

Botswana's economy and labour market: are there any lessons for SADC regional integration?

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Regional integration is a necessity for sustainable development and the generation of dynamic growth amongst SADC countries. For real integration to be achieved, there is a need for deep integration, which allows countries to surrender part of their sovereignty to a supranational power that will be responsible for bringing in uniformity amongst member nations in terms of policies and action. Countries in the region, even those like Botswana that have done well economically, share problems of poverty, high unemployment and disparity in income distribution. Botswana, however, has some lessons to offer to the region, coming mainly from its prudent management of the economy, democracy and peace. As regional integration may lead to underinvestment in skills development if not properly coordinated, countries need to pursue employment creation more vigorously.

1. REGIONAL INTEGRATION IN THE SADC

Whether or not regional integration is the best way to achieve sustainable economic development is no longer the centre of debate in development. What is debatable is perhaps the form and pace of integration. As Mandaza (2000:1) puts it, 'the merits of regional integration *per se* have become so obvious over the last two decades in particular that some analysts have concluded that there are heavy costs for those regions that do not integrate'. Moreover, the necessity of integration is now even more pronounced due to globalisation, which imbues the regional dimension with specific importance for policy making.

While globalisation provides immense opportunities for accelerating the development process in the form of access to the world market, finance and technology, the integrated world economy that it was popularly assumed to have produced has not emerged. What has emerged is some degree of fractured globalisation. In particular, trade is concentrated in regional blocs instead of being fully global. (An example of a regional bloc is the European Economic Union.) There is a general trend towards countries in the same regional bloc to open up for free trade between themselves, while blocking the entry of goods and services from non-members. African countries and those of the Southern African Development Community (SADC) in particular, should therefore place a high priority on trying to generate dynamism with neighbouring countries. That means countries should have more trade with partners in the region to generate some mutual benefits from trade.

Moreover, most SADC countries are already integrated outside official efforts through undocumented cross-border trade and illegal movements of labour and people (SARIPS, 2000). What makes it even more difficult is that most of these people at the border share a common culture and language, and other social bonds. In most cases,

when these communities struggle for survival, borders make little sense to them (Matlosa, 2000).

2. GENERAL CHARACTERISTICS OF THE LABOUR MARKET IN THE SADC

One of the main features of the SADC region is that the pace and depth of development across these countries have been uneven, and some countries have been doing much better than others in terms of growth. But one feature remains true for the whole region, namely that the labour markets in southern Africa are shrinking and are characterised by high rates of unemployment, despite most of the markets having adopted economic liberalisation measures. Moreover, the relatively high levels of unemployment have stimulated entry into the informal sector, which has grown to be a significant part of the economies of Africa. Even though most SADC countries have adopted structural adjustment programmes (SAPs), which have led to better performance in growth and the exports sector, these policies have also led to higher unemployment and poverty.

The average annual rate of growth of output for SADC countries was estimated at 2,2 per cent between 1991 and 1998, while the population was growing at about 3,5 per cent per annum. There is a wide variation in the average annual rate of growth of output between member countries, with a high of 7,6 per cent for Mozambique and a negative 6 per cent for the Democratic Republic of Congo (DRC). Structurally, many of the countries in the region are disarticulated because they depend on agriculture and extractive industries (SARIPS, 2000). This has an important implication for the long-term sustainability of growth of output, and for employment and poverty reduction in general.

Even though employment rates have been growing for most SADC countries, they are generally very low and below the growth rate of output. SARIPS (2000) mentions reasons for this jobless growth: among other things, the low absorptive capacity of certain sectors and industrial activities, the fall in employment in the South African mines, and the failure of member states to restructure their economies in the face of globalisation. For some of the member countries this may also have been a result of the implementation of the SAPs. Even though data on unemployment are limited, indications are that unemployment in the region is quite high, estimated at between 30 and 40 per cent of the labour force (SARIPS, 2000). This and other problems are the cause of high degrees of poverty and income inequality in SADC states.

Except for Botswana and Lesotho, all the other SADC countries had very high budget deficits averaging – 5,7 per cent between 1990 and 1998. SADC countries have generally been experiencing rapid inflation, which has averaged 10 per cent for the whole region (SARIPS, 2000).

3. BOTSWANA'S ECONOMIC DEVELOPMENT STRATEGY AND GROWTH RECORD

To understand the Botswana labour market, we need to summarise the country's political economy and growth performance record. Botswana presents a unique case in the region and the whole of Africa, in that it did not adopt the World Bank/International Monetary Fund-supported SAPs. The major reason was that the country has been doing well economically. Except for a brief period in 1981/2, Botswana has always run balance of payment surpluses, which were of substantial amounts. Due to its strong balance of payment position, the country has built up large foreign exchange reserves

– currently the accumulated reserves represent about 36 months of import cover of goods and services, or US\$5,9 billion (MFD, 2003).

Another notable feature of Botswana is that the country voluntarily adopted liberal policies quite early in its development approach. The country's development strategy has been based on the philosophy of free enterprise and a market economy, and successive national development plans have always emphasised that the role of the government in the economy is that of a facilitator of economic growth and development rather than an active participant. The government has limited its role to providing infrastructure, educating the labour force, setting the legal, fiscal and monetary framework within which various economic sectors operate, and securing favourable international arrangements for domestic producers and consumers (Botswana Government, 1979). By contrast, for most African countries liberalisation measures have come about as conditions of SAPs. Such measures, even though bringing recovery to the economy in terms of growth, have also resulted in increasing human suffering due to poverty, unemployment, and so on (Mwanza, 1992; Chakaodza, 1993).

The growth of the Botswana economy is a well-known story, which has been retold several times. Its success has been due to the discovery and exploitation of minerals, particularly diamonds. There is, however, much more to the country's development than the availability of this natural resource. As Rodrik (1998) rightly points out, Botswana's superior performance rests on prudent fiscal and macroeconomic policies and a deliberate policy towards developing human resources. A good lesson from this case is that natural resources do not by themselves lead to good economic performance; their management and economic policies do matter. While heavily dependent on mineral revenue, Botswana did not engage in excessive spending, which would have resulted in appreciation of real exchange rates and negatively affected both agriculture and non-mining industrial growth. Botswana's participation in the Southern African Customs Union (SACU) limited lobbying for favours in the trade arena and spared the country some of the rent-seeking and inefficiency that have characterised import substitution strategies elsewhere in the region (Freeman & Lindauer, 1999).

The growth that Botswana experienced in the 1970s and 1980s could not be sustained in the 1990s. Gross national product (GNP) per capita averaged 8,4 per cent per annum in that period, but has now declined to an average of 1,7 per cent per annum. The lower annual growth was partly due to lower growth in government spending in the later period than in the 1970s and 1980s, and a decline in the productivity of public expenditure. However, in the past three years, the gross domestic product (GDP) has been growing at an average of 8 per cent per annum. A major question is whether this growth can be sustainable, as much of it is based on a high rate of growth of government spending. To be sustainable, this means that government will have to spend substantially more than planned, which would set a dangerous precedent.

4. POVERTY AND INCOME DISTRIBUTION ISSUES IN BOTSWANA

Looking at the performance of the economy in terms of growth alone is not adequate for assessing the country's performance. A complete picture requires that we look at the issues of poverty, income distribution and general human development. Statistics on poverty in Botswana are, however, quite limited.

The Botswana Institute of Development Policy Analysis (BIDPA) study of 1997 shows that the proportion of the population living in income poverty fell sharply between

Table 1: Changes in some HDI indicators, 1970–95

Indicator/Year	1970	1995	Sub-Saharan Africa, 1995
Secondary school enrolment rate	7%	57%	25%
Primary school enrolment rate	65%	115%	73%
Infant mortality rate per 1 000	95	56	92
Life expectancy at birth per 1 000	50	68	52
Total fertility rate	6,9%	4,4%	5,7%
Adult literacy rate	35%	70%	57%

Source: Freeman & Lindauer (1999:31).

1985/6 and 1993/4. The proportion of poor and very poor persons declined from 59 to 47 per cent, while the proportion of poor households fell from 49 to 38 per cent. Greater poverty reduction was experienced in the urban centres than in the urban villages and rural areas, because of greater formal sector job growth in the former. The most important causes of poverty identified are insufficient formal sector jobs, low wages for those employed, and a lack of alternative income-generating options to supplement the wage income of those employed (BIDPA, 1997).

The story of declining poverty is corroborated by some of the social indicators shown in Table 1. Both primary and secondary education enrolment as a percentage of the relevant age groups has been increasing, rising from 7 to 57 per cent for secondary and 65 to 97 per cent for primary education between 1970 and 1995. Adult literacy rates have doubled between the two periods. The significant increase in investment in education has allowed Botswana to have a large supply of trainable labour, which could be an added advantage in attracting foreign investment. Assessments of education show that investments in this sector have been large, and accessibility has increased quite significantly. What could be an issue now is the quality of education and not accessibility, especially in relation to the suitability of a trained workforce for employment (see Siphambe, 2000a, 2000b and 2003 for more details).

The country has gained from its investment in health care, as is shown by the improvement in life expectancy at birth, which had increased to 68 years by 1995. Infant mortality rates and total fertility rates also fell between 1970 and 1995. However, these gains have recently been lost due to HIV/Aids. The 1999 Human Development Report shows that life expectancy, for instance, has fallen to 51,7 years in 1998 and 47,4 years in 1999, which has resulted in the country dropping about eight places in terms of its Human Development Index (HDI) ranking (UNDP, 1999).² The government of Botswana has been making a tremendous effort to deal with the HIV/Aids scourge. Some of the major efforts include the formation of an HIV/Aids coordinating body, provision of Aids drugs for free, wide distribution of free condoms, as well as major campaigns on awareness of HIV/Aids. It remains to be seen whether these efforts will bear fruit in any significant way.

Income distribution is another area where Botswana has not done too well. Income

inequality improved marginally between 1975 and 1986, with the Gini coefficient³ dropping slightly from 0,52 to 0,48. There was also a slight improvement in income distribution between 1986 and 1994, with the Gini coefficient falling slightly to 0,537 from 0,556.

5. THE LABOUR MARKET AND EMPLOYMENT ISSUES

To have a clear understanding of Botswana's position in the SADC labour market, we need to discuss the nature and character of the country's own labour market. One of its features (which is typical of most developing countries) is that the economy has a shortage of skilled manpower and a surplus of relatively unskilled labour. Unemployment co-exists with vacant posts, which are mostly filled by expatriate personnel. This economic situation has had an effect on government policy with regard to labour migration within the region. The Botswana government has, for instance, maintained a relatively *laissez-faire* approach to labour movement as regards skilled labour and a very strict policy with regard to unskilled labour.

The impressive growth in employment in the 1970s and 1980s was followed by a slowdown in the 1990s, resulting from a combination of a slump in the construction industry, drought, and reduced government sector growth. The small, medium and micro-enterprises (SMMEs) and the agricultural sector failed to absorb the growth in the labour force. Consequently, unemployment went up from an estimated 14 per cent of the labour force in 1991 to about 21 per cent in 1997 (the unemployed being defined as those who are actively seeking work). Unemployment has declined further since 1998 and was estimated at 19,6 per cent in the 2001 census. There is, however, concern that a significant amount of labour is underutilised, including the discouraged unemployed and the underemployed (i.e. those working less than 35 hours a week). Adding the former group produced an unemployment rate of about 35 per cent in 1996, and underemployment was estimated at 8 per cent of those employed. The reduction in unemployment over the last ten years is promising, if it can be sustained. There is concern, however, that some of the employment growth during the last decade is due to expansionary fiscal policy, which the government may not be able to continue for a very long period given its limited resources. There is also concern that not enough new private sector engines of growth are being developed to create additional jobs and diversify the economy away from the dominance of the diamond industry.

Table 2 shows the sectorial distribution of formal employment over some years. The share of agriculture in both output and employment fell from 4,2 per cent in 1982 to 1,9 per cent in March 1997. The mining sector has the largest share of output currently (about 36 per cent of nominal GDP), but its contribution to employment has been falling from a share of 7 per cent in 1982 to about 3,5 per cent in 1997. The small share of mining in employment reflects its capital-intensive nature and therefore the limited opportunities for employment creation. Manufacturing, commerce, finance and business increased their shares of employment between the years 1982 and 1997. The share of the government in employment remained almost the same at 37 per cent of total employment. The private sector share of employment (57,2 per cent) is the largest, while parastatals have the lowest (approximately 5,7 per cent) (Botswana Government, 1999).

Table 2: Share of formal employment by industry, 1982–97 (%)

Sector	1982	1993	1994	1995	1996	1997
Agriculture	4,2	2,7	2,3	1,9	1,9	1,9
Mining	7	3,3	3,4	3,7	3,6	3,5
Manufacturing	7,2	11,2	9,4	10	10	10,1
Electricity and water	2,2	1,1	1,1	1,1	1,1	1,2
Construction	13,6	14,9	11,5	9,6	9,6	9,7
Commerce	16,6	18	19,8	19	19,5	19,4
Transport and communication	3,7	4,5	3,9	3,9	3,8	3,8
Finance and business	5,7	7,7	7,6	7,6	7,5	7,5
Commerce and personal services	3,9	3,7	4,2	4,4	4,2	4,2
Education	1,6	1,1	1,3	1,6	1,7	1,6
Government	34,4	31,7	35,3	36,8	36,9	30,1

Source: CSO (1998).

Some of the factors found to contribute towards unemployment are shortages of skills, especially entrepreneurship, a wrong attitude towards work, which contributes to low productivity, and lack of finance (BIDPA, 1997; Siphambe, 2003). Studies done on productivity in Botswana indicate that workers have a relaxed attitude towards work; they lack motivation and generally take it easy at work. There have been numerous efforts to address these problems, some of which have been the main task of the Botswana National Productivity Centre. In terms of indirect employment creation, several schemes and programmes have been developed in the past years. Some of the previous schemes were the 1982 Financial Assistance Policy (FAP) and SMME programme. However, the survival rate of firms has been low due to lack of technical, management and marketing skills. The FAP and SMME programmes were, therefore, replaced with the Citizen Entrepreneurial Development Agency (CEDA). Unlike the previous schemes, CEDA is an interest subsidy scheme and not an outright grant. Apart from approving subsidised loans, the agency aims at developing citizens' entrepreneurial and managerial skills.

Although the statistics show unemployment to be a serious problem in Botswana, it does not seem to be a major social problem compared with the situation in other countries. For instance, until recently, the informal sector appears to have been less developed in Botswana compared with other African countries. Many of the lower paid jobs, such as gardeners and domestic workers, are filled by illegal migrants from other countries, especially Zimbabwe. This could also be a result of the relative strength of Botswana's currency, the pula, against the Zimbabwean dollar, as well as the desperation of the Zimbabweans given the dire economic situation in their country. The fact that the Botswana population generally maintains high reservation wages despite high unemployment seems to suggest that there must be something missing from the picture. One explanation is that those who openly declare themselves as being unemployed probably have family support, which allows them to continue looking for a suitable job without revising their reservation wage downwards in the face of unemployment. Many workers are not willing to work for anything significantly below the minimum wage, even if they are unemployed.

6. THE IMPACT OF REGIONAL INTEGRATION ON SKILLS DEVELOPMENT AND TRANSFER IN BOTSWANA AND THE REGION

To the extent that regional integration may generate growth within the SADC countries, it may mean more employment for each of the member countries. Botswana can therefore benefit from growth in employment, especially the unskilled labour force, for whom supply is generally greater than demand. The opening up of labour markets in the region may see Botswana losing some of its skilled labour to the region and perhaps beyond. This may worsen the shortages in skilled personnel and increase the country's dependence on expatriates. The brain drain may necessitate stem measures in terms of Botswana's training policy and general outlook on human capital investments. Currently the country has a very generous education and training policy, with free primary and secondary education and university education being provided through a bursary/loan scheme. (The government is working on guidelines for cost sharing and cost recovery in education and health to try and ease the burden of high expenditure on these items, given declining government revenues.) Apart from the fact that the economy is financially stable, there is also a general understanding that at least most of the beneficiaries of this policy, including those trained abroad, would return to work in the Botswana economy. To the extent that regional integration, especially that providing for free movement of people, may result in some loss of skilled labour, there may be an incentive on the government's side to try and cut down on human capital investment. This would lead to underinvestment in human capital, most likely in the long run.

There is a negative side to regional integration, which may arise especially from member countries' uncoordinated efforts. We have already noted that the labour markets in the SADC are quite differentiated. Those in the relatively richer countries like Botswana and South Africa have tended to pay higher wages or salaries to address skill deficits. Botswana has, for instance, drawn upon expatriate labour ranging from medical staff (including nurses and doctors) to university lecturers and skilled artisans from neighbouring states. Entry of skilled labour is therefore generally permitted in these countries, while most governments take a hard-line approach towards entry of unskilled labour. Supplier countries have grumbled about the exodus of their expensively trained skilled professionals. Recipient countries, on the other hand, blame the supplier countries for their unattractive salaries and prefer not to call the loss of skilled migrants a 'brain drain' but 'brain circulation' within the regional labour market. This has the potential of becoming an 'externality problem' and can lead to underinvestment in education and training by supplier countries. If this problem is not addressed, it could undermine the integrative objective of the SADC. There is, therefore, a need for policy coordination.

An important aspect calling for coordinated effort is the fact that workers, both skilled and unskilled, migrate (legally or illegally) when conditions in their own economy are unfavourable. An individual country's problem can then easily become a regional problem, and this usually leads to xenophobic feelings among the recipient countries, as is the case in Botswana and South Africa with regard to Zimbabweans, Zambians, Malawians, and so on. While expatriate workers are not welcomed by local workers (as shown by derogatory labels such as 'Makwerekwere'⁴), expatriate unskilled labour is very much appreciated by employers. Expatriates tend to demand lower wages than the

Table 3: Expatriates' average earnings and average education by country of citizenship, 1996

Country of citizenship	Number	Percentage of		Average education
		total	Average monthly income	
South Africa	3 889	18	P4 428	11,4
Zimbabwe	5 384	24	P2 062	10,8
Zambia	2 732	12	P3 047	11,6
The rest of southern Africa	1 558	7	P2 458	10,5
The rest of Africa	816	4	P3 928	11,9
The rest of the world	7 634	35	P4 253	12
Total	22 013	100	P3 224	11,5
Citizens	506 095		P697	5,17

Source: Botswana Government (1997).

locals; they are assumed to be more energetic as they are desperate; and they take on jobs that locals are not prepared to do. Most of them are usually illegal immigrants who enter the country through ungazetted points. Apart from outcompeting local unskilled workers for low skill jobs through their lower-offer wages, this group of workers generally depresses the wages of unskilled workers, especially those in the category not covered by the minimum wage legislation. Examples of these are domestic workers, gardeners, agricultural workers, etc.

There is also a significant recorded number of expatriates working legally in Botswana, especially those in the skilled cadre. The Botswana government (1997) estimates the percentage of non-citizens at 6 per cent of the total labour force. The private sector has the largest proportion of non-citizens (about 80 per cent). Estimates from the 1995/6 Labour Force Survey in Table 3 show that Zimbabweans and South Africans made up a greater proportion of the expatriate labour force in Botswana – at 24 and 18 per cent respectively, with Zambians in third place at 12 per cent.

Table 3 also shows the average monthly earnings of the expatriate workers and their mean education. While on average citizens earn about P700 per month, expatriates earn almost four times that amount. It is, however, worth noting that there is also a large disparity between the formal education of expatriates (ten years) versus that of citizens (five years), which suggests that part of the earnings differential is accounted for by the difference in human capital. Such differences in pay, however, do fuel xenophobia.

Because of differences in development and differentiated labour markets, some states tend to provide more attractive destinations than others. It is for this reason (and several others) that the Draft Protocol on Free Movement of Persons has not yet been agreed upon by member countries.

7. CAN THE REGION LEARN ANYTHING FROM BOTSWANA'S EXPERIENCE?

While most countries in the region have not performed so well over the years, Botswana has done relatively better in terms of both growth and human development. Poverty, skewed income distribution and unemployment are, however, still some of the major problems that the country has not succeeded in tackling.

To what extent can lessons from Botswana's achievements be applied to other SADC

economies? Obviously, some lessons are not applicable to the rest of the SADC given Botswana's particular history and other features such as the existence of a participatory democracy with roots in the traditional set-up in the form of a kgotla (the traditional village meeting place at which all men can speak freely), and a small population with relatively few tribal differences, thus making the country relatively peaceful and stable. Part of the success in dealing with tribal differences has to do with the government's assimilation process, which saw Setswana being declared a national language and being accepted by other tribes without any major resistance. (In recent years, the so-called minority tribes have been pushing the government for constitutional recognition and inclusion of their languages in education. None of this has, however, led to any serious tribal clash that could impact negatively on the economy.)

This part of Botswana's history is therefore not easy to replicate. There are nevertheless certain areas where the other SADC countries could benefit from following Botswana's way of doing things, a major example being its prudent economic management. A number of African countries have had an abundance of resources but did not manage these very efficiently. Most chose to engage in excessive spending of export windfalls, which resulted in 'Dutch disease' – that is, commodity booms led to an appreciation of the countries' exchange rate, which in turn led to negative effects on the output of the non-traded sectors, usually manufacturing (see Mogotsi, 2002). They used the windfalls to finance many 'white elephants' or non-sustainable projects. The Botswana government's spending of its diamond windfall has been deliberately constrained within the limits set by the availability of skilled manpower and the ability to finance future recurrent costs. The lesson for the rest of the SADC, therefore, is that financial resources alone do not necessarily lead to success. Success is achieved by managing those resources effectively.

A second major lesson for the SADC is that democracy is necessary for success. Some of the African countries are led by authoritarian governments, while Botswana has a relatively democratic government. Even though there has never been a change of government since the democratic era began, the existence of a relatively strong opposition (compared with most countries in the region) has kept the government in check some of the time. Newspapers are relatively free to write and criticise government policies, which is not the case in all the SADC countries. In Zimbabwe, for instance, some journalists were persecuted for their reporting on economic issues in the country. Botswana is also known to be less corrupt than other countries in the region. The 2003 Corruption Perception Index placed Botswana 30th in the world and it was the least corrupt country on the continent. Other countries in the SADC can emulate its example in terms of not controlling the media, fighting corruption and allowing for greater democracy.

A further lesson is that countries should strive to achieve a reasonable amount of peace and security, despite having peculiar circumstances that have been historically shaped over time. Tribalism, for instance, creates problems in achieving peace and security in many African countries.

8. CONCLUSIONS AND POLICY IMPLICATIONS

A common feature of the labour market of Botswana and of most SADC countries is that it is unable to absorb the entire labour force, especially unskilled labour. Given that individual countries have their own difficulties in absorbing their surplus labour, it

makes sense to continue to restrict labour movements between countries. Free movement of people requires the same level of development, which is why the SADC needs to guide African nations towards attaining that uniformity. It is for this reason that this article agrees with the proposal by Mandaza (2000) and SARIPS (2000) that the SADC should pursue deep integration.

Deep integration means regional cooperation and liberalisation that go beyond the creation of free trade. More areas are covered in terms of breadth and depth, and in terms of mechanisms for reaching and enforcing common decisions (SADC, 2000). Deep integration is a higher form of interstate or intercountry cooperation approaching the notion of a union or federation. This requires political commitment from member states, as well as a set of strong supranational rules. Mandaza (2000) argues that there is a need for a supranational authority into which member states surrender part of their sovereignty. The function of such an authority would be to provide for policy coordination and sanctioning of countries not following agreed principles or rules. The SADC already has the feature of guiding each nation towards a desirable path in the form of peer review, but failure to use it effectively in the Zimbabwean case shows that this is indeed an organ without teeth. This organ of the SADC must be made effective in getting countries to follow good principles.

Why is there a need to pursue deep integration? As mentioned earlier, the region has a number of economic challenges that can undermine genuine integration. These are problems of poverty, unemployment, income inequalities, and so on. To tackle them, policies need to be harmonised and coordinated to avoid unnecessary conflict and to ensure that appropriate incentives are offered to potential investors by all countries (SARIPS, 2000). The long-term economic integration of the SADC will necessitate political and social integration. There is also the possibility that one country's problem can easily become a regional problem. This is clearly demonstrated by the case of Zimbabwe, where there has been an outcry in Botswana and South Africa over the effect of the influx of Zimbabwean labour, especially unskilled and semi-skilled, on their economies. It therefore follows that nations can no longer dismiss the Zimbabwean case as a 'foreign' problem. Due to a lack of rules and sanctions, SADC member countries unfortunately have not been coming out very clearly on this issue. Deep integration will give the SADC organ a voice on what may appear under the current system as an internal matter of a sovereign country.

An analysis of Botswana's labour market shows that even though the economy has done exceptionally well compared with other countries in the region, it still has serious problems of unemployment, poverty and inequity. The unemployment exists side by side with a shortage of skilled labour within the economy and, as a result, these posts are frequently filled by expatriates. We have also noted that Botswana is a centre of attraction of labour from other African countries. As these expatriates offer to work at low wages, this is likely to create xenophobia, which will make it difficult for the region to implement the SADC Draft Protocol on Free Movement of People. For this protocol to be implemented with little resistance, the region needs to strive for uniformity. Such uniformity can come from deep integration, where member countries surrender part of their sovereignty to the SADC as a supranational authority.

The recommendations emanating from this article are as follows:

- The SADC should pursue deep integration because countries need to be guided as to making policies that can bring even development between SADC nations and

therefore allow for the implementation of the Draft Protocol on Free Movement of People. Free movement of people requires the same level of development throughout, which is why the SADC needs to guide nations towards attaining that uniformity.

- There are lessons to be learnt from the experience of countries like Botswana. SADC countries should strive to put in place democracy, prudent management of the economy, accountability, freedom of speech and the press, and other things necessary to attract foreign investment for growth and development.
- SADC economies need to tackle the issue of employment creation vigorously. This requires a conducive environment for both local entrepreneurship development and foreign direct investment. Skilled labour, as an essential ingredient, should be available in appropriate numbers. SADC countries should have good education policies to provide for an adequate output of skilled labour from training institutions.

Unequal development within the region may also lead to an externality problem in the education sector. The continual loss of skilled labour to the relatively rich countries may leave the sending countries with no better option than to reduce investment in education and training. Given that investment in human capital is one of the most important ingredients of development, especially human development, this cut or underinvestment has the potential to weaken the performance of these economies. This article therefore supports deep integration in the SADC region, which should ultimately allow the labour markets of the SADC to be neatly integrated. First and foremost, our integration has to be grounded in development of the regional economies.

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