PN-ABM-605

United States
Agency for International Development
USAID Mission to Swaziland

Employment in Swaziland

Prepared for USAID
by
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Mbabane
1989

Executive Summary

The report commences with an historical background which underlines the crucial importance of communal land tenure to the traditional economy of Swaziland, and the ways in which the latter was transformed by large-scale land expropriation. Chapter 6 discusses the continuing role of communally held land as a safety valve for unemployed labour, providing a hitherto secure means of subsistence.

Chapter 2 points out the difficulties involved in presenting a coherent and consistent set of figures on employment in Swaziland. This results from the publication of differing figures in several official sources, and the inevitable weaknesses of the survey method used by Central Statistical Office in obtaining employment data from firms and other organisations. The chapter summarises available data on employment in the private and public formal sectors, and the informal and traditional sectors. Where possible these data are broken down by industrial sector, sex and skill category, and the growth of employment in each category is analysed. Population growth, education, refugee influx and the role of women are also covered.

Without doubt, the offtake of labour by South Africa, principally in the mining sector, is a major factor in the employment field. Chapter 3 illustrates this clearly, as also the effect on the economy by the transfer of income earned ex Swaziland.

The fieldwork undertaken in the survey is covered in Chapter 4, where extensive interviewing of major employers, parastatals, government sponsored organisations and ministries was undertaken and reported on in detail.

Also dealt with in this Chapter, are two sets of projections of future employment requirements. The Manpower Education and Training Study (MET), undertaken in 1987 by the I.L.O. with funding from the World Bank, uses the results of an earlier Manpower Study to investigate the relationships between economic growth, job creation and skills requirements of employers. The importance of adjusting the education system, in order to obtain a balanced output of skills from the educational institutions, is highlighted.

The second set of projections extrapolates historical trends in the output of the education system, and contrasts these with alternative scenarios in monetary sector employment creation, in order to provide an overview of the possible future extent of unemployment in Swaziland.

Paramount to economic growth and job creation is investment, and the climate for this is discussed in Chapter 5, together with some advantages and restraints.

Because of the importance of land to the Swazi mentioned at the outset of this summary, rural development is vital and Chapter 6 outlines the need to develop a strategy in this regard (see also 7.2.1).

Finally, Chapter 7 concludes the study with a discussion of the economy and economic growth (7.1), the importance of South Africa as a dominant neighbour and the effects of possible developments there on Swaziland (7.1.1 and 7.1.2), world market prices in relation to the Swaziland economy (7.1.3), and the importance of policy making vis a vis the traditional and modern sectors of government.

The final page of this survey dealing with AIDS (7.2.2) and Key Policy Issues (7.3) should be compulsory reading for the involved executive, entrepreneur or potential investor, as all three are vital factors, amongst others, in the economic progress of the Kingdom of Swaziland.

Table of Contents

Page no.

1. HISTORICAL BACKGROUND *1.1*

1.1 Pre-1945 1.1

1.2 Post-1945 1.1

1.3 The Post-independence Economy 1.3

2. PRESENT EMPLOYMENT *2.1*

2.1 Labour Absorption 2.1

2.1.1 Wage Employment 2.1

2.1.2 Informal Employment 2.10

2.1.3 Traditional Sector 2.12

2.2 Employment Creation and Population Growth 2.12

2.3 Education 2.14

2.4 Refugees 2.15

2.5 Women 2.15

3. MIGRATION *3.1*

3.1 Introduction 3.1

3.2 The Extent of Migration 3.2

3.2.1 Patterns 3.2

3.2.2 Data Problems 3.2

3.2.3 General Trends 3.3

3.2.4 Swaziland Trends 3.3

3.2.5 Determining Numbers 3.4

3.3 Migrant Labour Income and Employment 3.5

3.3.1 Employment 3.5

3.3.2 Incomes 3.6

3.4 The Future of Swazi Migration 3.11

4. EMPLOYMENT CREATION *4.1*

4.1 Methodology 4.1

4.2 The Private Sector 4.1

4.2.1 Agriculture and Agribusiness 4.1

4.2.2 Tourism 4.2

4.2.3 Mining 4.2
4.2.4 Manufacturing 4.3
4.3 Tibiyo Taka Ngwane 4.3
4.4 Public Sector 4.3
4.5 The Rural Areas 4.3
4.6 Projections for the Future 4.4
4.6.1 ILO Manpower, Education and Training Study 4.4
4.6.2 School Output and Job Creation 4.5

5. *THE INVESTMENT CLIMATE* *5.1*
5.1 Swaziland in an African Perspective 5.1
5.2 Problems 5.2
5.2.1 Work Permits 5.2
5.2.1.1 Government Localisation Policy 5.2
5.2.1.2 Expatriate Employment and the Shortage of Skilled Swazis 5.2
5.2.1.3 Have Companies Tried? 5.6
5.2.1.4 Issuing of Permits 5.6
5.2.2 Land Decree 5.7
5.2.3 Political and Administrative Issues 5.8
5.2.4 Physical and Social Infrastructure 5.8
5.2.5 Trade Unions 5.9
5.3 Positive Points 5.10
5.3.1 Markets 5.10
5.3.2 The Environment 5.10
5.3.3 Labour 5.10
5.4 Conclusion 5.10

6. *RURAL DEVELOPMENT* *6.1*
6.1 Rural-Urban Differentials 6.1
6.2 Income Distribution 6.2
6.3 Rural Development Strategy 6.2

7. *CONCLUSION* *7.1*
7.1 The Economy and Economic Growth 7.1
7.1.1 Political Developments in South Africa 7.1
7.1.2 Economic Developments in South Africa 7.2
7.1.3 World Market Prices 7.2
7.1.4 Government Decision-Making 7.2
7.2 Other Factors 7.2
7.2.1 The Environment 7.2
7.2.2 AIDS 7.3
7.3 Key Areas 7.3

1

Historical Background

1.1 Pre-1945

The traditional Swazi economy was of a subsistence nature, comprising cattle rearing and the growing of food crops. The first White penetration of Swaziland occurred in 1879 with the discovery of gold, but it was in the 1890s that the foundations of the traditional economy were first seriously impaired. The Swazi were no longer self sufficient in the production of grain, and the outbreak of rinderpest in 1894 decimated their cattle herds. Then, in 1896 the government of the South African Republic, i.e., the Transvaal, which was administering Swaziland, introduced a hut tax. Together, these events resulted in the beginnings of the migrant labour system, with men leaving to work in the gold mines of the Witwatersrand.

The loss of land to White 'concessionaires' further undermined the traditional economy. Concessions were granted to foreigners for mining, grazing, trading and other activities in the 1880s, and covered most of the country. After the Anglo-Boer war of 1899-1902, the British reluctantly assumed administration of the territory, appointed a commission to investigate land claims, and in 1907 apportioned to the Swazi 37 per cent of the total area as Swazi Nation Land (SNL) to be held in trust by the King for the nation. The remainder was designated either as Crown Land or as Title Deed Land (TDL), the latter held in freehold title mainly by large estates and individual European (often expatriate) farmers.

The expropriation of land had a deep impact on the traditional Swazi economy: the monarchy reacted to the British decision by encouraging men to go to the mines in order to earn money for the repurchase of expropriated land. Migration, further stimulated after 1902 by government inducement and coercion in the form of hut and poll taxes, now received additional impetus.

Within Swaziland itself, those who did not settle on SNL either remained as tenants on European farms or worked in the wage economy. In fact, competition between local and South African employers for labour increased; wages were higher across the border and local employers therefore recruited Mozambicans. The major sources of local employment were mining and commercial agriculture dominated by British and South African investors.

Nevertheless, investment was limited until the end of World War II. The First World War, the Great Depression and World War II followed in quick succession, and British funds for investment abroad were limited. Moreover, despite the warning of the Pim Report in 1932 that the interests of the Europeans and Swazi were "inextricably combined" and "that there can be no advance for the country as a whole unless the resources of the natives are so increased as to raise materially their present standard of life" (1932:83), the then prevailing view favoured settlers and neglected the welfare and progress of indigenous populations in the colonies. Thus it was that, from being self-sufficient in maize, the Swazi by the early 1930s produced only 20 per cent of their food requirements.

Up to 1940, remarkably little modern social and economic development occurred. In 1936, the number of migrants (9,561) was almost three times that of local wage employees (3,354). The only major investment was in the asbestos mine at Havelock which opened in 1939 and immediately became the major contributor to government revenue.

Social services were also inadequate and missionaries were mainly responsible for the spread of schools which were poorly subsidised. At the time the first high school for Swazi was opened in 1931, 70 per cent of children aged 6-16 years were receiving no education.

1.2 Post-1945

The economy was transformed in the post-war years, and the rapid growth of local employment meant that the Swazi ceased to be a nation primarily of labour migrants. Until 1945, the effect of colonial rule had been to modify and weaken the traditional

economy rather than to modernise it. Now, with changed attitudes in Britain towards the colonies, there was a greater interest in development which was interpreted as, firstly, the exploitation of agricultural and mineral resources through capital investment and, secondly, the improvement of social services for the indigenous population who numbered 184,000 out of a total of 188,000 in the 1946 census.

The British government, through such bodies as the Colonial (later Commonwealth) Development Corporation (CDC), along with private enterprise, took a more energetic approach to the colonies and this led to the influx of foreign capital to exploit available natural resources for export, viz., sugarcane and tropical crops under irrigation, asbestos, iron ore and softwood timber. In the TDL areas, private ranches and estates were established by Britons and South Africans, while British and Danish capital was invested in timber, sugar and citrus plantations. In the 1960s, South Africa's Anglo American Corporation (AAC) opened an iron ore mine. The estates, forests and mines operated as enclaves with virtually self-sufficient company villages.

These developments had a profound effect upon economic growth, and the real value of exports increased significantly between 1958-68. Whereas asbestos accounted for 56.6 per cent of the value of exports in 1958, the pattern was more diversified in 1968, iron ore, sugar, pulp and forestry products all having surpassed asbestos.

However, such growth would not have been possible without the development of an associated economic infrastructure. In the 1960s tarred roads and a railway were constructed, hydro-electric plants were established and a power grid gradually extended to supply the main areas of new activity, and telecommunications within Swaziland and to South Africa were greatly improved and extended.

In the three years prior to independence, proportionately more was invested in social services, especially education, in a desperate effort to produce qualified Swazi personnel. The improvement in education and social services from the 1950s onwards had brought with it an influx of teachers and skilled African workers (including political refugees) from South Africa, and the civil service, despite deliberate efforts to employ more Swazi, was mostly White, Xhosa and Zulu at the time of independence. Most of the Swazi who were qualified for positions in the administration had received their training in South Africa - prior to World War II there were no Swazi in any profession except teaching.

The population in 1966 totalled 375,000, of whom 97 per cent were Africans, 2 per cent Europeans and 1 per cent people of mixed origin. The number of pupils, mainly Swazi, in primary and secondary schools increased from 11,000 in 1945 to 66,330 in 1968, training colleges increased the output of teachers to nearly 150 per year, and an industrial training institute and an agricultural college were established. However, at the time of independence there was no university within Swaziland itself.

The number of Africans in wage employment had risen to 40,500 in 1968 with some 48 per cent in the agricultural, forestry and mining sectors. Despite the acceleration in social development in the years immediately preceding independence, however, the structure of the economy in 1968 was typically colonial in character. It was heavily dependent upon commercial exports which were mainly in the hands of Europeans, and wealth and skills were very unevenly distributed between expatriates and indigenous Swazi.

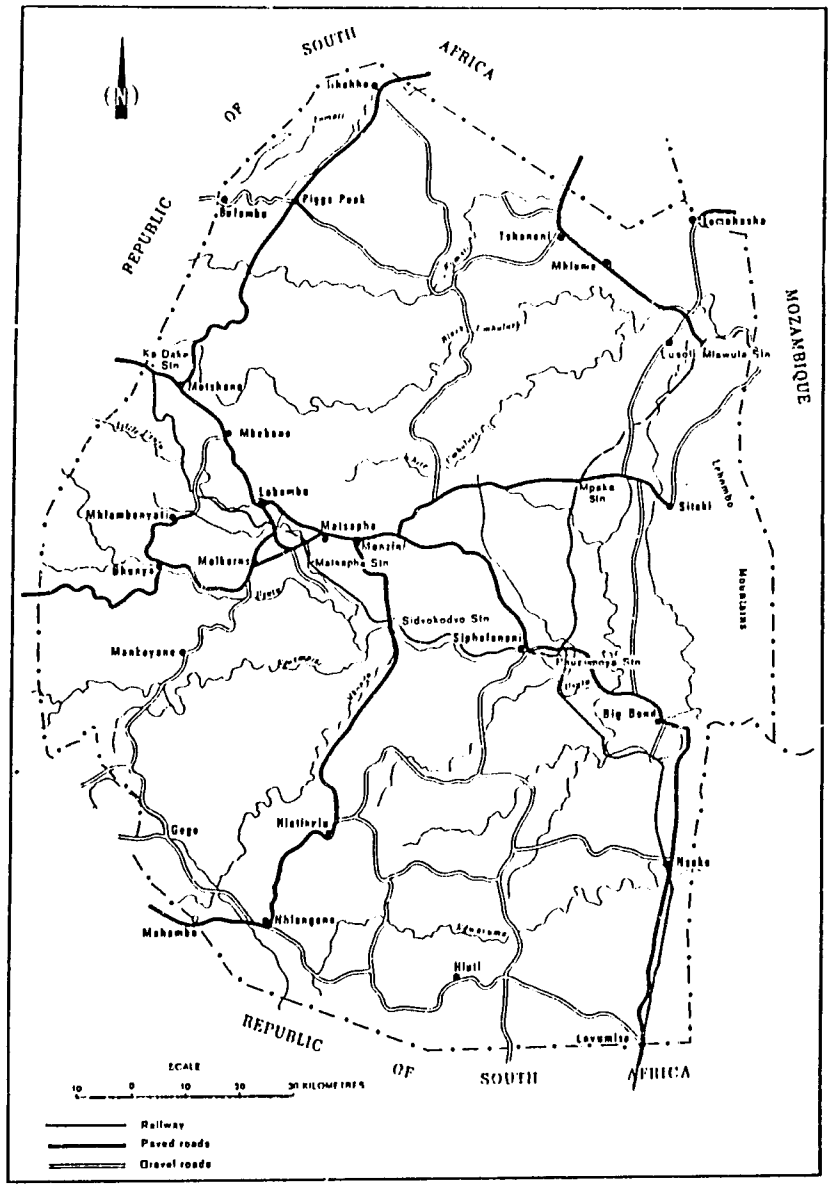
In 1968, SNL accounted for 56 per cent of the total area, while in 1966 Swazi farmers held only 1.2 per cent of freehold land, their land use, however, barely differing from that on SNL. In the absence of any nationwide agricultural census, there was no accurate picture of land use on SNL, but the majority of production was for own consumption, not for the market. The cattle offtake was markedly lower than on TDL. Cotton and tobacco were the major cash crops, Swazi production accounting for 15-20 per cent of cotton output and some 57 per cent of the tobacco crop. The major participation by Swazi in commercial agricultural production was in three special (sugar and pineapple) schemes, and they clearly played a minor role as producers in the agricultural sector. The only other commercial sector in which they had made some headway was in trading as the King, in the 1950s, had encouraged educated Swazi to return from South Africa and promoted the Commercial Amadoda to help Swazi in trade. Nevertheless, trade remained largely in the hands of Europeans.

The effect of these private and public investments was to increase the local demand for labour, but simultaneously, South African mines, forests and estates near Swaziland were also demanding more labour. Wages there rose and the Swazi became selective in employment, shunning certain local jobs which were filled by workers from Mozambique and Nyasaland (now Malawi). By the early 1960s, however, the local labour shortage had dissipated as a result of mechanisation, a decline in construction, and rapid population growth, and workers thus sought to protect themselves by forming trade unions, the first of which was established in 1962.

1.3 The Post-independence Economy

Swaziland became independent within the Commonwealth in September 1968. King Sobhuza II was not only a political, but also an economic, nationalist (Kuper 1978:226) - he did not want the Swazi Nation to lose control of economic resources (especially land and minerals) and be subordinated to foreign leadership. He did not wish to jeopardise stability, and was aware that foreign investment had led to a growing gap between the haves and have-nots. Sobhuza II also took the lead in promoting Swazi participation in business by encouraging them to become traders, as well as urging that Swazi be trained for managerial positions, and that reasonable wages be paid.

In following this philosophy of economic nationalism after independence, the traditional rulers had to come to terms with managing a growing economy and dealing with foreign investors as well as international agencies and organisations, while at the same time maintaining the political, social and cultural cohesion of the Swazi Nation.



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Present Employment

There is a methodological problem in interpreting official information on employment. It derives from the use of three sources of data: the Annual Employment and Wages Survey conducted by the Central Statistical Office (CSO) is the source of figures for 1982-86, while figures for subsequent years are obtained from the records of the Swaziland National Provident Fund (for the private sector) and the government payroll (for the public sector). Because of the problem of non-response in the CSO survey, employment for the period 1982-86 is regarded as having been underestimated. In particular, no sound reason can be found for the decline in employment in 1985.

This study analyses all available published information on employment in Swaziland. The main sources are the Annual Statistical Bulletin, the Annual Employment and Wages Survey of the CSO, the annual economic surveys of the Economic Planning Office, and various reports of the Central Bank. Some research has been undertaken from time to time into specific aspects of employment, especially in rural areas, and these also provide valuable information.

2.1 Labour Absorption

Data obtained from the Annual Employment and Wages Survey show the sectoral breakdown of total labour absorption from 1969-88 (Table 2.1 and Figure 2.1). Table 2.2 and Figure 2.2 indicate that the share of the traditional sector increased from 70.2 per cent in 1972 to 74.8 per cent in 1985. Although no clear trend is discernible, it appears that wage employment in the modern sector has not become more important relative to the traditional sector. The table excludes migrant labour (which will be the subject of Section 3) as well as domestic service (which will be referred to in Section 2.1.2).

2.1.1 Wage Employment

In common with many other countries, particularly in the Third World, Swaziland has increasingly experienced the twin problems of job creation and unemployment. At independence there were 40,500 wage jobs in the formal sector. Between 1970-74 the number of paid employees in this sector grew rapidly from 42,400 to 62,100 (9.7 per cent per annum) but thereafter the rate fell. Wage employment more or less stagnated between 1980-86, but since 1986 there has been a rapid recovery; thus, in 1988 almost 88,000 were estimated to be employed in the formal sector (Table 2.1).

Table 2.3(a) and Figure 2.3 show wage employment in the private and public sectors as a proportion of total wage employment between 1969-88. The proportions in respect of industrial categories are shown in Tables 2.3(b) and 2.3(c), and are depicted for the private sector in Figure 2.4. As in many other Third World countries, employment growth has been more rapid in the public than in the private sector. Between 1969-87 employment growth in the public sector averaged 5.3 per cent per annum compared with 3.5 per cent per annum in the private sector (Table 2.4). According to Table 2.5, wage employment increased as a proportion of total employment in the monetary sector, i.e., formal plus informal employment, during this period.

Tables 2.6 and 2.7 show employment by industrial category in the private sector, and reveal that agriculture is the most important employer, although its proportion has declined since 1969. Manufacturing, distribution, and finance have increased in relative importance, and Table 2.8 shows that employment in finance has grown most rapidly (at 17.1 per cent per annum between 1969-87). It must be noted, however, that the bulk of the apparent 207.7 per cent increase in employment in the private financial sec

Table 2.1 Labour Absorption by Sector 1969-87

Year	Formal Sector Private	Formal Sector Public	Formal Sector TOTAL	Informal Sector	Monetary Sector	Traditional Sector	TOTAL
1969	31569	9572	41141	7900	49041	n.a	n.a
1970	33176	9250	42426	8889	51315	n.a	n.a
1971	37130	9921	47051	8950	56001	n.a	n.a
1972	43767	10089	53856	9501	63357	149037	212394
1973	44285	12747	57032	9929	66961	149037	215998
1974	48627	13434	62061	10133	72194	153658	225852
1975	50361	14044	64405	9769	74174	163333	237507
1976	49672	16543	66215	10657	76872	182678	259550
1977	49273	16952	66225	10999	77224	188341	265565
1978	52292	18964	71256	10692	81948	194179	276127
1979	53884	19995	73879	9688	83567	199616	283183
1980	55077	20047	75124	10145	85269	202809	288078
1981	57243	22496	79739	10452	90191	n.a	n.a
1982	54775	22582	77357	10873	88230	203538	291768
1983	54327	24246	78573	11542	90115	201659	291774
1984	53605	23792	77397	11807	89204	231114	320318
1985	50533	22351	72884	12341	85225	253322	338547
1986	52970	23435	76405	12546	88951	n.a	n.a
1987	58313	24431	82744	12800	95544	n.a	n.a
1988	61751	26137	87888	13100	100988	n.a	n.a

Note: n.a = not available

Source: Employment and Wages 1969-87; National Development Plan 1989/90-1991/92 Economic Review and Outlook, 1989.

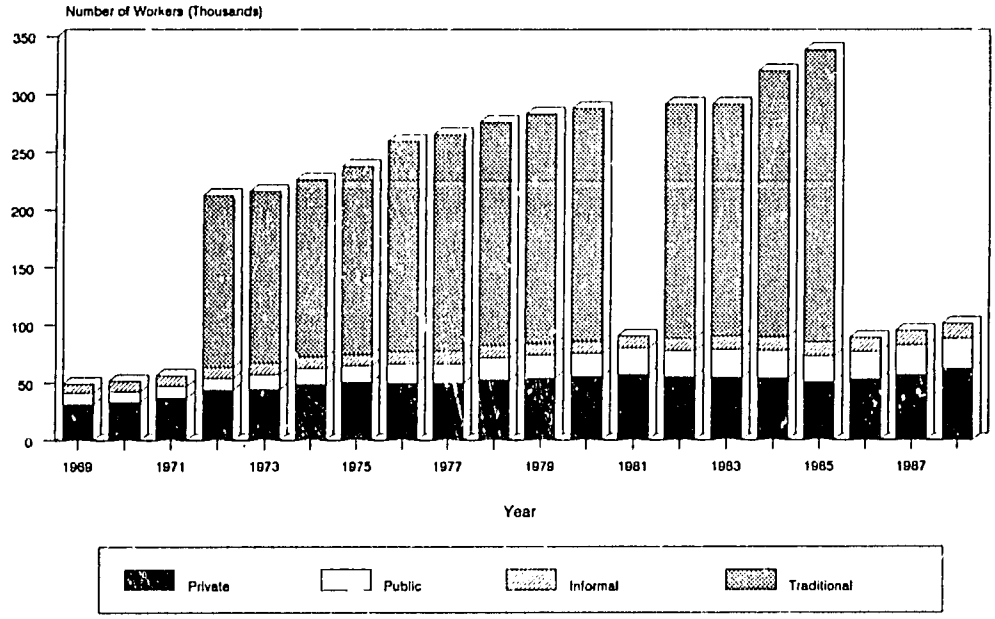
Table 2.2 Labour Absorption by Sector as a Percentage of Total Absorption 1972-85

Year	Formal Sector Private	Formal Sector Public	Formal Sector TOTAL	Informal Sector	Monetary Sector	Traditional Sector	TOTAL
1972	20.6	4.8	25.4	4.5	29.8	70.2	100.0
1973	20.5	5.9	26.4	4.6	31.0	69.0	100.0
1974	21.5	5.9	27.5	4.5	32.0	68.0	100.0
1975	21.2	5.9	27.1	4.1	31.2	68.8	100.0
1976	19.1	6.4	25.5	4.1	29.6	70.4	100.0
1977	18.6	6.4	24.9	4.1	29.1	70.9	100.0
1978	18.9	6.9	25.8	3.9	29.7	70.3	100.0
1979	19.0	7.1	26.1	3.4	29.5	70.5	100.0
1980	19.1	7.0	26.1	3.5	29.6	70.4	100.0
1981	n.a	n.a	n.a	n.a	n.a	n.a	n.a
1982	18.8	7.7	26.5	3.7	30.2	69.8	100.0
1983	18.6	8.3	26.9	4.0	30.9	69.1	100.0
1984	16.7	7.4	24.2	3.7	27.8	72.2	100.0
1985	14.9	6.6	21.5	3.6	25.2	74.8	100.0

Note: n.a = not available

Source: Employment and Wages 1969-87

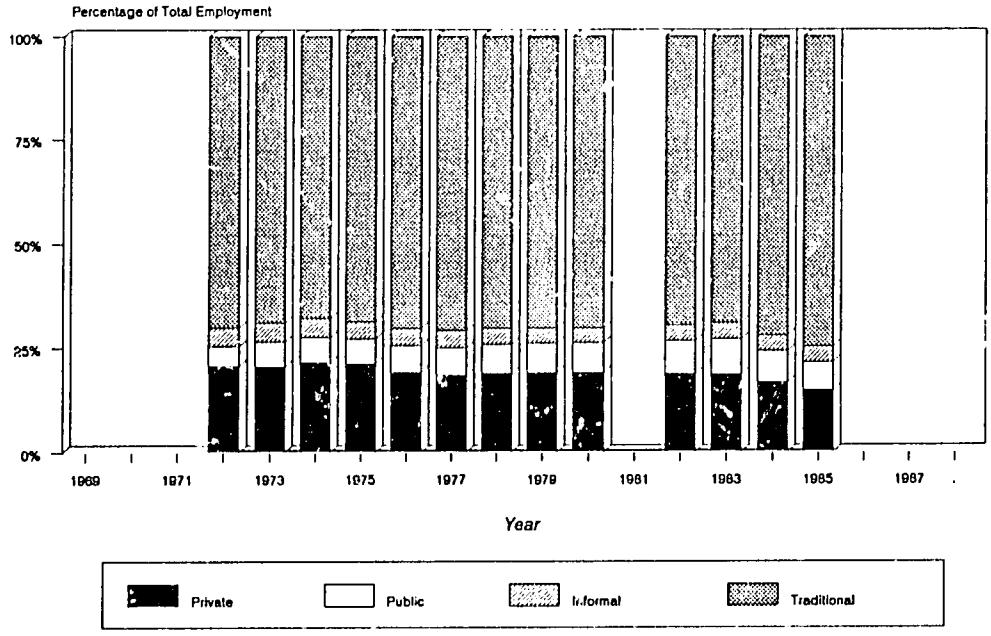
Figure 2.1 Labour Absorption by Sector 1969-88



Note: No data on traditional sector absorption for 1969-71, 1981, 1986-89.

Source: Employment and Wages 1969-87

Figure 2.2 Labour Absorption by Sector as Percentage of Total: 1972-85



Note: No data on traditional sector absorption for 1969-71,1981,1986-89.

Source: Employment and Wages 1969-87

Table 2.3(a) Employment by Sector as a Percentage of Formal Sector Employment 1969-88

Year	*Formal Sector*		
	Private	*Public*	*Total*
1969	76.7	23.3	100.0
1970	78.2	21.8	100.0
1971	78.9	21.1	100.0
1972	81.3	18.7	100.0
1973	77.6	22.4	100.0
1974	78.4	21.6	100.0
1975	78.2	21.8	100.0
1976	75.0	25.0	100.0
1977	74.4	25.6	100.0
1978	73.4	26.6	100.0
1979	72.9	27.1	100.0
1980	73.3	26.7	100.0
1981	71.8	28.2	100.0
1982	70.8	29.2	100.0
1983	69.1	30.9	100.0
1984	69.3	30.7	100.0
1985	69.3	30.7	100.0
1986	69.3	30.7	100.0
1987	70.5	29.5	100.0
1988	70.3	29.7	100.0

Source: Employment and Wages 1969-87

Table 2.3(b) Formal Employment by Industrial Sector: Private as a Percentage of Formal 1969-83

Year	*Formal Sector*	*Private Sector*	*Agric*	*Forest*	*Mining*	*Manuf*	*Elec*	*Constr*	*Distr*	*Trans*	*Fin*	*Servs*
1969	100.0	76.7	n.a	100.0	100.0	100.0	-	45.5	100.0	35.0	100.0	18.6
1970	100.0	78.2	94.2	100.0	100.0	100.0	-	43.0	100.0	25.5	100.0	30.0
1971	100.0	78.9	94.4	100.0	100.0	100.0	-	53.2	100.0	26.2	100.0	29.1
1972	100.0	81.3	99.2	100.0	100.0	100.0	-	58.1	100.0	34.0	100.0	30.9
1973	100.0	77.6	99.1	100.0	100.0	100.0	-	57.1	100.0	28.9	100.0	25.8
1974	100.0	78.4	95.2	100.0	100.0	100.0	-	55.8	100.0	35.7	100.0	24.3
1975	100.0	78.2	94.2	100.0	100.0	100.0	-	60.2	100.0	35.1	100.0	22.7
1976	100.0	75.0	94.4	100.0	100.0	100.0	-	59.3	100.0	34.0	100.0	16.8
1977	100.0	74.4	93.5	100.0	100.0	100.0	-	69.0	100.0	31.6	100.0	16.6
1978	100.0	73.4	92.6	100.0	100.0	100.0	-	67.2	100.0	33.8	100.0	16.3
1979	100.0	72.9	92.6	100.0	100.0	100.0	-	68.8	100.0	25.3	100.0	17.5
1980	100.0	73.3	90.7	100.0	100.0	100.0	-	61.3	100.0	34.6	100.0	18.0
1981	100.0	71.8	87.8	100.0	100.0	100.0	-	64.3	100.0	34.3	84.1	18.6
1982	100.0	70.8	89.2	100.0	100.0	100.0	-	62.5	100.0	40.8	75.3	19.0
1983	100.0	69.1	87.0	100.0	100.0	100.0	-	55.6	100.0	43.6	77.1	18.9
1984	100.0	69.3	88.3	100.0	100.0	100.0	-	56.6	100.0	50.2	63.3	15.3
1985	100.0	69.3	87.9	100.0	100.0	100.0	-	55.1	100.0	52.8	73.3	15.3
1986	100.0	69.3	86.9	100.0	100.0	100.0	-	67.0	100.0	52.9	74.5	14.6
1987	100.0	70.5	84.1	100.0	100.0	100.0	-	65.2	100.0	33.4	85.3	20.1
1988	100.0	70.3	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a

Note: n.a = not available

Source: Employment and Wages 1969-87

Table 2.3(c) Formal Employment by Industrial Sector: Public as a Percentage of Formal 1969-87

Year	*Formal Sector*	*Public Sector*	*Agric*	*Forest*	*Mining*	*Manuf*	*Elec*	*Constr*	*Distr*	*Trans*	*Fin*	*Servs*
1969	100.0	23.3	n.a	-	-	-	100.0	53.5	-	65.0	-	81.4
1970	100.0	21.8	5.8	-	-	-	100.0	57.0	-	74.5	-	70.0
1971	100.0	21.1	5.6	-	-	-	100.0	46.8	-	73.8	-	70.9
1972	100.0	18.7	0.8	-	-	-	100.0	41.9	-	66.0	-	69.1
1973	100.0	22.4	0.9	-	-	-	100.0	42.9	-	71.1	-	74.2
1974	100.0	21.6	4.8	-	-	-	100.0	44.2	-	64.3	-	75.7
1975	100.0	21.8	5.8	-	-	-	100.0	39.8	-	64.9	-	77.3
1976	100.0	25.0	5.6	-	-	-	100.0	40.7	-	66.0	-	83.2
1977	100.0	25.6	6.5	-	-	-	100.0	31.0	-	68.4	-	83.4
1978	100.0	26.6	7.4	-	-	-	100.0	32.8	-	66.2	-	83.7
1979	100.0	27.1	7.4	-	-	-	100.0	31.2	-	74.7	-	82.5
1980	100.0	26.7	9.3	-	-	-	100.0	38.7	-	65.4	-	82.0
1981	100.0	28.2	12.2	-	-	-	100.0	35.7	-	65.7	15.9	81.4
1982	100.0	29.2	10.8	-	-	-	100.0	37.5	-	59.2	24.7	81.0
1983	100.0	30.9	13.0	-	-	-	100.0	44.4	-	56.4	22.9	81.1
1984	100.0	30.7	11.7	-	-	-	100.0	43.4	-	49.8	36.7	84.7
1985	100.0	30.7	12.1	-	-	-	100.0	44.9	-	47.2	26.7	84.7
1986	100.0	30.7	13.1	-	-	-	100.0	33.0	-	47.1	25.5	85.4
1987	100.0	29.5	15.9	-	-	-	100.0	34.8	-	66.6	14.7	79.9
1988	100.0	29.7	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a

Note: n.a = not available

Sources: Employment and Wages 1969-87

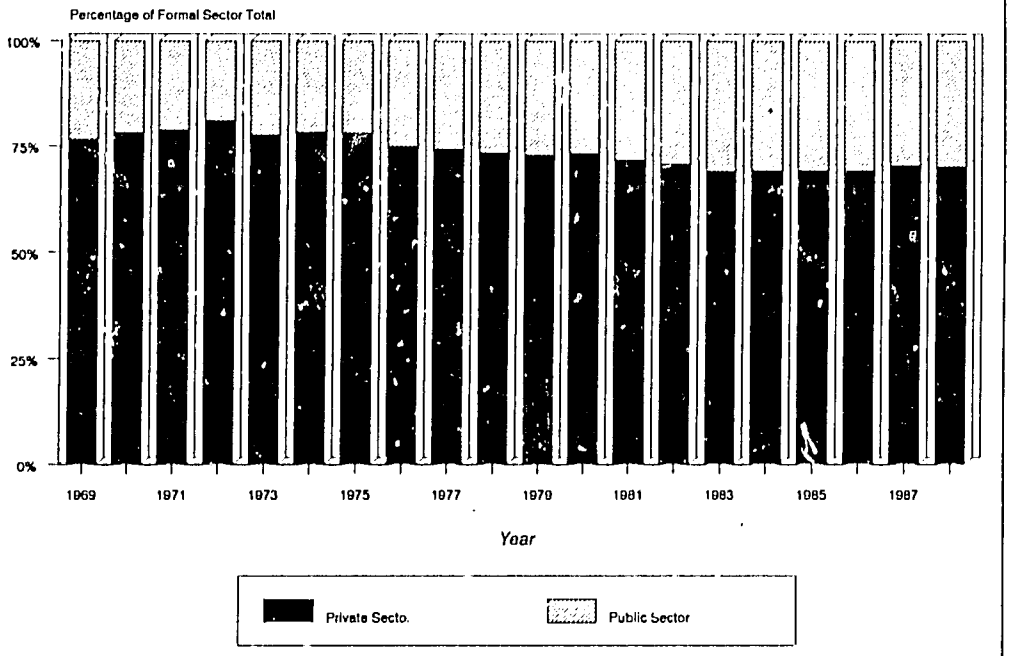
Table 2.4 Annual Growth in Labour Absorption by Sector: Percentage Increase/Decrease over Previous Year 1970-88

Year	*Formal Sector*			*Informal Sector*	*Monetary Sector*	*Trad Sector*	*TOTAL*
	Private	*Public*	*TOTAL*				
1970	5.1	-3.4	3.1	12.5	4.6	n.a	n.a
1971	11.9	7.3	10.9	0.7	9.1	n.a	n.a
1972	17.9	1.7	14.5	6.2	13.1	n.a	n.a
1973	1.2	26.3	5.9	4.5	5.7	0.0	1.7
1974	9.8	5.4	8.8	2.1	7.8	3.1	4.6
1975	3.6	4.5	3.8	-3.6	2.7	6.3	5.2
1976	-1.4	17.8	2.8	9.1	3.6	11.8	9.3
1977	-0.8	2.5	0.0	3.2	0.5	3.1	2.3
1978	6.1	11.9	7.6	-2.8	6.1	3.1	4.0
1979	3.0	5.4	3.7	-9.4	2.0	2.8	2.6
1980	2.2	0.3	1.7	4.7	2.0	1.6	1.7
1981	3.9	12.2	6.1	3.0	5.8	n.a	n.a
1982	-4.3	0.4	-3.0	4.0	-2.2	n.a	n.a
1983	-0.8	7.4	1.6	6.2	2.1	-0.9	0.0
1984	-1.3	-1.9	-1.5	2.3	-1.0	14.6	9.8
1985	-5.7	-6.1	-5.8	4.5	-4.5	9.6	5.7
1986	4.8	4.8	4.8	1.7	4.4	n.a	n.a
1987	10.1	4.3	8.3	2.0	7.4	n.a	n.a
1988	5.9	7.0	6.2	2.3	5.7	n.a	n.a
Average growth per year: 1969-87							
	3.5	5.3	4.0	2.7	3.8	4.2	3.7

Note: n.a = not available

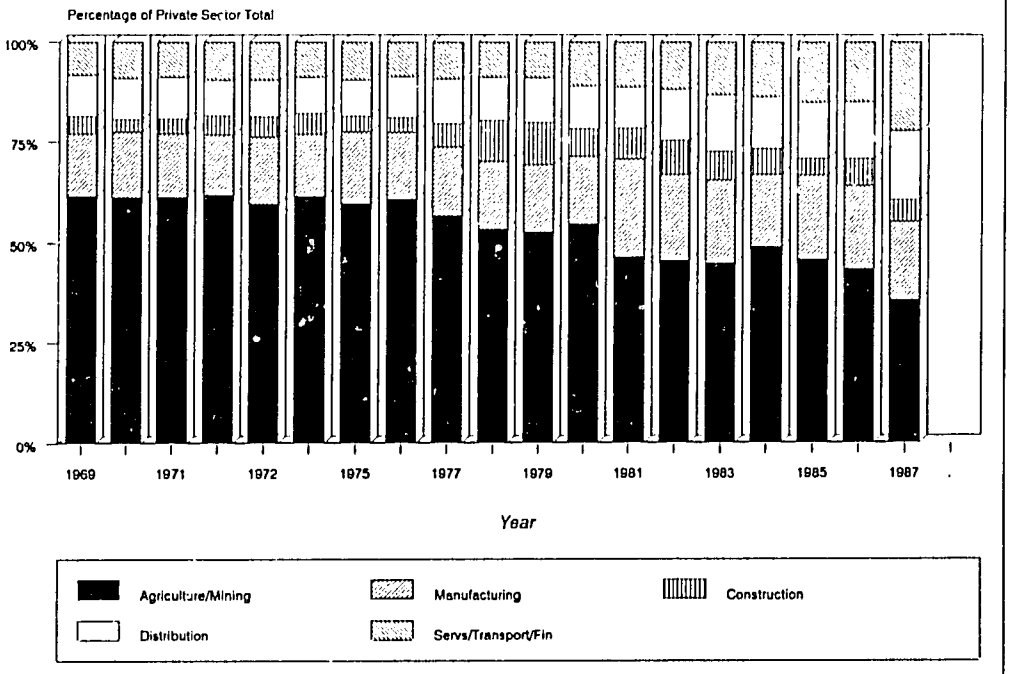
Source: Employment and Wages 1969-87

Figure 2.3 Formal Sector Employment: Percentage Private/Public: 1969-88



Source: Employment and Wages 1969-87

Figure 2.4 Private Sector Employment by Sector: 1969-87



Source: Employment and Wages 1969-87

-9

Table 2.5 Employment by Sector as a Percentage of Monetary Sector Employment 1969-88

Year	*Formal Sector*			*Informal*	*Monetary*
	Private	*Public*	*TOTAL*	*Sector*	*Sector*
1969	64.4	19.5	83.9	16.1	100.0
1970	64.7	18.0	82.7	17.3	100.0
1971	66.3	17.7	84.0	16.0	100.0
1972	69.1	15.9	85.0	15.0	100.0
1973	66.1	19.0	85.2	14.8	100.0
1974	67.4	18.6	86.0	14.0	100.0
1975	67.9	18.9	86.8	13.2	100.0
1976	64.6	21.5	86.1	13.9	100.0
1977	63.8	22.0	85.8	14.2	100.0
1978	63.8	23.1	87.0	13.0	100.0
1979	64.5	23.9	88.4	11.6	100.0
1980	64.6	23.5	88.1	11.9	100.0
1981	63.5	24.9	88.4	11.6	100.0
1982	62.1	25.6	87.7	12.3	100.0
1983	60.3	26.9	87.2	12.8	100.0
1984	60.1	26.7	86.8	13.2	100.0
1985	59.3	26.2	85.5	14.5	100.0
1986	59.5	26.3	85.9	14.1	100.0
1987	61.0	25.6	86.6	13.4	100.0
1988	61.1	25.9	87.0	13.0	100.0

Source: Employment and Wages 1969-87

Table 2.6 Private Formal Sector Employment by Industrial Sector 1969-87

Year	*Private Sector*	*Agric*	*Forest*	*Mining*	*Manuf*	*Elec*	*Constr*	*Distr*	*Trans*	*Fin*	*Servs*
1969	31569	14084	2647	2720	4922	-	1312	3277	714	463	1430
1970	33176	14355	3083	2907	5383	-	1002	3423	479	344	2200
1971	37130	16282	3583	2926	5837	-	1350	3842	537	427	2346
1972	43767	20201	3953	2950	6512	-	2107	3842	775	580	2842
1973	44285	19337	4092	2924	7360	-	2256	4002	778	581	2905
1974	48627	22814	4068	3020	7547	-	2469	4414	887	773	2635
1975	50361	23047	3942	3044	8998	-	2012	4519	891	1187	2721
1976	49672	23153	3988	3076	8216	-	1825	5093	872	1147	2302
1977	49273	21214	3669	3086	8411	-	2817	5516	874	1477	2209
1978	52292	22183	3188	2607	8743	-	5314	5589	991	1456	2221
1979	53884	22538	3332	2554	8938	-	5641	6042	944	1434	2461
1980	55077	22899	4640	2588	9253	-	3727	5874	1148	2328	2620
1981	57243	18912	5143	2580	13880	-	4345	5862	1510	2110	2901
1982	54775	17840	4606	2492	11708	-	4644	6923	1709	1682	3171
1983	54327	17054	5004	2227	11296	-	3799	7671	2022	1905	3349
1984	53605	18689	5196	2335	9639	-	3353	6967	2498	2482	2446
1985	50533	16323	4411	2415	10600	-	2003	7051	2856	2391	2483
1986	52970	16410	4181	2455	10944	-	3489	7479	2983	2583	2446
1987	58313	14030	4322	2475	11369	-	3120	9991	1464	7948	3594
1988	61751	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a

Note: n.a = not available

Source: Employment and Wages 1969-87

Table 2.7 Private Formal Sector Employment by Industrial Sector: Percentage Breakdown 1969-87

Year	*Private Sector*	*Agric*	*Forest*	*Mining*	*Manuf*	*Elec*	*Constr*	*Distr*	*Trans*	*Fin*	*Servs*
1969	100.0	44.6	8.4	8.6	15.6	-	4.2	10.4	2.3	1.5	4.5
1970	100.0	43.3	9.3	8.8	16.2	-	3.0	10.3	1.4	1.0	6.6
1971	100.0	43.9	9.6	7.9	15.7	-	3.6	10.3	1.4	1.2	6.3
1972	100.0	46.2	9.0	6.7	14.9	-	4.8	8.8	1.8	1.3	6.5
1973	100.0	43.8	9.2	6.6	16.6	-	5.1	9.0	1.8	1.3	6.6
1974	100.0	46.9	8.4	6.2	15.5	-	5.1	9.1	1.8	1.6	5.4
1975	100.0	45.8	7.8	6.0	17.9	-	4.0	9.0	1.8	2.4	5.4
1976	100.0	46.6	8.0	6.2	16.5	-	3.7	10.3	1.8	2.3	4.6
1977	100.0	43.1	7.4	6.3	17.1	-	5.7	11.2	1.8	3.0	4.5
1978	100.0	42.4	6.1	5.0	16.7	-	10.2	10.7	1.9	2.8	4.2
1979	100.0	41.8	6.2	4.7	16.6	-	10.5	11.2	1.8	2.7	4.6
1980	100.0	41.6	8.4	4.7	16.8	-	6.8	10.7	2.1	4.2	4.8
1981	100.0	33.0	9.0	4.5	24.2	-	7.6	10.2	2.6	3.7	5.1
1982	100.0	32.6	8.4	4.5	21.4	-	8.5	12.6	3.1	3.1	5.8
1983	100.0	31.4	9.2	4.1	20.8	-	7.0	14.1	3.7	3.5	6.2
1984	100.0	34.9	9.7	4.4	18.0	-	6.3	13.0	4.7	4.6	4.6
1985	100.0	32.3	8.7	4.8	21.0	-	4.0	14.0	5.7	4.7	4.9
1986	100.0	31.0	7.9	4.6	20.7	-	6.6	14.1	5.6	4.9	4.6
1987	100.0	24.1	7.4	4.2	19.5	-	5.4	17.1	2.5	13.6	6.2

Source: Employment and Wages 1969-87

Table 2.8 Growth in Private Formal Sector Employment by Industrial Sector: Percentage Change over Previous Year 1970-87

Year	*Private Sector*	*Agric*	*Forest*	*Mining*	*Manuf*	*Elec*	*Constr*	*Distr*	*Trans*	*Fin*	*Servs*
1970	5.1	1.9	16.5	6.9	9.4	-	-23.6	4.5	-32.9	-25.7	53.8
1971	11.9	13.4	16.2	0.7	8.4	-	34.7	12.2	12.1	24.1	6.6
1972	17.9	24.1	10.3	0.8	11.6	-	56.1	0.0	44.3	35.8	21.1
1973	1.2	-4.0	3.5	-0.9	13.0	-	7.1	4.2	0.4	0.2	2.2
1974	9.8	17.7	-0.6	3.3	2.5	-	9.4	10.3	14.0	33.0	-9.3
1975	3.6	1.0	-3.1	0.8	19.2	-	-18.5	2.4	0.5	53.6	3.3
1976	-1.4	0.5	1.2	1.1	-8.7	-	-9.3	12.7	-2.1	-3.4	-15.4
1977	-0.8	-8.4	-8.0	0.3	2.4	-	54.1	8.3	0.2	28.8	-4.0
1978	6.1	4.6	-13.1	-15.5	3.9	-	88.6	1.3	13.4	-1.4	0.5
1979	3.0	1.6	4.5	-2.0	2.2	-	6.2	8.1	-4.7	-1.5	10.8
1980	2.2	1.6	39.3	1.3	3.5	-	-33.9	-2.8	21.6	62.3	6.5
1981	3.9	-17.4	10.8	-0.3	50.0	-	16.6	-0.2	31.5	-9.4	10.7
1982	-4.3	-5.7	-10.4	-3.4	-15.6	-	6.9	18.1	13.2	-20.3	9.3
1983	-0.8	-4.4	8.6	-10.6	-3.5	-	-18.2	10.8	18.3	13.3	5.6
1984	-1.3	9.6	3.8	4.8	-14.7	-	-11.7	-9.2	23.5	30.3	-27.0
1985	-5.7	-12.7	-15.1	3.4	10.0	-	-40.3	1.2	14.3	-3.7	1.5
1986	4.8	0.5	-5.2	1.7	3.2	-	74.2	6.1	4.4	8.0	-1.5
1987	10.1	-14.5	3.4	0.8	3.9	-	-10.6	33.6	-50.9	207.7	46.9
1988	5.9	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Average growth per year: 1969-87											
	3.5	0.0	2.8	-0.5	4.8	-	4.9	6.4	4.1	17.1	5.3

Note: n.a = not available

Source: Employment and Wages 1969-87

Table 2.9 Public Formal Sector Employment by Industrial Sector 1969-87

Year	*Public Sector*	*Agric*	*Forest*	*Mining*	*Manuf*	*Elec*	*Constr*	*Distr*	*Trans*	*Finance*	*Servs*
1969	9572	n.a	-	-	-	498	1511	-	1324	-	6239
1970	9250	881	-	-	-	509	1326	-	1398	-	5136
1971	9921	975	-	-	-	518	1187	-	1513	-	5728
1972	10089	173	-	-	-	541	1522	-	1505	-	6348
1973	12747	176	-	-	-	592	1694	-	1910	-	8375
1974	13434	1140	-	-	-	546	1952	-	1596	-	8200
1975	14044	1408	-	-	-	405	1329	-	1649	-	9253
1976	16543	1365	-	-	-	799	1250	-	1694	-	11435
1977	16952	1485	-	-	-	1226	1264	-	1894	-	11083
1978	18964	1772	-	-	-	1208	2595	-	1943	-	11446
1979	19995	1794	-	-	-	1213	2560	-	2789	-	11639
1980	20047	2350	-	-	-	1216	2352	-	2168	-	11961
1981	22496	2632	-	-	-	1453	2409	-	2889	400	12713
1982	22582	2153	-	-	-	1091	2782	-	2478	551	13527
1983	24246	2544	-	-	-	1139	3033	-	2616	567	14347
1984	23792	2480	-	-	-	1332	2572	-	2478	1436	13494
1985	22351	2243	-	-	-	1324	1629	-	2557	873	13725
1986	23435	2468	-	-	-	1426	1721	-	2660	886	14274
1987	24431	2651	-	-	-	1518	1664	-	2916	1375	14307
1988	26137	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a

Note: n.a = not available

Source: Employment and Wages 1969-87

Table 2.10 Public Formal Sector Employment by Industrial Sector: Percentage Breakdown 1969-87

Year	*Public Sector*	*Agric*	*Forest*	*Mining*	*Manuf*	*Elec*	*Constr*	*Distr*	*Trans*	*Finance*	*Servs*
1969	100.0	n a	-	-	-	5.2	15.8	-	13.8	-	65.2
1970	100.0	9.5	-	-	-	5.5	14.3	-	15.1	-	55.5
1971	100.0	9.8	-	-	-	5.2	12.0	-	15.3	-	57.7
1972	100.0	1.7	-	-	-	5.4	15.1	-	14.9	-	62.9
1973	100.0	1.4	-	-	-	4.6	13.3	-	15.0	-	65.7
1974	100.0	8.5	-	-	-	4.1	14.5	-	11.9	-	61.0
1975	100.0	10.0	-	-	-	2.9	9.5	-	11.7	-	65.9
1976	100.0	8.3	-	-	-	4.8	7.6	-	10.2	-	69.1
1977	100.0	8.8	-	-	-	7.2	7.5	-	11.2	-	65.4
1978	100.0	9.3	-	-	-	6.4	13.7	-	10.2	-	60.4
1979	100.0	9.0	-	-	-	6.1	12.8	-	13.9	-	58.2
1980	100.0	11.7	-	-	-	6.1	11.7	-	10.8	-	59.7
1981	100.0	11.7	-	-	-	6.5	10.7	-	12.8	1.8	56.5
1982	100.0	9.5	-	-	-	4.8	12.3	-	11.0	2.4	59.9
1983	100.0	10.5	-	-	-	4.7	12.5	-	10.8	2.3	59.2
1984	100.0	10.4	-	-	-	5.6	10.8	-	10.4	6.0	56.7
1985	100.0	10.0	-	-	-	5.9	7.3	-	11.4	3.9	61.4
1986	100.0	10.5	-	-	-	6.1	7.3	-	11.4	3.8	60.9
1987	100.0	10.9	-	-	-	6.2	6.8	-	11.9	5.6	58.6

Note: n.a = not available

Source: Employment and Wages 1969-87

Table 2.11 Growth in Public Formal Sector Employment by Industrial Sector: Percentage Change over Previous Year 1970-87

Year	*Public Sector*	*Agric*	*Forest*	*Mining*	*Manuf*	*Elec*	*Constr*	*Distr*	*Trans*	*Fin*	*Servs*
1970	-3.4	n.a	-	-	-	2.2	-12.2	-	5.6	-	-17.7
1971	7.3	10.7	-	-	-	1.8	-10.5	-	8.2	-	11.5
1972	1.7	-82.3	-	-	-	4.4	28.2	-	-0.5	-	10.8
1973	26.3	1.7	-	-	-	9.4	11.3	-	26.9	-	31.9
1974	5.4	547.7	-	-	-	-7.8	15.2	-	-16.4	-	-2.1
1975	4.5	23.5	-	-	-	-25.8	-31.9	-	3.3	-	12.8
1976	17.8	-3.1	-	-	-	97.3	-5.9	-	2.7	-	23.6
1977	2.5	8.8	-	-	-	53.4	1.1	-	11.8	-	-3.1
1978	11.9	19.3	-	-	-	-1.5	105.3	-	2.6	-	3.3
1979	5.4	1.2	-	-	-	0.4	-1.3	-	43.5	-	1.7
1980	0.3	31.0	-	-	-	0.2	-8.1	-	-22.3	-	2.8
1981	12.2	12.0	-	-	-	19.5	2.4	-	33.3	-	6.3
1982	0.4	-18.2	-	-	-	-24.9	15.5	-	-14.2	37.8	6.4
1983	7.4	18.2	-	-	-	4.4	9.0	-	5.6	2.9	6.1
1984	-1.9	-2.5	-	-	-	16.9	-15.2	-	-5.3	153.3	-5.9
1985	-6.1	-9.6	-	-	-	-0.6	-36.7	-	3.2	-39.2	1.7
1986	4.8	10.0	-	-	-	7.7	5.6	-	4.0	1.5	4.0
1987	4.3	7.4	-	-	-	6.5	-3.3	-	9.6	55.2	0.2
1988	7.0	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Average growth per year: 1969-87											
	5.3	6.7	-	-	-	6.4	0.5	-	4.5	22.8	4.7

Note: na. = not available

Source: Employment and Wages 1969-87

tor from 1986 to 1987, indicated in the Employment and Wages survey (1987), is comprised of unskilled workers. Tables 2.9-2.11 provide similar information for the public sector. Not surprisingly, the major category of employment is services.

2.1.2 *Informal Employment*

Estimates of employment in the informal part of the monetary sector were made in the 1976 population census, and have since been included in the statistics. This sector is officially defined as consisting of the self-employed, small traders and those employed in private households, i.e., in domestic service. There must be some doubt as to the accuracy of these estimates, but the sector seems to have grown in size from 7,900 persons in 1969 to about 13,100 in 1988 (or at an average annual rate of 2.7 per cent). As Table 2.5 shows, informal employment has apparently declined as a proportion of total employment in the monetary sector over this period.

Tables 2.12-2.14 provide further data on employment in the informal sector. The major category is that of private households, which accounted for almost 70 per cent of employment in this sector in 1986, although its relative importance has declined since 1969. An examination of income data indicates that Swaziland should support at least 10,000 domestic servants.

Of the total of 115,426 households in Swaziland estimated by the CSO National Income and Expenditure Survey (1985), 6,784 (or 6.0 per cent) had incomes in cash of E750 per month or more. E750 is deemed to be the cut-off point in household incomes above which households can afford to employ one or more domestic servants. Taking the national average monthly expenditure on domestic services of E3.37 per household, and assuming that each upper-income household employs on average at least 1.5 servants, the average amount spent by the 6,874 households would be E56.60 per month each.

In view of prevailing wage levels this appears to be a plausible estimate, especially since such a cash wage for domestic servants would be supplemented by substantial payments in kind. Therefore, assuming an average number of domestic servants per upper-income income household of 1.5, the total number of domestic servants in Swaziland is estimated at 10,000.

13

Table 2.12 Informal Sector Employment 1969-87

Year	*Informal Sector*	*Self Employed*	*Unpaid Family Workers*	*Small Swazi Traders*	*Private Homesteads*
1969	7900	1400	n.a	n.a	6500
1970	8889	1234	125	1030	6500
1971	8950	1278	142	1030	6500
1972	9501	869	1042	1090	6500
1973	9929	937	1093	1399	6500
1974	10133	1580	553	1500	6500
1975	9769	765	904	1600	6500
1976	10657	1216	1241	1700	6500
1977	10999	1109	1390	1800	6700
1978	10692	827	1065	1900	6900
1979	9688	595	285	1715	7093
1980	10145	753	546	1554	7292
1981	10452	756	431	1769	7496
1982	10873	867	540	1760	7706
1983	11542	1197	597	1803	7945
1984	11807	1116	557	1943	8191
1985	12341	1296	377	2223	8445
1986	12546	1139	397	2303	8707
1987	12800	1241	509	2073	8977
1988	13100	n.a	n.a	n.a	n.a

Note: n.a = not available

Source: Employment and Wages 1969-87; National Development Plan 1989/90-1991/92 Economic Review and Outlook, 1989.

Table 2.13 Informal Sector Employment: Percentage Breakdown 1969-87

Year	*Informal Sector*	*Self Employed*	*Unpaid Family Workers*	*Small Swazi Traders*	*Private Homesteads*
1969	100.0	17.7	n.a	n.a	82.3
1970	100.0	13.9	1.4	11.6	73.1
1971	100.0	14.3	1.6	11.5	72.6
1972	100.0	9.1	11.0	11.5	68.4
1973	100.0	9.4	11.0	14.1	65.5
1974	100.0	15.6	5.5	14.8	64.1
1975	100.0	7.8	9.3	16.4	66.5
1976	100.0	11.4	11.6	16.0	61.0
1977	100.0	10.1	12.6	16.4	60.9
1978	100.0	7.7	10.0	17.8	64.5
1979	100.0	6.1	2.9	17.7	73.2
1980	100.0	7.4	5.4	15.3	71.9
1981	100.0	7.2	4.1	16.9	71.7
1982	100.0	8.0	5.0	16.2	70.9
1983	100.0	10.4	5.2	15.6	68.8
1984	100.0	9.5	4.7	16.5	69.4
1985	100.0	10.5	3.1	18.0	68.4
1986	100.0	9.1	3.2	18.4	69.4
1987	100.0	9.7	4.0	16.2	70.1
1988	100.0	n.a	n.a	n.a	n.a

Note: n.a = not available

Source: Employment and Wages 1969-87

Table 2.14 Growth in Informal Sector Employment: Percentage Change over Previous Year 1970-87

Year	*Informal Sector*	*Self Employed*	*Unpaid Family Workers*	*Small Swazi Traders*	*Private Homesteads*
1970	12.5	-11.9	n.a	n.a	0.0
1971	0.7	3.6	13.6	0.0	0.0
1972	6.2	-32.0	633.8	5.8	0.0
1973	4.5	7.8	4.9	28.3	0.0
1974	2.1	68.6	-49.4	7.2	0.0
1975	-3.6	-51.6	63.5	6.7	0.0
1976	9.1	59.0	37.3	6.3	0.0
1977	3.2	-8.8	12.0	5.9	3.1
1978	-2.8	-25.4	-23.4	5.6	3.0
1979	-9.4	-28.1	-73.2	-9.7	2.8
1980	4.7	26.6	91.6	-9.4	2.8
1981	3.0	0.4	-21.1	13.8	2.8
1982	4.0	14.7	25.3	-0.5	2.8
1983	6.2	38.1	10.6	2.4	3.1
1984	2.3	-6.8	-6.7	7.8	3.1
1985	4.5	16.1	-32.3	14.4	3.1
1986	1.7	-12.1	5.3	3.6	3.1
1987	2.0	9.0	28.2	-10.0	3.1
1988	2.3	n.a	n.a	n.a	n.a
Average Growth per year: 1969-8					
	2.7	-0.7	8.6	4.2	1.8

Note: na. = not available

Source: Employment and Wages 1969-87

Small Swazi traders have grown in relative importance (Table 2.13). Strictly speaking, however, they should not be regarded as part of the informal sector; if they are organised and submit tax returns, they ought to be included in the private formal sector. The informal sector in the strict sense then provided about 10,700 jobs in 1987, or about 11 per cent of total employment in the monetary sector and approximately 3 per cent of total national employment. This is roughly comparable to estimates of the size of the same sector in South Africa.

2.1.3 *Traditional Sector*

As mentioned earlier, labour absorption in the traditional sector increased as a proportion of the total between 1969-88, although with fluctuations from year to year, it is not possible to obtain any clear trend line from the statistics. This sector refers to the "active farm population" in Swazi Nation areas, and includes both paid and unpaid farm workers. Between 1972-85 the traditional sector absorbed labour at an average annual rate of 4.2 per cent. This was significantly above the rate of population growth, and is a reflection of the shortage of other employment opportunities. However, it also illustrates the absorptive capacity of the sector: individuals find traditional farming preferable to open unemployment in the urban areas.

2.2 Employment Creation and Population Growth

In 1988, total employment in the monetary sector (i.e., the formal sector together with the informal sector) amounted to about 101,000 - an increase of 11,000 since 1981. This was well short of the number required. The Fourth Plan estimated that 8,500 people would enter the labour market seeking monetary sector employment each year. The balance of working-age people would be absorbed by traditional agriculture.

Successive development plans have consistently over-estimated the employment-creating potential of the formal and informal sectors. Despite this, they have all pointed to the growing gap between the number of job-seekers and the number of available jobs. It is unfortunate that there is no mechanism available for measuring unemployment, so no un-

employment rate can be quoted. The Ministry of Labour provides a labour exchange at which unemployed persons can register, but it is under-utilised; in 1985 it placed only 638 individuals, which is insignificant in the overall scheme of things. Most work seekers consequently prefer to use their own initiative in approaching employers, and employers have only to go to their factory gates if they require additional labour.

The export of labour to South Africa (mainly to the gold mines) historically has provided a safety valve. This is discussed in Section 3; suffice it to note here that the long-term trend in the employment of foreign migrants in South Africa is uncertain. The loss of this safety valve could confront Swaziland and other supplying countries with a considerable problem. In the case of Swaziland, this is exacerbated by the fact that the population will double in only 22 years at current growth rates.

The resident (de facto) population has increased from 375,000 in 1966 to a provisional 676,000 in the 1986 census. Africans comprise 97.5 per cent of the total, and their crude rate of natural increase has risen from 2.75 per cent per annum in 1966 to an estimated 3.41 per cent per annum (one of the highest in the world) in 1983. According to preliminary results from the 1986 census, the rate of increase has apparently fallen again to about 3.2 per cent. The high fertility level has been sustained by complex socio-economic forces, while the mortality rate has declined only slowly. Inter-censal growth rates averaged 2.8 per cent per annum between 1966-76 and 3.2 per cent per annum between 1976-86, and these high rates have posed formidable problems for economic development. The youthful age structure of the population (some 47 per cent are under 15 years of age), quite apart from implying continued rapid growth, places severe pressures on social services and the capacity of the economy to provide productive employment. A recently reported fall in the fertility rate from 6.0 to 5.0 does, however, indicate that the family planning programmes are having some impact.

Although Swaziland has achieved one of the highest rates of growth in formal employment (4.1 per cent per annum between 1968-88) in sub-Saharan Africa, the growing severity of the problem is illustrated by the fact that the increment to the labour force seeking paid employment exceeded the increase in paid employment by an average of 2,000 per annum during the Second Plan period, 3,200 during the Third Plan period and an estimated 5,300 during the Fourth Plan period. These individuals faced several options: seeking employment as migrant workers in South Africa, joining the informal sector, returning to the rural areas and participating in traditional agriculture, or becoming openly unemployed in urban areas.

Concern with the employment situation was reflected in the Fourth National Development Plan (FNDP). It was noted that formal- sector employment was expected to grow at 1.7 per cent per annum over the Plan period.

In order to absorb those seeking formal sector employment, the FNDP stated that either the economy would have to grow at 8.3 per cent per annum or the capital:labour mix would have to change. This calculation was based on an estimate of the average elasticity of employment with respect to real Gross Domestic Product between 1977-82 of 0.72, i.e., for every 1 per cent rise in GDP, formal employment would rise by 0.72 per cent. The elasticity has varied widely over the last 20 years, exceeding unity between 1969-72 (1.53), 1977 (1.04), 1986-88 (1.73), and being considerably lower between 1972-76 (0.53) and 1981-86 (when it was negative owing to an absolute decline in formal sector employment). Overall, an average elasticity of about 0.70 seems a reasonable assumption.

The FNDP stated that the elasticity of employment with respect to GDP needed to be improved. This would mean that the production-input mix would have to be changed in favour of labour over capital, and the labour productivity increases which reduce the real cost of labour would have to be achieved. The Plan therefore hoped that the government would put more emphasis on labour-intensive work through its fiscal policies and incentives. However, the FNDP stressed that the ability of the economy to avoid "serious and sustained open unemployment ... will depend, to a great extent, on the capacity of the traditional rural sector, through change and modernisation, to absorb substantial amounts of additional labour. In order to avoid a fall in the standard of living of those in employment, this absorption must occur in a productive and remunerative manner".

The most recent plan (Development Plan 1989/90-1991/92) states:

> "The anticipated growth in total paid employment is roughly of the same order of magnitude as the projected GDP growth. Thus, the employment prospects currently are slightly brighter than was the case in recent years in that total employment is forecast to increase at a slightly higher rate than the population. Nevertheless, there will continue to be a relatively vast number of job seekers. Although the outlook for an increase in employment in South African mines is judged to be quite favourable, this will not have any significant impact on the unemployment situation".

16

Table 2.15 Education Statistics, Selected Years

	1968	1973	1978	1983	1987
Primary -					
schools	358	395	436	468	477
pupils	62,108	81,694	100,700	129,767	147,743
teachers	1,627	2,112	2,853	3,922	4,462
Secondary -					
schools	31	64	76	89	113
pupils	6,162	12,459	20,584	27,801	32,942
teachers	300	550	1,073	1,518	1,760

Sources: Second National Development Plan, pp.150-151; Third National Development Plan, pp.182, 165; Fourth National Development Plan, pp.242, 245; Education Statistics, pp.5-6.

2.3 Education

Statistics for schools for selected years covering the successive Plan periods are shown in Table 2.15.

At independence Swaziland inherited a weak educational system. Only 60 per cent and 30 per cent respectively of children of primary and secondary school going age were at school, only about 100 trained teachers were being produced each year, and only 111 Swazi were studying at university.

The main emphasis was initially placed on expanding secondary education, although later universal primary education and improved standards at that level were stressed. The numbers of pupils and teachers at both levels have increased rapidly; the proportion of qualified teachers has risen; and the pupil:teacher ratio has improved. Pass rates, however, are low.

At the higher level, a university was opened in 1971. Enrolment in 1986 stood at 1,300; teacher training colleges have been expanded, 571 teachers being produced in 1986; and so has technical and vocational education. The outflow from the educational system to the labour market each year far exceeds the number of jobs available, and much of the education is of the wrong type.

The Second Plan identified the highly academic school curriculum as a problem, and subsequent policy has been to introduce technical subjects, agriculture and home economics. Some progress has been made in curriculum reform, but this has not been rapid enough, nor has post-school training been able to supply Swaziland's requirements of managerial, skilled and technical personnel. Employers are critical of the vocational training for skilled labour; the shortage of clerical and technical skills is a major problem and expatriates, who constitute 3.7 per cent of the manufacturing labour force, are overwhelmingly in skilled jobs.

There has been a rapid increase in the number of schools, pupils and teachers since independence in 1968. For example, the number of secondary schools has nearly quadrupled and school enrolment is increasing more rapidly than population - primary and secondary school enrolments increased at average annual rates of 4.6 per cent and 12.0 per cent respectively between 1968-87. But these figures, although impressive in themselves, mask several problems commonly found in less developed countries.

First, many children still receive little or no education. The average age in each class in Swaziland schools is comparatively high but the great majority of pupils are aged 6-19 years; 74 per cent of this group are at school. The proportion is higher (80 per cent) for the 6-14 years age group. Thus a sizeable proportion of those who could be regarded as of school-going age are not at school. This is reflected in the high failure and dropout rate; only 40 per cent of all pupils starting primary school are expected to complete Standard V, giving them a total of seven years of schooling. Only 35 per cent of all pupils entering secondary school complete Form V and 10 per cent complete Form VI. The wastage in the early years of primary school is particularly relevant since it means that the dropouts merely join the ranks of the illiterate.

Second, even for those who do progress at school, the quality of education is frequently low. Often schools are poorly managed and headmasters lack instructional leadership skills. Information that would allow the Ministry to target its resources to problem schools is not available, and the inspectorate lacks the resources to provide necessary supervision. Physical facilities are often inadequate, especially in rural schools.

Third, the emphasis in the school curriculum is strongly academic. This is a legacy from the past which has been perpetuated since independence; it bears little relation to the needs of the country or to the types of jobs available. It is extremely important in less-developed countries that education be related to the type of employment that can reasonably

be expected to be obtained. In Swaziland, there is still a discrepancy between the training and expectations of school pupils and what is obtainable on the labour market; the academic bias of school education is inappropriate.

The major problem in restructuring school education in Swaziland is that the political pressure for making more places available is strong. This in turn is due to the salaries and wages structure - the rewards to those with formal educational qualifications are much greater than to those without. In the public service, for example, the university degree/ Junior Certificate starting salary ratio is 4:1 (the lifetime earnings differential would be even greater). It is therefore rational for parents to gamble on a good school education for their children.

2.4 Refugees

In the last few years a growing number of refugees from Mozambique have crossed the border into Swaziland. Over 24,000 are now officially registered with the authorities, but many more are reported to be living in rural communities and urban areas. The press has reported the Swaziland Ministry of the Interior as having estimated a refugee population of 35,000, but this is probably an over-estimate. There have been reports that some of these refugees are competing for jobs in urban areas (as tradesmen, especially in the motor trade) and that there is some resentment against them. There are also reports of refugees working for Swazi farmers in the Lowveld at very low daily rates and possibly only for food.

Among estates in the Lowveld, we encountered a high degree of confusion as to whether or not it was legal to employ Mozambican refugees. Answers included the following:

(i) Government policy is to offer them employment, but not many are employed by companies;

(ii) Companies are not supposed to employ refugees;

(iii) Only individuals that can furnish proof of Swaziland citizenship may be employed, proof being the payment of graded tax; and

(iv) Companies may employ refugees only as casuals as they are not Swaziland citizens.

According to the Labour Commissioner, refugees may be employed only if they have been granted temporary residence permits. Most refugees receive welfare assistance from institutional agencies.

Some companies in the Lowveld felt that some refugees were able to secure employment because they spoke a dialect similar to that of Swazi living near the border, but that the numbers involved were not an important factor in the overall scheme of things.

2.5 Women

The role of women in Swaziland is contradictory. Traditionally, the Queen Mother (Ndhlovukazi) and the King share power in a dual monarchy (Kuper 1978). Women are entitled to vote for members of the electoral college, but few have been elected to public office although the position improved in the 1987 elections when the first female Cabinet Minister was appointed.

Tables 2.16-2.20 provide data on employment breakdown by sex in the formal sector. Table 2.16 and Figure 2.5 show the commercial distribution of employment in the (formal) private and public sectors by sex, while the percentage distribution is shown in Table 2.17 and Figures 2.6-2.7. Table 2.17 shows that women are relatively more numerous in the public than in the private sector, constituting about one-third as against one-quarter of total employment in the public and private sectors respectively. Table 2.18 reveals that female employment in both the private and public sectors and, of course, in the formal sector as a whole, has increased more rapidly than has male employment since 1970. Table 2.19 shows the male-female distribution of Swaziland citizens by skill in the private sector in 1982 and 1987, while in Table 2.20 the distribution for the public sector is presented for all employees irrespective of citizenship.

In the public sector, women are under-represented (relative to their participation in that sector as a whole) in administrative posts and over-represented in the professions (which they dominate) and clerical posts (Russell 1986). The majority of teachers and nurses are women and hence they occupy 62 per cent of professional jobs in the public sector, but men predominate in the more highly paid administrative and managerial positions. In the private sector, women occupy a disproportionate share (relative to their participation in that sector as a whole) of the more skilled white-collar jobs, especially professional and clerical. Despite legislation (enacted in 1980) which outlaws discrimination in employment on grounds of sex and establishes the principle of equal pay for equal work, women are more easily laid off during economic recessions and they earn less than men at every level of skill in the private sector. Consequently, it is more economical to employ them where they are available. The same is true of the public sector, although the fact that men are so heavily concentrated in the lower-paid unskilled jobs has the effect of pulling down their

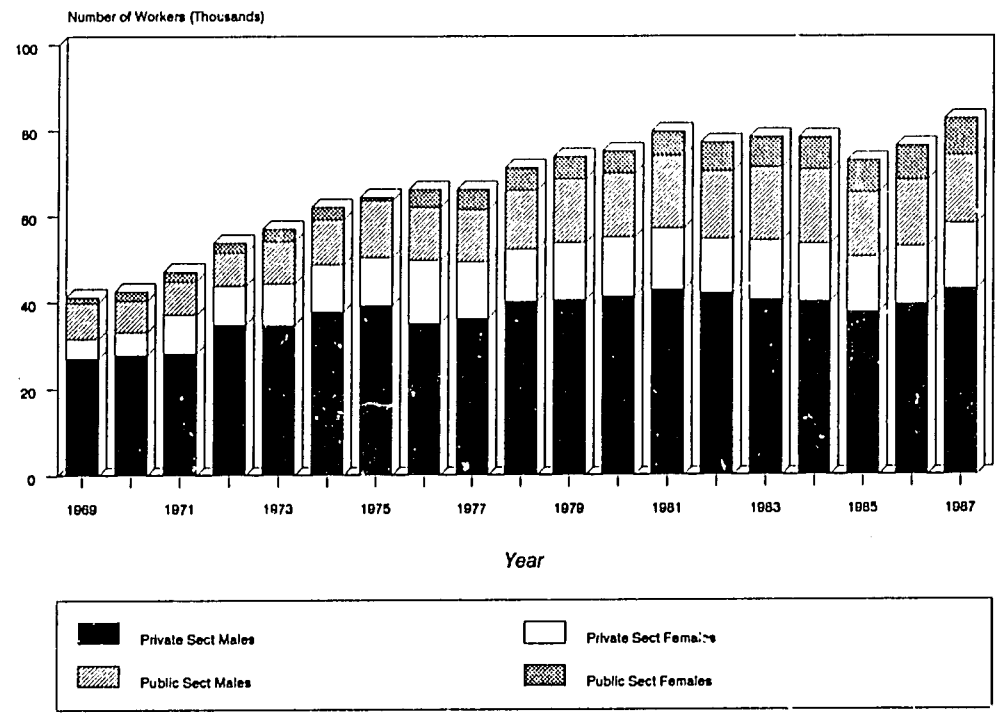
Table 2.16 Formal Sector Employment by Sex 1969-87

Year	Private Sector			Public Sector			Formal Sector		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
1969	31569	27127	4442	9572	8375	1197	41141	35502	5639
1970	33176	27846	5330	9250	7222	2028	42426	35068	7358
1971	37130	28230	8900	9921	7723	2198	47051	35953	11098
1972	43767	34841	8926	10089	7768	2321	53856	42609	11247
1973	44285	34787	9498	12747	9982	2765	57032	44769	12263
1974	48627	37835	10792	13434	10641	2793	62061	48476	13585
1975	50361	39253	11108	14044	13275	769	64405	52528	11877
1976	49672	35131	14541	16543	12428	4115	66215	47559	18656
1977	49273	36326	12947	16952	12327	4625	66225	48653	17572
1978	52292	40195	12097	18964	13822	5142	71256	54017	17239
1979	53884	40529	13355	19995	14849	5146	73879	55378	18501
1980	55077	41266	13811	20088	14859	5229	75165	56125	19040
1981	57243	42830	14413	22496	16878	5618	79739	59708	20031
1982	54775	42028	12747	22478	15716	6762	77253	57744	19509
1983	54327	40554	13773	24214	17041	7173	78541	57595	20946
1984	53605	40158	13447	24792	17315	7477	78397	57473	20924
1985	50533	37671	12862	22351	15025	7326	72884	52696	20188
1986	52970	39520	13450	23435	15501	7934	76405	55021	21384
1987	58313	43026	15287	24431	15874	8557	82744	58900	23844
1988	61751	n.a	n.a	26137	n.a	n.a	87888	n.a	n.a

Note: n.a = not available

Source: Employment and Wages 1969-87

Figure 2.5 Formal Sector Employment by Sex: 1969-87



Source: Employment and Wages 1969-87

19

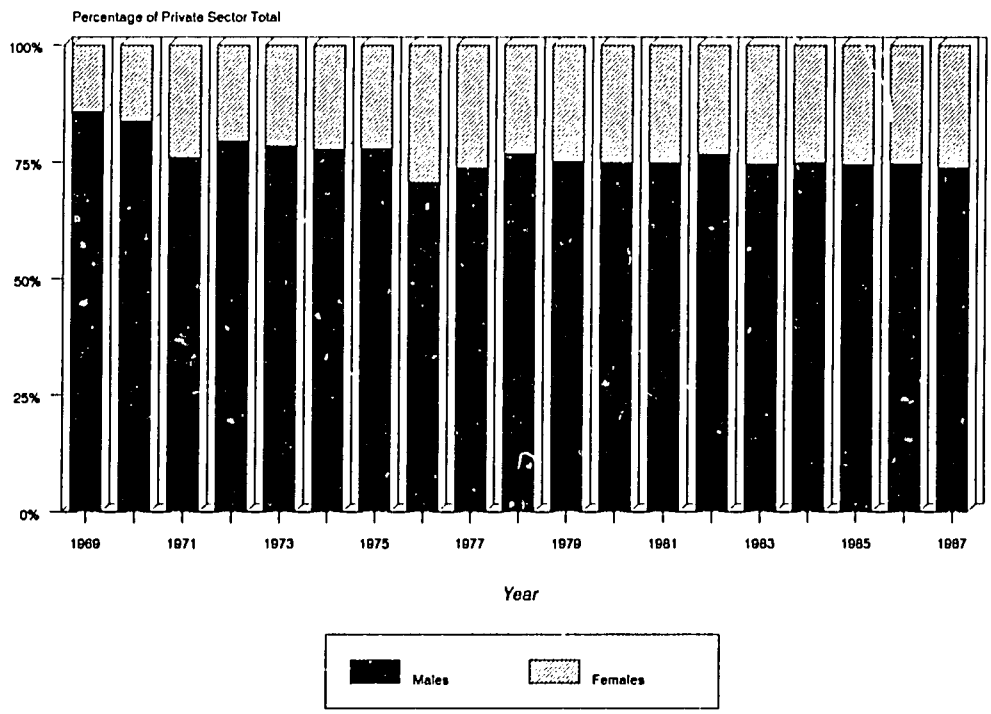
Table 2.17 Formal Sector Employment by Sex: Percentage Breakdown 1969-87

Year	Private Sector			Public Sector			Formal Sector		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
1969	100.0	85.9	14.1	100.0	87.5	12.5	100.0	86.3	13.7
1970	100.0	83.9	16.1	100.0	78.1	21.9	100.0	82.7	17.3
1971	100.0	76.0	24.0	100.0	77.8	22.2	100.0	76.4	23.6
1972	100.0	79.6	20.4	100.0	77.0	23.0	100.0	79.1	20.9
1973	100.0	78.6	21.4	100.0	78.3	21.7	100.0	78.5	21.5
1974	100.0	77.8	22.2	100.0	79.2	20.8	100.0	78.1	21.9
1975	100.0	77.9	22.1	100.0	94.5	5.5	100.0	81.6	18.4
1976	100.0	70.7	29.3	100.0	75.1	24.9	100.0	71.8	28.2
1977	100.0	73.7	26.3	100.0	72.7	27.3	100.0	73.5	26.5
1978	100.0	76.9	23.1	100.0	72.9	27.1	100.0	75.8	24.2
1979	100.0	75.2	24.8	100.0	74.3	25.7	100.0	75.0	25.0
1980	100.0	74.9	25.1	100.0	74.0	26.0	100.0	74.7	25.3
1981	100.0	74.8	25.2	100.0	75.0	25.0	100.0	74.9	25.1
1982	100.0	76.7	23.3	100.0	69.9	30.1	100.0	74.7	25.3
1983	100.0	74.6	25.4	100.0	70.4	29.6	100.0	73.3	26.7
1984	100.0	74.9	25.1	100.0	69.8	30.2	100.0	73.3	26.7
1985	100.0	74.5	25.5	100.0	67.2	32.8	100.0	72.3	27.7
1986	100.0	74.6	25.4	100.0	66.1	33.9	100.0	72.0	28.0
1987	100.0	73.8	26.2	100.0	65.0	35.0	100.0	71.2	28.8

Note: n.a = not available

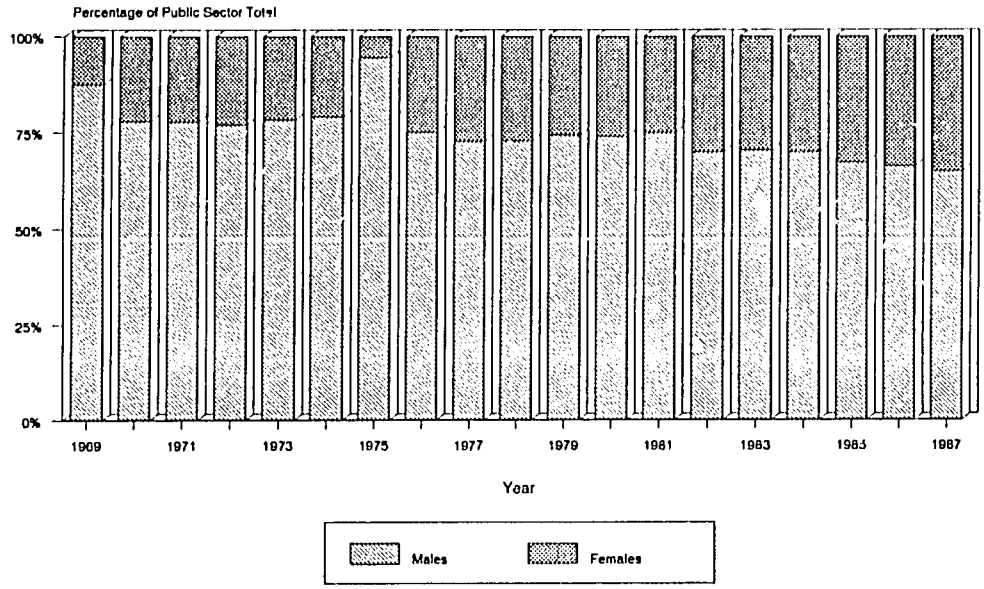
Source: Employment and Wages 1969-87

Figure 2.6 Private Sector Employment by Sex: 1969-87



Source: Employment and Wages 1969-87

Figure 2.7 Public Sector Employment by Sex: 1969-87



Source: Employment and Wages 1969-87

Table 2.18 Growth in Formal Sector Employment by Sex: Percentage Change over Previous Year 1970-87

Year	*Private Sector*			*Public Sector*			*Formal Sector*		
	Total	*Male*	*Female*	*Total*	*Male*	*Female*	*Total*	*Male*	*Female*
1970	5.1	2.7	20.0	-3.4	-13.8	69.4	3.1	-1.2	30.5
1971	11.9	1.4	67.0	7.3	6.9	8.4	10.9	2.5	50.8
1972	17.9	23.4	0.3	1.7	0.6	5.6	14.5	18.5	1.3
1973	1.2	-0.2	6.4	26.3	28.5	19.1	5.9	5.1	9.0
1974	9.8	8.8	13.6	5.4	6.6	1.0	8.8	8.3	10.8
1975	3.6	3.7	2.9	4.5	24.8	-72.5	3.8	8.4	-12.6
1976	-1.4	-10.5	30.9	17.8	-6.4	435.1	2.8	-9.5	57.1
1977	-0.8	3.4	-11.0	2.5	-0.8	12.4	0.0	2.3	-5.8
1978	6.1	10.7	-6.6	11.9	12.1	11.2	7.6	11.0	-1.9
1979	3.0	0.8	10.4	5.4	7.4	0.1	3.7	2.5	7.3
1980	2.2	1.8	3.4	0.5	0.1	1.6	1.7	1.3	2.9
1981	3.9	3.8	4.4	12.0	13.6	7.4	6.1	6.4	5.2
1982	-4.3	-1.9	-11.6	-0.1	-6.9	20.4	-3.1	-3.3	-2.6
1983	-0.8	-3.5	8.0	7.7	8.4	6.1	1.7	-0.3	7.4
1984	-1.3	-1.0	-2.4	2.4	1.6	4.2	-0.2	-0.2	-0.1
1985	-5.7	-6.2	-4.4	-9.8	-13.2	-2.0	-7.0	-8.3	-3.5
1986	4.8	4.9	4.6	4.8	3.2	8.3	4.8	4.4	5.9
1987	10.1	8.9	13.7	4.3	2.4	7.9	8.3	7.1	11.5
1988	5.9	n.a	n.a	7.0	n.a	n.a	6.2	n.a	n.a

Note: n.a = not available

Source: Employment and Wages 1969-87

Table 2.19 Private Sector Work Force by Skill and Sex (Swaziland Citizens) 1982 and 1987

1982					
Skill	*Males*	*Females*		*Total*	*Ratio*
		No.	%		
Professional/Technical	493	359	42	852	1.8
Admin/managerial	535	158	23	693	1.0
Clerical and related	1400	1684	54	3084	2.3
Skilled manual	1401	45	3	1446	0.1
Semiskilled manual	4460	523	11	4983	0.4
Unskilled manual	18417	5539	23	23956	1.0
Total (excluding agriculture)	26706	8308	24	35014	1.0
Agriculture (a)	13639	4201	24	17840	1.0
TOTAL	40345	12509	48	52854	

1987					
Skill	*Males*	*Females*		*Total*	*Ratio*
		No.	%		
Professional/Technical	425	514	55	939	2.0
Admin/managerial	864	219	20	1083	0.7
Clerical and related	1821	2180	54	4001	2.0
Skilled manual	1702	102	6	1804	0.2
Semiskilled manual	4997	808	14	5805	0.5
Unskilled manual	20920	7796	27	28716	1.0
Total (excluding agriculture)	30729	11619	27	42348	1.0
Agriculture (a)	10597	3433	24	14030	0.9
TOTAL	41326	15052	51	56378	

Note: (a) Figures for agriculture not available by skill and citizenship

Source: Employment and Wages 1969-87

mean earnings to a level below that of females. Earnings for professional and clerical occupations are higher in the private than in the public sector, but female employment in the private sector is concentrated (despite their 'over-representation' in white-collar jobs) in the poorly-paid unskilled jobs (67.1 per cent) in contrast to the public sector where 56 per cent of them are in professional posts.

Indeed, as Tables 2.19 and 2.20 illustrate, the "most striking feature of working women in Swaziland is their concentration in white-collar occupations" (Russell 1986:302); 48 per cent of females compared with only 22 per cent of males in wage employment are in such jobs. The high skill profiles of females is explained by the fact that schooling at all levels attracts the sexes in equal numbers. Upon leaving school, however, males are expected to find wage employment whereas females may opt for full-time work in the homestead. Women in employment, therefore, are a more select group. Women predominate at teacher training colleges, but constitute only 36 per cent of university students.

Outside of the public and private sectors, those engaged in the homestead sector are not "as hard-pressed as is often presumed" (Russell 1986:304). Many are also engaged in informal entrepreneurial activities - brewing, hawking, and making and selling handicrafts. In fact, 33 per cent of female employees simultaneously engage in informal activities, often earning more from such sources than from wages.

Russell (1986) takes issue with McFadden's (1982:28) claim that the majority of women are "relegated to the status of unskilled, low-paid, underpaid, illiterate, oppressed and exploited". Nonetheless, the nature of women's economic roles has changed: in addition to retaining their traditional role, they have taken over some of the traditional male tasks and have entered wage employment. Thus, their responsibilities and burdens have increased, but traditional attitudes regarding their roles have not changed (Armstrong and Russell 1985).

Table 2.20 Public Sector Work Force by Skill and Sex, 1982 and 1987

Skill	Males	Females No.	Females %	Total	Ratio
1982					
Professional/Technical	2367	3839	62	6206	2.3
Admin/managerial	770	121	14	891	0.2
Clerical and related	2684	1436	35	4120	1.3
Skilled manual	1087	28	3	1115	0.1
Semiskilled manual	2701	213	7	2914	0.3
Unskilled manual	6111	1225	17	7336	0.6
TOTAL (including agriculture)	15720	6862	27	25582	
1987					
Professional/Technical	2981	4808	62	7789	1.8
Admin/managerial	917	212	19	1129	0.5
Clerical and related	3225	1796	36	5021	1.0
Skilled manual	1139	50	4	1189	0.1
Semiskilled manual	2239	168	7	2407	0.2
Unskilled manual	5373	1523	22	6896	0.6
TOTAL (including agriculture)	15874	8557	35	24431	

Source: Employment and Wages 1969-87

3

Migration

3.1 Introduction

This section is based on work carried out by the consultants for a study of the Private Sector in Swaziland. In addition, a series of interviews in South Africa and Swaziland were held with relevant organisations, with the emphasis on the importance of migrant labour, its consequences and future.

Swazi citizens have been employed in South Africa, primarily on the mines, since the 1880s, well before the first development of the modern social and economic infrastructure, and account for a significant proportion of Swazi in wage labour. Reluctant as the Swazi were to seek, what was known to them to be hazardous and unpleasant work with poor living conditions and low pay, it was vital to them, due to lack of opportunity in their own country. The money these migrants send home, plays an important part in the survival strategy of the rural population.

Prior to 1963 there was little control over the movement of Swazi nationals to South Africa, hence many crossed the borders and settled there. Since 1963, however, there have been reasonably strict controls and this has resulted in migration becoming far more formalised.

The avenues open to Swazi wishing to work in South Africa are as follows:

i) They may be recruited for employment on the mines by recognised recruiting organizations. The largest of these is The Employment Bureau of Africa (TEBA) which has a number of offices and which recruits migrants for the gold, coal and platinum mines on contracts which cannot exceed two years in length. Once a person is recruited he can, if he wishes, return to his job provided he reports to the recruiting depot within a certain period after the end of his contract. TEBA is the major South African employer of Swazis.

ii) They may be recruited by other employers who have the permission of both the Swaziland Department of Labour and the South African authorities. Few Swazi are recruited in this manner, especially as unemployment in South Africa has risen considerably in recent years.

iii) They may be employed on an individual basis as workers whose "repatriation has been suspended"; again, numbers are declining as this applies to workers who were employed prior to 1963.

iv) They may cross the border and seek work illegally but because of the nature of such work, it is difficult to estimate the number involved.

v) Skilled workers may be employed individually by South African employers. These workers account for a significant outflow from Swaziland which will be discussed later in the report.

Before an employer in South Africa can legally recruit a foreign worker he needs permission from the South African authorities. The procedure laid down is that he will approach the Department of Home Affairs which will consult with the relevant departments including the Department of Manpower. If it is felt that there are no suitably qualified South Africans (or they would not be willing to work for the money offered), then a "no objection", certificate will be issued and the employer will approach the supplier government asking to be allowed to recruit workers. The mine recruiting organisations are exempted from the requirement to have a "no objection" certificate.

All movement of labour should be governed by the Labour Agreement signed by Swaziland and South Africa in 1972, which provided that all persons entering South Africa had to have written contracts of employment, attested in Swaziland, and for a period not exceeding two years. The agreement has been altered de facto in two important ways. Firstly, Swaziland does not allow contract workers to take contracts exceeding 12 months, and secondly, the South African authorities do not require professional and skilled staff to have attested contracts.

3.2 The Extent of Migration

3.2.1 Patterns

The pattern of overall Swazi migration over the past 20 years is shown in Table 3.1 and Figure 3.1.

3.2.2 Data Problems

It is difficult to establish the exact number of Swazi employed in South Africa as some enter the country illegally, which they are able to do with ease as there is a large Swazi community across the border (over

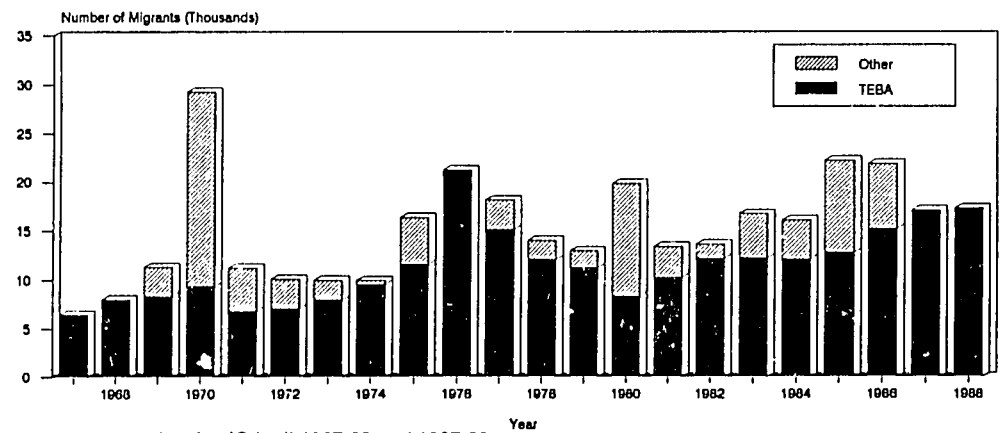
Table 3.1 Number of Swazi Migrants in South Africa, 1967-88

Year	TEBA(a)	Other(b)	Total(c)	TEBA %
1967	6,453	n.a	n.a	n.a
1968	8,009	n.a	n.a	n.a
1969	8,351	2,995	11,346	73.6
1970	9,408	19,852	29,260	32.1
1971	6,817	4,434	11,251	60.5
1972	7,090	3,019	10,109	70.1
1973	7,986	2,046	10,032	79.6
1974	9,603	381	9,984	9.6
1975	11,654	4,736	16,390	7.1
1976	21,277	-527	20,750	102.0
1977	15,206	2,989	18,195	8.3
1978	12,153	1,906	14,059	8.6
1979	11,297	1,708	13,005	8.6
1980	8,367	11,486	19,853	42.1
1981	10,284	3,133	13,417	7.6
1982	12,243	1,416	13,659	8.9
1983	12,253	4,520	16,773	7.3
1984	12,165	3,958	16,123	7.5
1985	12,841	9,414	22,255	5.7
1986	15,233	6,681	21,914	6.9
1987	17,122	n.a	n.a	n.a
1988	17,340	n.a	n.a	n.a

Note: n.a = not available

Sources: (a) TEBA figures provided by TEBA Swaziland. (b) Computed. (c) Total figures from 1969-70 from "Foreign African Labour in South Africa" by ANC in UN Economic Commission for Africa (1985), Migratory Labour in Southern Africa, p225.

Figure 3.1 Swazi Migrants in South Africa 1967-88



Note: No data for 'Other" 1967-68 and 1987-88.

Source: TEBA; UNECA.

25

one million). Some idea of the numbers of migrants can be gleaned from a comparison of Swaziland census figures together with data from South Africa. This is shown in Table 3.2.

Table 3.2 Recorded Migrants and Absentees

Year	*Migrants*	*Absentees*
1966	6,812	19,219
1976	20,750	25,425
1986	21,914	29,336

Sources: Whiteside (1989), forthcoming; absentees from population censuses.

It seems likely that there are only between 20-25 per cent more Swazi in South Africa than officially recorded as being employed there. It is obviously difficult to estimate how many of the absentees are employed and how many are students or dependents. What is known is that those employed illegally will be mainly female and in lower-paid jobs, domestic work and agriculture. It must be appreciated that they regard opportunities in South Africa as better than at home. The consultants noted that there are likely to be considerably fewer illegal migrants from Swaziland than from other countries. This feeling that Swazi workers do not, on the whole, cross the border looking for work illegally, was confirmed in discussions in the Nelspruit area.

The Eastern Transvaal is a rich farming area with considerable employment opportunities. Many of these are agricultural and so are poorly paid. It is, therefore, where Swazi illegal workers might be expected to be found. The farmers employ migrants, but most are Mozambican (both legal and illegal). The view is that the "Mozambicans are desperate and so are prepared to work at any job for very little", the farmers regard them as good employees because they are hard workers "and they know what it is like to have to struggle".

It was noted that the authorities found only one illegal Swazi in the past six months whereas, by contrast, Mozambicans were deported by the bus load almost daily. It would therefore seem that Swazi have, to a large extent, been bid out of the illegal labour force, especially in the Eastern Transvaal.

All migrants make a rational decision to migrate, and whether the reason is lack of employment at home or more opportunity away is not relevant; what is important is that they are making the best decision for themselves. This means that, if anything, the importance of migrancy is under- rather than over-estimated.

3.2.3 General Trends

A number of general factors have affected all foreign migration to South Africa since 1960.

The general trends are detailed below:

i) Total numbers - there was a decline in the total number of foreign migrants employed in South Africa from 484,000 in 1964 to 280,000 in 1984 followed by a slight increase between 1984-86. The number of Swazi migrants, however, has increased substantially.

ii) Sex - the number of foreign females has declined. In 1960 they made up 17.5 per cent of the labour force, but in 1985 only 2.1 per cent for all migrants. Migration from Swaziland has generally followed this trend although, in the past four years, the number of Swazi females has doubled and the percentage has been slightly higher at around 6-8 per cent, but still well down from its peak in the 1960s. The effect of this is further to marginalise an already disadvantaged group.

iii) Sectoral employment - the percentage employed in mining has risen but Swazi migrants have generally not followed this trend as their numbers in this sector have fluctuated.

iv) Origin - the numbers from Mozambique, Malawi and Zimbabwe have fallen, while other suppliers have remained fairly constant. As mentioned in (i) above Swaziland is the only country from which there has been a steady increase in total numbers in recent years.

3.2.4 Swaziland Trends

It is worthwhile examining the trends in migration with specific reference to Swaziland as this will give a clearer indication of the importance of migration to the country, as well as of possible future developments. The most detailed data on migration were collected by the South African Department of Cooperation and Development which recorded the number of foreign workers, the places at which they were employed, and the sectors in which they worked. These data were collected through the Labour Bureau as part of the system of influx control. With the ending of influx control in 1986 and the dissolution of the bodies charged with its administration, statistics were no longer collected. The result is that for the past few years there have been no South African data on employment of foreigners.

The data from the Department of Cooperation and Development on employment of Swazi by sector for 1982-86 are presented in Tables 3.3 and 3.4. The

number of Swazi workers has increased in all sectors, the greatest increase being in the mining sector.

Swaziland is, in many ways (with numbers increasing, both male and female), the odd one out among the labour-supplying countries. However, certain generalisations can be made and Swaziland fits in with these. Most Swazi migrants are young males, e.g., in 1979 61 per cent were below 29 years and 91 per cent below 49 years of age. They are increasingly well educated, are likely to be employed on the mines, and are drawn from rural areas.

3.2.5 *Determining Numbers*

The general position is that South Africa gives its citizens (including those from the non-independent homelands) first preference for employment. Citizens from the 'independent' homelands - Transkei, Bophuthatswana, Venda and Ciskei (TBVC) - have few restrictions on their movement and so could be regarded as having second preference. Increasing control over foreign African labour has resulted in it becoming more difficult and risky to enter the country illegally.

According to South African authorities, the number and source of migrants will be determined by employers. In the case of all but miners, the employer will obtain a 'no objection' certificate and then approach the supplier government. Thus, employers will tend to engage either labour from the closest, cheapest source, or labour that they regard as being best for their purposes. The numbers recruited in this manner are small.

The most important recruiters of labour are the mines, represented by TEBA. The mining houses set out certain guidelines as to the labour mix and the Chamber of Mines (the umbrella organisation)

Table 3.3 Swazi Workers in South Africa by Sex and Sector, 1982-86

	1982		*1983*		*1984*		*1985*		*1986*	
Sector	*M*	*F*	*M*	*F*	*M*	*F*	*M*	*F*	*M*	*F*
Agriculture, hunting, forestry, fishing	611	25	782	97	532	162	1678	313	910	222
Mining, quarrying (Non-affiliated)	900	-	2152	-	1396	-	2150	-	1148	15
Mining, quarrying (Affiliated)	9943	-	11476	-	11076	-	13606	-	15466	-
Mining, quarrying (Total)	10843	-	13628	-	12472	-	15756	-	16614	15
Manufacturing	667	46	856	121	797	263	1550	458	1081	261
Electricity, gas and water	-	-	45	10	72	10	77	8	89	8
Construction	145	-	82	1	413	1	537	2	163	3
Wholesale & retail trade	152	22	128	21	562	93	209	40	380	88
Transport, storage & communications	216	105	108	38	236	34	205	40	333	43
Finance & insurance	-	-	62	30	62	15	64	15	63	16
Domestic services	73	577	62	441	228	636	263	759	466	898
Other	155	22	191	70	191	44	228	53	203	58
TOTAL	12862	797	15944	829	15565	1258	20567	1688	20302	1612

Source: Department of Cooperation and Development, 1982-86.

Table 3.4 Swazi Workers in South Africa: Percentage by Sector, 1982-1986

	1982		*1983*		*1984*		*1985*		*1986*	
Sector	*No.*	*%*	*No.*	*%*	*No.*	*%*	*No.*	*%*	*No.*	*%*
Agriculture, hunting, forestry, fishing	636	4.7	879	5.2	694	4.1	1991	8.9	1132	5.2
Mining, quarrying	10843	79.4	13628	81.2	12472	74.2	15756	70.8	16629	75.9
Manufacturing	713	5.2	977	5.8	1060	6.3	2008	9.0	1342	6.1
Electricity, gas & water	0	0.0	55	0.3	82	0.5	85	0.4	97	0.5
Construction	145	1.1	83	0.5	414	2.5	539	2.4	166	0.8
Wholesale & retail trade	174	1.3	149	0.9	655	3.9	249	1.1	468	2.1
Transport, storage & communications	321	2.4	146	0.9	260	1.5	245	1.1	376	1.7
Finance & insurance	0	0.0	92	0.6	77	0.5	79	0.4	79	0.4
Domestic services	650	4.8	503	3.0	864	5.1	1022	4.6	1364	6.2
Other	177	1.3	261	1.6	235	1.4	281	1.3	261	1.2
Total	13659	100.0	16773	100.0	16813	100.0	22255	100.0	21914	100.0

Source: Department of Cooperation and Development, 1982-86.

suggests that this should be 60 per cent South African and 40 per cent foreign. By contrast, Gencor (one of the mining groups) seeks to employ 80 per cent South African, 15 per cent from TBVC,Botswana, Lesotho and Swaziland, and 5 per cent from Malawi and Mozambique.

According to TEBA, it is the mine managers who, within the guidelines, determine the labour mix on their mines. The way this is done is for the mine manager to send a requisition to TEBA requesting a certain number of individuals from a particular source and possibly with certain skills. The manager will be guided by the type of labour he wants and his perception of labour - thus Swazi workers are perceived as being good in mechanical jobs and unwilling to become union activists, both of which work in their favour.

It should be noted that this only applies to novices or new workers. Once a miner has been employed he will be issued with a 'valid re-engagement' certificate at the end of his contract. This means that at the end of his contract, provided he reports to the TEBA depot before a certain date, he is guaranteed his job back at the same level. The growing difficulty in obtaining employment at home, and the higher wages, mean that Swazi miners increasingly regard mining as a long-term career. This, of course, reduces novice recruitment.

Finally, it should be mentioned that the present situation, with skilled and professional Swazi seeking and obtaining work in South Africa, poses a serious problem for Swaziland because wages are a major determinant of the outflow. South Africa has a shortage of skilled technical, professional and administrative staff, and the wages offered there are very much higher than in Swaziland, particularly in government and public service. The result is that Swaziland is experiencing a shortage of skilled workers - the very people that it can ill afford to lose.

Again, it is difficult to provide hard data on the numbers. Some indication of the size of the problem was gleaned from interviews with the South African authorities in Nelspruit. The relevant department had only been keeping statistics on the nationality of skilled workers for one month. However, in that month, work permits were issued to one Grade 8 bulldozer operator, one refrigeration technician and six teachers. It should be remembered that Nelspruit is not the most attractive place for Swazi migrants, and most of the skilled individuals will be moving to the urban areas of Durban or the Southern Transvaal (the Pretoria-Witwatersrand-Vereeniging, or PWV, area). Clearly, this is a major and growing problem.

Swaziland is also the only country to have made provision for migration to the mines to continue. The Fourth National Development Plan states:

> Due to high population growth rate and the youthful age structure of the population, the demand for formal sector jobs will continue to outstrip the supply of formal sector jobs. Based on present demographic trends applicable to the Fourth Plan period, the estimated gross additions to the labour force will be in the order of 8,000 persons per annum.
>
> It has been forecast that unless there are additional major new investments over the Fourth Plan period, formal sector employment will grow by 1.7 per cent per year, or by 1,300 positions. An additional 1,200 will be employed through replacement (retirement, death, etc.); and a further 1,200 will be employed as novices (first time employees) in the South African mines and an additional 1,700 will be become self-employed.
>
> Thus, on average during the Fourth Plan period, 1,400 people will find employment in the formal sector. The result is an estimated average increase in the number seeking formal sector employment and not finding it, of 4,100 per annum. Hence, if the elasticity of employment with respect to GDP were to remain at the Third Plan level of 0.72 the real economic growth rate would have to increase to 8.3 per cent per annum, to absorb all the available labour over the Fourth Plan period. This is clearly not possible (NDPN, p.45).

It should be noted that this is in direct contradiction to the aims of the Southern African Labour Commission (SALC), which was established as a result of a conference on migratory labour held in Lusaka in 1978. Its members are Botswana, Lesotho, Swaziland, Malawi, Mozambique, Tanzania, Zambia and Zimbabwe. It is charged with finding ways and means of eliminating migratory labour; with drawing all migrant labour from South Africa; coordinating policies aimed at eliminating the migratory system; and implementing a charter of rights. It has not been a very effective organisation and its main function has been to provide a forum for discussion.

3.3 Migrant Labour Income and Employment

3.3.1 Employment

Migrant labour is important, not only because of the income it generates (discussed in Section 3.3.2 below) but also because of the employment it provides. In 1986 there were 76,406 Swazis in wage employment within the country and nearly 22,000 in South Africa. Clearly, this is a significant number and it provides an important outlet for job seekers. The

Swaziland government would face a very much more difficult task in providing employment if it were not for the migration option.

3.3.2 Incomes

The migrant workers may choose to send money home to Swaziland in a number of ways as is detailed below:

i) A migrant employed by TEBA may choose (but is not obliged) to have a portion of his pay deducted each month and sent back to his family, or held in Swaziland until his return. This is known as voluntary deferred pay and is the mechanism by which most transfers take place. He may also send money home on an ad hoc basis through TEBA, either as a direct remittance or through TEBA Savings Fund payments. TEBA has negotiated with the Swazi Bank to cash TEBA cheques, and hence TEBA savings are likely to be increasingly adopted as the mechanism.

ii) The non-TEBA migrant has the option of sending money by postal orders; as cash through the post (although this is risky); as cash with friends; or taking cash and goods at the end of his contract. All these channels are, of course, also open to the TEBA employee.

Measuring the formal remittance flows through TEBA is not difficult, and data are available as shown in Table 3.5.

What is more difficult is measuring the global flows of migrant income. There are a number of reasons, namely:

(i) Only money sent via TEBA will actually be formally recorded.

(ii) About a third of the registered migrants are not employed by TEBA and there are probably as many again who are illegally employed. This means that there may be 5,000 plus Swazi who do not have access to recorded channels for sending money home.

(iii) TEBA employees will have other ways of sending money other than through the formal channels.

How, then, can an estimate be made of the size of migrant earnings and remittances? The data presented in Table 3.6 show that government (CSO and Central Bank) have made an attempt to estimate the size of migrant incomes. This is also shown in Figure 3.2(a), depicting the importance of migrants, and Figure 3.2(b), relating the remittances to GNP.

It is felt that the size of remittances from 1984 onwards have been over-estimated and this can be illustrated by looking at one year. In 1987 the Central Bank estimated that total migrant income was E160 million, but in that year only E13,325,000 was recorded through TEBA. The total earnings of all mine migrants would have been about E144 million for the year (assuming 17,000 people employed and average earnings of E700 per month). The earnings of non-TEBA employees would have been about E60 million (assuming that there are 10,000 Swazis, legal and illegal, outside the mines and that their average earnings are E500 per month). This means total earnings in 1987 would have been E204 million, and it is therefore clear that it is unrealistic to assume that 75 per cent of this would have been remitted.

Notwithstanding uncertainty regarding the actual magnitude of migrant remittances, it should be

Table 3.5 Swazi Migrant Remittances and Deferred Pay (E'000)

Year	*Remittances*	*Deferred Pay*	*Total*	*Govt. estimate*
1967	85	227	312	n.a
1968	98	230	328	n.a
1969	122	245	367	n.a
1970	132	344	476	n.a
1971	124	368	492	n.a
1972	101	474	575	n.a
1973	135	622	757	n.a
1974	191	921	1,112	n.a
1975	416	2,613	4,141	3,029
1976	1,398	2,925	4,323	4,323
1977	1,677	3,486	5,163	5,256
1978	1,670	5,133	6,803	4,718
1978	2,101	4,114	6,215	5,167
1980	2,494	5,354	7,848	13,500
1981	3,369	6,274	9,643	18,800
1972	3,141	7,437	10,578	24,000
1983	3,701	8,462	12,163	35,300
1984	3,506	7,790	11,296	75,200
1985	3,306	8,586	11,892	105,700
1986	2,792	8,172	10,964	126,000
1987	2,496	10,829	13,325	160,000
1988	1,528	9,097	10,625	

Note: n.a = not available

Sources: TEBA remittances and deferred pay 1967-1976: F. de Vletter et al, "Labour Migration to South Africa: The Swaziland Case Study", in UN Economic Commission for Africa (1985). Migratory Labour in Southern Africa, p455. 1977-1988: Communication from TEBA Head Office. Government estimates 1975-1979: ASB 1980 p.90. 1980-1982: National Accounts 1980-1986, Table 5. 1983-1987: Central Bank Annual Reports.

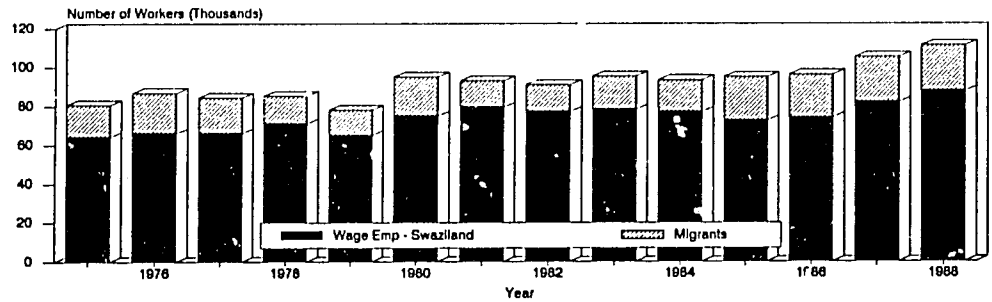
Table 3.6 The Importance of Migration

Year	No. of Migrants (1)	Wage Employ.in Swaziland (2)	Total Wage Employment (3)	(1) as % of (3) (4)	Remit. E million (5)	GNP E million (6)	(5) as % of (6) (7)
1975	16,390	64,405	80,795	20	3.0	159.5	1.9
1976	20,750	66,215	86,965	24	4.3	183.4	2.3
1977	18,195	66,225	84,420	22	5.3	211.4	2.5
1978	14,059	71,256	85,315	16	4.7	218.2	2.2
1979	13,005	65,247	78,252	17	5.2	277.1	1.9
1980	19,853	75,124	94,977	26	13.5	356.9	3.8
1981	13,417	79,739	93,156	14	18.8	433.5	4.3
1982	13,659	77,357	91,016	15	24.0	500.3	4.8
1983	16,773	78,609	95,382	18	35.3	547.3	6.4
1984	16,123	77,397	93,520	17	75.2	640.9	11.7
1985	22,255	72,884	95,139	23	105.7	728.0	14.5
1986	21,914	74,405	96,319	23	126.0	873.3	14.4
1987	23,000a	82,237	105,237	22	160.0	840.0a	19.0
1988	23,500a	87,888	113,888	21	n.a	n.a	n.a

Notes: (a) Estimate by consultants of legal migrants. n.a = not available.

Sources: Remittances: Annual Statistical Bulletin and Central Bank of Swaziland. GNP: National Accounts. Formal Employment and CSO Swazi Migrants: Whiteside

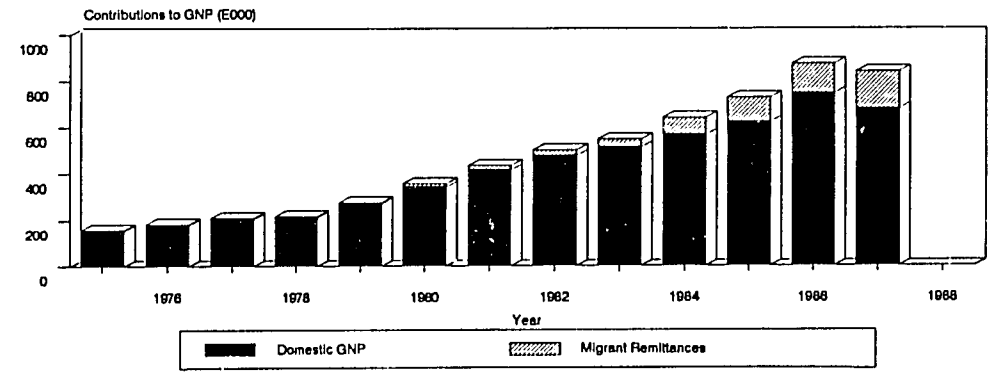
Figure 3.2(a) The Importance of Migration 1975-1988



Note: No. of Migrants + Wage Employment in Swaziland = Total Wage Employment.

Source: CSO ASB; National Accounts.

Figure 3.2(b) The Importance of Migration: Migrant Remittances and GNP 1975-1987



Source: Central Bank; ASB; National Accounts

stressed that employment in South Africa is very important to Swaziland and the Swazi people. About a quarter of the workforce in formal employment is employed in South Africa at wages very much higher than they would expect to earn in Swaziland.

The importance of migration to individual households is even more marked and is shown in Tables 3.7(a) and 3.7(b) and Figures 3.3(a), (b) and (c).

As can be seen from these tables, 5.2 per cent of the income nationally is derived from remittances from abroad. In the rural areas it is somewhat higher at 6.5 per cent. However, these remittances account for 9.6 per cent of cash incomes, which is a significant proportion.

There is no information in the survey on how these migrants' monies are spent. The overall expenditure of households is shown in Table 3.8 and Figures 3.4(a), (b) and (c).

Table 3.7(a) Household Income (E per month)

Cash	*Rural*	*Urban*	*National*
Wage	105.41	348.38	146.91
Farm	13.49	4.94	12.03
Business	17.21	37.61	20.70
Rent	1.57	85.90	2.76
Remittance from SWZ	25.59	12.00	23.27
Remittance from ABRD	19.41	7.19	17.33
Interest	1.87	3.08	2.07
Miscellaneous income	17.83	10.01	16.50
Total cash	202.38	431.80	241.56
Other	94.09	69.90	89.95
TOTAL INCOME	296.46	501.69	331.52

Source: National Income and Expenditure Survey 1985, Tables 26-28.

Table 3.7(b) Household Income (percentages)

Cash	*Rural*	*Urban*	*National*
Wage	35.6	69.4	44.3
Farm	4.6	1.0	3.6
Business	5.8	7.5	6.2
Rent	0.5	17.1	0.8
Remittance from SWZ	8.6	2.4	7.0
Remittance from ABRD	6.5	1.4	5.2
Interest	0.6	0.6	0.6
Miscellaneous income	6.0	2.0	5.0
Total cash	68.3	86.1	72.9
Other	31.7	13.9	27.1
TOTAL INCOME	100.0	100.0	100.0

Source: Ibid

There is some information, though, on what migrants spend their money on, although it is rather out of date. A study by de Vletter in 1978 found that the majority of migrants go to work on the mines to earn money to purchase cattle. de Vletter writes: "Target income - as unfashionable as it may be in the literature on southern Africa - still appears to be significant for the external mine migrants. Evidence of this is seen in the classic example of a workers' group to the mine to secure lobola (bride-price), a custom which continues to be of great traditional importance.... Apart from specific cases where miners go to the mines with the intention of purchasing a specific item, the concept of target income can be extended to include those who work until they feel they have accumulated sufficient funds for their short term needs and possibly for residual investment".

Data on intended and actual expenditure are shown in Table 3.9 below and, as can be seen, cattle rate very high on the list of intended expenditure. It should be noted that cattle represent capital accumulation and wealth but are not used productively and are grazed on Swazi Nation Land which is already under pressure.

Table 3.8 Average Household Cash Expenditure in Broad Groupings by Urban and Rural Households, 1985 (E per month)

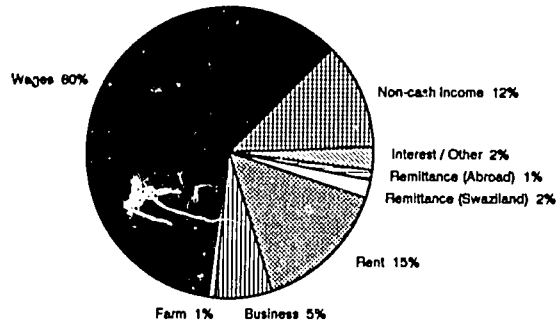
Commodity group	*Urban*	*Rural*	*National*
Food and drink	92.54	62.72	67.82
Alcohol and tobacco	7.41	5.09	5.49
Clothing and footwear	31.72	15.93	18.63
Rent, fuel and power	34.05	11.95	15.73
Furniture and household equipment	53.65	37.74	40.46
Medical and health	5.58	5.69	5.68
Transport and communications	51.24	23.31	28.08
Recreation, entertainment and culture	23.20	7.82	10.45
Other	57.17	31.39	35.80
TOTAL CASH EXPENDITURE (a)	356.56	201.66	228.12

Note: (a) Excludes taxes and wage deductions, imputed rent, income in kind and the value of self-consumption of own produce. Includes some savings and other non-consumption outlays.

Source: Ibid.

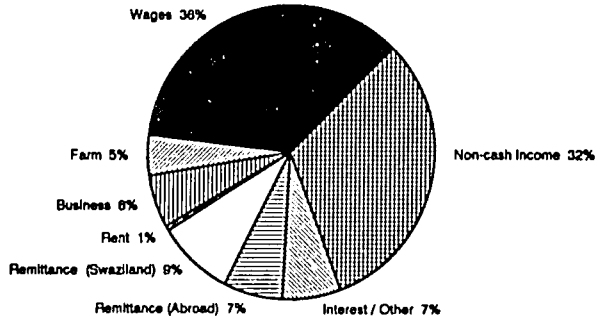
Figure 3.3 Household Incomes

(a) Urban Household Income (Percentage of Total)



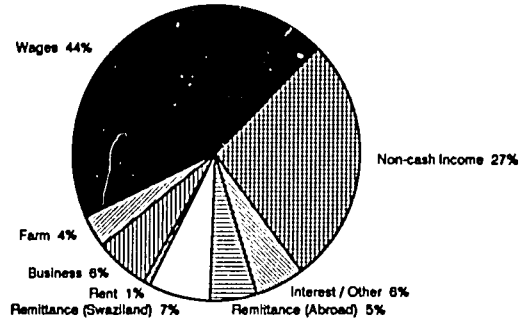
Source: National Income and Expenditure Survey 1985: Tables 26-28.

(b) Rural Household Income (Percentage of Total)



Source: National Income and Expenditure Survey 1985: Tables 26-28.

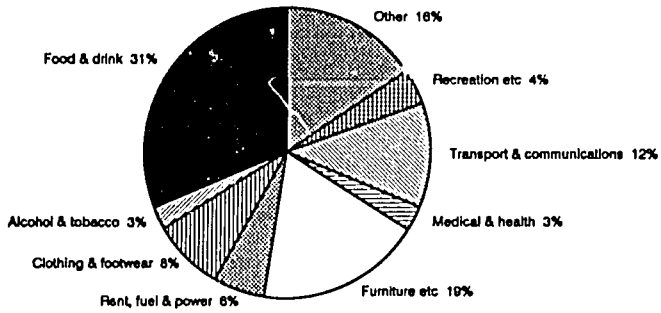
(c) National Household Income (Percentage of Total)



Source: National Income and Expenditure Survey 1985: Tables 26-28.

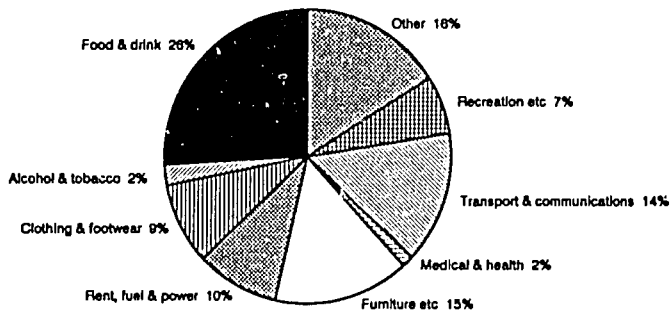
Figure 3.4 Cash Expenditure

(a) Rural Household Cash Expenditure (Percentage of Total)



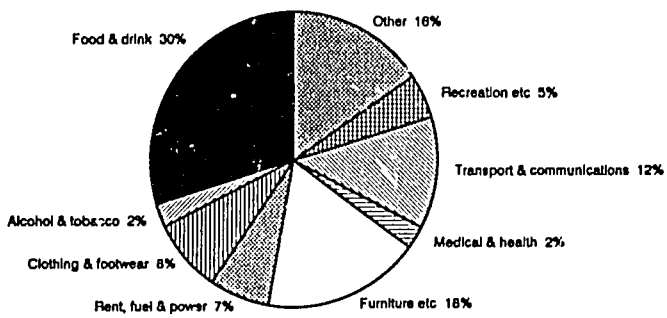
Source: National Income and Expenditure Survey 1985: Tab'es 26-28.

(b) Rural Household Cash Expenditure (Percentage of Total)



Source: National Income and Expenditure Survey 1985: Tables 26-28.

(c) National Household Income (Percentage of Total)



Source: National Income and Expenditure Survey 1985: Tables 26-28.

Table 3.9 Intended, perceived and actual expenditure patterns of main expenditure items by migrant type and household (various surveys) (in percentages).

A		B	
Outgoing migrants Survey I Intended expenditure (n = 222)		*Returned migrants (n = 102) I = actual expenditure II/III = intended expenditure*	
		I. Expenditure while in South Africa	
Cattle 59		Clothing	99
Food and clothing	41	Trunk	24
Building and household requirements	40	Blankets	16
Agricultural requirements	20	Radios/record players	11
School fees	16		
Outgoing migrants, Survey II (n = 165)		*II. Expenditure during transition from TEBA to home*	
Food and clothing	61	Nothing	52
Cattle	58	Food	22
School fees	14	Clothing/blankets	20
Building only	12	Drink/women	4
Agricultural requirements	13		
		III. Expenditure while at home	
		Cattle	50
		Support family	20
		Bank earnings	15
		Building	13
		Agricultural equipment	8
		School fees	8
		Furniture	4
C		**D**	
What Swaziland-based workers thought miners spent money on (n = 229)		*Swaziland-based workers : Actual expenditure (n = 229)*	
Cattle	79	Clothing	89
Clothing and food	71	Food and household goods	88
Blankets	44	School fees	65
Radios/bicycles/cars, etc.	37	Building	12
Entertainment and beer- drinking	35	Agricultural requirements	2
Agricultural goods	6	Cattle	1
Don't know	12		

3.4 The Future of Swazi Migration

Migration of Swazis to South Africa is important. It has a long history, and recently between 20 and 25 per cent of employment in the formal sector has been in South Africa. While the majority of those employed there work in the mining industry, there are significant numbers in other sectors and the number of illegal migrants can only be guessed.

Despite Swaziland being a member of SALC, which is committed to ending the migratory labour system, all the planning for and of employment in Swaziland assumes that miners will continue to be recruited. Discussions with TEBA indicate that Swazis are highly regarded by employers, so this is probably a reasonable assumption for the planners to make. In as much as the future of migration will be determined by South African government policy (which is likely to be increasingly important), it seems that the close relationship between the countries will ensure the perpetuation of the system at present levels.

The following trends may be anticipated:

1) The employment of miners will continue at the present levels and may even increase slightly.

This will depend on favourable conditions in the mining industry which implies a high gold price and no rapid move to mechanisation.

2) Employment in other sectors of unskilled or semi-skilled workers will decline, as unemployment in South Africa continues to cause concern.

3) Employment of skilled and professional Swaziland citizens will continue to grow. Thus will be boosted by the need for this type of manpower in South Africa and the growing wage differentials.

The Centre for African Studies at Eduardo Mondlane University in Maputo has suggested that there is a changing division of labour in the South African mines. It argues that at the top of the hierarchy would be a smallish group of permanent skilled workers who would be housed with their families on the mines and who could follow a clearly defined career path. These workers would be drawn from South Africa. The next and largest group, semi-skilled workers, would commute to work on a monthly or weekly basis, and would be drawn mainly from South Africa, with some from neighbouring states, especially Lesotho. Finally, a reserve of supplementary labour would be called on during times of crisis or shortage of labour, and would be foreign.

If this was the case, then Swaziland would be in the second rank of the hierarchy. At the moment, there is no sign of such a development but, should it happen, it would mean an end to the current system of migratory labour.

One thing that could dramatically change the pattern of labour migration is AIDS. The South African authorities will not allow HIV-positive workers into the country. It is too early to make accurate predictions but it appears that AIDS may have a very negative impact on migration, and this gives a new urgency to the AIDS campaign as it is the migrant worker who is most at risk.

Migrants contribute a considerable sum to the Swaziland economy. It is clear that the Central Bank figures are an over-estimate but, nonetheless, the remittances and deferred pay are important and are particularly significant in rural areas.

There are some areas which can be identified as constraints, others as opportunities, but perhaps most important is that there has been no attempt to assess the loss of skilled and professional Swazi to South Africa. Hearsay evidence encountered during fieldwork suggests a considerable outflow of trained Swazi seeking the higher wages and greater opportunities available to them in South Africa. This needs to be addressed as a matter of urgency.

Secondly, Swaziland is not making the best use of either the migrants or their money. Migrants return with skills or at least with the discipline of mine work instilled in them. It would seem that they would make good employees and might also be a potential source of entrepreneurship. There are examples elsewhere of attempts to utilise returning migrants more efficiently, and there may be some lessons for Swaziland here. In particular, a World Bank project on maximising the skills of returning migrants in Mozambique, could be of relevance to Swaziland.

At present most of the accumulated capital is put into cattle which exacerbates over-grazing on Swazi Nation Land. It seems that consideration should be given to putting this money to more productive use. This would need careful consideration by researchers versed in the intricacies of Swazi traditions. Despite the Swazi assumption that migration will continue in perpetuity, however, this may not be the case, and thus the returns from migration should be maximised now.

4

Employment Creation

4.1 Methodology

Fieldwork consisted of interviews with most of the major employers in the private sector as well as with umbrella bodies, parastatals and government ministries. In the private sector 19 major companies were interviewed. These companies provided employment for 27,200 persons or 44 per cent of total paid employment in the sector. Of these 27,200 jobs, however, 3,600 were of a seasonal nature providing employment for 6-9 months of the year.

Umbrella bodies interviewed were the Swaziland Sugar Association, the Swaziland Citrus Board, the Swaziland Chamber of Commerce and Industry, the Swaziland Federation of Employers, the Commonwealth Development Corporation, the Swaziland Industrial Development Company, and Vuvulane Irrigated Farms. A meeting was held with Tibiyo Taka Ngwane, while in central government, discussions were held with the Ministries of Agriculture; Commerce, Industry and Tourism; Works and Communications; and Natural Resources; as well as with the Economic Planning Office and the Geological Survey. With regard to migrant labour, the relevant sources were The Employment Bureau of Africa (TEBA) and the Labour Commissioner.

4.2 The Private Sector

4.2.1 Agriculture and Agribusiness

Employment has been fairly static in commercial agriculture in the 1980s, and no significant change is expected. The large estates - sugar and citrus - are located in the Lowveld and are constrained by lack of further land and water for irrigation purposes.

In the sugar industry, for example, there are no plans to expand the present area of 36,000 ha. Employment gains in the past few years have not been due to any expansion in the industry but rather to a move away from mechanised cane cutting to the old manual methods which, of course, are labour intensive. By the mid-1970s, sugar estates were finding it very difficult to recruit Swazi for cane cutting. Wages were significantly lower than those offered on the mines, and consequently some Mozambican labour had to be used. One estate claimed that it was able to attract Swaziland labour for cutting only by offering permanent employment, despite the fact that the cane cutting season lasted for just seven months and the labour was idle for the rest of the year. It was then that the estates tended to move into mechanised cutting. However, when the exchange rate started declining in 1984, causing the cost of imported cutting equipment to rise sharply, it became more difficult to obtain spare parts, and it once again became economical to use manual methods. It was also found that mechanised harvesting was not as efficient as manual cutting; the machines compact the soil too much and thus adversely affect yields. One large group, however, is retaining some mechanical cutting units in case it should encounter a shortage of manual labour.

The estates in the Lowveld claim that it would be very costly to obtain additional water, and that a substantial amount of capital would be required for further development of agriculture in the region. One possible expansion mentioned was into coffee and aquaculture at Inyoni Yami Swaziland Irrigation Scheme (IYSIS); these are still in the experimental stages, but might contribute a small amount of additional employment. At Vuvulane Irrigated Farms there is potential to expand the scheme by another 200 farmers; an area of 800 ha., some of it at present leased to IYSIS for cane-growing, is available, and apparently so is water. However, land would have to be cleared and levelled. At Simunye, some land not suitable for cane is now being prepared for beans and other food crops, while pig-rearing is also being introduced.

In the forestry sector, no expansion schemes are contemplated at present. In fact, one large company is considering the possible use of contractors for

some of its functions, because the general trend in the industry is to mechanise harvesting in the forests. Since the company is concerned about employment, however, it wishes to encourage Swazi entrepreneurs to take over some of the operations on a labour-intensive basis in order to ensure that total employment would not be affected once company employment itself declines.

The major potential project under discussion at present relates to the development of the Komati Basin. Construction of a dam has been agreed in principle and the scheme could ultimately supply water for the irrigation of 5,000 ha. in the area north of Bhalekane. The construction of the dam is a joint Swaziland-South Africa scheme which envisages the later construction of four further dams. France has granted E2 million for feasibility studies of the agricultural aspects; it is hoped to produce citrus, mangoes, avocados, vegetables and cotton as well as some maize.

The International Fund for Agricultural Development (IFAD) is investigating the possibility of other areas for development. Potential sites for dams on Swaziland's major rivers were identified in the late 1970s, and there is no doubt that a large area could be brought under irrigation. For example, a potential irrigable area of 55,000 ha has been identified in the area between Malkerns and Lavumisa which basically covers the southern Middleveld and Lowveld. There are seven damsites and export crops could consist of cotton (summer), wheat, potatoes, beans and vegetables (winter). In addition, a number of dam sites have been identified on the Mkhondvo River system, which could provide water for irrigation near Nhlangano and in the Grand Valley as well as through a system of canals to the Ngwavuma Basin. However, the question is whether or not such projects would yield an economic rate of return.

Of the major agro-industrial concerns, a laminated timber plant could expand its staff from the present 50 to 400, but in fruit canning, employment is likely to decline before recovering to present levels. The reason for the expected decline is the 7 per cent levy on fruit imports imposed by the recently-established National Agricultural Marketing Board (NAMB). This has made it uneconomic for the cannery to continue importing pineapples from Natal as an interim measure to supplement local output, until such time as the local five-year expansion programme 'bears fruit'. The levy was waived on appeal to government, but has been reinstituted with the result that the factory will be operating at less than capacity and some 400 jobs will be lost.

Other agro-industrial projects being discussed are intended to produce cabbages and oil products (pulses, groundnuts and soya beans) for processing.

4.2.2 Tourism

With the apparent withdrawal of plans to construct a new hotel in Manzini, no expansion in the hotel sector is proposed at present. One group stated that it might extend its operations in Swaziland, not by constructing new hotels but by taking over and refurbishing existing establishments. However, the possible employment potential could not be stated with any certainty. This group felt that most hotels were overstaffed and that, in fact, employment could well decline rather than increase.

4.2.3 Mining

In the mining sector, some of the labour retrenched by the asbestos mine when it encountered problems a few years ago was absorbed by the coal mine at Mpaka. Diamond mining is highly mechanised, and there has been no increment to employment in this sector.

For the last 14 years there has been speculation about the opening of new coal mines to exploit the Lowveld deposits. In 1975, the Department of Geological Survey was confidently predicting that mines would open at Maloma and near Mhlume, and leading South African and multinational companies were prospecting. A firm proposal had been made for the Maloma project, but the mining company and government failed to reach agreement on the question of mineral royalties. Today, there is again intense discussion about the opening of a mine at Maloma, and the company concerned (from Denmark) expects to commence operations in 1990. Because of the high transport costs which will be involved, it is expected that this mine will be more capital intensive than is the existing operation at Mpaka.

At Mpaka, any expansion is linked to the proposed ferrochrome project. Previously, a thermal power station was to have used local coal, but this project is no longer part of a plan for a Southern African power grid as there are cheaper sources of energy elsewhere in the sub-continent. The ferrochrome project will involve the importing of chrome ore from the Transvaal and Zimbabwe, processing it at Mpaka, then exporting via Maputo. The coal mine would have to mechanise in order to increase output to supply the ferrochrome plant, and employment would fall by 80-90 (from 373). However, the factory would employ a few hundred workers so that there would be a net expansion of employment at Mpaka.

4.2.4 Manufacturing

The most spectacular employment growth in the last few years has been in the manufacturing sector, and several firms have plans for expansion. Private investment in Swaziland industry has increased rapidly, especially in textiles. The largest plant in this sub-sector is the National Textile Corporation (Natex): investment there has risen from the original E30 million to E105 million and consideration is being given to a further E55 million expansion. It is possible that total investment at this plant will reach E1,000 million over a 10-year period. Predictions are that the plant could, in fact, eventually match the giant Frame Group in South Africa in size, and that it will also attract ancillary industries. For example, Progress Knitting Mills have now opened a factory at Matsapha. At NATEX, employment is expected to double from the present workforce of 650 once the present expansion phase is completed. Thereafter, it would rise by about 400-500 with each expansion. Clearly, the potential is there for considerable employment growth.

Another plant which is expanding at present is the brickworks, where employment should increase from 277 to about 500-550. Further serviced plots are being prepared at the Matsapha industrial estate and a number of firms are to locate their plants there. Unfortunately, however, there are no available estimates of the possible number of jobs involved.

4.3 Tibiyo Taka Ngwane

This enterprise was established by Royal Decree in 1968 and falls directly under the King. Tibiyo has invested widely in various sectors of the economy, but has found that it has had to retrench labour in certain projects which have suffered from overstaffing, for example, in maize, tobacco and livestock. There are no apparent plans for expanding employment.

4.4 Public Sector

Efforts have been made, beginning in the 1981/82 financial year, to control the growth of the civil service. This has been done by forcing ministries to meet the costs of new establishment posts by relinquishing vacant or unnecessary posts. The FNDP referred to the problem of "excessive staffing" in government, and stated that government could no longer be regarded as the employer of last resort: "the creation of jobs in the public service purely for the sake of employment creation is no longer a viable long-term economic strategy". The FNDP felt that the main contribution to employment creation should come from a vigorous private sector and a more disciplined parastatal sector.

Although no policy guidelines are contained in the 1989/90-1991/92 Development Plan, the above remains the official view. It is unlikely, therefore, that the public service will increase at the same rate in future as it has in the past 20 years.

4.5 The Rural Areas

The number of individuals from Swazi Nation Land (SNL) seeking paid employment varies with economic conditions in the rural areas, rising in dry years and contracting in good seasons. The general view seems to be that population pressure on the land is now beginning to be felt.

Migration from SNL is on both a permanent and temporary basis, but an interesting phenomenon is that of the urban worker (often a civil servant) who retains his rural homestead; he pursues his career job during the week and returns to the rural area over week-ends to engage in agricultural production. The difference between these individuals and seasonal migrants is that they rely on others to do the ploughing, whereas seasonal workers on the sugar and citrus estates return to their homesteads for ploughing. They are available for seasonal work only from April-December, and estates contend that the supply of seasonal workers exceeds demand by a factor of 2.

Although estates in the Lowveld have, in the past, sometimes struggled to attract Swazi labour, it appears that permanent workers are now bringing their entire families from the rural homesteads to live on the estates where good housing with water, medical and educational facilities are provided. The attraction of urban areas is particularly great for the younger people from the rural areas, and it is perhaps because of the lack of facilities and jobs in the rural areas that the 'Ekhaya' (go home) slogan of a few years ago did not achieve much in the way of concrete, permanent results.

It seems that there are a number of problems and constraints that need to be addressed if rural development is to be achieved. In particular there is an urgent need to commercialise SNL production. At present this is the responsibility of the National Agricultural Marketing Board, which was established in June 1986 to encourage the marketing of locally grown agricultural produce, and to act as a catalyst for encouraging local production. The role of the NAMB, currently rather ambiguous, must be resolved if it is to have a place in the commercial development of agriculture.

The NAMB constructed a wholesale depot at Nokwane (near Matsapha), and fourteen smaller collection points have been built throughout the country.

The NAMB's function is twofold. First, it receives produce from Swazi farmers. It then issues a receipt but will only pay the farmer after the sale of the produce. Second, it issues permits to importers of maize and other foodstuffs. The NAMB is funded by a levy on imports of agricultural produce, and hence its financial viability is related to the flow of imports.

Since the NAMB's overhead costs are covered by the levy on imports, it can offer a slightly higher price to Swazi farmers, but it relies heavily on imports - over 70 per cent - for its fresh produce supplies, and attributes this to the fact that local produce does not meet quality control standards. It appears that the NAMB's reliance on imports in order to fund its operations is contradictory to its express purpose of encouraging local agricultural production. It has to face the contradiction of encouraging local production and maintaining its own financial viability, which is dependent on the levy on imports.

It is understood that the problem of commercial development in the rural areas is currently being addressed, and a project has been designed specifically to tackle this issue.

4.6 Projections

4.6.1 ILO Manpower, Education and Training Study

The government has become increasingly concerned about the growing unemployment, especially among relatively well-educated school-leavers. A result of this concern was the Manpower, Education and Training (MET) study, completed in 1987 by the International Labour Office with funding from the World Bank. The report provides an authoritative and systematic view of the present and future educational requirements of the workforce and prospects for job creation; it contains detailed policy recommendations for the improvement of the education system, with the object of alleviating unemployment and the skills imbalance.

The major objectives of the study were to "establish the structure of the national manpower stock and to project the manpower requirements for the medium-term future". The report was "intended to provide a basis for manpower planning for the forthcoming Fifth National Development Plan (1988/89 - 1993/94)". To provide a baseline for the MET study, a national Manpower Survey was undertaken, the data from which were used, together with data on economic output, to "provide an indication of demand for skilled manpower by broad occupational category and the supply of graduates from the education and training system for each occupational group".

Suggesting that the most important determinant of job-creation is economic growth, the study analysed the relationship between output and employment for each sector and for the overall economy. Trends in employment creation were detected and projected into the future, and a simple model was developed for the prediction of employment levels from 1988 to 1993, based on "high" and "low" estimates of future sectoral and overall growth rates of output (4 per cent and 2.2 per cent per annum respectively). The resulting forecasts of employment levels in particular sectors under these assumptions are reproduced in Table 4.1, while the projected output of the education system is given in Table 4.2.

As is evident, the study concluded that "there will be an oversupply of educated and trained people for the available employment opportunities in the wage sector during the entire 1986 - 1993 period". However, the composition of this demand/supply disequilibrium varies according to level and type of skill. Thus, clerical and manual workers will be over-supplied during the next five years. By contrast, non-scientific and technical professionals will be under-supplied throughout the period.

Focussing in detail on the education system, the

Table 4.1 Projected Structure of Employment by Sector: 1993

Sector	*Scenarios*	
	Low Growth	*High Growth*
Agric/Forestry	14394	13459
Mining	2025	1877
Manufacturing	30785	34649
Electricity	426	448
Construction	2108	1631
Trade/Hotels	10649	12312
Transport	4435	6068
Bus. Services	5464	5464
Personal Servs	3756	4525
Government	21347	21347
TOTAL JOBS	95781	101780
Net Increase over 1986	17725	23724

Source: ILO Manpower, Education and Training Study (1985)

study concludes that the output of educational institutions is not only badly planned and imbalanced relative to job opportunities, but also grossly uneconomical due to time overruns, waste and administrative inefficiency. Primary school education is costing the government 80 per cent more per pupil per year than it should be, while the excess is 93 per cent for secondary school pupils.

The major recommendations of the MET study are summarised as follows:

(1) Future expansion of primary school education should be handled by linking networks of small schools to existing large schools.

(2) In order to attract and retain good teachers, their salaries and working conditions should be improved.

(3) Pressure on government to expand post-primary education should be resisted, and expansion linked to skills requirements.

(4) The cost-effectiveness of pre-vocational and practical arts curricula in schools should be tested.

(5) The supply and demand for teachers should be more effectively managed; entrance standards should be raised, and the quality of presently-employed teachers upgraded.

(6) Cost-control and financial management of teacher training programmes should be strengthened.

(7) The demand and supply of formally-trained technical and vocational skills should be closely monitored, so that only necessary skills are produced.

(8) The economics of technical and vocational training should be studied in further depth; financial management of existing institutions should be strengthened.

(9) More of the costs of technical and vocational training should be shifted to students and employers.

(10) The demand and supply of university-trained personnel should be continuously monitored.

(11) An expanded programme of informal training courses should be developed for urban informal sector operators and rural workers, provided by non-government organisations, and monitored and co-ordinated by the Ministry of Education.

(12) Localisation should be promoted in as far as it will not prejudice the country's economic interests. Those jobs which can readily be localised during the 1988-1993 period should be, while no pressure should be put on the already overburdened secondary schools.

(13) The private sector should be encouraged to hold down wage differentials relative to the public service, and between citizens and expatriates.

(14) The government should urgently request donor aid in strengthening and developing its capacity for manpower assessment and planning.

Table 4.2 Projected Output of Education System: Numbers Eligible for Employment by Skill Group: 1986-1993

Occupational groups	*Number*
Professional technical occupations	644
Other professional occupations	1,712
Subprofessional and technician occupations	4,449
Other subprofessional occupations	10,901
Clerical and manual occupations (skilled)	26,896
Clerical and manual occupations (semi-skilled)	52,418
TOTAL	97,020

Source: ILO Manpower, Education and Training Study (1985)

4.6.2 School Output and Job Creation

The consultants reviewed data on the enrolment and output of schools, together with data on monetary employment in Swaziland, in order to contrast the probable future output of schools with the availability of jobs for school-leavers. Using data for the period 1968 to 1987, trends were extrapolated until the year 2007. The results are presented in Tables 4.1 to 4.3 and Figures 4.1 to 4.5.

Table 4.1 indicates historical and projected rates of drop-out in schools. It is assumed that scholars who drop out of school from Grade I to Form II are not going to enter the monetary sector job market, and consequently in the other tables and figures these pupils are simply referred to as "drop-outs". Scholars who leave school after Form III are assumed to seek work in the monetary sector, and are therefore labelled "job-seekers". It is apparent from the figures provided by the Ministry of Education

that the proportion of drop-outs who re-enter schools is very low; less than one per cent of drop-outs return to school within one year of leaving.

Table 4.2 compares the numbers of drop-outs and job-seekers leaving the school system each year with the total enrolment in primary and secondary schools (Figures 4.1 and 4.3)

It is evident that, if historical demographic trends continue, the school system would increase by over 70 per cent within the next 20 years. These data are graphed in Figure 4.1.

Table 4.3 contrasts the number of job-seekers entering the monetary sector each year with growth in monetary sector employment (Figure 4.3). The difference between the number of labour market entrants and growth in employment, the "job shortfall"

Table 4.1 Historical and Projected Rates of Drop-out in Primary and Secondary Schools by Grade and Year: Selected Years 1969-2007

Year	*Grades*							*Forms*					
	I	*II*	*III*	*IV*	*V*	*VI*	*VII*	*I*	*II*	*III*	*IV*	*V*	*VI*
1969	9.3	8.7	13.2	13.1	12.1	9.7	20.6	23.6	13.5	41.9	11.2		
1970	12.8	6.5	4.6	6.4	4.5	3.9	22.2	19.4	6.7	44.5	23.0		
1971	8.0	5.9	10.3	9.6	11.2	9.8	22.1	15.0	17.3	41.3	19.4	83.3	
1972	5.1	0.0	8.5	7.0	8.7	9.3	17.0	10.4	13.7	43.7	13.7	87.8	
1973	7.4	1.1	6.9	6.7	7.0	4.7	13.8	9.3	11.4	33.1	9.8	91.9	
1974	6.8	1.8	6.4	7.0	8.4	6.5	17.4	9.1	13.5	39.0	12.3	92.8	
1975	6.6	3.0	8.9	7.5	8.8	6.1	20.3	10.2	14.0	43.7	14.9	94.4	
1976	7.3	3.8	7.7	9.2	9.0	7.8	20.7	13.1	16.2	45.9	21.0	98.5	
1977	8.1	2.9	8.1	8.1	8.9	6.7	24.2	9.0	15.1	44.2	12.2	95.3	
1978	5.4	4.0	7.3	8.1	8.6	9.1	19.0	12.5	13.9	45.0	8.6	99.7	
1979	5.7	2.7	7.3	7.6	8.1	8.9	16.8	11.5	13.6	43.2	10.9	97.2	
1980	6.1	1.8	7.4	7.1	7.7	8.8	14.8	10.5	13.3	41.5	13.7	94.8	100.0
1981	5.2	2.3	4.0	5.3	7.0	5.2	14.3	7.9	12.2	39.7	14.1	95.1	97.4
1982	9.3	4.6	6.4	6.7	6.5	5.8	15.7	8.2	12.5	36.5	13.4	95.5	96.4
1983	7.9	3.8	6.4	6.6	7.1	6.6	15.1	8.7	12.8	40.3	15.0	95.6	98.8
1984	7.9	2.8	5.6	6.2	6.5	6.4	15.9	10.0	15.4	39.9	18.3	97.3	97.8
1985	6.4	2.1	6.1	5.6	6.2	7.1	18.1	8.8	17.1	43.1	20.4	96.0	95.9
1986	5.6	4.1	7.4	7.2	7.4	8.5	17.5	13.6	19.9	37.4	20.2	95.4	100.0
1987	3.9	3.6	3.8	5.1	6.8	7.2	15.4	11.0	18.5	27.5	16.9	95.2	100.0
1988	5.4	2.5	4.9	5.4	6.4	7.0	15.2	7.8	16.9	37.2	16.5	97.6	98.9
1989	5.2	2.4	4.7	5.2	6.2	7.0	14.9	7.4	17.1	36.9	16.7	97.7	99.0
1990	5.1	2.3	4.5	5.0	6.1	7.0	14.6	7.0	17.4	36.6	16.8	97.8	99.1
1991	4.9	2.2	4.3	4.8	5.9	7.0	14.4	6.6	17.7	36.2	16.9	97.9	99.2
1992	4.7	2.1	4.0	4.6	5.7	6.9	14.1	6.2	17.9	35.9	17.1	90.1	99.4
1993	4.5	2.0	3.8	4.4	5.6	6.9	13.8	5.8	18.2	35.5	17.2	98.2	99.5
1994	4.4	1.9	3.6	4.2	5.4	6.9	13.5	5.4	18.4	35.2	17.3	98.3	99.6
1995	4.2	1.8	3.4	4.1	5.3	6.9	13.3	5.1	18.7	34.9	17.5	98.4	99.7
1996	4.0	1.7	3.1	3.9	5.1	6.8	13.0	4.7	19.0	34.5	17.6	98.6	99.9
1997	3.9	1.6	2.9	3.7	5.0	6.6	12.7	4.1	19.2	34.2	17.7	98.7	100.0
1998	3.7	1.5	2.7	3.5	4.8	6.8	12.4	3.3	19.5	33.9	17.9	98.8	100.0
1999	3.5	1.4	2.5	3.3	4.7	6.8	12.2	2.4	19.8	33.5	18.0	98.9	100.0
2000	3.3	1.3	2.3	3.1	4.5	6.7	11.9	1.6	20.0	33.2	18.1	99.0	100.0
2001	3.2	1.2	2.0	2.9	4.3	6.7	11.6	0.8	20.3	32.8	18.3	99.0	100.0
2002	3.0	1.1	1.8	2.7	4.2	6.7	11.1	0.0	20.5	32.5	18.4	99.0	100.0
2003	2.8	1.0	1.6	2.5	4.0	6.7	10.1	0.0	20.8	32.2	18.5	99.0	100.0
2004	2.7	0.9	1.4	2.3	3.9	6.6	8.9	0.0	21.1	31.8	18.7	99.0	100.0
2005	2.5	0.8	1.1	2.1	3.7	6.6	7.8	0.0	21.3	31.5	18.8	99.0	100.0
2006	2.3	0.7	0.9	1.9	3.6	6.6	6.7	0.0	21.6	31.2	18.9	99.0	100.0
2007	2.2	0.6	0.7	1.7	3.4	6.6	5.6	0.0	21.9	30.8	19.1	99.0	100.0

Source: Education Statistics 1969-87; Consultants' estimates.

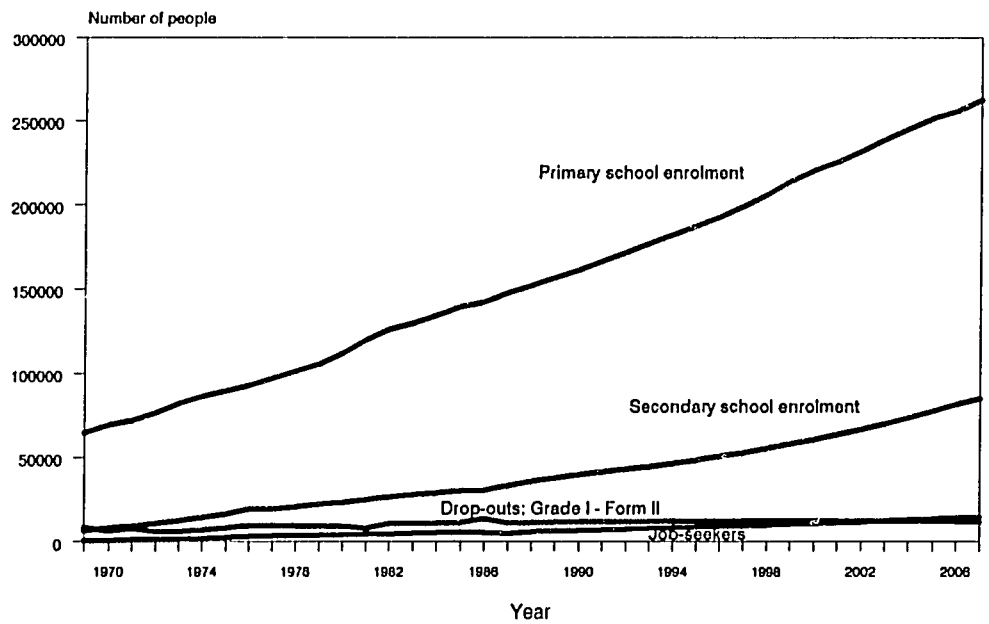
Table 4.2 School enrolment and Job-seekers: Historical and projected: 1968-2007

Year	School enrolment		Drop-outs	Job-seekers	Year	School enrolment		Drop-outs	Job-seekers
	Primary	Secondary				Primary	Secondary		
1968	62082	6002	n.a	n.a	1988	152019	35533	11373	5772
1969	64411	6456	8188	368	1989	156567	37576	11560	6487
1970	69019	8005	6192	503	1990	161404	39653	11666	6633
1971	71455	8968	7817	1055	1991	166464	41414	11734	7175
1972	76343	10664	5736	1229	1992	171740	42910	11795	7452
1973	81694	12419	5605	1415	1993	177163	44402	11863	8136
1974	86110	14266	6717	1912	1994	182363	46226	11959	8429
1975	89528	16198	8072	2534	1995	187623	48263	12037	8694
1976	92721	19308	9263	2959	1996	192980	50377	12132	8976
1977	96826	19308	9585	3466	1997	198971	52598	12166	9355
1978	101114	20649	9268	3496	1998	206193	55116	12151	9749
1979	105607	22091	9056	3752	1999	214057	57783	12185	10320
1980	112019	23198	8944	4112	2000	220459	60533	12233	10762
1981	119913	24826	7579	4318	2001	225572	63264	12231	11201
1982	126303	26469	10526	4458	2002	232224	66350	12123	11719
1983	129767	27801	10722	5106	2003	239019	69523	12113	12228
1984	134528	28833	10900	5405	2004	245350	73210	12034	12859
1985	139345	29914	11161	5792	2005	251426	77299	11906	13387
1986	142206	30489	13493	5363	2006	255523	81276	11865	13977
1987	147743	32942	11050	4652	2007	262063	84930	11628	14688

Note: n.a = Not available

Source: Employment and Wages 1969-87; Consultants' estimates.

Figure 4.1 School Enrolment, Drop-outs and Job-seekers: Historical and Projected 1969-2007



Source: Education Statistics 1969-87; Consultants' estimates

is extrapolated under each of two scenarios: firstly, an annual 3 per cent increase in monetary sector employment; secondly, a 5 per cent increase in monetary employment per year (Figure 4.4). The cumulative totals of job-seekers and jobs created are used to derive the cumulative "job shortfall" under each employment growth scenario (Figure 4.5).

This simple statistical analysis serves to give an idea of the magnitude of the increasingly serious unemployment problem facing Swaziland as school-leavers enter the job market in future years. Even under the highly optimistic scenario of an annual growth in monetary employment of 5 per cent, the pool of unplaced job-seekers rises steadily.

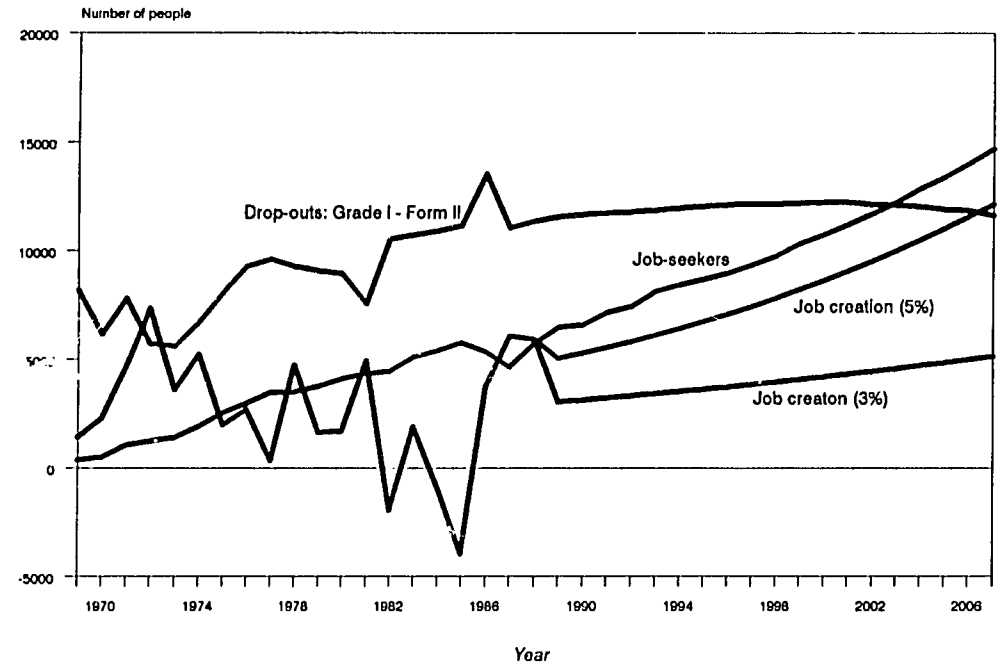
Table 4.3 Job-seekers and Growth in Monetary Employment: Historical and Projected 1968-2007

Year	Job-seekers	Growth in Jobs		Cumulate Job-seekers	Cumulate Job Creation		Job Shortfall		Cumulate Job Shortfall		Monetary Employment	
		(3%)	(5%)		(3%)	(5%)	(3%)	(5%)	(3%)	(5%)	(3%)	(5%)
1968	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	47620	47620
1969	368	1421	1421	368	1421	1421	-1053	-1053	-1053	-1053	49041	49041
1970	503	2274	2274	872	3695	3695	-1771	-1771	-2823	-2823	51315	51315
1971	1055	4686	4686	1927	8381	8381	-3631	-3631	-6454	-6454	56001	56001
1972	1229	7356	7356	3156	15737	15737	-6127	-6127	-12581	-12581	63357	63357
1973	1415	3604	3604	4571	19341	19341	-2189	-2189	-14770	-14770	66961	66961
1974	1912	5233	5233	6484	24574	24574	-3321	-3321	-18090	-18090	72194	72194
1975	2534	1980	1980	9017	26554	26554	554	554	-17537	-17537	74174	74174
1976	2959	2698	2698	11976	29252	29252	261	261	-17276	-17276	76872	76872
1977	3466	352	352	15443	29604	29604	3114	3114	-14161	-14161	77224	77224
1978	3496	4724	4724	18939	34328	34328	-1228	-1228	-15389	-15389	81948	81948
1979	3752	1619	1619	22691	35947	35947	2133	2133	-13256	-13256	83567	83567
1980	4112	1702	1702	26803	37649	37649	2410	2410	-10846	-10846	85269	85269
1981	4318	4922	4922	31121	42571	42571	-604	-604	-11450	-11450	90191	90191
1982	4458	-1961	-1961	35580	40610	40610	6419	64[illegible]	-5030	-5030	88230	88230
1983	5106	1885	1885	40686	42495	42495	3221	3[illegible]	-1809	-1809	90115	90115
1984	5405	-91[illegible]	-911	46090	41584	41584	6316	6316	4506	4506	89204	89204
1985	5792	-3979	-3979	51882	37605	37605	9771	9771	14277	14277	85225	85225
1986	5363	3726	3726	57245	41331	41331	1637	1637	15914	15914	88951	88951
1987	4652	6086	6086	61897	47417	47417	-1434	-1434	14480	14480	95037	95037
1988	5772	5951	5951	67669	53368	53368	-179	-179	14301	14301	100988	100988
1989	6487	3030	5049	74156	56398	58417	3457	1437	17758	15738	104018	106037
1990	6633	3121	5302	80789	59518	63719	3513	1332	21271	17070	107138	111339
1991	7175	3214	5567	87964	62732	69286	3961	1608	25232	18678	110352	116906
1992	7452	3311	5845	95416	66043	75132	4142	1607	29374	20285	113663	122752
1993	8136	3410	6138	103552	69453	81269	4726	1998	34099	22283	117073	128809
1994	8429	3512	6444	111981	72965	87714	4917	1984	39016	24267	120585	135334
1995	8694	3618	6767	120675	76583	94480	5076	1927	44092	26195	124203	142100
1996	8976	3726	7105	129651	80309	101585	5250	1871	49342	28066	127929	149205
1997	9355	3838	7460	139006	84146	109046	5517	1895	54860	29960	131766	156666
1998	9749	3953	7833	148755	88099	116879	5796	1916	60655	31876	135719	164499
1999	10320	4072	8225	159075	92171	125104	6248	2095	66904	33971	139791	172724
2000	10762	4194	8636	169837	96365	133740	6569	2126	73473	36097	143985	181360
2001	11201	4320	9068	181039	100684	142808	6882	2133	80354	38231	148304	190428
2002	11719	4449	9521	192757	105133	152329	7270	2197	87624	40428	152753	199949
2003	12228	4583	9997	204985	109716	162327	7645	2230	95269	42658	157336	209947
2004	12859	4720	10497	217844	114436	172824	8139	2362	103408	45020	162056	220444
2005	13387	4862	11022	231231	119298	183846	8525	2365	111934	47385	166918	231466
2006	13977	5008	11573	245208	124305	195420	8969	2403	120903	49788	171925	243040
2007	14688	5158	12152	259896	129463	207572	9530	2536	130433	52325	177083	255192

Note: n.a = Not available

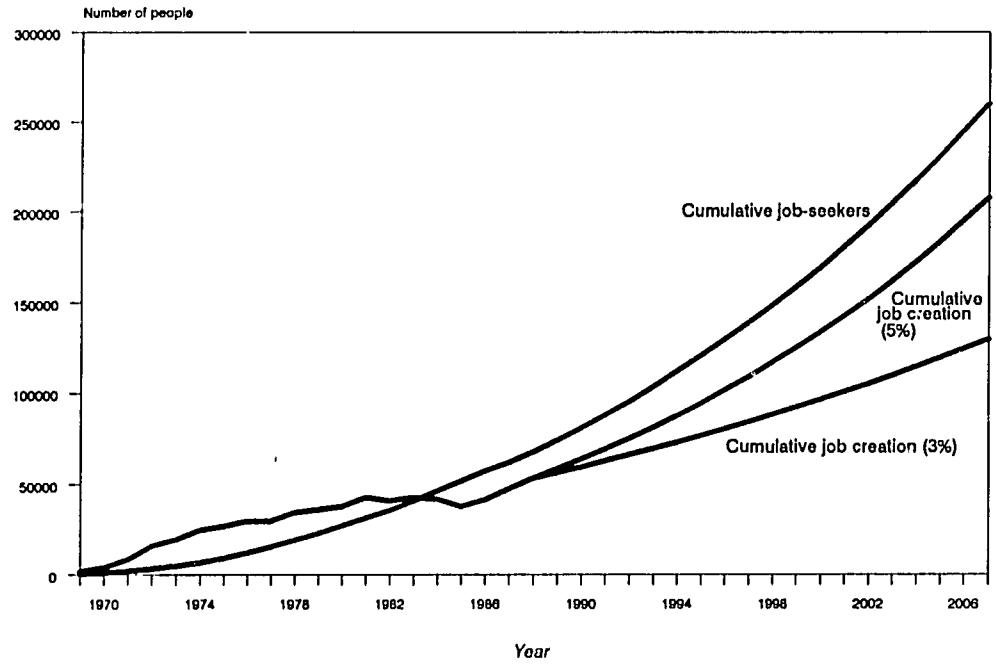
Source: Education Statistics 1969-87; Employment and Wages 1969-87; Consultants' estimates.

Figure 4.2 School Output per Year: Drop-outs, Job-seekers and Job Creation 1969-2007



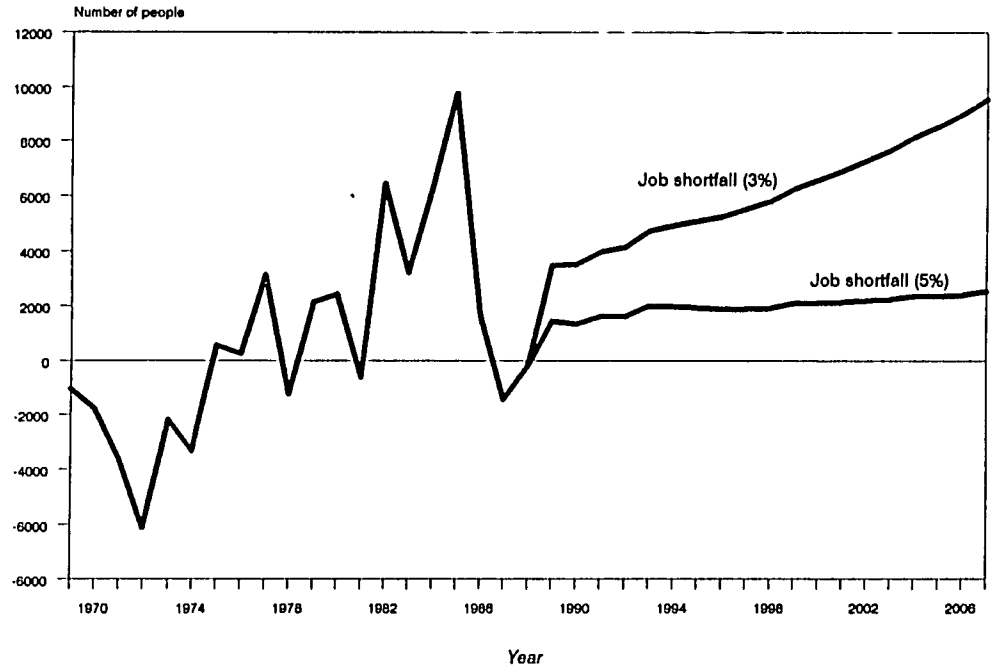
Source: Education Statistics 1969-87; Employment and Wages 1969-87; Consultants' estimates

Figure 4.3 Job-seekers and Monetary Job Creation: Cumulative Totals 1969-2007



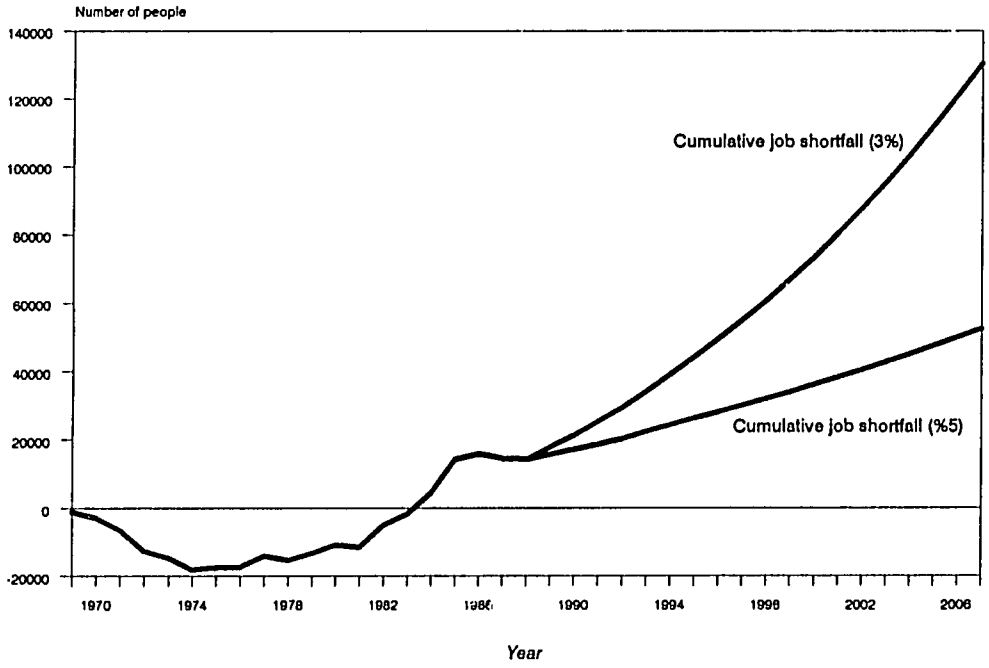
Source: Education Statistics 1969-87; Employment and Wages 1969-87; Consultants' estimates

Figure 4.4 Job Shortfall per annum: Job-seekers unplaceable in Year of Entry 1969-2007



Source: Education Statistics 1969-87; Employment and Wages 1969-87; Consultants' estimates.

Figure 4.5 Cumulative Job Shortfall 1969-2007



Source: Education Statistics 1969-87; Employment and Wages 1969-87; Consultants' estimates.

45

5

The Investment Climate

Industrial investment is a prerequisite for employment creation, and consequently it is essential to have a business climate which is conducive to investment. Perhaps the main issue covered in interviews with firms, was the way in which they perceived Swaziland as a location for private investment. The interviews yielded a range of opinions, conflicting on some points, in general agreement on others, and a list of advantages and disadvantages.

5.1 Swaziland in an African Perspective

A number of firms expressed the view that, in the context of Africa as a whole, Swaziland was a favourable location for private investment. It provided a good living environment, and, although many expatriates could earn more elsewhere, they elected to remain in Swaziland. The level of corruption and bureaucratic interference was regarded as well below average for Third World countries. Taxation rates were regarded as favourable, the corporate tax rate being 37.5 per cent, and the personal tax rate 27.5 per cent with a marginal rate of 45 per cent. However, the marginal rate comes into effect at a fairly low income and the government apparently wishes to reduce it.

It is clear that the political stability which Swaziland has enjoyed since independence, as also the conservative economic policies followed by government, have helped in moulding investors' perceptions. Some uneasiness now exists, however, about the general structure of government and administration, and this is alluded to later in this chapter.

Swaziland is also regarded as a particularly attractive location by South African firms and by companies interested in the Southern African Customs Union market. One danger, however, is that some firms having plants both in Swaziland and South Africa (especially the homelands such as Transkei) use "made in Swaziland" labels on goods manufactured across the border in order to beat sanctions.

Although the close economic relationship with South Africa is often a matter of political embarrassment, the general view was that these links provided Swaziland with a number of advantages which greatly enhanced its attractiveness in comparison with the rest of Africa. The following points in particular have been made in interviews over the years with private firms.

(i) The customs and monetary agreements with South Africa allow a free flow of commodities and funds. This means that Swaziland does not suffer from foreign exchange shortages and that a far wider range of goods is available in the shops than is the case elsewhere in Africa (except for Botswana and Lesotho). Clearly, this is attractive for foreign investors and expatriate staff.

(ii) The fact that much of the investment in the distributive trade is South African, means that the same standard of management is maintained throughout the region. These standards are considerably higher than those obtaining in many other parts of Africa.

(iii) A point which has become more important since the depreciation of the rand (and emalangeni) began in 1983/84, is that the relative cost of obtaining skilled expatriates from South Africa has fallen. This is of considerable benefit to companies.

The above points need to be borne in mind in the light of the discussion which follows.

Of the firms interviewed, seven specifically stated that the investment climate was good and two that it was poor. The remainder advanced both plus and minus factors. We turn now to an examination of these minus factors.

5.2 Problems

Various problems were identified which are a cause for concern among existing firms and which may well act as deterrents to potential investors. Two in particular, namely, the question of temporary residence permits for expatriates and the recent land decree, were mentioned by almost all the firms, while other problems related to political and administrative issues, physical and social infrastructure, the potential unionisation of workers, and the tendency towards capital intensity in production.

5.2.1 Work Permits

This was the single most controversial point arising in the interviews.

5.2.1.1 Government Localisation Policy

At the time of independence, comparatively few Swazi had received an education which prepared them for skilled (managerial, administrative or technical) posts in the private sector. Those Swazi who had received a good education were employed mainly in the government sector as teachers, clerks, nurses, etc. It was clear that such a situation would not be acceptable to the government of an independent country, and accordingly a policy of localisation was announced. In this sense, Swaziland is no different to other African countries.

Tables 5.1-5.4 and Figures 5.1-5.3 present data on employment by citizenship in the private and public sectors. The total number of expatriates in employment in Swaziland is only about 3,800 (Table 5.1); of this figure 78.2 per cent are in the private sector. Table 5.2 reveals that the localisation rate is slightly higher in the public (97.5 per cent) than in the private (96.1 per cent) sector. Overall, the localisation rate is 96.5 per cent. Table 5.3 indicates that the number of expatriates in employment has declined at an average rate of 3.9 per cent per annum between 1973-87, while that of Swaziland citizens has increased at an average annual rate of 4.7 per cent over the same period. Interestingly, the rate of decline of expatriate employment has been higher in the private sector.

Table 5.4 illustrates trends in the composition of formal private-sector employment by citizenship and skill level from 1980 to 1986 (unfortunately, comparable data for the public sector are not available). It is apparent that localisation has continued in the upper-skill levels, i.e., those levels which were dominated by expatriates at the time of independence. The overall rate of localisation at these levels, of course, is much lower than in less-skilled occupations in which the percentage of jobs in each category held by Swazi has remained fairly consistent. However, semi-skilled occupations register a sharp decrease in localisation in 1986, apparently due to 'hidden' employment of expatriates, such as Mozambican refugees, with craft and artisan skills.

In brief, the policy is that posts should be localised and that expatriates should be recruited only if it can be demonstrated that their skills are not available locally. A company wishing to employ an expatriate has their application processed in turn by the Police, Immigration and the Localisation Committee. If an application is rejected, an appeal may be lodged with the Appeals Board. If it is successful, a temporary residence permit (TRP) is issued; until 1987 it was granted for a period or two years only, but is now available for a five-year period.

5.2.1.2 Expatriate Employment and the Shortage of Skilled Swazi

The main reason for the continued employment of expatriates is the shortage of suitably skilled and experienced Swazi. Enterprises in the private sector have to be efficient if they are to remain competitive and profitable, and a well-trained, well-motivated staff with appropriate skills, is a fundamental prerequisite for successful operation.

It is a widespread view (encountered during interviews with firms) that there is a serious shortage of skilled Swazi to fill middle- and top-level posts. This is reflected in Table 5.4 which shows that in 1987 the localisation rates in the professional/technical and managerial categories were considerably lower than in the others, while the rate in the skilled category was also markedly lower than at the clerical and less-skilled levels. The key areas in which shortages of skilled Swazi were encountered include accountancy and middle management, although there is a shortage in any post from skilled artisan upwards. Only a minority of firms stated that they found no particular problems in obtaining apprentices and graduates of a reasonably good standard.

Paradoxically, however, there is both a shortage and a brain drain of skilled Swazi. Salaries are considerably higher in South Africa (including the homelands such as KaNgwane) and many teachers, policemen, etc., have left Swaziland. Swazi sent abroad to train as engineers have also ended up in South Africa, and the Swaziland Trade Commissioner in Johannesburg joined Anglo American Corporation! A number of firms were critical of the general standard and variety of school and tertiary education in Swaziland. With regard to schools, the

Table 5.1 Formal Sector Employment by Citizenship

Year	Private Sector			Public Sector			Formal Sector		
	Total	*Citizens*	*Expats*	*Total*	*Citizens*	*Expats*	*Total*	*Citizens*	*Expats*
1969	31569	26659	4910	9572	8578	994	41141	35237	5904
1970	33176	n.a	n.a	9250	8267	983	42426	n.a	n.a
1971	37130	n.a	n.a	9921	8884	1037	47051	n.a	n.a
1972	43767	41150	2617	10089	9184	905	53856	50334	3522
1973	44285	41594	2691	12747	12029	718	57032	53623	3409
1974	48627	46714	1913	13434	12342	1092	62061	59056	3005
1975	50361	47797	2564	14044	13275	769	64405	61072	3333
1976	49672	47242	2430	16543	15656	887	66215	62898	3317
1977	49273	46910	2363	16972	16055	917	66245	62965	3280
1978	52292	49642	2650	18964	18019	945	71256	67661	3595
1979	53884	51144	2740	19995	19158	837	73879	70302	3577
1980	55071	52680	2391	20047	19147	900	75118	71827	3291
1981	57243	54903	2340	22496	21661	835	79739	76564	3175
1982	54776	52447	2329	22582	22062	520	77358	74509	2849
1983	54327	52146	2181	24240	23734	506	78567	75880	2687
1984	53585	51520	2065	23787	23381	406	77372	74901	2471
1985	50533	48586	1947	22351	21808	543	72884	70394	2490
1986	52970	49833	3137	23435	22803	632	76405	72636	3769
1987	58313	56047	2266	24431	23809	622	82744	79856	2888
1988	61751	n.a	n.a	26137	n.a	n.a	87888	n.a	n.a

Note: n.a = not available

Source: Employment and Wages 1969-87

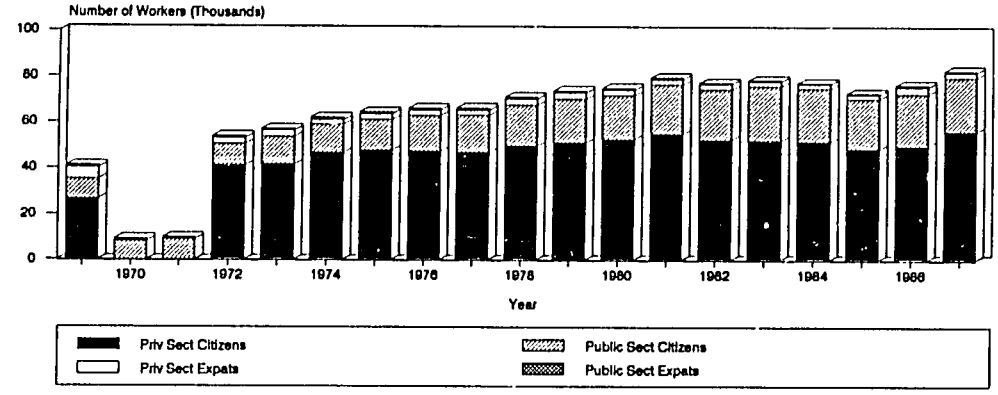
Table 5.2 Formal Sector Employment by Citizenship: Percentage Breakdown

Year	Private Sector			Public Sector			Formal Sector		
	Total	*Citizens*	*Expats*	*Total*	*Citizens*	*Expats*	*Total*	*Citizens*	*Expats*
1969	100.0	84.4	15.6	100.0	89.6	10.4	100.0	85.6	14.4
1970	100.0	n.a	n.a	100.0	89.4	10.6	100.0	n.a	n.a
1971	100.0	n.a	n.a	100.0	89.5	10.5	100.0	n.a	n.a
1972	100.0	94.0	6.0	100.0	91.0	9.0	100.0	93.5	6.5
1973	100.0	93.9	6.1	100.0	94.4	5.6	100.0	94.0	6.0
1974	100.0	96.1	3.9	100.0	91.9	8.1	100.0	95.2	4.8
1975	100.0	94.9	5.1	100.0	94.5	5.5	100.0	94.8	5.2
1976	100.0	95.1	4.9	100.0	94.6	5.4	100.0	95.0	5.0
1977	100.0	95.2	4.8	100.0	94.6	5.4	100.0	95.0	5.0
1978	100.0	94.9	5.1	100.0	95.0	5.0	100.0	95.0	5.0
1979	100.0	94.9	5.1	100.0	95.8	4.2	100.0	95.2	4.8
1980	100.0	95.7	4.3	100.0	95.5	4.5	100.0	95.6	4.4
1981	100.0	95.9	4.1	100.0	96.3	3.7	100.0	96.0	4.0
1982	100.0	95.7	4.3	100.0	97.7	2.3	100.0	96.3	3.7
1983	100.0	96.0	4.0	100.0	97.9	2.1	100.0	96.6	3.4
1984	100.0	96.1	3.9	100.0	98.3	1.7	100.0	96.8	3.2
1985	100.0	96.1	3.9	100.0	97.6	2.4	100.0	96.6	3.4
1986	100.0	94.1	5.9	100.0	97.3	2.7	100.0	95.1	4.9
1987	100.0	96.1	3.9	100.0	97.5	2.5	100.0	96.5	3.5

Note: n.a = not available

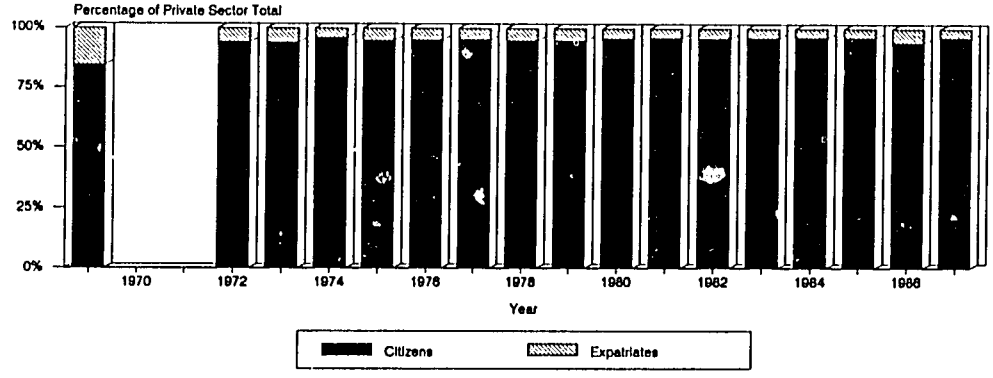
Source: Employment and Wages 1969-87

Figure 5.1 Formal Sector Employment by Citizenship: 1969-1987



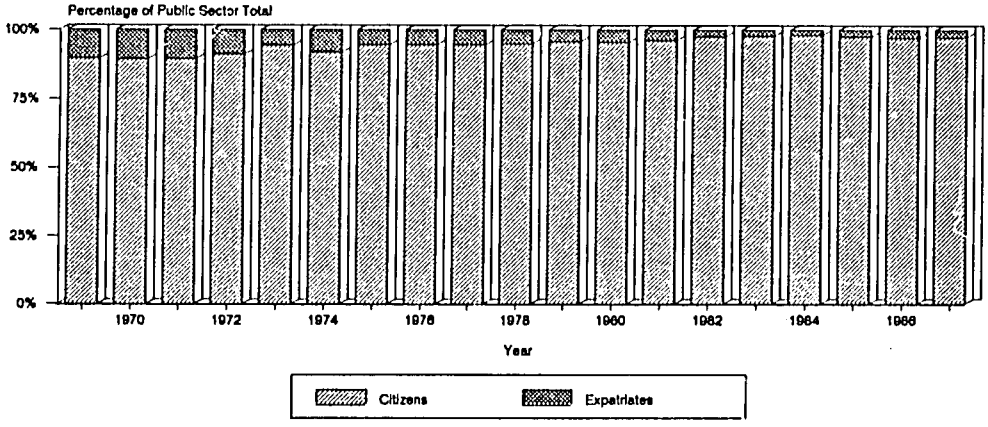
Note: Figures for Private Sector citizenship 1970-71 not available.
Source: Employment and Wages 1969-1987

Figure 5.2 Private Sector Employment by Citizenship: 1969-1987



Note: Figures for Private Sector citizenship 1970-71 not available.
Source: Employment and Wages 1969-1987.

Figure 5.3 Public Sector Employment by Citizenship: 1969-1987



Source: Employment and Wages 1969-1987

Table 5.3 Growth In Formal Sector Employment by Citizenship: Percentage Change over Previous Year

Year	Private Sector			Public Sector			Formal Sector		
	Total	*Citizens*	*Expats*	*Total*	*Citizens*	*Expats*	*Total*	*Citizens*	*Expats*
1970	5.1	n.a	n.a	-3.4	-3.6	-1.1	3.1	n.a	n.a
1971	11.9	n.a	n.a	7.3	7.5	5.5	10.9	n.a	n.a
1972	17.9	n.a	n.a	1.7	3.4	-12.7	14.5	n.a	n.a
1973	1.2	1.1	2.8	26.3	31.0	-20.7	5.9	6.5	-3.2
1974	9.8	12.3	-28.9	5.4	2.6	52.1	8.8	10.1	-11.9
1975	3.6	2.3	34.0	4.5	7.6	-29.6	3.8	3.4	10.9
1976	-1.4	-1.2	-5.2	17.8	17.9	15.3	2.8	3.0	-0.5
1977	-0.8	-0.7	-2.8	2.6	2.5	3.4	0.0	0.1	-1.1
1978	6.1	5.8	12.1	11.7	12.2	3.1	7.6	7.5	9.6
1979	3.0	3.0	3.4	5.4	6.3	-11.4	3.7	3.9	-0.5
1980	2.2	3.0	-12.7	0.3	-0.1	7.5	1.7	2.2	-8.0
1981	3.9	4.2	-2.1	12.2	13.1	-7.2	6.2	6.6	-3.5
1982	-4.3	-4.5	-0.5	0.4	1.9	-37.7	-3.0	-2.7	-10.3
1983	-0.8	-0.6	-6.4	7.3	7.6	-2.7	1.6	1.8	-5.7
1984	-1.4	-1.2	-5.3	-1.9	-1.5	-19.8	-1.5	-1.3	-8.0
1985	-5.7	-5.7	-5.7	-6.0	-6.7	33.7	-5.8	-6.0	0.8
1986	4.8	2.6	61.1	4.8	4.6	16.4	4.8	3.2	51.4
1987	10.1	12.5	-27.8	4.3	4.4	-1.6	8.3	9.9	-23.4
1988	5.9	n.a	n.a	7.0	n.a	n.a	6.2	n.a	n.a
Average Growth per year: 1969-1986									
	3.5	4.2	-4.2	5.3	5.8	-2.6	4.0	4.7	-3.9

Note: n.a = not available

Source: Employment and Wages 1969-87

Table 5.4 Private Sector: Employment by Citizenship and Level of Skill, 1981-87

	1981	*1982*	*1983*	*1984*	*1985*	*1986*	*1987*
Swazi Citizens							
Professional/Technical	710	915	935	824	975	853	1018
Administrative/Managerial	838	904	1,146	1,071	1,114	1,086	1252
Clerical	3,965	3,530	3,722	3,664	3,667	3,974	4348
Skilled	1,581	1,644	2,245	1,823	1,659	1,651	2031
Semi-skilled	6,300	5,764	5,767	5,616	5,525	6,389	6530
Unskilled	41,509	39,690	38,342	38,522	35,646	35,880	40868
TOTAL	54,903	52,447	52,157	51,520	48,586	49,833	56047
Non-Citizens							
Professional/Technical	669	658	656	642	515	570	624
Administrative/Managerial	632	710	710	630	567	604	567
Clerical	135	105	105	157	148	74	80
Skilled	479	466	466	409	335	384	407
Semi-skilled	152	96	96	79	73	1,002	133
Unskilled	273	146	146	168	309	503	455
TOTAL	2,340	2,181	2,179	2,085	1,947	3,137	2266
Swazi Citizens Percentage							
Professional/Technical	51.5	58.2	58.8	56.2	65.4	59.9	62.0
Administrative/Managerial	57.0	56.0	61.7	63.0	66.3	64.3	68.8
Clerical	96.7	97.1	97.3	95.9	96.1	98.2	98.2
Skilled	76.7	77.9	82.8	81.7	83.2	81.1	83.3
Semi-skilled	97.6	98.4	98.4	98.6	98.7	86.4	98.0
Unskilled	99.3	99.6	99.6	99.6	99.1	98.6	98.9
TOTAL	95.9	96.0	96.0	96.1	96.1	94.1	96.1

Source: Employment and Wages 1981-87.

50

general feeling was that the standard was low - one company consequently funds and runs a high school for the children of employees - and the syllabus too academic and insufficiently oriented to the more practical subjects. Too few 'A' level and good 'O' level pupils were being produced, and the private sector was being supplied with too few who had any training in technical and commercial subjects. More emphasis on these areas was required.

The entry qualifications for the University of Swaziland were criticised as being too low (only certain 'O' levels are required) and several firms felt that graduates had proved disappointing, particularly in the more technical fields. It is important to note that the University is small and has a limited range of faculties; this means that either Swazi with certain skills have to be trained outside the country or expatriates have to be recruited.

Certain grades of staff, e.g., typists and electricians, recruited from the Swaziland College of Technology (SCOT) apparently also required more additional basic training than companies would normally anticipate, and generally most large firms provided their own in-house training or sent the better prospects to head offices in South Africa. It was felt that SCOT should be upgraded and improved as there was a great demand for good artisans and technicians.

5.2.1.3 Have Companies Tried?

Despite the overwhelming view that the continued employment of expatriates is necessary because of the shortage of skilled Swazi, the question as to whether or not local companies try as hard as they might to find local skilled staff must be raised. From interviews in the government and parastatal sector, the view emerged that the large companies were top heavy with expatriates, and there was doubt as to whether so-called 'key' positions were really key and also whether expatriates appointed actually had more experience than local applicants. Some large companies were regarded as merely paying lip service to localisation and providing insufficient in-house training schemes.

One large organisation admitted that the group with which it was associated, had not done particularly well in training Swazi in the long period it had been operating the country. However, the localisation rates at all the firms interviewed suggest that the process is far advanced. These rates varied from 95.2-99.8 per cent but several companies stated that there was a perception on the part of government officials and the Localisation Committee, that they were resisting localisation. However, they pointed out that, from an economic and financial point of view, it was in the interests of a company to localise, since expatriates cost considerably more to employ than did citizens. Salaries for expatriates had not only to be internationally, or at least regionally, competitive but, in addition, benefits such as housing, transport, services and educational allowances had to be paid. So far from resisting localisation, therefore, companies in fact looked forward to the time when an adequate supply of local skilled and experienced staff was available. To this end, companies had instituted various in-house training schemes, sent Swazi on training courses elsewhere, and provided bursaries for Swazi in other parts of Southern Africa and abroad.

Companies felt that they were indeed committed to localisation, that they followed all the procedures laid down, such as advertising in the local press, and that expatriates were recruited only as a last resort. Frequently there was no local response to advertisements for posts and most companies felt they were continuing to make progress in their localisation programmes despite the shortage of local skills.

Enterprises in the Lowveld appeared to suffer a particular problem in that they find it difficult, despite excellent fringe benefits, to retain qualified Swazi personnel. They believe that the pull of the Mbabane-Manzini region is overwhelmingly powerful because of the lifestyle offered there and there is thus a high turnover of top-level Swazi staff. Artisans prefer to be at Matsapha, where it is easy to move from one company to another on promotion, and graduates prefer the Mbabane area to life on the estates.

One large enterprise believed that during the last few years, it had become increasingly difficult to attract expatriates, mainly because of openings available in South Africa. Salary 'packages' had to be matched, but educational allowances are now taxable and there is always the hassle of obtaining temporary residence permits. A further difficulty in attracting expatriates is that their wives are not allowed to work whilst in Swaziland. For many married couples today, it is financially essential for both husband and wife to earn an income. Expatriate civil servants on contract, of course, face the same problem as those in the private sector in this regard.

5.2.1.4 Issuing of Permits

The major criticism of government related to the long period taken to issue Temporary Residence Permits (TRPs) which involved uncertainty and inconvenience. Instead of having a clearly defined, official and smooth process for considering applications, the company could wait up to two years before being notified of the decision. However, most com-

panies stated that the time taken averaged between 4-6 months.

Since the issuing of permits is not ipso facto a complicated one, the reluctance of the government to speed up the process was criticised. Decisions were unduly delayed and this was a negative factor in the business environment as neither the company nor the expatriate knew whether or when the TRP would be issued. Some expatriates were lost to the company as they accepted other offers in the meantime, but some companies nevertheless went ahead and employed the expatriate (illegally) anyway, because of the urgency of filling the post.

Government was criticised for failing to give any reasons in the case of renewal refusals and of rejected applications. The structure of the system was criticised, and it was the general feeling that there was little coordination between the departments involved. As a result, the process was difficult and the decisions were erratic as the government did not have adequate staff to handle applications which were often lost or misplaced. The entire process needed organisation, and the departments required greater office space and better-trained personnel. It was difficult to speak to top officials in government about the problem, and juniors could not be expected to make decisions. There was no clarity in decision-making, and this should be a factor about which any prospective investor ought to be concerned, especially in the case of owner-managers who required the assurance that they would be able to stay on and run their own businesses.

A fairly common view was that the root of the problem lay in the fact that the government simply did not appreciate the requirements of companies at top level. Many attributes go into making a successful manager or administrator, and these include not only formal academic qualifications but also experience, initiative, management skills and personality. A company ideally required a large number of applications for a post in order to have a choice, and this meant that many more skilled Swazi needed to be produced in a wide variety of skills. There tended to be a view in government that the mere possession of a paper qualification was sufficient for localisation. Some jobs require highly specialised skills with years of training and, for example, one company felt that it could be another 10 years before it could localise a post of a scientific nature. Some managerial posts require a range of skills, including computer literacy, technical training and several years of experience, but because this combination is still comparatively rare in Swaziland, there are often no responses to local advertisements. Generally, the possession of a qualification and 5-10 years experience is not sufficient.

The problem faced by companies in obtaining TRPs did not seem to square with the government's policy that standards should not be allowed to fall. One example quoted was the rejection of an application for a TRP for a training manager - itself a key position in furthering the acquisition of skills by Swazis and facilitating further localisation.

However, apart from a common complaint about the time taken, not all companies regarded TRPs as a major problem. They had encountered no problems in obtaining TRPs for highly qualified personnel such as engineers, and a key to their success was for the personnel manager to get to know government officials in Mbabane and see them regularly. In this regard, the problems of some Lowveld companies were thought to stem from the fact that they did not take sufficient trouble to liaise on a personal level with top officials. Some companies and individuals felt that the position was improving since five-year permits were now being issued, and that the problems in obtaining permits tended to come in waves. Against this, however, many companies believed the position was deteriorating.

Nevertheless, there was a strong feeling on the part of larger companies that they are carefully watched by government officials, while smaller firms, possibly of a 'fly by night' nature, are allowed far more leeway in the granting of TRPs. Swaziland has attracted some unscrupulous investors, but large companies of long standing and committed to the future of the country, are constantly scrutinised. Large companies were expected to set an example and concede more because of their 'greater wealth'.

5.2.2 *Land Decree*

As mentioned in Section 1, the land issue has always been an important one in Swaziland. In 1972 the Land Speculation Control Act was passed, in terms of which a Land Control Board was established. Transactions controlled by this Act are:

> "the sale, transfer, lease, mortgage, exchange or other disposal of land to a person who is not-
>
> a) a citizen of Swaziland
>
> b) a private company or co-operative society all of whose members are citizens of Swaziland
>
> c) a person listed in the schedule to the act (e.g., the Swaziland Development Bank and Savings Bank, Barclays Bank of Swaziland Ltd., parastatal bodies and municipal authorities);"

In general, land was not regarded as a problem for private sector development until a Royal Decree was published at the end of September 1989.

The exact wording of the decree was:

"The Deeds Registry Act 1968 is amended by adding the following new section after section 97:

Power to exempt or give directives:

98. The Minister (of Justice) may, by notice in the Gazette:

a) Exempt any person or any transaction from many provision of this Act or any other law made thereunder; or

b) notwithstanding the provisions of this Act or any other law, issue directives to the Registrar and the Registrar shall comply with any such directive."

This decree effectively gives the Minister of Justice power to intervene in any property transaction. The Minister may determine who can buy any piece of property and at what price.

The Decree produced an element of uncertainty into the development equation in Swaziland, at a time when the possibility of attracting foreign investment was looking extremely good. It was reported that there was immediate concern in the business community: banks argued that all property they held as collateral was valueless; businessmen and farmers feared for their security; and even ordinary homeowners wondered where they were left. It was felt that the property market was effectively abolished. (African Business, January 1989; Africa Analysis, 25 November 1988).

The Prime Minister's office subsequently issued a statement that: "His Majesty's government is fully aware of the importance attached to the security of land title by investors and financial institutions". It went on to reaffirm "... Swaziland's declared economic policy of private enterprise and the encouragement of industrial development". As African Business noted, and this has been confirmed in discussions with a wide range of businessmen, the established business community was mollified by these statements to some extent. Six months after the decree, firms had had an opportunity to reflect on the situation. Of those interviewed, 50 per cent felt the decree was a major problem, some were ambivalent and some expected it to be withdrawn or not to be activated. Potential investors, however, want more than assurance, and there is also a reluctance among existing businessmen to commit money for expansion as long as the decree remains on the statute book. Thus, job creation may slow down.

5.2.3. *Political and Administrative Issues*

A number of concerns were expressed under this general heading, and these are listed below.

(i) The tension between traditional and modern in the government of Swaziland has been mentioned by a number of writers. This perception is acute among several businessmen, who feel that there is growing tension between the Ministries and the traditionalists (including Tibiyo) and also that there is increasing discontent with the traditional way of running the country. In fact, one view was that the previous parallel government has now given way to three parallel arms, namely, the traditionalists; cabinet and parliament; and executives in the Ministries. It was felt that often ministers are not informed of developments in their departments.

(ii) Elected government was regarded as being weak, and traditionalists were accused of interfering in company affairs, e.g., in the firing of dishonest workers.

(iii) The bureaucracy was described as 'ponderous and unmotivated', but some businessmen who had lived and worked elsewhere in Africa felt that it was reasonably efficient in comparison with other countries.

5.2.4 *Physical and Social Infra-structure*

Numerous complaints were made about the state of roads, telephones, electricity, water, sewerage, transport and housing as well as the lack of good local schools.

With regard to physical infrastructure, the main problem seemed to occur at the Matsapha industrial estate. The roads were in a advanced state of disrepair (a start has now been made, however, in rehabilitating them), there was a long wait for telephones, and telephone and power services were frequently disrupted during storms. There was a critical shortage of housing to rent both for expatriate (contract) and local staff, and rents for worker housing in the vicinity of Matsapha were extremely high. As a result of the wide geographic dispersion of staff residences and the absence of a good bus service, one large company at Matsapha had been obliged to arrange for a bus owner to operate a special service to cater for shift workers. Clearly, industry and commerce in Swaziland is concerned about the neglect of infrastructure at Matsapha. Additional serviced land is being made available for industry there, and one view was that the estate should be commercialised under a development company with some government shareholding, rather than continuing to be entirely under the Ministry of Commerce, Industry and Tourism.

With regard to schools, the absence of a good international school, such as the one in Lesotho, was regarded as a negative factor. The only local school which would be attractive for the expatriate business community is Waterford/Kamhlaba, but the fees were stated to be beyond the reach of most businessmen. This meant that they had to incur the costs of sending children to boarding school in South Africa.

5.2.5 *Trade Unions*

If employers in Swaziland face a shortage of skilled citizens, they also face an abundance of unskilled labour. A recent transport study concluded that the shadow price of unskilled labour would be as low as about E2,50 per day which was the wage at which casual labour could be engaged. In such a situation, with supply greatly exceeding demand, economic theory would suggest that the bargaining position of trade unions in respect of their unskilled members would be extremely weak.

State policy towards trade unions has been conservative. After independence, government encouraged the election of Works Councils at plant level as an alternative to trade unions, and the King appointed a representative (Ndabazabantu) at larger firms to mediate between management and workers. There was some labour unrest in 1973 immediately prior to the suspension of the constitution, and subsequently trade unions were actively dis- couraged and weakened. At the same time, minimum wages were entrusted to a national board where care was taken to ensure that members were "sympathetic to worker interests", and government spokesmen called for the payment of reasonable wages. Of nine trade unions registered in 1970, only one remained in 1982. However, legislation (drafted by an ILO advisor) was passed in 1980, forming the basis of new collective bargaining machinery and providing the stimulus for the re-emergence of unions which occurred from 1983 onwards. Unions have to be registered, and can do so only if they can prove a 40 per cent membership in a firm or industry. They are still relatively weak in Swaziland, and the relatively peaceful industrial relations compared with South Africa are another reason for the greater investor interest in recent years. Some observers in Swaziland feel that the government will tolerate unions only as long as they confine their activities to internal (company) labour issues.

The legislation allows for the formation of either trade unions or Works Councils. In general, companies felt that the unions were still disorganised - in some fields, in a state of disarray - and that industrial relations on the whole were satisfactory under the Works Council scheme. In agriculture and manufacturing, trade unions had not yet managed to form themselves into effective organisations, but where they did exist, however, it was felt that the transition had been smooth. Some of the larger companies would, in fact, prefer to see trade unions functioning. The more responsible trade union leaders were aware of the unemployment problem and therefore moderated their demands, but it was felt that, where problems occurred, they were less severe than portrayed in the press. Generally, workers did not have a political chip on their shoulders as they did in South Africa.

Nonetheless, some companies were concerned with future labour relations, and felt that the ILO was exerting undue influence on the union movement and that the government ought to give stronger guidance. The leading figures in the unions were bound to be the better educated workers, i.e., artisans whose skills were in demand, rather than the ordinary unskilled worker who, in fact, was fortunate to be one of those in regular wage employment.

Winter (1977) argues that often minimum wages have been higher than employers would have liked. In recent years, however, large firms have paid wages in excess of the relevant minimum wage for unskilled labour. There are two main explanations for this behaviour, namely, the desire to have a stable labour force or to be seen to be 'good' employers. However, the wage rates exceed the opportunity costs of unskilled labour; this is evidenced by the facts that wages paid for casual work are well below those for permanent labour, and also that there is no shortage of unskilled labour (Swazi or Mozambican) anywhere in the country. We have recently calculated the shadow wage for unskilled labour in construction at one-third of actual wages; other consultants have suggested 20 per cent and 50 per cent. This clearly illustrates that Swaziland's abundant resource is unskilled labour and helps explain why trade unions remain in a comparatively weak bargaining position; a leading industrial concern recently announced that it was firing 150 striking workers but later retracted. In the meantime, 300 job seekers waited at the factory gates. Yet the government often is criticised for using cheap labour as a bait to attract industry. Since developing countries have to compete for foreign investment, it is sound economic sense to use factor endowments (such as capital and labour) efficiently.

Indeed, lower wages, coupled with reasonable productivity, are major attractions for foreign investors and hence important for job creation. Selwyn's (1975) finding that wage costs, i.e., wage rates and efficiency, were higher in Swaziland than in South Africa, no longer necessarily applies. A major company found productivity higher in its Swaziland than in its South African plants, yet wages were only 70-90

per cent of the South African level. Another firm found productivity to exceed that in the homelands but to be lower than in Durban, but total wage costs were lower than in Durban.

5.3 Positive Points

Although Section 5.2 identifies many negative aspects of the business climate in Swaziland, it should be remembered that Swaziland has been the most successful country in attracting new investment in the region. It is chosen above Lesotho and Botswana in some instances, which means that there are many positive aspects to the business environment, as is detailed below.

5.3.1 Markets

Many of the early investors entered Swaziland to serve the local market, but over the years other markets have developed. Nonetheless, the local market remains important. It should be noted, in this context, that the continued and sustained economic growth in Swaziland, along with population growth, has meant that the local market has grown and become increasingly sophisticated.

Other markets are the SACU countries (obviously South Africa dominates here), the PTA, which is growing in importance; the European Community through the Lome convention; and some bilateral arrangements. It is the view of the consultants that the ability to market with ease to so many parts of the globe, is under-emphasised as a selling point. This may be because the government and the SIDC do not have the commercial experience in actually doing the selling.

5.3.2 The Environment

Swaziland has a very pleasant environment in which to live. It is pleasing scenically; the climate is moderate and healthy; the people are friendly; and there is generally sufficient entertainment. By contrast, Gaborone was described as being 'one long dusty street' and Maseru can be very cold in winter.

5.3.3 Labour

The labour (at semi-skilled and unskilled levels) is generally highly regarded, especially in comparison with that available in the homelands in South Africa.

Swazi labour is generally literate, and speaks English. The 1986 census found that 64 per cent of the population was literate (although literacy levels are lower among older people), and about 42 per cent have completed at least primary education. By contrast, it was the view of several respondent companies that the workers in South Africa's homelands are generaly not as well educated or as fluent in English. In addition, these firms felt that Swazi workers have more of a work ethic than is encountered in the homelands.

The consultants learnt from one businessman in South Africa that an 'ethnic study' had been carried out by his company to identify the group most able to assemble circuit boards. This was reported to have found that Swazi women were the most suitable workers in the region.

The lack of trade union activity and political action in the work place is an additional draw for the South African-based investor; while he may be sympathetic to the conflict and the problems of his labour force, continued strike action, boycotts and stay-aways have an extremely deleterious effect on production. These problems generally do not exist in Swaziland.

5.4 Conclusion

Swaziland has both positive and negative aspects in its business and investment climate and, to some extent, the negative aspects have been highlighted in this section. While this may not seem fair, it should be remembered that these are the aspects that must be addressed if investment is to be sustained and jobs created.

Finally, the point is often made that Swaziland "is not as bad as other African countries". This avoids the issue. Swaziland's challenge is not to be better than the rest of Africa, it is to be as good as Europe or at least the newly industrialised countries of South East Asia.

6

Rural Development

Reference has been made in Section 2 to the conclusion of the Fourth National Development Plan regarding the importance of the traditional rural sector in absorbing additional labour in a productive and remunerative manner. According to the 1986 census there were 566,500 persons in the rural areas (83 per cent of the total population). In the light of recent urbanisation trends in Swaziland as well as in the Southern Africa region, we estimate that, by the turn of the century, the total population of approximately 1,050,000 will be one-third urbanised so that the rural areas will have to support approximately 700,000 persons. It is important, therefore, to examine some key issues relating to rural development.

6.1 Rural-urban Differentials

The extended family system ensures that close rural-urban family links are maintained, and remittances from wage employment account for 50 per cent of rural household income. The rural homestead cannot be understood except as part of the total economy, and Russell (1983) refutes the contention of the TNDP that "the great majority of the people are outside the money economy". Russell appears to take issue with those "Marxist perspectives which stress the powerlessness of the rural domestic economy in the face of juggernaut capitalism." (1983:318)

In Swaziland, the traditional system of land tenure inhibits individual accumulation and offers wide access, thus resisting the onslaught of capital and preventing proletarianisation since the Swazi are landholders, not landless. Employment, then, is an option, rather than a necessity.

In reviewing various empirical studies, Russell finds that the output of the rural sector and its ability to sustain its population are greater than has often been thought: migration is not forced through pressures of poverty; there is little evidence of intensified pauperisation; nutrition has improved since 1962, infant mortality has declined, and the cattle herd and food output have increased. She concludes: "The worst that can be claimed is that this state of affairs cannot last, that things are about to become worse" (1983:328).

This is because of both continued rapid population growth and the ecological consequences of overstocking. Another study showed that cattle are the "most accessible and realistic vehicle for the accumulation of individual wealth" (EIU 1987:19), the real rate of return on cattle being 15 per cent per annum, and therefore higher prices do not induce greater sales. Good pasture, therefore, is bound to become scarcer.

Russell (1983) argues that rural homesteads are not a backward, underprivileged sector, but rather are typical Swaziland homesteads, their members being dispersed into all sectors and levels of the economy. Rural and urban incomes cannot be measured separately; over two-thirds of rural homesteads have absentee workers and 80 per cent have members earning off-farm incomes (de Vletter 1983:119). Thus rural homesteads derive most of their incomes from urban wage employment, and many urban workers are members of rural homesteads. Because of the failure to grasp the complexity of transfers, rural incomes have been underestimated, and maldistribution of income has been exaggerated. There are conceptual and methodological inadequacies which require attention, but it is clear that the urban-rural discrepancy has been misunderstood. One finding that urban incomes were ten times greater than rural, ignored transfers between the sectors, "yet despite early published criticism, this fatuous conclusion continues to be cited, appealing to some perverse inclination to exaggerate disparities and deprivations." (Russell 1984:615)

To Armstrong and Russell, available figures "suggest little ground for positing a gap between rural and urban sectors. The ready access of all Swazi families to free rural land anchors even the, most sophisticated to the rural areas, and the spin-offs of industrialisation, both good and bad, rapidly reach

all parts of the small country. ... Inequalities there are, but not between rural and urban as such." (1985:18)

6.2 Income Distribution

These close links modify rural-urban income differentials but, nevertheless, the consensus of opinion is, that income distribution among Swazis has become more unequal. Incomes in traditional rural households are highly unequal while, in the urban areas, there are sharp contrasts in income and lifestyle between the modern elite in better-paid civil service and private-sector jobs and the majority of workers. With population growing so rapidly, it is clear that pressure on the land, although not as serious as in some other African countries, is growing and this is perhaps reflected in the mushrooming informal settlements around the major towns. Between 1968/69-1980 the SNL contribution to GDP remained static at around 7 per cent, revealing the low-productivity, subsistence nature of traditional agriculture. Swazi farmers on TDL, of course, operate on a commercial basis but yields on SNL are low. For example, maize yields are only one-fifth of those on TDL, and an additional 2,500ha. of estate production would meet the country's requirements. There is some evidence to suggest that productivity on SNL has increased during the 1980s.

The Fourth Plan concluded that living standards in rural areas had improved, but the same cannot be said of the low-income, peri-urban, informal settlements. Although small by Third World standards, they are growing. Government policy towards the establishment, control and upgrading of these areas has not been clearly defined and responsibility has not been vested in a single agency. Consequently water, sanitation, access and other essential services are poorly provided or non-existent, and the inhabitants are the most neglected in the country.

6.3 Rural Development Strategy

Although Russell has pointed to the benefits of traditional land tenure, some writers regard it as being a major stumbling block to higher agricultural productivity. Sibisi, for example, identifies two major drawbacks of traditional land ownership. First, time is spent in tribute labour for ploughing and weeding the fields, and harvesting the crops, of the chief. Second, pasturage is held in common and, because it cannot be easily fenced, time is spent in tending cattle during the growing season. It is difficult to alternate the use of land between pasture and arable, as stock are left to forage for themselves and may damage pastures and winter vegetables.

Other responses are that the perpetual threat of eviction at the whim of a chief - although apparently more perceived than real -is sufficient to deter investment. Because there is insecurity and no ownership, it is difficult to raise bank loans. Financial institutions are willing to accept pledges of cattle as collateral, but this is counter-productive - the Ministry wants to reduce cattle numbers because of overgrazing, but homesteads want more cattle in order to obtain loans. There clearly is a conflict between the traditional system and modern management, and one reason advanced for the disappointing performance of the Rural Development Areas (RDA) programme is that chiefs, in allocating land, fulfill a political function; they receive no technical advice regarding agriculture, and extension officers cannot influence the system since homesteads owe allegiance to a chief. This weakness could be overcome were the Ministry of Agriculture to control the land, but this type of land reform would strike at the core of traditional society.

According to Sibisi, another major obstacle in encouraging the production of surplus food on SNL is the marketing organisation. Swazi farmers are unhappy with the monopoly granted to Swaziland Milling (which is 50 per cent owned by government) to buy and import maize, as well as with the price paid for their grain. The company, however, contends that it is obliged to import because, in a normal season, Swaziland produces only 50 per cent of the country's milling requirements.

The major attempt to transform the traditional sector has been the RDA programme instituted in the Second Plan period with aid funds. The RDAs covered 51 per cent of SNL. The assumption was that the provision of physical infrastructure, credit, marketing and extension services would stimulate output and incomes. The results have been patchy; investment in the livestock sector has yielded a 24 per cent rate of return, but cotton was the only crop in which output increased. The major constraint to increased crop output was that it provided a lower financial return than that of wage employment, and homesteads thus tended to allocate their most productive workers to off-farm activities. Moreover, the unit size of holdings was uneconomic, and production for the market was unlikely to expand unless declining employment prospects substantially improved the returns to labour in traditional agriculture relative to the wage sector. Whilst a considerable transfer of resources to the traditional sector occurred, the productive base to sustain that transfer had not yet been established.

There is some agreement among writers that Swaziland has failed to design a rural policy to generate employment and incomes for its people. If freehold tenure is essential for raising agricultural output, then the question of large estates versus smallholders also has to be addressed. Smallholder plantation cropping on a Commonwealth Development Corporation scheme at Vuvulane provides a merely modest living to participants and also demands close management from a project authority. Nonetheless, the possibility of transforming large sugar estates into smallholder schemes, perhaps letting a management contract to large companies, has been mentioned by various writers over the years. Since Tibiyo and the Swazi Nation have substantial shares in the sugar industry, this should be easier to implement than previously. An extension of smallholder cultivation is possible provided sufficient irrigation dams are constructed; planners believe that development strategy should concentrate more on the use of renewable than on non-renewable resources (such as minerals) as has been the tendency in the past.

7

Conclusion

One of the main aims of this report is to investigate the extent of the 'employment problem'. There is no agreement as to whether or not Swaziland in fact has an employment problem. Many businessmen cite the long queues of work-seekers outside factory gates in support of their contention that there is a problem of growing magnitude. In contrast, according to the Labour Commissioner, nobody in Swaziland is poor and most households have access to some income or source of food, either in the urban or rural areas to enable them to survive. This view seems to tie in with Russell's conclusions referred to in Section 6. Certainly, open unemployment does not appear to be the visible problem that it is in some other African countries.

Nevertheless, the population growth rate is sufficiently rapid to demonstrate that the situation will deteriorate unless there is a speedy increase in the rate of employment creation in the wage sector of the economy, coupled with higher production in the traditional rural sector. The recent establishment of the King's Trust Fund is, perhaps, an indication of the fact that government appreciates the problem of open unemployment in urban areas is gradually becoming more acute.

At its present rate of growth of 3.2 per cent per annum, Swaziland's population will double in 22 years. A chronic weakness encountered in the present study is the lack of good demographic data and analysis, particularly as far as population projections are concerned. In the absence of such information, the only comment that can be made is that this rate is bound to fall; it is likely already to have peaked. The relatively youthful age of the population, however, will mean that, as is suggested in the ILO Manpower, Education and Training study (1987), the labour force will grow at a slightly faster rate than the overall population. While work-seekers will be increasingly well-educated, the total output of the education system during the next five years will be four times greater than the number of new wage jobs which will be created.

The Economic Planning Office (EPO) also expects employment to increase at a slightly higher rate than the population. The ILO model forecasts an average annual growth rate in formal employment during the period 1988-93 of 3 per cent on the assumption that economic growth is maintained at 4 per cent per annum.

Despite the cautious optimism expressed by these agencies, however, a number of key issues need to be addressed. A two-pronged approach is required, namely, a policy to maximise private investment in new projects in the wage sector, and a policy to stimulate output in the rural areas.

7.1 The Economy and Economic Growth

The EPO predicts that the economy will grow at 4.5 per cent in 1989 and then at between 3.3-3.8 per cent until 1995. The main generator of growth is expected to be manufacturing. The consultants agree that this is the most important sector, and it is clear that Swaziland has an opportunity to develop this sector over the next few years. One of the keys will be the attraction of foreign investment, and this will be determined by political and economic developments in South Africa, world market prices for major primary exports, and the decision-making process of government. These are discussed below.

7.1.1 Political Developments in South Africa

Three scenarios are possible here.

(i) If South Africa's political predicament is resolved and that country is readmitted into the international community, Swaziland could lose its appeal to foreign industrial investors unless the Mbabane-Manzini region is, by then, a flourishing industrial region in its own right. In other words, Swaziland's attractiveness could be lost unless it has, by that time, generated

sufficient economies of agglomeration in its manufacturing sector to continue to compete (in terms of production costs) against other industrial areas in the region. Thus, the existence of a policy framework which is conducive to private investment is a crucial short-term factor in Swaziland's development; if the country does not make the most of its present opportunities, it may well miss the boat on a long-term basis. It is also crucial that government accept that the Mbabane-Manzini region is where industrialists want to be and that it refrains from embarking on costly attempts at decentralisation.

(ii) If large-scale and protracted violence were to break out in South Africa, the entire region would become less attractive to investors. There is little Swaziland could do about this.

(iii) If slow reform continues in South Africa, it is likely to be accompanied by a certain amount of political turbulence, e.g. from trade unions. Investors would not be so pessimistic as to withdraw from the region and Swaziland could become increasingly attractive.

The most likely scenario is a combination of the first and third - the third in the short to medium term, giving way to the first. This provides Swaziland with a few years in which to maximise its opportunities.

7.1.2 Economic Developments in South Africa

If slow growth in the South African economy continues and foreign trade sanctions apply, the rand is likely to fall further in value. In this case, Swaziland could well decide to delink its currency but, because most imports are from South Africa (and these would become increasingly cheaper), the rand would be an important component of a basket of currencies against which the lilangeni would fluctuate. Swaziland's exports might be slightly more expensive, although it is unlikely that government would want the exchange rate to diverge much from present levels.

7.1.3 World Market Prices

The export of primary commodities, and hence the level of world market prices, are crucial for the Swaziland economy. Apart from their effect on the balance of payments, high sugar prices yield current revenue to government in the form of a levy, and the industry seems optimistic for the short term. The price of woodpulp - the second major export - is likely to be more favourable in the long run because of growing demand for timber and paper worldwide. This provides Swaziland with an opportunity to develop further industrial linkages in paper and other timber products. It is of critical importance that such agri-business linkages be developed to the maximum extent possible in order to add value to exports, and also that Swaziland keep pace with technological change so as to maintain its competitiveness.

7.1.4 Government Decision-Making

The competition between the traditional and modern sectors of government (already referred to in Section 5.2.3) points to a need for modernisation and democratisation. A failure to institute such reforms could lead to undesirable political and economic consequences. There would, then, appear to be a role for the major embassies, or more particularly donor organisations, in identifying specific measures which ought to be implemented so that Swaziland's economic progress is not impeded.

7.2 Other Factors

Two other issues touched on in the body of the report which should be addressed are the environment and AIDS. Environmental factors appear likely to become of greater importance worldwide in the 1990s, and Swaziland will be no exception.

7.2.1 The Environment

It has been noted that Swazi Nation Land has been able to absorb the population increase, but it is possible that the land may now be nearing the limit of its carrying capacity both for people and livestock. If this is the case, then migration to the urban areas is likely to increase. Throughout the Third World this movement of population has typically manifested itself in the growth of informal shack settlements on the peripheries of major urban centres. In Swaziland such settlements already exist in the Mbabane and Manzini areas. Government urbanisation policy then becomes of considerable importance if the urban environment is not to deteriorate; the timeous provision of land together with site-and-service housing schemes are the policies widely recommended by the World Bank and other international aid agencies.

In the rural sector, the labour-absorptive potential will be critically influenced by the extent to which renewable resources, such as land and water, are harnessed for development, and by the institutional framework for small farmers, e.g., the availability of

credit and marketing facilities.

7.2.2 AIDS

Swaziland does not have a visible AIDS crisis yet, that is to say, there are not a large number of cases. However, evidence suggests that numbers are under-reported and that there has been a rapid increase in the level of HIV positivity in the population. Although the full economic and social impact of AIDS on the population can only be guessed at, what is certain is that, with its youthful age structure, the Swazi population is likely to be extremely vulnerable. This must be taken into consideration in any planning for the future.

Work on AIDS in Africa has drawn three major conclusions. These are (a) AIDS may significantly reduce the population growth rate, and even depress it to negative values, but (b) the time needed for this to become apparent will be great (possibly several decades), and (c) the effect on the population will depend on the values of the major epidemiological parameters (Anderson, 1988).

It is important to stress that it is the sexually active who will be most open to attack from the disease itself. These are people who will have completed their education and entered the workplace; they are consumers and supporters of families. This implies that the economic impact will be greater than the demographic impact. The trend to urbanisation means that the Swazi population is increasingly at risk. The path of the AIDS epidemic and its impact can be altered by changing behaviour, but that requires an immediate response. It is recommended that additional work be carried out in this area.

7.3 Key Policy Issues

The quantification of the "unemployment problem" has been difficult because of the lack of (i) a single, reliable source of employment statistics, (ii) the absence of a permanent demographic office capable of collecting relevant data on a continuing basis for population forecasting purposes, and (iii) the usual conceptual problems of applying standard demographic definitions in a Third World context. A useful aid project would be to rectify these data deficiencies.

Despite the problems of quantification, however, it is possible to isolate the key policy issues concerned with ensuring continued growth in employment. This study suggests that these are:

(i) Maintaining a positive investment climate so as to continue to attract investment, especially in industry.

(ii) A reform of the educational system in order to make it more relevant to the jobs which are likely to be available in the wage economy, as well as to self-employment in the rural sector.

(iii) A policy to improve the efficiency and output of the rural sector, in particular policies relating to land tenure, overstocking, credit and marketing facilities. Environmental degradation will be a major problem unless it is tackled in time.

(iv) A timely and adequate investment in physical infrastructure, including housing for all income groups. The population will become increasingly urbanised, and urgent attention should be paid to improving the deteriorating situation in urban informal settlements, through the adoption of site-and-service schemes and upgrading programmes. Unless this is done, the population in these areas will become another source of opposition and hence jeopardise political stability and the investment climate. But if this investment is made, it could provide another source of employment.

(v) An assessment of the possibility of influencing the capital intensity of new investment so as to increase the employment-generating effects of such investment.

If these issues are addressed, a suitable climate for investment could be maintained, and both job creation and economic growth could occur at a reasonable rate. It is clear, however, that unless the population growth can be substantially reduced, then the pressures on employment, land and social infrastructure will become severe and the prospects for sustained increases in real per capita income will be both fragile and reduced. The implication is that high priority ought to be accorded to a policy of population control.

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