

4. NEW REGIONAL EXPECTATIONS AND SOUTH AFRICAN RETAIL INVESTMENT IN MOZAMBIQUE

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Introduction

On 27 August 1997, Shoprite supermarket opened its doors in Maputo, the capital of Mozambique. In most cities of the United States, the opening of a food store would elicit only minor attention, perhaps a side-column in the local news. In Mozambique, Shoprite's arrival was an event. The store was swamped with people crushing its designer-tiled entrance to gain access. Much fanfare, hype and local town gossip had preceded this event. On the day itself, celebrities were in attendance and a public rally was held at the Center. Of the two major newspapers in the country, both ran front-page coverage of Shoprite's opening. Months after the event, debates continued to rage in the newspapers and amongst Mozambicans about the benefits and disadvantages to Maputo and Mozambique of this new South African arrival. Local traders complained that the special privileges given to Shoprite by the state and the local municipality give Shoprite an unfair advantage. Consumers said they appreciated not having to go to "mosquito-ridden" markets for their groceries.

About two years later a huge public furore erupted in Maputo. The agent of consumer modernisation in Mozambique, Shoprite, was caught dumping expired food-stuffs on the shelves in its new Shoprite store in Maputo. The reaction to this discovery was loud and contentious. Maputo consumers asked whether South Africans thought they could be sold rotten wares. Was this to be the *African Renaissance* declared by the South African president: South Africa using the region as its backyard for dumping?

Shoprite management frantically explained that the expiry dates had not been intentional but due to the way that Shoprite organises its distribution. Large retailers buy goods wholesale and get discounts on bulk stock with short expiry dates. While this system was fine for South African stores, this regional distribution system was not working in Mozambique where stock came from Gauteng and encountered delays at the border. Turnover was also slower on some items and so the expiries caught management by surprise. But Shoprite's explanations did not fly with many Maputo consumers, with those who could afford it heading back to the Shoprite in Nelspruit, the nearest large South African town to the border (and also called "Thank you, Maputo" by locals because of all the Mozambican custom.) More forgiving customers or those with less choice argued that Shoprite needed to be given a chance.

This account illustrates the advent of a new regional moment in Southern Africa. When South Africa turned the corner from apartheid, a breath of expectation was inhaled in the rest of the continent. South Africa had a political responsibility to the region and the continent, (what may be called an *apartheid debt*). Anticipating a central role for democratic South Africa, President Thabo Mbeki declared that growth and development in the continent would be generated by South Africa's liberation and that South Africa was perfectly poised for leadership of an *African Renaissance*. Post-Apartheid South Africa represented an economic hope for Africa, increasingly marginalised in the world economy. New regional expectations emerged out of this new political moment in the region, the moment of South Africa's democratisation.

These regional expectations rested on a number of assumptions. First, that political democracy would enhance South Africa's economic position in the global economy. Second, that economic growth in South Africa would benefit the continent as a whole. Third, that South Africa would definitely have the option of fundamental socio-economic transformation under the helm of the ANC and the great leader Mandela. South African companies seized this political opportunity and forged upstream, opening up new hotels, buying up old mines, transforming old breweries, building new supermarkets and clothing stores. Many countries in Africa welcomed the transition to a continent free of white settler domination and waited for the 'trickle-up': as a leading economy on the southern tip of Africa, South Africa's reintegration into the continent could open up a new era of economic prosperity and growth. The flagship shopping mall, *Centro Commercial*, where the Shoprite super-

market was the anchor store, symbolised the dawn of a new era for South Africa and Mozambique who could now break with past hostilities between the white Apartheid rulers of South Africa and the nationalist Frelimo government.

Post-Apartheid regionalism and regional integration in the 1990s, however, came to Southern Africa flying the neo-liberal flag of foreign investment. With democratic change came fresh attention to South Africa's role in Africa. Following the global example, regionalism became an important political and economic strategy. Out of this re-evaluation, *regional integration* emerged as the dominant approach to regionalism, both in Southern Africa and other regions of the world. Governments, policy analysts and trade unionists present regional integration, like global integration, as a necessary good. The primary stated objective of regional integration is the cooperation of countries to create the best investment conditions for foreign capital. Neo-liberal regionalism and neo-liberal regional integration mean that regions should be capital-catchment areas. But different political approaches to both regional integration and regionalism are possible. The politics of regions are shaped by legacies, official lies and new realities. It is the new realities that are the focus here, shaped as they are by old legacies, and the expansion of the South African retail multinational, Shoprite, into Mozambique, highlighted both past and present regional contradictions. While expectations for the continent were high, the reality that has unfolded in the wake of post-Apartheid regionalism has brought new tensions to light.

This article discusses South African investment and the retail environment historically in Mozambique, emphasising the central role played by multinationals in the integration of the Southern African region.

Surveys and semi-structured interviews were conducted with twenty-seven workers from Shoprite-Maputo between 1999 and 2001. The workers in the sample were chosen through snow-balling. However, with the help of the workers themselves, an effort was made to attain a sample that was stratified by gender and occupational status. In order to facilitate a comparison with the Zambian case study, the same methodology was applied to research at Shoprite-Maputo. The sample was smaller because of interview translations from Portuguese to English. Shoprite-Maputo had created 169 jobs at their Maputo store (at the time of doing the research), a small number in a primarily agricultural economy where one third of the urban population lack employment opportunities (Department of Trade and Industry, Mozambique, 1996: 21).

South African Investment in Mozambique

With the lowest South African investment from the Apartheid era compared to other countries of the region, liberalisation of the Mozambican economy since 1985 has allowed a dramatic increase in South African investment. A new wave of investment, led by Portuguese and South African companies, has come into the country. Large flagship investments such as the Mozal aluminum smelting project tied to the Spatial Development Initiative (Maputo Development Corridor/SDI) have seen huge capital inflows tied to these specific projects in the last few years (Business Map, 2009).

One of the frameworks for national development in Mozambique is the Maputo Development Corridor (MDC), a public-private initiative for development (Pretorius, 1999). The MDC is one of a host of SDI's launched by the South African government. Consisting of industrial and construction enterprises clustered around the N4 road that stretches from Johannesburg directly to the port of Maputo, the MDC was jointly launched two years ago by the Presidents of Mozambique and South Africa.⁵⁰ The project seeks to identify potential port/rail/EPZ complexes in underdeveloped target areas that could attract investors and promote local business. The partnership would entail significant outlays of public funds by the state joining up with private investors.

Retail expansion is another significant South African investment trend in Mozambique. As one of the largest retail multinationals in South Africa, Shoprite made R70m/\$10m available for reinvestment in Africa in 1999 (Shoprite Company reports, 1999 – 2005, www.shoprite.co.za). With an overtraded local market, it leveraged its powerful conglomerate towards an African expansion.⁵¹ General Equity unit trusts at seven per cent make up the third biggest slice in South African retail behind banks, financial services and mining resources, the same sectors expanding in Africa. The Shoprite group's historical experience in Africa since the 1960s through their clothing chain, Pep Stores, and their supermarkets in the black-run 'homelands' (nominally independent states) of South Africa gave them some organizational advantages. This experience with black consumer markets, their surplus capital and bold organizational leadership in the company's upper echelons positioned them to best penetrate a consumer market perceived as 'high-risk' and with low consumer savings. Their absorption of other retailers like OK Bazaars added to this sense of 'African know-

how' (Interview, Fritz, General Manager of Zambia Shoprite, November 2000; *Financial Mail*, 11 July 1997; Macmillan 2005; Makoka 2005; Meyer 2002; Portes 2003; Weatherspoon & Reardon 2003).

The retail sector in South Africa has been in a long-term low for a number of years. Competition is tough and South African retailers have used strategies of consolidation, new kinds of retail stores and expansion into other parts of Africa to cope with these challenges. Managers describe the domestic market as "sluggish and capricious" while marketing directors say they have never seen such "deep lows and high peaks" of consumer spending. Financial analysts argue, however, that the eighty-five percent rise in the Retail Index since its September 1998 low, suggests a continued recovery in the retail sector. Over the past few years, competition has narrowed to three large players, Shoprite, Pick 'n Pay and Spar (Tiger Foods) as consolidation of the retail industry has occurred. As Shoprite lost market share in South Africa to large competitors like Pick 'n Pay and Spar's flexible, new 'action stores', Shoprite, along with other South African retailers like Game, Steers, Debonairs, Engen, ProFurn, the J D Group and Wimpy have used expansion into other African companies as a response to heightened competition. Shoprite has taken its excess cash and headed for the African countries north of South African borders, extending as far as Egypt in North Africa ((Shoprite Company reports, 2004, www.shoprite.co.za).

TABLE: Stores in Shoprite Group in Foreign African Countries

	Shoprite	Checkers	Checkers Hyper	Usa ve	OK Furniture	House & Home	Hungry Lion	OK Foods	OK Grocer	OK MiniMark	Sentra and Value	Megasave	g™ Till Late
Angola	2			7									
Botswana	3	1			5		4	2	2			1	
Egypt	7												
Ghana				3									
India	1												
Lesotho	2				2		2						
Madagascar	7												
Malawi	2			6			2						
Mauritius	1												
Mozambique	3				1		1						
Namibia	8	3		5	9		2	3	8	3	14	8	
Swaziland	2			1	1		1						
Tanzania	7												
Uganda	3												
Zambia	18						7						
Zimbabwe	1												
Total	58	4	0	22	18	0	19	5	10	3	14	9	0

Retailing historically in Mozambique – a brief overview

Like other less developed regions, retailing in Southern Africa is highly diversified, ranging from informal street traders to small outlets with low turnover to larger shopping complexes (Findlay, 1990). Limited purchasing power, low outreach and poor infrastructure are some of the common factors that have restricted the growth of retailing in poorer countries (Paddison in Findlay, et al 1990). In the Mozambican retail sector, the Indian diaspora played a major role in the development of the retail sector. Despite this diversity and prevalence of small traders, the influence of large multinational corporations is writ large in Mozambique's history, despite its small economy.

Newitt (1995) traces the crucial formative impact of the commercial networks established inland and along the coastline by both Portuguese traders and Indian settlers since the seventeenth century. Originating from Goa (a Portuguese colony) in the seventeenth century, the East African coast linked Mozambique to global trade networks. Second and third generation Indians built small retail outlets that traded in agricultural products and consumer items such as cooking utensils and clothing in both the rural areas and in towns. In Maputo, and in smaller cities such as Beira, Quelimane and Nampula, Indians dominated retail trade Portuguese settlers established an administrative presence in retail through import and export businesses and rural retail outlets (Pitcher, 2003: 28-30). In the twentieth century, retail infrastructure clustered in some places and failed to penetrate others, the urban-rural divide being the most graphic illustration of this uneven clustering of money and resources.⁵²

One common element in the development of retailing in Africa was the colonial pattern of indigenous exclusion. Credit extended more easily from the British metropole (or Portuguese metropole in the case of Mozambique) to the European entrepreneur. Combined with racial municipal legislation, white-run businesses dominated the formal retail market in many African cities. As settler cities grew in the 1930s and 1940s, central business districts (CBDs) expanded. African businessmen, however, were prohibited through municipal legislation from retail activities in the towns. African townships were typically served with cheap imitations of "white" goods with "for natives only" emblazoned on them. They were kept away from white stores and confined to the "truck trade" (Burke, 1995: 100).

Three kinds of national economic ownership prevailed in the colonial period: (1) foreign, (2) metropolitan Portuguese; (3) local Mozambican (Portuguese and Indian).

Foreign multinationals controlled key sectors of the economy (see Tables 3.1 and 3.2). The crucial agricultural export sector (e.g. sugar, tea, copra) was owned and controlled by foreign investors from Norway, South Africa, Switzerland and the United Kingdom. Metropolitan-based companies exported capital surpluses from Portugal to Mozambique after the Second World War. Cashew-processing, tourism, cement and banking were controlled by large foreign Portuguese monopolies such as the Champalimaud Group, Espirito Santo, the Portugues do Atlantico Group and the Companhia Uniao Fabril (Pitcher, 2003: 28).

Local Portuguese capitalists invested in both Mozambique and Portugal, drawing on local capital surpluses. These capitalists were second generation British and Mozambican immigrants, with a more distinctly Mozambican identity. Their development was facilitated by state restrictions on foreign investment and weak metropolitan capital in the early twentieth century. These included companies with powerful interests in agriculture, light industry and trade, tourism, insurance, pipelines, cotton, rice, sisal, finance and transport.

TABLE 1: Multinationals in Mozambique under colonial capitalism

Country	Products
UK	Tea, lint, metal fabricators, breweries, banana
South Africa	Banking
Italian	Petroleum
Germany	Glass
China	Textiles
India	Engineering
Portugal (metropolitan)	Cashew processing, tourism, cement, banking

Source: Pitcher, 2003

TABLE 2: Local Mozambican companies under colonial capitalism

Country	Sector
Mozambique (Portuguese-local)	agriculture, agro-industry, light industry and trade, tourism, insurance, pipelines, cotton, rice, sisal, finance and transport, wholesale
Mozambique (Indian-local)	Retail, trade
Mozambique (African-local)	Informal trade (by women) in groundnuts, fruits, firewood, beer

Source: Pitcher, 2003

The state exercised an important influence on banking through the Banco Nacional Ultramarino (BNU), financing large private and public development initiatives. This developmentalist role of the colonial state in Mozambique continued into the 1950s and 1960s, particularly in the wake of nationalist challenges to colonial rule.

Mozambique's industrial base developed under Portuguese colonial rule, with most of its textile, beverage, flour, beer and cement factories built in the 1960s and 1970s. By 1973 there were 1,675 companies registered in Mozambique, making Mozambique the eighth most industrialized country in Africa with a diversified manufacturing base (Pitcher, 2003: 31-32). Despite this diversified economic ownership, most of the country's revenue historically was derived from migrant workers' remissions and trade with South Africa (Pitcher, 2003:28).

The 'chibalo' (forced and super-cheap Mozambican labour) developed the plantation economy of cashew, copra, cotton, sugar and tea in the north, the base of the country's agricultural exports. In the south, the coal and gold mines of South Africa tied Mozambique's workers into a system of migrant labour that enriched the metropole, Portugal, and South Africa's mining and finance houses, most notably Anglo-American. African workers also had wage-labor jobs in urban areas (Penvenne, 1995: 5). Many African males were part of the skilled workforce and professionals in the urban areas. The non-agricultural workforce comprised around a half-a-million workers, the majority of the 5.5 million economically active population. This included 75,000 women and 100,000 workers in the mining sector (Pitcher, 2003: 32). Work in these waged sectors was low-paying and labor-intensive, characterized by the labor supply questions of industrializing African economies.

"Furthermore, through legislation, the colonial state taxed rural and urban Africans and, up to 1961, compelled them to seek work or to engage in public works projects under the hated chibalo (forced labor) system."
(Pitcher, 2003: 31).

The colonizers surrendered their territories in Southern Africa in the face of nationalist liberation challenges. Mozambique attained political independence in 1975, having launching their guerilla movement (Frente de Libertacao de Mocambique) in 1962.

"We shall be a country free of hunger and wretchedness, a people learned and creative in science and culture, a country that will bring mankind still greater conquests. Our country will be a reference point of humanity and civilisation, of high standards of living and morality. Great but glorious is

the responsibility that falls to us..." (Exhortation, Out of Underdevelopment to Socialism, Frelimo IV Congress).

State control over the economy dominated during this heyday of Independence, with the systems of forced labor and capitalist exploitation coming under sustained political and economic attack. Government took control of key economic sectors such as the banks, industry and agriculture. Land and property were appropriated by the state. The dominant form of ownership in the economy by the early 1980s was state ownership. Most workers thus worked in state-owned enterprises where a strong ideology of worker participation and cooperative forms of governance prevailed.

By 1985, Mozambique had run into severe economic problems. The ruling Frelimo turned to the World Bank and the IMF for help. Severe hardship continued for the people of Mozambique, bombarded by the military of Apartheid South Africa and brutalized internally by the armed bandits of Renamo (Saul, 1985; Hanlon, 1986). While the socialist rhetoric continued, the miseries of daily life hollowed out the hopes of improvement. In the 1990s peace, democratic elections and relative economic stability stilled the trauma of war and transition in Mozambique and introduced a phase of expanded retail accumulation. Coupled with liberalisation policies and the pro-foreign investment stance, the retail sector was opened up to foreign investors. South African multinationals have been one of the principal retail investors in this period.

Shoprite in Mozambique: Centro Commercial in Maputo

"Shoprite is a filthy-rich multinational, (with) billions of US dollars in property. Shoprite has had the chance to grow with Apartheid. Mozambican traders have had to fight war and the competition of the informal sector... Many people were very happy when Shoprite opened. People went there in their droves. I was the only one objecting... What kind of regionalization is this?" (Interview, Carlos Cardoso, Editor of Metical, August 1999).⁵³

Shoprite has opened three branches in Mozambique – in Maputo, Xai-Xai and Beira.

The Shoprite store is situated on the edge of the Maputo CBD. It is located in an L-shaped, single-storey mall of shops, many of them South African-owned

(Truworths, Pep stores). To access the store by car, one often has to cross large “dongas” (huge holes in the road), with construction work-teams competing with cars. Once in the enclosed and guarded parking area of the mall, neat cobbled stones cover the parking area. The mall’s entrance is made of beautiful modern paving, and the welcoming entrance to Shoprite is the wide, brightly-lit doorway characteristic of many “First-World” supermarkets. Once inside, fresh dairy products, rows of fresh fruit, signs denoting “specials” on promotion and aisle demarcations, rows (about 8) of neatly-attired black women cashiers, black male floor managers in corporate-style shirts and dark pants, race around with clipboards monitoring the shop-floor. Cashiers speak English if requested: in short, everything you would expect if you walked into a well-run, American supermarket. Given the generalized context of reed shacks, ailing infrastructure, “chibalo” labor relations between Portuguese expatriates and subservient, multi-tasked locals, entering Shoprite is like crossing a boundary in space and time, a truly breath-snatching experience.

Like Southern Africa, the contours of uneven development are starkly visible at this local scale as well. The “First World” shopping experience belies the “Third World” urban degradation beyond the paved parking lot of the *Centro Commercial* (Commercial Center). Flanked by a diversity of housing, the Center is sandwiched between beautiful houses and middle-range apartments on its east – what Mozambicans have called the “cement city”. To its north and west there is a sprawling, high-density township abuzz with people, informal markets, and stalls selling second-hand clothing. Old and dilapidated formal structures of stone or brick township housing are hemmed in by informal cane housing in the fronts and backs while the roads are sandy and pot-holed.

Modeled on the US shopping mall, the Shoprite Center – *Centro Commercial* – takes up about 12 500 sqm for the shops, and entailed an initial capital outlay of R5.4m (less than US\$1m). To a statistical observer, this event carries little meaning. To local residents, however, this store has changed the nature of their lives as consumers dramatically. No longer limited to shopping in open, “mosquito-infested markets”, as one resident described them, shopping at Shoprite marks a new consumer era for Maputo citizens. This includes those with very little money who make regular use of the promotional sales at the store. For many Mozambicans Shoprite’s investment is ‘um bom investimento’, a good investment. There are new jobs where there were no jobs. Shoprite has built new infrastructure and imported new consumption

patterns. Consumers have access to a range of commodities that they had limited access to in the recent past – fruit juices, processed meats, different kinds of cleaning detergents, etc. Maputo residents who aspire to modern ‘cultures of consumption’ may find new commodities and services in cell-phone shops, CD stores, banks and clothing shops that are increasingly accessible through television and other visual media (Interviews: Jose Cabaco, Investment Advisor; Carlos Cardoso, Editor, *Metical*; Shoprite workers, local residents; Shoprite Mozambican managers; Sept. 1999).⁵⁴

Workers at Shoprite in Maputo

The Shoprite supermarkets represent a new phase in South Africa’s relations with the region. The new Shoprite *Centro Commercial* heralded a new era in retailing for many ordinary Mozambicans who in the past were excluded from the hotels and stores developed for the tourists and foreign aid communities. Shoprite-Manda Hill has had a similarly dramatic effect on urban lifestyles and consumer choices in Lusaka, Zambia. This confers an enhanced status on workers outside of their workplaces, a status that does not correspond to their conditions within the workplace.

TABLE 3: Local Mozambican companies under colonial capitalism

	Female Perm	Male Perm	Femal Casual	Male Casual	Total Perm	Total Casual	Total Femal	Total Male	TOTAL
Clerks (admin.)	4	22	0	2	26	2	4	24	28
Dept. controllers	3	6	0	0	9	0	3	6	9
Shelf packers and assistants	17	31	24	30	48	54	41	61	102
Till packers	6	6	5	4	12	9	11	19	30
TOTAL	30	65	29	36	98	65	59	110	169

Mozambican workers enjoy an enhanced status as workers at a powerful, South African multinational company with branches all over Africa. In these poor environments, their smart uniforms and appearance set them apart from poorer citizens. Unlike workers from the older mining and manufacturing sectors, these retail workers work in a modern shopping mall environment that is cleaner and smarter. Despite this “foreign enclave” status, almost ninety percent of workers in both cities responded that there was nothing about work at Shoprite that they loved. They had to be coaxed to find something positive to say about their work environment. Once they were coaxed, they were able to find positive elements in their work, but their embittered feelings made their initial response to this question a highly negative one.

Workers at Shoprite-Maputo found their work conditions degrading because of low wages, long hours and multi-tasking. These conditions were offset for more skilled workers (clerks and controllers) who felt that they had benefited from multi-skilling. The ravages of unemployment were also avoided through work at Shoprite. Even if their work conditions were unsatisfactory, it was better than the insecurity of life without a job. They felt that the extent of South African control over the shop-floor undermined the autonomy and efficiency of local management for whom they had little respect, with only one or two exceptions. Workers at Shoprite in Maputo all looked to South Africa as the standard-bearer of the region, based on its higher levels of industrialization and their knowledge of better conditions for workers. They ignored the internal heterogeneity of South African retail workers, creating an idealized notion of retail work in South Africa based on some inaccurate assumptions.⁵⁵ While their views are correct about better conditions overall for workers in South Africa, the declining conditions and growing insecurities of South African workers were something they were largely unaware of.

The Shoprite company magazine and transport workers in the regional firm emerged as important sources of information for these workers. The newspaper is distributed regularly on the shop-floor from head office and workers circulate amongst themselves the copies that they receive and what they have read. Images such as the festivities attached to particular social occasions, such as weddings, engagements and birthdays, had a profound impact on workers in countries where these crucial social occasions are becoming an unattainable luxury. High levels of local poverty and unemployment and illness and death due to AIDS and other causes stretch workers' wages across extended family and friendship networks, causing stress and high levels of responsibility for these relatively younger workers. Porous regional borders also allow information about South Africa to circulate amongst Southern Africans.

Enhanced regional expectations were linked to the perceived profitability and success of this large, South African multinational. Regional claims were strongly evident based on the idea that all workers in a company should get not equal pay but the same pay for the same work. The right to profit-making and economic expansion was acknowledged by workers, but decent treatment of workers was a corresponding outcome that they expected from this economic success. Workers attributed uneven standards between themselves and South African workers to the effect of regional discrimination by South Africa against poorer countries that South Africa could take

advantage of. Notions of regional geometries of power were thus prevalent amongst workers.

Exploitation of Shoprite workers through the use of casual labor appears to be the pattern in Mozambique. Shoprite-Maputo workers are also paid well below average for formal sector workers in the national labor market. Casual workers in South Africa are paid around 1.7 times more than their Zambian counterparts. Casual workers in Mozambique, although they earn more per month, earn less in real terms as they are working a full week of 49.7 hours. The category of casual worker (“eventuais”) is being used in violation of the Mozambican Labor Law through the repeated renewal of these contracts. The embryonic Workers Committee formed at the Shoprite store was unable to get the majority of votes needed for a Recognition Agreement. The company was thus able to restrict wage increases and abuse labor legislation restricting the renewal of contracts for casuals.⁵⁶

The Mozambican workers that I interviewed in Shoprite were still infused with the “expectations of modernity” that new foreign investment could bring, comprehensible perhaps against a backdrop of civil war, urban breakdown and restricted capitalist development. The suggestion is that there are still perceptions that capitalist modernity and South African investment will lift the country out of its devastated national state. The increasing growth rate in Mozambique and the rapid urban development under way reinforce these perceptions. Mozambican public discourse still points to the need for neo-liberal privatization and they are still very uncritical about the intervention of new foreign investors.

There was a suggestion from Shoprite-Maputo workers that, while the status of workers has been elevated in South Africa after democratic transition, their status as workers in Mozambique has been downgraded. They expressed feelings of betrayal and abandonment by the country as a whole and by the government. These differences could play an important role in the morale of workers and their capacity to strike, with frustrated hopes and demoralization weakening their capacity for collective action. There was a greater ambivalence amongst Mozambican workers about the positive impact of foreign investment for the country. They were almost unanimous that the foreign investors were a good idea. The workers felt that they had to suppress their separate, sectional interests for the sake of the country. As workers, their problems were subordinate to the larger problems of the country’s economic growth. The supermarkets appeared to benefit the country in a variety of ways, including that

they embodied development for Mozambique. Their exploitation was one unfortunate outcome of a process that was essentially good for their country.

They did not cite racist attitudes amongst South African predominantly white management as a reason for their exploitation. This is perhaps because their contact with senior white management was mostly with Portuguese expatriates.⁵⁷ For Mozambique, this is their first round of “expectations of modernity”, given a past of civil war and limited capitalist development. There are still illusions that capitalist modernity will lift the country out of its devastated national state, and the increasing growth rate in Mozambique and rapid urban development underway reinforce these illusions.

Mozambican public discourse still pointed at the time to the necessity of neo-liberal privatization and they were still very accepting of the need for foreign investment.

Within their workplaces, interviews with workers showed a high level of dissatisfaction. Workers made comparisons with South Africa workers and regional claims were emerging. Different conditions and different national realities, however, create different capacities for resistance and the assertion of regional demands. National differences in the responses of workers seem to suggest defeatism amongst the Mozambican workforce. While workers articulated regional claims, these claims were leading to feelings of disempowerment and alienation. The regional claims of workers can therefore have different regional outcomes, depending on a range of contingent and historical factors.⁵⁸

The suggestion is that there are still perceptions that capitalist modernity and South African investment will lift the country out of its devastated state. The increasing growth rate in Mozambique and the rapid urban development underway reinforce these perceptions. Mozambican public discourse still points to the need for neo-liberal privatization and they are still very uncritical about the intervention of new foreign investors.

Regional implications: Post-Apartheid regionalism and South African corporate expansion in Africa in the 1990s

The opening of Shoprite was part of what was called a ‘new scramble for Africa’ in the 1990s. While Southern African countries were privatising and liberalising in the 1990s with far more conviction than the tentative structural adjustment of the 1980s,

South African companies aggressively stepped into the markets opened up by these changes. While for many of these companies investment outside South Africa was nothing new, the sheer scale and voracity of this 'new scramble' was different, extending beyond historical Southern African economic partners into North and Central Africa. Some of the new investments were also very large (Anglo American invested \$590m and R1400m respectively in Mozambique; McCarthy Retail invested R420m in Namibia).

South African-based or South African multinational corporations have played a central role in constituting Southern Africa as a regional entity. Much of this capital flowed through or from South Africa, allowing part of the regional surplus to fuel South Africa's economic development. Regional development has in many instances implied South African development in the region's past. The regional omnipresence of South Africa as well as the integrating role of its multinational corporations is an important feature of post-Apartheid Southern Africa.

South African (or South African-based) capital historically, through the agency of the multinational firm, has integrated the countries of Southern Africa in an uneven way. South Africa's ability to command capital and labor flows in the region through these powerful multinational corporations accelerated South Africa's economic growth, creating tremendous regional unevenness. South African capital has established a strong claim to the regional space of Southern Africa, both in the present and in the past. The historical geography of capital accumulation in Southern Africa has placed South African capital, through its multinational corporations, at the center of these accumulation processes.

Notes

- ⁵⁰ Four years were allocated for the construction of the wide N4 road. At this stage of the project, the smooth, tarred freeway begins in Johannesburg and ends in Maputo. The border posts are still narrow dust-bowls. The road is swiftly traversable by the luxury coaches that carry the frequent human traffic between Johannesburg and Maputo. For the Frelimo Minister of Information turned Investment Advisor, regionalization is Mozambique's answer to globalization. (Interview, Maputo, August 1999). Returning to South Africa on a Saturday, the South African border post entry to Mozambique had a long queue of cars and many trucks that were carrying construction materials (mostly steel posts and cement) for use in Mozambique. Along the N4 on the Mozambican side, there were small pockets of construction work on the road, with high-tech trucks and machines manned by black, male workers. Small tent-sites in adjacent veld with no infrastructure seemed to provide the temporary housing for workers on these sites.
- ⁵¹ Other retail multinationals faced with a similarly crowded local market have employed expansion strategies in other global regions such as Europe and Australia.
- ⁵² Sometimes referred to in rather static terms as 'enclave economies' (Mhone, 1992).
- ⁵³ Cardoso was assassinated in November 2000. His murder was linked to his investigation of the privatization of Mozambique's largest bank, the Commercial Bank of Mozambique (BCM).
- ⁵⁴ Cardoso, the Editor of Metical, a local faxed newspaper, estimated that the land cost \$2.20 per sqm. Land in the downtown area normally costs \$100 per sqm. The cheapest land in that area is \$30 per sqm.
- ⁵⁵ This is similar to the disposition of Zambian workers at Shoprite in Zambia. For more on the Zambian case study, see Miller 2005.
- ⁵⁶ The stores were opened within a year of each other, so neither store is significantly older than the other – *Manda Hill* in 1996 and *Centro Commercial* in 1997.
- ⁵⁷ A limitation in the research is that the focus on relations with South Africa failed to sufficiently explore the peculiarities of the Portuguese-Mozambican relationship.
- ⁵⁸ The stores were opened within a year of each other, so neither store is significantly older than the other – *Manda Hill* in 1996 and *Centro Commercial* in 1997.

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