

MOCAMBIQUE AND THE SOUTH AFRICAN LABOUR MARKET.

It is now virtually certain that the next Government in Mocambique will be dominated by Frelimo. If this is the case it will have obvious political and economic implications for South Africa. I will here examine some of the possible consequences for South Africa.

There may, for example, be significant repercussions on the South African labour market. In 1971 there were 132 000 workers from Mocambique employed legally in South Africa. There may have been anything from 5 000 to 30 000 additional illegal immigrants. The number of workers coming from Mocambique has slowly declined over the years, but in certain industries, mainly gold and coal mining, Mocambiquans still make up a large proportion of the workers. In 1960 the Froneman Committee estimated the total number of legal and illegal migrants to be 220 000; they constituted 22.4% of the work force in the gold mines and 45.3% in the coal mines. Approximately 20% of the workers employed at present in the Transvaal gold mines come from Mocambique. The supply of labour from Mocambique has always been an important help to the Chamber of Mines in keeping down wages, thus, if this source were to dry up, it could have consequences for the wage structure of South Africa as a whole.

Is this likely to happen? To answer this question we need to look at the reasons why these workers have come to South Africa, the problems facing the economy of Mocambique, and the political motives and likely economic policies of a Frelimo government.

1) Labour in Mocambique.

Why have so many workers from Mocambique come to South Africa to work? One reason is that the economy of Mocambique is itself underdeveloped, and the southern portion, from where most of the migrants come, is not very fertile and is fairly densely populated. The main reason, however, was the labour policies of the Portuguese authorities. In most colonial territories in Africa measures were taken to make sure that there was a large labour force available for the needs of mines and settler farmers. But in the Portuguese territories this policy was taken to its most extreme form. The policy was rationalised by a colonial minister as follows, "It is necessary to inspire in the black the idea of work, and of abandoning his laziness and depravity, if we want to exercise a colonising action to protect him ... A productive society is based on painful hard work, obligatory even for vagrants, and we cannot permit any exception because of race It is to be an unenlightened Negro-ophile not to infuse the African with the absolute necessity to work" (Duffy p182). What this meant in practice was that subsistence agriculture was dismissed as "laziness and depravity", and all Africans were obliged to either produce cash crops or else to be employed for at least 6 months each year. Those who satisfied neither of these requirements were either conscripted into government service or else 'assisted' in the signing of a contract with a private employer. This had two consequences. The first was to

ensure a surplus of labour which could be exported to South Africa. The second consequence was to make it possible for large scale abuses to occur. In the early days the system was virtually one of forced labour. A series of legal reforms had little effect on the actual practice. According to Duffy, "Although these labour laws could hardly be called models of an enlightened native labour policy, they have borne little resemblance to the reality of the last thirty years. The recruitment and use of african labour has been pursued with much the same callous indifference for the law and for the welfare of the worker that characterised labour practices in all the years before 1930. The complaints have been many: illegal recruitment, miserable working conditions, violent treatment of workers, underpayment or withholding of payment, unlawful extension of contracts, the use of child labour on Nyassa tea-plantations and Angolan coffee farms, and even the failure to return workers to their villages" (Duffy p185)

The system was reformed once again in 1962, and this reform certainly did away with the worst excesses of forced labour. But by then the Mocambique economy had developed in such a way that it was structurally dependent on the export of labour to South Africa.

2) South Africa and the economy of Mocambique.

The Mocambiquan economy is at present dependent on South Africa in a number of important respects. Mocambique does not produce enough to pay for its own imports. In 1972 there was a trade deficit; the value of imports was 3 000 million escudos greater than the value of exports. Much of this deficit was made up by:

a) the earnings of the transit trade through Lourenco Marques and Beira to Rhodesia and South Africa (2 000 million escudos) in 1972). In 1965 this amounted to about \$70 million compared to \$108 million in export earnings and \$173 million in imports, and

b) of lesser, but growing importance, the earnings from (mainly white South African) tourism, which amounted to 500 million escudos in 1972.

Apart from this, the economy also benefits from the fact that a large slice of the earnings of migrant miners is payed to them after they have returned. Moreover, it is paid in gold, at the official exchange rate. The Portuguese government sells the gold on the open market, but pays the workers at the much lower fixed official rate. It is estimated that in 1973 R17.5 million worth of gold was sold on the open market for R40.5 million.

South Africa is also an important trading partner, second only to Portugal itself. In 1968 trade with South Africa accounted for over 10% of both imports and exports. The biggest item was refined oil from the refinery in Lourenco Marques.

South Africa is one of the largest investors in Mocambique. The most important project is Cabora Bassa. The ZAMCO consortium building the dam is composed predominantly of South African firms, with Anglo-American having the largest interest. Anglo-American also has investments in explosives, fisheries, cashew nuts and oil prospecting. Johannesburg Consolidated Investments has mining concessions in a 26 000 square kilometre section of the Zambezi valley. Other South African firms have invested in hotels, sugar refining, fertilizer plants and land. Iscor has a stake in the Moatize coal mine.

The economy of Mocambique is entwined in many ways with that of South Africa. A Frelimo government in Mocambique might very well impose crippling sanctions against Rhodesia. Will it also attempt to use its links with South Africa to bring pressure to bear against this country? At first sight it might appear that Mocambique is far more dependent on South Africa than is South Africa on Mocambique. Lourenco Marques exists primarily as a port for South Africa. Ninety per cent of the port traffic is in transit to or from South Africa and other parts of the Southern African interior. The 150 000 workers in South Africa could not be easily absorbed into Mocambique's existing industries. Nevertheless, it seems that a more detailed consideration of the possibilities produces a different picture. An independent Mocambique would be a likely recipient of large-scale international aid. The very fact of independence will free the territory from the cost of the war and will also free it from economic exploitation by Portugal; for example, the profit of the sale of gold from migrants' wages went to metropolitan Portugal, rather than to the miners or the Mocambique colonial government. Although Mocambique is at present underdeveloped, it does have developmental potential. Much of the land is under-utilised. The Cabora Bassa scheme offers a plentiful supply of cheap power, as well as a possible valuable source of irrigation. Also it most probably has large, untapped mineral resources. According to the Financial Mail, "The irony of the situation is that the Portuguese, universally accused of the rape of the country's riches, have not even scratched the surface of Mocambique's resources. The Zambesi river basin has been described as a 'geological scandal' due to its astounding mineral wealth. It reportedly contains some of the biggest iron and coal deposits in the world" (19/7/74). According to a journalist writing for the Financial Times, the region also has copper and uranium deposits. Whether and in what way these resources can be developed depends to a great extent on the nature of the government in Mocambique.

3) Frelimo as Government.

Frelimo will probably continue to be hostile to white rule in South Africa. Having acquired power, by guerilla methods, it is probable that it will be sympathetic to the interests and aspirations of guerilla movements attacking white rule in South Africa. But will it be

both strong enough and determined enough to take action supportive of these movements? In all probability it will. Those who disagree with this view argue,

a) that the most probable outcome in Mocambique will be the development of a 'Congo' type of situation, in which the central government breaks down and there is widespread and disorganised violence. Under these circumstances South Africa will suffer marginally as a result of efficiency problems, but there will be no sustained campaign against white rule here. Or,

b) that the Government will, like most other african governments, settle down to de facto collaboration with South Africa where economic interests are concerned. The leadership will use a rhetoric of african socialism and anti-racism, but will in fact not change the existing social structure radically.

The first argument is sociologically naive. It is based on a complete failure to understand the crisis in the Congo in other than racist terms. The second argument does describe a possible course of development, but it seems that there is some reason to think that it is not the most likely course.

a) Another Congo.

This has been widely predicted by government spokesmen and by some sections of the press. But it is important to understand that the temporary break-down of order in the Congo after independence was greatly facilitated by the structure of Congolese society at that time. In a situation in which there was no organised political movement, it was relatively easy for an army to seize power, and for local disputes of all kinds to break out. But the situation in Mocambique is completely different. There is a strongly organised nationalist movement with its own army, and also with a large supporting organisation which has been built up in clandestinity, where it had to be efficient in order to survive. There may well be isolated break-downs of order during the change-over period. It is also possible that revenge will be taken against some allies of the old regime, black or white. But a large-scale break-down of order would probably only occur as the result of a last-ditch uprising by white extremists, similar to the attempt by the OAS in Algeria.

b) A Neo-colonial Alternative.

We do not know very much about Frelimo and its leaders, so it is impossible to say with complete certainty what they will or will not do. But the conditions in which a party come to power do enable one to make some estimates of how it will behave. In most of black Africa independence was relatively easily won. The nationalist movements were usually led by the disaffected educated 'middle classes', who were opposed to colonial rule, but who were not aiming at changing the economic structure of their societies. The movements they led were not strongly organised. After independence

these movements quickly faded away, and politics became a struggle for power between competing elites in the capital city. These elites were only too happy to co-operate with foreign investors as long as they could be assured of a share of the spoils. Anti-racist and other forms of rhetoric became an easy way of establishing one's good faith without actually having to do anything about it. The call for african socialism which was based on the argument that there were no classes in traditional african society, was used to conceal the growth of new class divisions in the independent societies. Usually, 'african socialism' was indistinguishable from 'africanised capitalism'. But once more it is important to see the roots of this in the nature of the groups who lead the independence struggle, and in the nature of the struggle itself. The fact that Mocambique will have achieved independence in a very different way should lead us to suspect that it may well also have a very different post-independence period. Frelimo will have acquired power, or at least considerable influence, through a successful guerilla war, and such a war needs a certain kind of organisation, and produces certain kinds of leaders. In most african countries independence was gained largely by negotiating with the representatives of the metropolitan government. In Mocambique Frelimo has had to operate underground for 10 years. An organisation can only survive under those conditions if it can establish close links with the people. To do this it has to meet the needs of a substantial section of the population. Frelimo was in fact able to establish a considerable network of social and educational services in parts of Mocambique which it controlled. This means that it had to produce many people capable of carrying out such organisational work in difficult conditions. A social process was thus set underway which may be described as 'the logic of protracted struggle'. If an organisation is to survive such a protracted struggle it must organise and educate the people; at the same time the members of the organisation are themselves being re-educated by the process of the struggle. And it is important to stress that this struggle is essentially organisational. Acts of terrorism or military conflict always play a relatively minor role in guerilla warfare. Although they are what receive publicity outside, it is the organisational work which in fact occupies most of the time of the guerilla. So the successful guerilla is much more than a person who can plant a land-mine and hide. He comes out of the struggle with organisational skills and with an intimate knowledge of the needs and problems of the people. It is very important to make this point clearly, because South African reporting of guerilla wars tends to produce misunderstanding. It may be good politics to depict your opponent as nothing but a blood-thirsty killer, but it does not really help you to understand what you are up against.

It is possible to argue therefore, that the condition for success in guerilla war is the capacity to produce a large organisation of competent and strongly motivated individuals. One may expect, therefore, that Frelimo will be able to provide the leadership

and skills for a viable government. In addition, the process of radicalisation implicit in the conduct of a guerilla war is such that they will probably not be easily bought off by outside financial interests whether they are South African or any other.

Although Frelimo has not yet made any policy statements regarding foreign investment or other aspects of economic policy, it is probable that their policy will be 'socialism' of a radical kind. It is possible that they will lean towards the Tanzanian or even Chinese model, rather than towards the Kenyan model of neo-colonial capitalism disguised as 'african socialism'. In a recent Financial Times' article, Bridget Bloom writes, "The only real alternative to the present economic dilemma is a revolutionary one: a closed 'self-reliant' economy which would progressively cut back links with the south; probably nationalise existing industries and services; probably seek 'disinterested' aid from where it could; accept a drop in elite living standards and, above all, rely on a truly massive attempt to mobilise the rural areas". Frelimo might well have the mobilising capacity and popular support to carry through such a policy. From the South African point of view the importance of this is that such a policy could serve as the basis for a very rapid withdrawal of labour, and even possibly for a total cut-off of trade, although this is much less likely. Mocambique might then concentrate on absorbing its excess manpower in labour intensive rural development, based on land reform in the plantation sector, the opening up of new arable areas with irrigation, and more efficient use of the present subsistence sector. Financial loss from a hostile policy towards white rule might be partly compensated for by nationalising South African investments, and in particular, interests in Cabora Bassa. The importation of luxuries for the (essentially white) elite might be cut to help counteract the balance of payments. As has already been mentioned, the economic position will be improved by the end of war costs and by the ending of unfavourable trade links with Portugal.

Mocambique will also be well placed to receive foreign aid. To start with, it might, like Zambia, get compensation through UNO for the losses suffered as a result of imposing a boycott on Rhodesia. Frelimo has already established diplomatic and aid ties with the Soviet Union and China. Both will be anxious to strengthen these ties by giving development aid. Here again it is necessary to clear the fog created by South African reporting on Mocambique. There appears to be no evidence that Frelimo is anything other than a nationalist organisation. It is not run by either China or the Soviet Union. But the fact that it was supported by these powers while Portugal was never disavowed by her Nato allies means that Frelimo is unlikely to be very sympathetic towards the 'West'. There is probably no way in which either China or the Soviet Union can establish control over Mocambique, even assuming that they wanted to. But they will certainly be influential, and will have to pay for maintaining that influence with large-scale aid. The very fact that white rule in South Africa

is so unpopular throughout the Third World will be an encouragement to give aid to a country directly confronting South Africa. Aid to Tanzania secures influence and prestige primarily in Tanzania. Aid to Mocambique will bring prestige throughout Africa. For this reason the western powers will also be anxious to offer aid. So it might well be possible for Mocambique to turn confrontation with white rule in South Africa to her own financial advantage.

It is, therefore, likely that a Frelimo government in Mocambique will adopt a hostile political stance towards white rule in South Africa, and an economic policy which will enable her to disengage from South Africa. What will the consequences of this be for South Africa? The withdrawal of labour could have great impact. The mines are already having difficulty in recruiting adequate supplies of labour at present wage levels. The removal of 20% of the labour force would probably oblige the mining houses to increase wages even more rapidly than they have been doing over the last year. And the rising gold price means that they are financially able to do it; they can no longer argue that they cannot survive without cheap labour. A rise in mine wages will attract workers from other sectors, and will thereby increase the bargaining power of workers remaining in those industries. The effect is likely to be pressure for an all round improvement in wages. Exactly how these pressures will be structured cannot be predicted. But it is unlikely to be in a way which is detrimental to black workers in South Africa.

If the Mocambique government were to close Lourenco Marques to South African goods, this would have consequences which are more difficult to estimate. As I have suggested, this is less likely to happen. Mocambique can restrict labour migration without interfering with trade. Originally the agreement to ship approximately 50% of the Rand's imports and exports through Lourenco Marques was made in return for recruiting rights. But at the moment South Africa has no alternative, so she could not immediately stop using Lourenco Marques in retaliation for a ban on recruiting. Of course South Africa might well wish to lessen its dependence on Lourenco Marques, but this would take time. If, however, Mocambique itself were to take the initiative, then South Africa would be in trouble. It would not be easy to re-route goods quickly through the existing South African ports, as they are already overburdened. It would thus be necessary to speed up the development of Richards Bay as an alternative. The government would have to take urgent measures to reorganise the transport system in order to overcome the dislocation. The necessary changes would be quite large, and would also have repercussions on the internal labour market, although these repercussions are much more difficult to evaluate than are those that would ensue from an end to recruiting in Mocambique.

A total boycott of this nature, associated with a rapid decline of the position of the Smith regime in Rhodesia, would be much more of a political problem than an economic problem. Even the economic problems have political implications. For example, Richards Bay

which is already a source of conflict between the central government and Kwazulu, would be brought further into the limelight. It is impossible to predict what solutions the government would offer to these political questions. All that can be predicted is that we are, as the Americans say, about to enter a whole new ball game.

NOTE: The factual material in this article is drawn from the following:

- W.G. Clarence-Smith - "South Africa and Mocambique" in "The Societies of Southern Africa", Vol 3
(London University ICS)
- J. Duffy - "Portugal in Africa" (Penguin)
- Bridget Bloom - article in the Finanacial Times, 13/8/74.
- Davi Martin - "Frelimo Blueprint", Natal Mercury 12/6/74.
- Francis Wilson - "Migrant Labour in South Africa".
Financial Mail - 26/4/74, 19/7/74.
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