

2. DISCRETION AND HETEROGENEITY IN MOZAMBIKAN RURAL LABOUR MARKETS¹

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Introduction

This paper presents some results from the largest rural labour market survey yet conducted in Mozambique. The survey shows that these labour markets in the Mozambican countryside play significant roles on the lives of a large number of poor people. Although some of the poorest Mozambicans are captured in this survey, not all of the men and women engaged in rural waged work (temporary or permanent) live in similarly deprived rural households – their levels of education, wages and experiences of poverty are very diverse. The data show a range of labour market opportunities, characterised by great variations in barriers to entry, levels of pay, contractual terms, and conditions of work. These findings are difficult to explain in terms of conventional economic theory, including theoretical variants of labour market dualism or segmented labour markets. More importantly, the findings lead to the conclusion that it is necessary to pay careful attention to the heterogeneity and dynamic features of rural labour markets when analysing trends in poverty and the impact of policy interventions in Africa.

The paper also responds to a shortage of knowledge on sub-Saharan African labour markets. For Mozambique, Tschirley and Benfica (2001) acknowledge the lack of information about labour markets in rural Mozambique. Similarly, the Commission for Africa acknowledges the urgent need to build up more labour market information

(2005, p.242); but their report has hardly any discussion at all of rural waged employment.¹ This omission is a striking feature of the Commission's section on agriculture and rural development, as well as its section on "participating in growth". NEPAD also fails to mention *rural* waged employment in its "Comprehensive Africa Agriculture Development Programme" (2003). Meanwhile, at an even more general level, the World Bank has, belatedly, recognized the limitations of previous research and analysis: 'Making the rural labor market a more effective pathway out of poverty is ...a major policy challenge that remains poorly understood and sorely neglected in policy making' (World Bank 2007: 287).

Further discussion of the rationale for and the methodology used in the Mozambique Rural Labour Market Survey (MRLS) is provided in the first section of this paper. The following sections focus on presenting the survey evidence covering both types and levels of payment for both agricultural and non-agricultural rural workers.

The heterogeneous characteristics of the workers participating in rural waged labour markets and the impact of employment on some simple measures of household welfare are also discussed. The evidence shows clearly that many Mozambicans, who would by any criteria be considered among the very poorest in the country, have been pitched into waged work. However, the evidence also shows important gradations in the severity of poverty among the rural wage labour force, as well as suggesting the potential for more decent jobs to transform the living standards of even the poorest rural women. The conclusion discusses the significance of the survey findings and suggests that the research results imply a need for innovative policy design.

Survey Rationale and Methodology

Since the end of the war, new processes of economic and social change have begun to have substantial effects on rural inequality and on the demand for wage labour.² These changes have included: the rehabilitation of transport infrastructure; the influx of new foreign investment in agriculture, the immigration of farmers from both Zimbabwe and South Africa (concentrated especially in Manica Province); the revival of tea plantations in Zambezia Province; the privatization of other state-owned plantations; and the rapid integration of small- and middle-scale farmers into international commodity markets (especially the markets for tobacco and cotton).³

Unfortunately, the data collected in recent household surveys designed to provide poverty indicators are not useful for analysing the impact of these uneven developments on the market for wage labour. The usefulness of these household surveys is limited because they adopt international statistical conventions for measuring labour market participation that are ill-suited to the complex reality of labour transactions in poor rural areas.⁴ Where new instruments have been developed to overcome the problems evident in conventional household survey data, they clearly demonstrate the large amount of labour market activity missed in the types of national surveys conducted in Mozambique (Lund 2004; Adato et al 2004: 17).

Two recent household surveys in Mozambique, the *Inquérito dos Agregados Familiares* (IAF, 2002-3) and the *Questionário de Indicadores Básicos de Bem-Estar* (QUIBB, 2000-1), yield surprisingly different measures of the relative significance of wage labour, depending on the specific questions asked in each of these surveys and their interpretation. In particular, conventional questions in both of these surveys about rural respondents' "main" job suggest that wage labour is rare – only about 7.3 percent of household members in the QUIBB survey, or 4.7 percent in IAF, claimed to have been paid a wage or salary in their main job.⁵ In contrast, almost 21 percent of rural households in IAF, but only 17.4 percent in QUIBB, claimed that a household member had been *employed as an agricultural labourer in the most recent agricultural season*.

The Mozambique Rural Labour Market Survey (MRLS) was designed to overcome some of the limitations of household surveys. During 2002-3, fieldwork was completed in three provinces in the centre and north of the country: Manica, Nampula and Zambezia, where 2,638 wage-employed respondents (slightly less than half of them women) answered a lengthy questionnaire and provided information not only about themselves but also about other household members. As a result, the survey collected data on some 16,000 individuals in these provinces. The respondents were employed by a wide range of different types of establishment (around 900 separate employers), varying from very small farms, bars, and market stalls to large plantations employing thousands of temporary workers. The wide range of types of employment/establishment covered in the MRLS allows an analysis that is much more disaggregated than is usual in the literature discussing the main sources of income for poor and rich rural households.

The sampling was purposive rather than random and drew on a range of sources to construct its own sampling frames from existing agricultural censuses, recent household survey lists and visits to all the relevant provinces and districts.⁶ This preliminary provided

some assurance that the MRLS would not miss either the most significant rural employers, or those enumeration areas where wage employment was particularly important in each of the provinces. The principle used in the purposive sampling was that of ensuring ‘maximum variation’, so that the final sample size was a function of the extent to which ‘saturation points’ had been reached for several key strata of jobs (agricultural, non-agricultural, small-scale vs. large-scale employers, local and foreign investors, and so on). The combination of care taken to build appropriate sampling frames, the large sample size, and the principle of maximum variation provide grounds to believe that the MRLS is a fair representation of the wide range of different types of rural wage workers in the provinces selected, and of the various categories of employers

Moreover, the sample included a relatively large number of small and middle-scale farmers. The most successful of these farmers, who account for much of the demand for agricultural wage labour, are *non-randomly* distributed in rural Mozambique and there is, therefore, no guarantee that their wage workers would be included in conventional, randomised sample surveys.

Comparisons between this research and the results of the nationally representative IAF survey establish two important points. First, the purposive sampling of people working for wages in the MRLS succeeded in capturing many respondents who would certainly be classified by IAF as among the *poorest* Mozambicans. Thus, the bottom third of the MRLS sample is at least as poor or poorer than the bottom quintile of households surveyed by IAF in the same provinces, both in terms of their ownership of key assets and in terms of the level of education achieved by household members.⁷ For example, educational status is known to be closely associated with other measures of poverty in Mozambique (Simler et al. 2004); and it is noteworthy that 80 percent or more of the poorest households in both MRLS and IAF (with the surprising exception of IAF respondents in Manica) failed to complete primary school.⁸

Second, the MRLS shows that rural inequality is very significant. This result too cannot be used to suggest that the MRLS sample is atypical. Nationally representative surveys have also found similarly high levels of inequality within rural Mozambique (Elbers et al., 2003).

This paper also reports findings from 120 respondents to a different questionnaire administered to a sample of small and medium-scale agricultural employers. In addition, the researchers conducted semi-structured interviews with 33 large-scale employers, all employing more than 50 workers at the peak of the agricultural year, and collected life histories from 15 women wage workers.⁹

Variations in Methods of Pay: Monthly, Daily, and Piecework Pay

Payment arrangements in rural labour markets are extremely complex. They are difficult to investigate and summarise (Hatlebakk, 2004; Rogaly, 2005; Newman and Jarvis 2000; Rubin and Perloff 1993; Rogaly, 2005; Wells, 1996; Bardhan and Rudra 1986; Ortiz 1999). In Mozambique, forms and levels of payment vary within provinces from one rural area to another; they appear to be influenced by cropping patterns as well as by the strategies adopted by individual employers, making any general statement about prevailing methods on Mozambican farms questionable.

The main payment methods in rural Mozambique include daily wages, monthly salaries, and piece- and task-based cash payments. The MRLS found little evidence of payment systems based on negotiations with labour brokers, i.e. contracts for the supply of gangs of labourers by intermediaries. Table 1 shows the distribution of the main methods of payment, based on classifying workers' responses to both coded and open-ended questions. However, in many of these responses the distinction between (unwritten) contracts to purchase labour *time* and contracts to complete a specific *task* was unclear, so the classifications in Table 1 should be regarded as 'best estimates', rather than definitive. The remuneration of workers with food, prepared meals and other non-cash benefits is discussed later (Tables 5 and 10).

TABLE 1: Wage Payment Methods for Agricultural and Non-Agricultural Workers, by Type of Employer

(Data in %)	Agricultural labour (2152)	Non Agricultural labour (468)	National company plantation (268)	Foreign company/ privado (227)	Local farmer privado (1657)	Total (2620)
Daily wage	20	4	36	9	18	17
Weekly wage	2	0	0	2	2	1
Monthly wage	30	86	44	81	21	40
Based on specific contract/ work	2	5	2	1	2	2
Piece/task rate	47	4	17	7	57	39
Other	0	2	0	0	0	0
Total	100	100	100	100	100	100

Notes: ^a Number in brackets shows the total number of observations for each category. ^b Includes non- agricultural labour.

Source: MRLS, 2002/03

In the whole sample, roughly 40 percent of respondents received a monthly wage, while more than two thirds of respondents employed as agricultural labourers were *not* paid on a monthly basis. An even larger proportion (almost 80 per cent) of the agricultural workers

employed by local farmers (small Mozambican farmers or medium-scale private farmers known as *privados*), were paid either by task or on a daily basis. In contrast, over 80 percent of agricultural workers employed on foreign-owned firms were paid monthly wages.¹⁰

Payment methods on larger farms, particularly on ‘foreign’ or ‘national corporations’, were more clearly defined than on other types of farm where the variation in payment methods and rates was particularly large. Table 2 shows that larger farming enterprises are more likely to employ monthly paid workers than smaller farmers. However, many of the large employers recorded as paying a monthly wage to temporary workers were, in fact, applying a daily rate, although the number of days of work required per month was specified at the discretion of individual employers.¹¹

TABLE 2: Wage Payment Methods by size of Establishment (Agricultural Workers)

	Category of employer by no. of workers at peak			Total
	Small employer ^a (723)	Middle employer ^b (754)	Large employer ^c (694)	All employers (2171)
Daily wage (%)	14	18	28	20
Weekly wage (%)	1	2	2	2
Monthly wage (%)	15	33	42	30
Based on specific contract/work (%)	3	1	1	2
Piece/task rate (%)	67	46	26	47
Total	100	100	100	100

Notes: ^a 1-10 workers; ^b 11-50 workers; ^c 50+ workers Source: MRLS, 2002/03

Larger farms also need to employ many temporary workers for one to three months to meet seasonal labour peaks. These workers are usually required to complete the task set by their employers before they receive a ‘daily’ payment. What was involved in tasks varied, as did the judgement of what could be done in a day. On some farms a stable daily wage was paid for seasonal tasks, but these tasks would vary in intensity. Yet on other farms the daily wage varied according to the task. Table 3 below gives some idea of the latitude for setting differing wage rates for weeding in one province. Meanwhile, some of the farmers interviewed in the sample of large farmers pointed out that, if an individual worker could not finish the proposed task within a day, he or she would either return the next day to finish the task or bring in friends or family (including children) to help complete the task.

TABLE 3: Daily Pay for Weeding by Selected Large and Mid-Scale Employers in Nampula (Meticais)

Employer	Daily Rate for Casual Labourers	Weeding Task per day
Tobacco mid-scale local farmer – Manica	20,000	50x20 “steps”
Sisal company – Nampula	21,577	3 “lines”
Mid-scale local farmer – Nampula	15 fishes or 2kg sugar or 2 bars soap	15-100 x 2 metres
Mid-scale cotton farmer – Nampula	20,000	6/7 lines
Large local farmer – Nampula	10 fishes	15-20 x 2 metres
Large local farmer – Nampula ^a	20,000	5 lines
Large local farmer – Nampula ^a	10,000	10 lines

Notes: ^a for tough weeding; ^b for lighter weeding Source: MRLS, 2002/03

Local farmers/*privados* paid some of their ‘regular’ workers on a monthly basis, even if they did not work every month of the year, but only 21 per cent of their workers were ‘regular’ in this sense. Smaller employers rely much more heavily on task-based payment systems. The tasks their workers have to perform are even less clearly defined than on larger farms and require widely varying amounts of time and effort to complete, making it extremely difficult to calculate the wage received per hour or per day.¹² Task-based payment systems allow *privados* to incorporate the labour efforts of female and child labour without having to contract (or pay) these workers directly. For example, if husbands are reluctant to allow their wives to work on other men’s farms as independent wage workers, then an employer can gain access to the labour of married women by setting their male workers tasks that cannot be completed easily without the ‘help’ of their wives. Meanwhile, payment methods are determined not only by the size and ownership characteristics of farms, but also appear to depend on the crop and the farming operation.

Variations in Rates of Pay for Agricultural Work

How much people can earn on different types of farm enterprise also varies. The median monthly wage ranges from a low of MT250,000 for people working for local farmers or neighbours, through MT381,000 earned on the farms of *privados*, up to MT460,000 on Mozambican-owned companies and plantations and MT525,000 on foreign enterprises. The range of daily, as opposed to monthly wage payments, is more compressed, varying from a low median rate of MT10,000 per day paid by local or neighbouring farmers to a high of around MT15,000 paid by national and foreign agricultural companies. The modal as well as the median daily payment rate

(MT10,000) was equivalent to about \$0.42 cents/day, at the exchange rate prevailing during the main period of fieldwork.¹³

Distinguishing employers by size (defined in terms of the number of workers employed at the peak of the agricultural year) reveals a similar pattern of variation in rates of pay, as seen in Table 4, below.¹⁴ The widespread belief that concentrating resources on small farm agriculture and food production will reduce African poverty ignores the fact that many of the poorest rural people depend on earnings from agricultural wage labour. Small farmers in the MRLS, especially food producers, do not offer very high or regular wages to their workers.

TABLE 4: Payment Rates by Size of Agricultural Employer

Size of employer, by no. of workers at peak		Daily Wage	Monthly Wage
Small employer (1-10)	N	99	115
	Mean	13885	285257
	Median	10000	250000
Middle employer (11-50)	N	156	272
	Mean	11422	371763
	Median	10000	350000
Large employer (50+)	N	210	358
	Mean	15691	463913
	Median	15000	460000
Total	N	465	745

Source: MRLS, 2002/03

Workers engaged in the production of some crops are more highly paid than workers on other crops. Thus, for example, tobacco out-growers paid higher wages than the SME respondents growing other crops. Work on sisal and cotton growing enterprises is relatively highly paid (at a median daily rate of MT14, 000 and MT25,000, respectively), compared to work on food crops such as rice, maize, groundnuts, sesame, etc. (typically paid at the rate of MT10,000 per day). Men usually cut sisal and this work is arduous, involving risks of cuts and snake-bites. Thus, some combination of gendered job segregation and the need to provide incentives for dangerous and unpleasant work may account for relatively high payment rates on sisal plantations. However, higher payments for sisal and cotton cultivation are also probably a result of the fact that these crops are commonly grown on larger farms or plantations, usually owned and managed by *privados* or corporations.¹⁵

In general, cotton workers are relatively highly paid, but their rates of pay vary dramatically, even when all the workers concerned are employed within one province to carry out a very standard task such as harvesting. For example, an examination of payments made to 122 cotton pickers in Nampula, who were usually paid on either a daily or a piece rate basis, reveals a large range of levels of pay.¹⁶ Furthermore, a small sub-sample of workers employed to harvest cashew nuts, all paid on a piece rate basis and working on the *same* farm in Nampula, also showed a surprising degree of variation in rates of payment. The evidence points to the idiosyncratic spread of payment rates and suggests the difficulties involved in using standard Mincerian equations to explain variations in these rates.¹⁷

It is also difficult to account for the variation in monthly wages received by another sub-group of workers, all of whom were male, semi-skilled and working on large scale farms. Some of the interviews with large farmers yielded information on the range of salaries they had decided to pay their tractor drivers. The lowest reported monthly wage for a tractor driver was MT600,000 and the highest was MT1.5 million. Most drivers were reported to earn around MT800,000, though a few were earning less and a handful were paid more than MT1 million monthly.

Wages for other related jobs – e.g. foremen, field captains, supervisors – also differed across these large-scale employers, from MT700,000 per month to MT2.5 million. In addition, interviews with large farmers revealed an astonishingly wide range of monthly payments to their most senior, skilled workers. Skilled permanent workers earned between MT800,000 and MT3,000,000 a month. On a couple of the farms in this sample, employers reported that they paid skilled permanent workers below the minimum wage but that these workers received some payment in kind and were not expected to work more than four hours a day. At the other extreme, on one farm the top rate for a skilled worker was MT8.5 million, while on another two expatriate Malawian junior agronomists were earning \$650 a month plus benefits (including use of a company motorbike).

Variations in payment rates for non-agricultural work

Table 5, below, summarises survey results for monthly wages reported by 391 respondents employed by rural non-agricultural enterprises. During the survey period, the non-agricultural minimum wage was set at MT812,163 (roughly \$34.26) a month.¹⁸ So, median monthly earnings of MT150,000 (\$6.33) for working on a

TABLE 5: Monthly Wages of Non-Agricultural Rural Workers (Meticais)

Categories of non-agricultural labour	N	Mean	Median	Std. Error of Mean
Hotel/hostel	30	488900	475000	41371
Restaurant/barraca ^a	74	379649	300000	31583
Market/banca ^b	42	231071	150000	43514
Domestic servant	159	242440	200000	14494
Transport driver	14	975000	875000	175078
Transport other (cobrador/chova) ^c	24	517167	500000	45946
Pedreiro in construction ^d	5	780000	750000	135536
Constructions others (servente) ^e	4	707500	700000	47148
Other	39	449615	350000	65702
Total (paid in monthly wages)	391	361486	280000	16184
Total none agricultural sample	458	n.a.	n.a.	n.a.

Notes: ^a An informal, "street" bar; ^b market stall; ^c Ticket collector or cart-boy; ^d Bricklayer/mason; ^e Assistant
Source: MRLS, 2002/03

market stall, or the MT200,000 that was the median amount earned by the 159 domestic servants (*empregadas*) in the survey, are not only extraordinarily low, but also illegal. Payments reported by *empregadas* were remarkably consistent, having the lowest standard error of the mean wage among the categories surveyed. By contrast, people (usually males) working in the transport and construction sectors in the same rural towns could earn substantially more, although there was a relatively large variation around the mean wage for drivers and bricklayers. The fourteen drivers interviewed had the highest median monthly wage (MT875,000).

A classification of jobs and payment methods

The analysis above has shown that rural Mozambicans experience a complex range of methods and rates of payment for wage labour. A crude dichotomy between privileged labour aristocrats and all other workers cannot capture this reality. It is nonetheless possible to develop a simply but more nuanced taxonomy of wage employment. Thus, Table 6, below, identifies five main types of employment obtained by rural Mozambicans, using a mixture of quantitative and qualitative criteria suggested by responses to the questionnaire and by more open-ended questions and interviews. This allows for an exploration of the characteristics of those workers who are relatively (un)successful in the labour market. First, though, the earnings (mean and median) and some aspects of working conditions (e.g. access to trade unions and compensation for working overtime) are tabulated for each of the five types of employment.

TABLE 6: Better and Worse Jobs – Payment methods and rates

Types of jobs	Good 1 Monthly paid and regular income (770)	Good 2 Monthly paid, regular income in agriculture (472)	Bad 1 Performed "ganho" casual work for less than 15 days per month (708)	Bad 2 Same as Bad 1 and obtained no seasonal contracts or non-agricultural job (591)	Bad 3 Domestic servant + below agricultural minimum wage (145)	Other (Non classified)	Total sample (2628)
Paid monthly wages % within job type	100	100	10	1	100	57	40
Paid on piece of task rate basis % within job type	0	0	68	80	0	33	39
Median payment (daily) (number of cases in brackets)	15,400 -16	15,000 -15	10,000 -142	10,000 -96	n.a.	12,500 -328	12,000 -484
Median payment (monthly wage) (number of cases in brackets)	400,000 -761	450,000 -466	-78	300,000 -9	150,000 -145	350,000 -318	360,000 -1145
Median payment (task) (number of cases in brackets)	n.a.	n.a.	15,000 -336 SD/mean = 1.6	15,000 -333 SD/mean = 1.6		15,000 -488 SD/mean = 4.5	15,000 -824 SD/mean = 4.8
Received payment in kind % within job type	0	0	29	34	0	11	13

Notes: ^a SD = Standard deviation Source: MRLS, 2002/03

Table 6 shows that some (770 workers) enjoy access to ‘good’ jobs that guarantee a relatively decent and more or less regular flow of income. A similar number of workers (708) have only succeeded in finding casual or very low-paid (‘bad’) jobs. The five types of employment identified in the Table are not mutually exclusive. For example, the second is a fraction of the first. Categories ‘*bad1*’ and ‘*bad2*’ also partly overlap and a few workers with access to ‘*good*’ jobs also perform some of the ‘*bad*’ jobs on the side, reflecting occupation multiplicity in different labour market segments.

Although the median wage of all the agricultural workers with ‘good’ jobs is still below the statutory minimum, the *good2* category workers receive 13 percent more than *good1* category workers, and over 25 percent more than other monthly-paid unclassified workers. Moreover, these agricultural workers are more likely to have access to trade union representation than workers in any other type of job (Table 7). However, the benefits they derive from union representation are not clear. Interviews with large-scale farmers suggested that there was little or no union activity on their farms – even where formally at least some workers were members of a union. One or two of the biggest agricultural employers stated that in the past unions were combative and even

TABLE 7: Employment tenure and other work conditions, by types of job

Types of jobs	Good 1 Monthly paid and regular income (770)	Good 2 Monthly paid, regular income in agriculture (472)	Bad 1 Performed "ganho" casual work for less than 15 days per month (708)	Bad 2 Same as Bad 1 and obtained no seasonal contracts or non-agricultural job (591)	Bad 3 Domestic servant + below agricultural minimum wage (145)	Other (Non classified)	Total sample (2628)
Months of tenure with same job/employer (median)	12	12	5	4	9	6	7
Number of days worked as seasonal contract workers Median	208 -395	208 -118	207 -107	n.a.	n.a.	210 -291	208 -749
Number of days worked as casual ganho Median	58 -390	60 -108	20 -706	21 -591	n.a.	78 -735	45 -1508
Meals provided at work % within job class	42	19	17	16	90	22	27
Housing provided by employer % within job class	23	21	3	2	45	7	11
Loans (wage advance) provided % within job class	35	29	17	17	42	28	28
Compensation for over-time work % within job class	46	53	17	4	6	35	39
Presence of Labour Union at workplace % within job class	13	21	2	0	0	11	9

Source: MRLS, 2002/03

aggressive; of late they have only been 'helpful'. Other employers (and provincial union officials) said that union officials either never visited farms or that they did visit from time to time but would only do so if they could get a lift from the farmer – in other words, one major constraint on union officials organising on farms is the lack of transport facilities. Clearly, the disorganisation of unions – chiefly the *Sindicato Nacional de Trabalhadores Agro-Pecuários e Florestais* (SINTAF) – and the failure of both government and international donors to invest in increasing their capacity allows for the high degree of employer discretion in setting wages and their composition in terms of money wages, benefits, and payments-in-kind.

Among monthly-paid workers, the 145 domestic servants receiving less than the minimum wage are particularly disadvantaged, since half of them earned below MT150,000 per month. The median daily rates of the agricultural workers employed casually (*ganho ganho*), whether they are classified as having a *bad1* or a *bad2* job, are consistently lower than the daily rates for any other type of worker.

Moreover, workers with bad jobs were more likely to be paid in kind (usually with food) than any other worker (Table 6). The most common substitutes for money wages

reported in interviews with large farmers were dried fish, sugar, soap, maize or cassava flour, and *capulanas* (the cloth wraps worn by women). Workers might be paid MT60,000 ‘worth’ of maize for two or three days work, or a woman worker might work for four days to earn a *capulana* ‘worth’ (according to the farmer) MT35,000. Obviously, precise estimates of an imputed money wage (or the employer’s wage costs) are difficult when payments are made in kind. The lack of precision appears to increase employers’ control over labour relations.

In all types of rural employment, job tenure appears insecure. Even for those workers who have a ‘good’ job, a high proportion (50 percent) report having spent 12 months or less in their present job. Those workers combining access to ‘good jobs’ with some casual work are able to secure more days of casual work than those who rely on casual work alone. More than half of the workers with the worst jobs (bad jobs 1 and 2) only manage to find 20 days or less of waged work per year. An increase in the number of days per year when they can find employment would have a dramatic impact on their standards of living.¹⁹

Even workers selected to hold relatively ‘good’ jobs for more than a few months suffer from employment conditions that are below statutory minimum standards. For example, about half of them do not receive any compensation for working overtime (Table 7).²⁰ Nevertheless, they are more likely than workers with *bad jobs 1* and *2* to be provided with housing, meals and credit by their employers. It is also clear that small-scale employers and especially Mozambican-owned small farm enterprises are unlikely to offer *good* jobs to their workers, while almost two thirds of workers employed by foreign agricultural investors enjoy good jobs in agriculture (Table 8).

TABLE 8: Workers by employer categories and job types
(% of workers within each employer category)

Types of jobs	Good 1 Monthly paid and regular income (%)	Good 2 Monthly paid, regular income in agriculture (%)	Bad 1 Performed “ganho” casual work for less than 15 days per month (%)	Bad 2 Same as Bad 1 and obtained no seasonal contracts or non-agricultural job (%)
National company/plantation	12	12	5	4
Foreign agricultural employer	-395	-118	-107	n.a.
Local agricultural employer	-390	-108	-706	-591
Small	42	19	17	16
Medium	23	21	3	2
Large	35	29	17	17

Source: MRLS, 2002/03

The amount and quality of these non-wage benefits, as revealed in interviews with large farmers and in the quantitative surveys, is variable and discretionary. Benefits can be and are withdrawn. Almost all women captured in the MRLS were denied access to the most basic non-wage benefits. Less than 4 per cent of all female wage workers were given paid holidays by employers and less than 10 per cent were given paid sick leave or medical benefits. Only about 3 per cent had paid maternity leave.

Some Characteristics of the Poorest Workers and their Labour Market Prospects

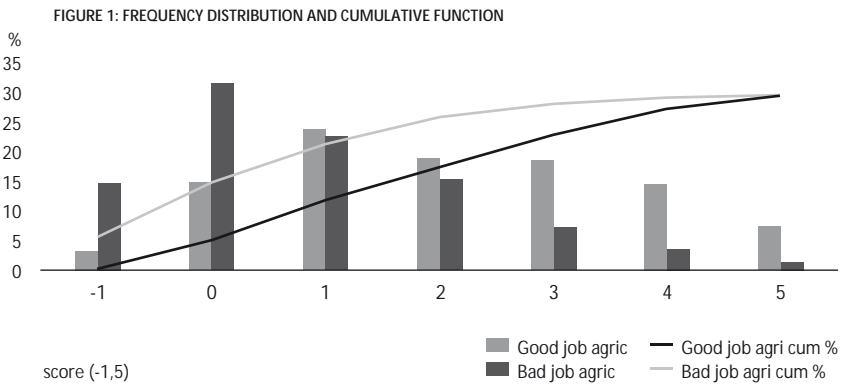
Unsurprisingly, most of the worst jobs (*bad2*) are performed by workers living in the poorest households. One third of the surveyed households lack even the most basic of those material possessions, (i.e. a paraffin lamp, a clock or watch, a radio cassette, a bed, pairs of shoes and access to some form of toilet), used to calculate the household asset score. Table 9 contrasts the experience of these extremely poor and deprived households with 'less poor' rural households achieving a much higher asset score. A far greater proportion of the *good* and a very low proportion of *bad2* jobs (only 10 percent) are done by members of the richer households. Similarly, the majority of *bad* jobs were done by workers who lived in households in which no-one had completed primary school. In contrast, most of the *good* jobs (over 80 percent) were held by respondents who had attended school.²¹

TABLE 9: The Share of Different types of Household and Worker in "Good" and "Bad" Jobs

	Types of jobs					Total sample
	Good 1 Monthly paid and regular income (770)	Good 2 Monthly paid, regular income in agriculture (472)	Bad 1 Performed ganho casual work for less than 15 days per month (708)	Bad 2 Same as Bad 1 and no seasonal contracts or non-agricultural job (591)	Bad 3 Domestic servant and below agricultural minimum wage (145)	
Possession index group (poorest)						
% within job type	15	18	48	53	21	33
Possession index group (richest)						
% within job type	47	40	14	10	41	27
Nobody in HH ever completed primary						
% within job type	37	42	56	56	39	48
Respondent never attended school						
% within job type	15	20	36	39	15	27
Females						
% within job type	35	25	60	68	62	47
Respondent divorced/separated widow female						
% within job type	17	15	20	22	13	18

Source: MRLS, 2002/03

Table 9 suggests an association between household socio-economic status and the ability of household members to avoid employment in the worst types of rural jobs. ‘Better-off’ people in rural areas are likely to have very significant advantages compared to very poor people in searching and bargaining for the best available employment, because of their education, ability to move, household connections, and previous work experience.²² At the other end of the spectrum, the strong relationship between household possession scores and participation in the worst type of insecure casual agricultural labour is illustrated in Figure 1.



However, the direction of causality is not obvious. As Table 9 shows, by no means all of the *good* jobs are monopolised by a ‘labour aristocracy’ consisting of the members of richer and more educated households. Table 9 also shows that although the worst jobs are much more likely to be performed by women, a significant proportion of the better jobs on farms are filled by female workers; and even some of the women with the weakest bargaining position in the labour market, divorced/separated and widowed women, have been able to find decent work. Thus, entry barriers into *good* jobs are not insuperable for the poorest households and, when such a job is obtained, the impact in raising their standards of living can be dramatic, even in the short-term.²³

Moreover, the policy environment can influence the prospects for the poorest labour market entrants. State interventions to increase demand and tighten rural labour markets can have a positive influence on the prospects for the poor. In India, for example, rapid growth in publicly financed employment had the direct effect of providing decent off-farm employment opportunities (in rural schools, clinics, and in

construction), although these new jobs were monopolised by relatively well-educated workers from prosperous backgrounds. Indirectly, however, much poorer (female) labour market entrants also benefited, by moving in to fill the less well-remunerated private sector agricultural jobs previously performed by members of richer rural households (Sen and Ghosh, 1993).²⁴

Conclusion

Rural labour markets remain on the periphery of policy discussions for growth and poverty reduction in Sub-Saharan Africa. However, evidence from the largest rural labour market survey to be conducted in Mozambique adds to other research in showing that these labour markets have become increasingly central to the lives and prospects of large numbers of poor rural Africans. Wage labour is not only associated with large plantations, agri-businesses or kulak farmers, but is also widespread among small and medium scale farmers, though these tend to offer much lower wages and worse working conditions than larger employers. Further, rural labour markets play an important part in the lives of many people who differ in terms of household background, sex, age, education, degrees of poverty and so on. This paper has shown how and why complementary and innovative survey methodologies can shed more light on the significance of wage labour relations in rural Mozambique. The combination of quantitative survey methods with qualitative techniques has also facilitated the task of making sense of complex wage labour arrangements in poor rural areas and investigating issues surrounding the unequal bargaining power of employers and workers.²⁵

The paper has methodological lessons. The types of questionnaire typically applied in large and statistically 'representative' surveys are unlikely to reveal the complex and multiple payment patterns, employment practices and working relations that have emerged from the findings of the MRLS research. Often these patterns, practices and relations are specific to individuals or particular types of employer. Thus, first, other investigative techniques are necessary to make sense of observed differences or apparent inconsistencies within quantitative datasets. Second, survey questionnaires themselves need to be designed, and enumerators trained, to capture the nuances of differences in payment methods and wage rates. They need to be able to pick up a great deal of detailed information on 'tasks or piece-rates and their variation. And questionnaires

need to be redesigned to escape the artificial vision of rural society imposed by questions framed exclusively in terms of ‘main activity’ over the past week or month. Third, representative sampling should be complemented by purposive sampling to add information on what are likely, especially in the dynamic contexts of rural Africa, to be non-randomly distributed trends, for example in labour demand. Fourth, surveys (and complementary techniques) need to be designed also to identify the scale and characteristics of rural non-agricultural employment in small rural towns, including the employment of domestic servants.

Labour market research in rural Mozambique has other implications too. Ideas of ‘fairness’ are not universally shared values of a moral economy but, rather, are part of the armoury of employers who are often embroiled in social and political conflicts at local and other levels. Meanwhile, ‘norms’ of payment and working conditions may have developed over time and are influenced by minimum wage legislation. However, employers in practice exercise a great deal of discretion in implementing these norms. The relatively weak bargaining power of wage workers, especially agricultural workers and domestic servants, means that a large proportion of them live on pitiful and irregular wages with no protection or non-wage benefits. However, this paper has shown that some types of employer are able to offer better working conditions than others, despite enjoying similar bargaining power. Some employers offering decent jobs – typically larger employers – are also more visible and exposed to control over their employment practices in spite of the generally weak enforcement of labour laws by unions and labour inspectors.

These characteristics of rural labour markets have policy implications. Incentives (fiscal, credit, infrastructural, etc) can be devised to generate demand for labour among the types of employer most likely to offer decent working conditions, instead of being distributed to small “family farms” or to the party/bureaucratic elite.²⁶ Not only journalists, human rights activists, and NGOs, but also foreign donors should press governments and trade unions to implement existing legislation more effectively and should provide much more support for their ability to do so – analytically, administratively and in resource allocation. The evidence suggests that even poorly implemented minimum wage legislation does have some influence on the level around which employers exercise discretionary power. Finally, there is a strong case for significant expenditure on public information and education, for example via radio, on rural women’s rights under legislation on wages and working conditions.

Notes

- ¹ On the inadequacy of African data on agricultural wage labour see Mwamadzingo, (2003, 31) and FAO-ILO-IUF (2005, 21).
- ² However, the formation of a rural class depending on waged employment was already deeply rooted at independence (O’Laughlin 2002: 517; Castel-Branco 1983).
- ³ Similar dynamic influences on rural labour markets, in some cases even more pronounced, are a feature of many African societies. For examples see: Peters (2004); Sender (2003); Wiggins (2000); Barrett et al (2001); Gabre-Madhin and Haggblade, (2004); and Humphrey et al (2004).
- ⁴ These limitations are discussed in detail in Sender, Cramer and Oya (2005).
- ⁵ Most standard survey questionnaires ask questions about the “main” activity and they focus on only those activities undertaken during a very short reference period, i.e. the last seven days. Given the complexity of rural people’s strategies of time management, and given the variability of economic activities across agricultural seasons, this approach tends to generate simplistic, misleading information.
- ⁶ There was, of course, no reliable sampling frame on which to base a random sample of rural wage workers. The three central and northern provinces were selected because the importance of rural wage labour in the south is quite well recognised and documented in the literature on Mozambique (O’Laughlin 2002). These provinces also account for the bulk of labour intensive cash crop production (cotton, tobacco, sisal and tea) and Nampula and Zambezia contain a very large proportion of the Mozambican rural population.
- ⁷ See also Massingarella, Nhate and Oya (2005) Sender, Oya and Cramer (2006) discuss asset index methodology.
- ⁸ One demographic peculiarity of the MRLS sample was the large proportion (40 percent) of separated, divorced or widowed women among female respondents, an important finding in itself.
- ⁹ Sender, Oya and Cramer (2006) discuss in detail the life histories of six of these women.
- ¹⁰ A ‘foreign company/privado’ is defined as an establishment run by foreign managers and/or mostly owned by foreign investors. ‘Local farmers/privados’ encompass a more heterogeneous mix of national and local small and medium-scale individual farmers employing workers for wages.
- ¹¹ Most of the 33 large-scale employers interviewed by the research team claimed to use the national minimum wage of MT560,000 a month as a reference for pro rata, daily wage rates for unskilled labourers. However, some used MT565,000 or MT575,000 as a reference rate, while one used MT500,000 a month. The most common form of variation in daily payment rates reported by these employers was in the number of the days used to divide into the monthly wage reference rate.
- ¹² Maninha, whose life story is discussed in Sender et al (2006), was often set tasks for MT10,000 by small-scale farmers that were so strenuous that they could not be completed in a day, especially if she took a break for a meal. Maninha was often obliged to return the following day in order to complete the set task and earn the MT10, 000 quoted as the daily wage by the small farmers who employed her. In contrast, a larger farmer has paid her MT50, 000 for a task she could complete in a day.
- ¹³ The mean exchange rate for May 2002 to the beginning of February 2003 was about \$1 = MT23,700.
- ¹⁴ Only 15 percent of the small-middle employer sample employ permanent (male) workers on a monthly paid basis; the wages they pay average 273,000 MT per month (median = 250,000 MT),

i.e. less than the median monthly wages paid by the larger employers and less than 50 percent of the minimum wage. Some of these relatively small employers do pay above average wages, if they are more prosperous and educated. Thus, the highest wages in the SME sample are paid by respondents with the highest asset possession score and the largest number of years of completed education.

¹⁵ In Mozambique cotton is most often produced by SMEs on out-growing schemes but, in the MRLS, workers employed by large-scale cotton growers were also included.

¹⁶ This evidence does not corroborate the existence of payment ‘norms’ and ‘conventions’, which have been found elsewhere. The importance of norms and conventions in poor agrarian labour markets has been discussed by Bardhan and Rudra (1986). Breman (1985) criticises the idea of norms of ‘fairness’ in Indian labour markets.

¹⁷ On the inability of standard neo-classical wage functions to explain agricultural wages in terms of worker attributes, see Datt (1996:66-7).

¹⁸ The minimum wage for industry and services was increased from MT665,707 to MT812,163 per month in May 2002; at the same time the government raised the minimum wage for agricultural labour from MT459,222 to MT560,251 per month (AIM, 2002, May 20th). Very few of the workers in the survey were aware of the minimum wage for agricultural labour and none of the provincial officials working for the trade union or the Ministry of Labour could quote the current rate accurately.

¹⁹ This argument is supported by evidence from India, where a move from casual to more regular rural wage employment, implying higher annual real wages, has been decisive in reducing poverty (Ghose, 2004: 5112).

²⁰ Interviews with large farmers suggest they have considerable discretion regarding compensation payments for long hours of work. For example, some pay double time for overtime, some pay time and a half, and others do not pay for overtime.

²¹ Work in the best construction, transport and other non-agricultural jobs, which fell under the good1 rubric, was largely the preserve of relatively well-educated men, living in households with high asset index scores.

²² The MRLS data show that by far the most important channel for obtaining employment was through ‘relatives and friends’.

²³ The life stories of successful women wage workers confirm the transformation in the prospects for children and in household welfare that can be achieved after their mother has obtained a decent job (Sender et al, 2006).

²⁴ In Brazil new export production opportunities and the historically contingent combination of successful actions by trade unions and government agencies created conditions for a significant improvement in the working conditions and bargaining power of thousands of seasonal workers. See Damiani (2003).

²⁵ Cramer, Oya and Sender (2008) discusses the complex power relations that shape labour market experiences in rural Mozambique.

²⁶ For example, subsidising improved airport and cold-chain storage facilities in Chimoio, capital of Manica could facilitate substantial investment in cut-flower production, which employs hundreds of workers enjoying some of the best work conditions (for agricultural workers) in the region. On policies to stimulate demand for labour more generally see Godfrey (2003).

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