



IDeIAS

Informação sobre Desenvolvimento, Instituições e Análise Social

Job creation and social conditions of labour on the agro-industrial plantations in Mozambique

Rosimina Ali and Carlos Muianga

Job creation has been cited as central for improving the living conditions of citizens. In the current government Five Year Programme (PQG), 2015-2019, in which the creation of 1.5 million “new jobs” by 2019 is envisaged, increases in employment, in productivity (especially in agriculture) and in competitiveness are indicated as the “central focus”.

This issue of IDeIAS discusses the problematic of job creation and the social conditions of labour in the agro-industrial plantations of tea (Zambézia, Guruê), of sugar cane (Maputo, Xinavane) and of forests (Niassa), identifying the problems and challenges in the context of the organisation of the prevailing productive structures. Considering one of the strategic lines of the PQG, “the promotion of employment, of labour legality, and of social security”, this IDeIAS argues that, under the current organisation of the agro-industrial productive structures, there is a contradiction between job creation and improving the social conditions of labour. This type of structure reproduces a structure of employment and of social conditions of labour that is not consistent with the objectives of labour legality and social security. The instability and irregularity of employment, the low pay and the precarious working conditions, together with the current conditions of organisation of the productive processes, may reproduce a work force and an economic structure that are not very productive, with implications for the sustainability of the productive structure itself.

What type of employment is created under the current agro-industrial productive structures?

The current patterns and structures of employment in the agro-industries reflect the extractive productive structure prevailing in agro-industrial activity. The focus on the production of primary products (e.g., raw sugar, eucalyptus and pine and semi-processed tea) for export; obtaining large amounts of resources (land and water) at low cost, and access to cheap labour are central aspects of the extractive nature of the current agro-industrial productive structures.

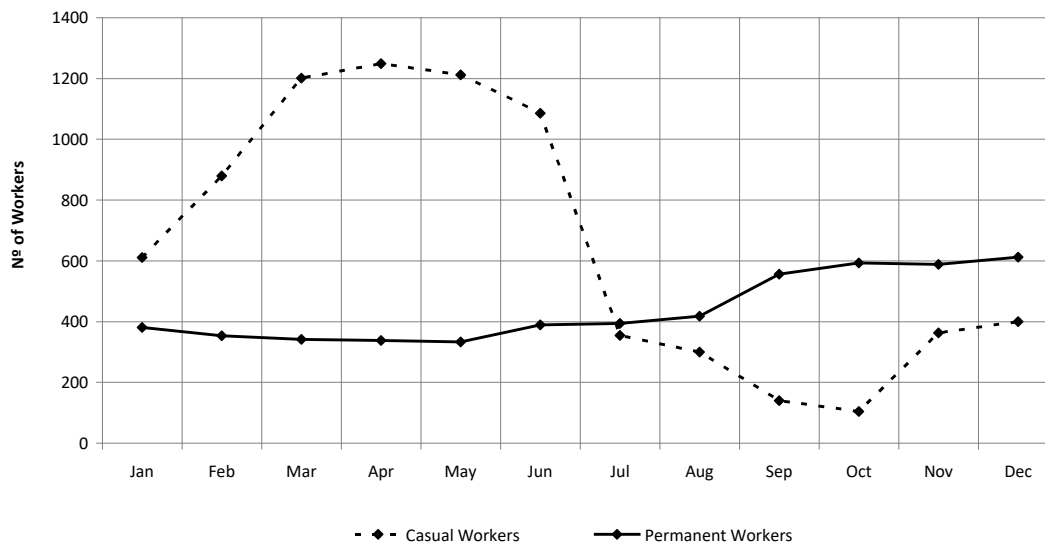
Seasonality, low pay and the precarious nature of employment are common and dominant factors in the agro-industries. In the sugar cane and forestry plantations, the employment structure is polarised, with a few skilled and relatively well paid workers, and a large number of unskilled seasonal workers on low wages. On the tea plantations, the pattern of employment is similar. However, the low pay also affects the skilled workers in the processing factories. In the three

cases under analysis, labour recruitment over the agricultural season is unstable, as the example of a forestry company in Niassa shows (graph 1). Most of the seasonal workers (generally on three month contracts) is recruited locally, particularly at peak periods (harvest for the tea companies, planting for the forestry operators, and cane cutting for the sugar companies). After this phase, there is a reduction in this work force. The permanent work force tends to be stable during the agricultural season. There are groups of workers from other regions (localities, districts or even provinces) some of whom, some permanent and others seasonal, live in camps near the production fields. However, in the three cases, work is not continual throughout the agricultural season, not just for the casual, but also for the permanent workers. This is because a permanent worker does not necessarily have work throughout the twelve months. The contract allows such a worker merely to have the opportunity to work when there is a demand. The same happens in the case of casual workers, since the contract does not guarantee effective days of work during the period for which they have been hired. The labour system on the agro-industrial plantations is based on piecework. The tasks and targets vary between companies and depending on activities, and the wages are paid by target. In this piecework system, the target must be completed daily, so that the monthly wages earned are approximate or equivalent to the minimum wage in force in agriculture (about 3,200 meticais [MT] per month). For example, in the tea plantations, the field workers are paid by the amount of leaves harvested (50 kg/day, at the price of 2 MT per kilo). In the forestry plantations, during the planting phase, the daily target is 300 basins, 300 holes and 300 saplings to plant per person. However, there are cases where work is stepped up, which seeks to reduce labour costs. For example, the three tasks in the daily piecework on forestry plantations, initially done by three workers, came to be undertaken by just one worker. On the other hand, intensification for the workers is an attempt to guarantee compliance with the daily tasks, and obtain corresponding remuneration. This results from the fact that, under the current labour system, the tasks are determined by “optimum conditions of the best worker”, and not all the workers can meet these conditions, for various reasons. Under this system, there is only partial payment, or even no payment at all, which makes the pattern of wages variable and with sums that do not reach the wage fixed in the contracts. In some cases, to meet the targets and to guarantee effective days

of work and corresponding monthly remuneration, some workers hurry to organise their food (taking rapid, unvaried meals, and sometimes working without eating), and decline to use some of their working instruments and equipment, putting their own health and safety at risk. The structure of the work force in these three cases also reflects the type of investment made by the companies in the organisation of production and of work. For example, investment in modernising the irrigation systems on the sugar cane plantations eliminated dependence on the manual movement of sprayers. Fertilisers and pesticides came to be applied by aerial spraying, reducing the demand for permanent workers. However, some tasks remain which are done manually (e.g. cane cutting). In the forestry plantations, investment in mechanisation to prepare the land for planting has reduced the demand for labour and the difficulties in expanding the areas for planting do not make it possible to increase employment. There are some manual operations such as planting, applying fertilizer and clearing the areas. There has been a reduction in the direct hiring of workers on the forestry plantations, where the companies have resorted to subcontracting labour through agents hired to provide services although they are not formally registered. These contractors take the responsibility for providing work instruments and working conditions, including remuneration (which tend to be relatively more vulnerable). This group of workers mostly comes from other localities, other districts or even neighbouring countries. On the tea plantations, the low levels of investment in modernising the companies and the feeble exploitation of the areas available, together with the financial difficulties of the companies, explain, partially, the current structure of employment. Almost all the activities on the tea plantations are manual, which requires the recruitment of a certain number of workers, with demand at its highest in peak periods and lower in the period of few leaves.

However, in the three cases under analysis, the combination of casual contracts and low wages implies that many workers have other activities to guarantee their livelihoods, such as another waged job, trading and/or household production (for consumption and/or sale). In general, there is a possible conflict between work on the plantations and work on household production, given that the agricultural seasons coincide. Some workers face pressure on allocating time between work on the plantations and on household production. However, others opt to continue working on the plantations and, when possible, contract

Graph 1. Recruitment of the work force in the forestry plantations, Niassa, Company A



Source: Estimate based on the data base referring to 2012 of forestry company A

casual labour to support them in household production and/or enjoy support from other members of the household.

Labour practices and the limits of labour legality and security?

The labour practices on the agro-industrial plantations are inconsistent with labour legality and social security. With regard to labour legality (Law no 23/2007, of 1 August), labour practices on the plantations are out of line with the law in three areas. First, the hiring conditions are unstable and, in some cases, they are not written down. For example, the workers who have a written contract, such as those recruited directly by the forestry companies in Niassa and by the sugar cane plantations in Xinavane, have no guarantee of stability of work for the duration of the contract. This practice challenges the limits of the labour law, which establishes the right to stable work for the life span of the contract. In these cases, the work contracts give the employers the right to recruit workers when they need them but they do not guarantee that the worker will have a full day's work. During the month, for example, there are days when the number of cane cutters is greater than the existing number of piecework tasks. Furthermore, under the piecework system, according to the Labour Law, the work contract should be in written form. However, there are workers who do not possess written contracts such as the casual workers on the tea plantations, and those sub-contracted by the contracting agents in the forestry plantations. Even so, there are always workers available, given the shortage of alternative employment locally.

Second, the monthly wages paid to the plantation workers are less than the minimum wage in force in agriculture. This results from the variability in the estimate of monthly wages, given the piecework system where the experience of various workers shows that they do not meet the targets, with implications for the value of the wages they

effectively earn.

Third, the norms on protecting the workers' health are a further factor of inconsistency between labour practices and labour legality. Not all the companies follow these norms. The sugar company provides working equipment, while the tea and forestry companies have difficulty in providing it. But there are cases where working equipment is provided, but health and safety at work are questionable. For example, the experience of some workers on the sugar plantations shows that some working equipment and/or tools can make it difficult to do the work, and so, in order to ease and conclude their piecework task quickly, some workers do not use them. Forestry plantation workers, who live far from the fields, are obliged to sleep in the camps during the working week, under precarious conditions (sleeping on the floor, without blankets, with unprotected tarpaulins, at risk of the entry of rain and of snakes, and with no medical post nearby) and their transport conditions are vulnerable. In addition, the lack of health facilities and of medical care in the fields, in the three cases under study, restricts hygiene and safety at work. These factors put the health and safety of the workers at risk.

As for formal social security (Law no 4/2007, of 7 February), there is also a lack of harmony with labour practices on the agro-industrial plantations, shown by two aspects. First, in some companies, casual workers are not enrolled in the social security system. This is the case with the sugar and tea plantations. The tea companies allege additional administrative and financial costs, and some sugar companies claim that the workers themselves refuse to be enrolled. In the tea companies, there are casual workers who have worked seasonally every year, but have never been enrolled. This practice contradicts the obligatory nature of enrolment in the social security system for all waged workers. When workers are not registered in the social security system, this restricts their ability to benefit from social security.

Secondly, there is a lack of social security cover-

age even when workers are enrolled and contribute (contribution without rights/benefits). Workers must reach a minimum of 20 days of work per month before they can benefit from the social security system. But generally casual workers are on short, non-continual contracts, and are not registered regularly while the work contract is in force. For example, in the forestry companies, the non-continual registration of work is explained by the piecework system where, even with a work contract for longer than 20 days the worker may carry out a task, but if he does not meet the target, the work done may be regarded as half a day, or he may even be marked as absent. Thus not all the casual workers contributing have effectively recorded 20 days of work a

month, given the current work system, which does not guarantee that a day of work is a day registered by the company and by the National Social Security Institute (INSS), with implications for the benefits earned by the contribution. Furthermore, the conditions of hiring may limit the coverage of the INSS. For example, contracts for an uncertain period, which tend to dominate in some agro-industries, and the requalification of workers from permanent to casual in the tea companies at the start of the agricultural campaign are practices which may limit the social security coverage of present and future workers, given the minimum period of work and contribution fixed by law so that a worker can benefit from the formal social security system. Even if the casual workers are enrolled in the INSS, if the current forms of the work and production organisation in the agro-industries prevail, and if the current conditions of registration for contributions with benefits in the formal social security system prevail, then the possibility of casual workers benefitting from social security is limited, even if they make regular contributions.

As discussed throughout this IDelIAS, in the framework of the prevailing extractive productive structures, creating more jobs does not necessarily mean improving the social conditions of labour. The dominant type of productive structure generates an irregular, unstable and precarious pattern of employment and working conditions, which are not consistent with labour legality and social security. This has implications for the type of work force and type of economy which are being created for the future. Thus less productive, unskilled employment is generated and a differentiated work force with limited employment opportunities and social options, reflecting an economy that is not very productive. This scenario could call into question the reproduction of the work force and the sustainability of the current productive structures. It is crucial to think of transforming the current forms of organisation of production and of the work process in the agro-industries.