiers showed that only 4 per cent were interested in agriculture but that a surprising 21 per cent wanted to join the civil service and one-third opted for industry (World Bank, 1993). In Mozambique demobilized soldiers appeared to be much closer to the land: almost half wanted to take up agriculture, 15 per cent industry, 13.5 per cent commerce and 13 per cent transport (Ministry of Finance, 1992).

63. In the case of Mozambique and South Africa there is a recognition that lump sum payments and pensions are unlikely to create the necessary conditions for productive employment. The Zimbabwe experience, though successful in maintaining peace, is not one that should be emulated especially in times of high unemployment and structural adjustment. Despite very high payouts (\$556 lump sum followed by monthly payments of \$259 for two years -- in total costing \$250 million), 22 per cent of the soldiers were unemployed and more than half (52 per cent) ended up working in the civil service or continued in the army. Only 17 per cent had found work in the formal private sector or were self-employed (World Bank, 1993).

64. In South Africa, the ANC is treating both ex-combatants and exiled refugees as one group, referred to as "returnees". Some 20 000 members of the ANC are expected to return, of which almost 16 000 have already arrived. Their reception is handled by the UNHCR and each adult is given a lump sum settlement grant of R 2 500. A strategy for reintegration is still being developed and falls under the National Development Trust. The Trust is working in collaboration with the Small Business Development Corporation and some 260 loans have been conceded to individuals and associations for a value of about R 3 million. The ANC's Department of Employment and Training has, furthermore, helped place several hundred ANC returnee workseekers into a variety of jobs. The ANC feels that the bulk of the returnees will invariably seek some form of reintegration assistance.

65. In Mozambique, more than half a year after signing peace, there is still no concrete proposal for reintegrating ex-combatants. A tentative proposal has been circulating to the Government and Renamo representatives which advocates establishing a credit scheme aimed at two different target groups in non-agricultural activities. One, basically in the form of small business loans up to \$15 000, would be available for 500 ex-combatants demonstrating suitable entrepreneurial skills through training programmes. For lesser qualified ex-combatants, it is suggested that a variety of kits be made available for basic activities such as carpentry, welding, mechanics, metalworking, etc. These kits would be distributed to ex-combatants demonstrating an adequate skill level for the chosen activity with the understanding that the cost of the kit would be repaid with an appropriate level of interest. The credit programme would be closely complemented with technical and management training programmes. The underlying assumption of the approach is that the administration of loans and training components would be subcontracted out by a neutral association or body representing the ex-combatants to existing institutions. Risk of default would be borne by the representative association thereby increasing peer pressure for loan payback. More recently, an alternative approach is being investigated by the African Development Bank which is funding a feasibility study for a proposed "Veterans Bank".

66. There is understandable scepticism about veterans' credit schemes but the blame for their failure is misdirected. Obviously, the target group does not constitute an optimal credit risk. Nevertheless, a well prepared programme consisting of pre-credit evaluation of the recipient's abilities followed by training in basic management concepts such as those offered by the ILO's "Start Your Business" or "Improve Your Business" courses would substantially improve the probability of success. Credit should then be offered on a graduated basis, with follow-up loans available on satisfactory performance of the initial loan. Strict control, monitoring and assistance would be necessary from the financial and other participating institutions.

67. Though a fairly commonly encountered phenomenon, particularly in the developing world, there is surprisingly little available literature on demobilization. Mozambique, for example, in its efforts not to repeat the mistakes of previous demobilization exercises, is finding it difficult, despite the vast UN bureaucracy supporting the process, to obtain information. There would appear to be a strong case for a

formal exchange of ideas and possible co-ordination between the five countries in the region with previous experience or who are currently dealing with the problem.

## **B. Refugees and displaced persons**

68. Southern Africa has recently witnessed some of the greatest population movements on the continent, driven mostly by war and drought. Mozambique and Angola have been particularly hard hit through extended wars. It is claimed that they have seen more than half of their populations, at one stage or other, forced to leave their normal homes in recent years. In Mozambique almost 6 million have at some time been internally displaced and some 2 million have at some stage been refugees (UNOHAC, 1993). Currently there are about 4 million internally displaced people and 1 million refugees living outside of Mozambique's borders, mostly in Malawi.

69. The effects of such massive dislocation are impossible to quantify. Huge tracts of land, housing and infrastructure have been left abandoned for years, requiring tremendous investment and labour to recuperate. It also had an appalling human cost (outside of those directly related to war). An impressive health network built up after independence was all but destroyed resulting in one of the highest under-five mortality rates in the world [reaching over 325 per thousand in the late 1980s (Green, 1992)]. So far, despite the AIDS epidemic spreading in many bordering countries, Mozambique has managed to contain its incidence to reasonable levels. The return of well in excess of a million refugees from Malawi and Zimbabwe is, however, cause for concern, as are demobilizing soldiers. In Angola, the effects of dislocation are similar, but with one important difference: whereas the level of urbanization in Mozambique was affected to some but not a significant extent, Angola's urbanization soared to an unsustainable 40 per cent (Green, 1992).

70. Refugees and dislocated populations in theory are easier to reintegrate into the economy as most have the simple objective of returning to their previous economic activity. The principal problem is that of logistics. Issues which typically have to be addressed before refugees are reasonably re-established include: transport, food, the rehabilitation of roads and basic infrastructure such as clinics, schools and water, de-mining roads and fields and the distribution of start-up kits of tools, seeds, buckets, etc. In the case of massive movements such as experienced in Mozambique, resettlement might well be complicated by the land issue. Recent rural survey evidence shows that many peasants who have lived away from their zones of origin for more than 10 years still intend to return. With such time lapses there are bound to be many disputes over land claims, especially in Mozambique where the power of traditional authorities is just being reinstated after their virtual banishment for almost 20 years.

71. Though the resettlement process has been carefully planned by the UNHCR with the distribution of kits, a steady stream of refugees have been returning by themselves to get to their lands in time for the rains. Many others have chosen to stay behind to await assistance.

72. Though most refugees and displaced persons intend returning to their home areas and taking up agriculture, there will be large numbers who will find it difficult to leave the urban areas where they sought refuge. Most survived through activities in the informal sector and many have adapted to city life which offers services such as education and health and other attractions often not available in rural areas, especially those affected by war. There will also be other refugees and displaced persons who have, during their absence changed their attitudes and perhaps their productive skills and will hold new expectations about their futures. The ANC in particular will face this problem, as it is unlikely that many of their 20 000 returnees will have ambitions of living in rural South Africa. Many South African exiles and Mozambican refugees acquired skills during their absence -- often through donor funded training programmes. It is important that such skills be registered and promoted through appropriate placement or with small loans to encourage self-employed activities.

## VII. Policy Recommendations and the Role for Development Assistance

73. The position taken by the Government of Botswana to not single out any population group for special assistance is perhaps the correct approach but short-term pressures to reintegrate retrenched mineworkers, demobilized soldiers and refugees are difficult to ignore. Because of the high risks attached to the unsatisfactory reintegration of demobilized soldiers, governments and donor agencies are prepared to substantially subsidize the costs of such an exercise. Unfortunately, as demonstrated in Zimbabwe, unless demobilization is accompanied by a programme which creates viable income generating alternatives, the majority will be reabsorbed into already bloated government structures and thus continue the real cost of demobilization.

74. Refugees generally pose the shortest-term problem and can be ignored after the basic conditions of resettlement have been met. From the evidence, we can safely assume that a large number of re-trenched miners and demobilized soldiers as well as smaller numbers of refugees are reluctant to return to basic subsistence farming as their new alternative. For these groups the standard approach of productive employment creation would be necessary.

75. Such an approach would include: i) job placement according to acquired skills with remedial skills training where necessary; ii) labour intensive public works programmes co-ordinated with the reconstruction programmes of war-torn countries such as Mozambique and Angola; iii) credit schemes to facilitate self-employment activities or, in the case where equity sharing is possible, small businesses; iv) appropriate business training to complement credit schemes; and v) the promotion of group production such as associations which share the capital costs of equipment, inputs, etc. In theory, there should be little difference in these approaches and their impact on the three target groups. However, each group, because of the very different circumstances surrounding their predicament, has to be initially approached in different manners.

### A. Foreign mineworkers

76. The situation surrounding foreign mineworkers requires several policy directions. At the macro-level, migrant supplier states should be protecting their workers' and national economic interests through timely negotiation at inter-governmental levels, preferably coordinated by SALC. At the micro-level, programmes should be developed which could attract retrenched mineworkers into taking up alternative economic activities. Though such activities, such as the ILO's irrigation associations, may perhaps be designed specifically to alleviate the plight of the miners, they should not be exclusive to their benefit: other repatriated migrants as well as underprivileged members of the community should also be welcome to participate.

77. In terms of negotiating a stabilized role for foreign mineworkers, SALC, ironically, has probably never been in a stronger position to exert its bargaining leverage. This is argued on the basis that: i) the proportionate number of foreigners on the mines has never been as high since SALC's formation; ii) the political threat of destabilization by South Africa against neighbouring states has never been lower; iii) foreign workers still occupy the majority of the higher skilled underground position; and iv) with an imminent democratic government in South Africa, SALC should be able to extract concessionary treatment and perhaps substantial redistributive compensation (social dividends) for the enormous contribution played by foreign workers in the development of South Africa.

78. Such negotiations will be particularly important for Lesotho and Mozambique and to a lesser extent Botswana and Swaziland. International agencies could play a very important role in the negotiation process in terms of legal assistance on a negotiation strategy and in the preparation of legal agreements. The ILO has, in the past, helped SALC in the preparation of a standard labour agreement.

79. Three critical issues should be confronted over the short term. The first would be to complete the protracted process of negotiating uniform labour agreements (with allowances for country-specific needs and conditions). Secondly, within these agreements recruitment clauses should be negotiated through prior agreement between member states about how they should slice the cake. Thirdly, through new agreements as well as institutional restructuring, persistent problem areas such as workmen's compensation, deferred payments, customs duties (in the case of Mozambique) should be resolved. Issues affecting conditions of work, pay, lodging, etc. are best left to the trade unions. One area which could benefit from joint SALC-NUM action is the problem of AIDS which requires consolidated pressure to influence Chamber policy.

80. SALC should capitalize on the fact that more than a century of substantial human resource flows from the surrounding countries helped build a strong South African economy at the expense of their underdevelopment and structural dependence. This could be used as the first line of argument to justify guarantees for stable if not marginally decreasing labour flows. But, perhaps more importantly, the supplier states, once staunch supporters of the liberation struggle, could argue that they are owed some form of compensation in terms of outright capital transfers (Davies, 1990) or investment programmes. To some extent this is already happening, albeit on a small scale. Wenela, the Chamber of Mines recruiting agency in Mozambique, for example, is looking at viable investment opportunities and is considering the possibility of establishing a national employment agency for semi-skilled workers.

81. Further investigation should be made into the possibility of supplier states establishing horizontally linked industries to supply the needs of the South African mines, e.g. helmets, boots, clothing, mine props, food, etc. The mining industry could facilitate such production by giving preferential pricing incentives. Feasibility studies for such linkages could be undertaken by UNIDO.

82. Strategies for absorbing returned miners are probably best left to the NUM and/or other special miners' groups or associations at the national level. Given the high level of unemployment prevailing in most supplier states, the wisdom of government's targeting returned miners, generally regarded as an elite in the rural areas, must be questioned. This is particularly so if the future does not portend unusual levels of retrenchments or repatriations. The political threat of using migrant labour as a destabilizing weapon has diminished, if not disappeared, and it is likely that the gold price is readjusting upwards, thus making contingency planning for unanticipated shocks less pressing. Assistance to unions and miners' groups has in the past been provided by the ILO, while trade union support has come from Norway, Denmark and Canada. It would appear that much of the financing for credit funds will come from the mining houses.

83. Governments should be looking at the problem not in terms of what to do with returning miners but rather to concentrate on forward-looking employment strategies to absorb increasing unemployment -- accepting that the mines are no longer a safety valve for the unemployed. Only a trickle of novices (probably around 35 000 for the whole industry) will be employed annually. Employment generating programmes for the various countries in the region are regularly prepared by SATEP sponsored by ILO, one just having been completed for Mozambique. There does not appear to be a shortage of proposals but so far they have elicited little donor response.

84. One final but important point should be raised, not because it requires urgent attention, but because it represents an economic opportunity which has, so far, not been sufficiently tapped. A large number of miners have demonstrated excellent abilities to invest in rural-based activities, using their remitted and deferred earnings to purchase equipment, vehicles and construction. Such earnings could be leveraged for more substantial activities by applying them as equity participation for bank loans. Unfortunately, most banking systems in the region are very conservative when it comes to rural investment and miners as prospective clients. The African Development Bank which has had considerable experience in establishing special interest credit schemes could be approached. It currently is opening up a line of credit of about \$6 million with the People's Development Bank (BPD) in Mozambique to help create microenterprises for the poor.

## **B. The brain drain**

85. The brain drain will be of increasing importance to SALC. Unless conditions could be created to retain or even retrieve skilled resources, SALC should begin to consider the possibilities of formalizing the movement of their best qualified citizens. Given the fact that most of the affected countries lie within the SADC region, the registration of such movements should be possible. It is not unreasonable to suggest that, given the special relationship between the ANC and the neighbouring states, agreements could be worked out which would allow compensation for countries who are effectively subsidizing the costs of South Africa's newly acquired manpower. To avoid clandestine movement of these people, there should be no costs to the individuals or employers involved, being entirely an inter-governmental transaction.

86. An interesting twist to this problem occurred following German unification with the repatriation of some 18 000 Mozambican contract workers employed in the ex-GDR. Many of these workers were employed for years and acquired useful industrial skills which in the short run could not be absorbed by the weak domestic economy. This prompted the Mozambican government to consider the possibility of exporting such labour regionally which would allow it to earn badly needed foreign exchange. Wenela, in their investigations, say they are regularly approached by employers in the region looking for experienced Mozambican labour.

87. The brain drain to South Africa and Botswana promises to be one of the most intractable problems of the region. Without direct intervention (which rarely works) its continued unabated flow is virtually guaranteed. A non-interventionist solution will be difficult in a region of increasing mobility and economic co-operation. Donor assistance to deal with this problem is urgently needed, requiring both a comprehensive assessment of its impact and realistic policy recommendations. It is recommended that the IOM be called upon to assist in this matter.

## **C. Demobilization**

88. Demobilized soldiers, unlike retrenched miners, should be dealt with strictly as a political matter and special reintegration programmes, though perhaps relevant for a wider target group, should initially be seen as exclusively for their benefit. Because of the high price of unsuccessful peace, the costs of demobilization and reintegration are usually almost entirely underwritten by the donor community. The costs are generally unrecoverable as reintegration normally consists of mainly hand outs. Mozambique and South Africa, two countries giving considerable importance to the small business sector, are attempting to lend money to ex-combatants to start up activities with the intention of establishing revolving funds for ongoing support to the more successful borrowers. In Mozambique, the credit proposal for non-agricultural activities is being prepared for an initial cost of \$15 million. Substantial amounts will also be required for agricultural activities. Given the sensitivity of the situation and the exigency to successfully reintegrate two edgy forces, donors are being urgently sought to fund the credit scheme.

## **D. Refugees and displaced persons**

89. This group receives the largest amount of donor assistance which focuses mainly on guaranteeing their survival. This has now turned more towards creating the right conditions for resettlement -- especially in Mozambique and South Africa. One very real threat to the resettlement process -- crucial as it is to the survival of millions of Mozambicans -- is "donor fatigue" after an emergency programme lasting a decade and the advent of peace. Mozambique's Programme for National Reconstruction, based on decentralized planning and government, is largely geared to poverty alleviation and livelihood rehabilitation; appearing to be much more grassroots oriented and sensitive to the requirements of refugees and displaced persons than the approach adopted by Angola.

90. Those reluctant to return to agriculture can be regarded as having similar needs as ex-miners and demobilized soldiers. However, those wishing to go back to their farms, generally receive little more than basic start-up kits. There is room for considerably more innovative thinking in the resettlement process. As most refugees will have little more than a few seeds and tools to re-establish their livelihoods, rural credit schemes would appear to have considerable potential. Recent evidence in Mozambique, shows that there is a strong tradition of rotating savings groups amongst peasants and a strong desire for credit, recognising its importance in the development of the homestead and community. How to formalize credit at the rural level in Mozambique is now the subject of a UNICEF sponsored investigation. The World Bank has suggested establishing Rotating Savings and Credit Associations (ROSCAs) and, recently, the Caisse française de développement (CFD) in conjunction with the French Institut de recherches et d'applications des méthodes de développement (IRAM) have proposed establishing credit unions in a few pilot districts. There would appear to be considerable need for continued donor assistance to carry the resettlement process beyond just that of creating the conditions of subsistence agriculture only.

### Notes

1. Recent killings of Mozambican miners at Hartebeestfontein gold mine was apparently sparked by antagonism from ANC influenced communities who are increasingly resenting the presence of Mozambican miners, seen to be accepting poor working conditions and displacing South Africans from jobs. The NUM alleges that many Mozambicans are not coming through official recruiting agencies but find their way to the mines independently and are often desperate for work. The NUM also alleges that many thousands of foreigners including Mozambicans and Zaireans are receiving documents from the Department of Home Affairs allowing them to settle permanently in the country on condition that they vote for the National Party in the forthcoming elections. This is a particularly sensitive issue for the NUM who believe that after 5 years of working in South Africa, foreigners should have the right to South African citizenship (personal communication).
2. The number of foreigners dropped less (24.6 per cent) than the overall rate of 25.6 per cent.
3. It is projected that 20 per cent of the black mine labour force will have permanent family housing on the mines -- currently it is less than 3 per cent (James, 1992).
4. The brain drain featured prominently in the SALC speeches and was discussed in a paper presented by IOM (1993).
5. The World Bank has often adopted the policy of trying to pay qualified nationals salaries competitive with international rates in their projects (which are loans -- not grants -- borne by recipient governments). Other international agencies often criticize this policy because it distorts local salary structures and raises their project costs.

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