



# **RURAL LABOUR MARKETS: UNCOVERING ITS NEGLECT AND IMPLICATIONS FOR THE SOCIOECONOMIC AND PRODUCTIVE STRUCTURE IN MOZAMBIQUE**

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# OUTLINE

## ➤ Introduction

- Rural Labour Markets (RLM): a reality overshadowed in Mozambique?

## ➤ A look at the evidence on the RLM in Mozambique

- What do the official statistics show?
- What do the independent studies and statistics show?
- Methodological gaps in the evidence on RLM in Mozambique

## ➤ Concluding remarks:

- What are the implications of the RLM's neglect?

# RURAL LABOUR MARKETS (RLM) IN MOZAMBIQUE: A REALITY OVERSHADOWED IN MOZAMBIQUE?

- There has been an interest in the question of Rural Labour Markets (RLM) after long periods when they were regarded as absent from the dynamics of employment, accumulation and poverty in Africa.
- However, the way in which this question has been conventionally analysed in Mozambique has proved too limited for a coherent approach.
- There is a contradiction on the role and importance of wage labour in the current debate and literature on the prevailing forms of labour in the rural areas of Mozambique.

# RURAL LABOUR MARKETS (RLM) IN MOZAMBIQUE: A REALITY OVERSHADOWED IN MOZAMBIQUE?

- In the conventional analysis, resting on a dualist perspective, the incidence of rural wage labour is regarded as marginal, reflecting the assumption that the countryside is dominated by the subsistence-oriented production of small peasants dependent on family labour who are assumed outside the labour market.
  - ✓ Public policy documents are underpinning this view. Eg. Government's Five-Year Plan (PQG) 2015-2019 and the Employment Policy, based on data from large scale official surveys.
- Although, independent studies show that rural wage labour, often taking temporary forms (casual and seasonal work) and under differentiated, multiple and precarious conditions, is predominant and relevant in the Mozambican rural areas. Most of this evidence is supported by field studies and/or by independent statistics.
- It is crucial to investigate this contradiction.

# RURAL LABOUR MARKETS (RLM) IN MOZAMBIQUE: A REALITY OVERSHADOWED IN MOZAMBIQUE?

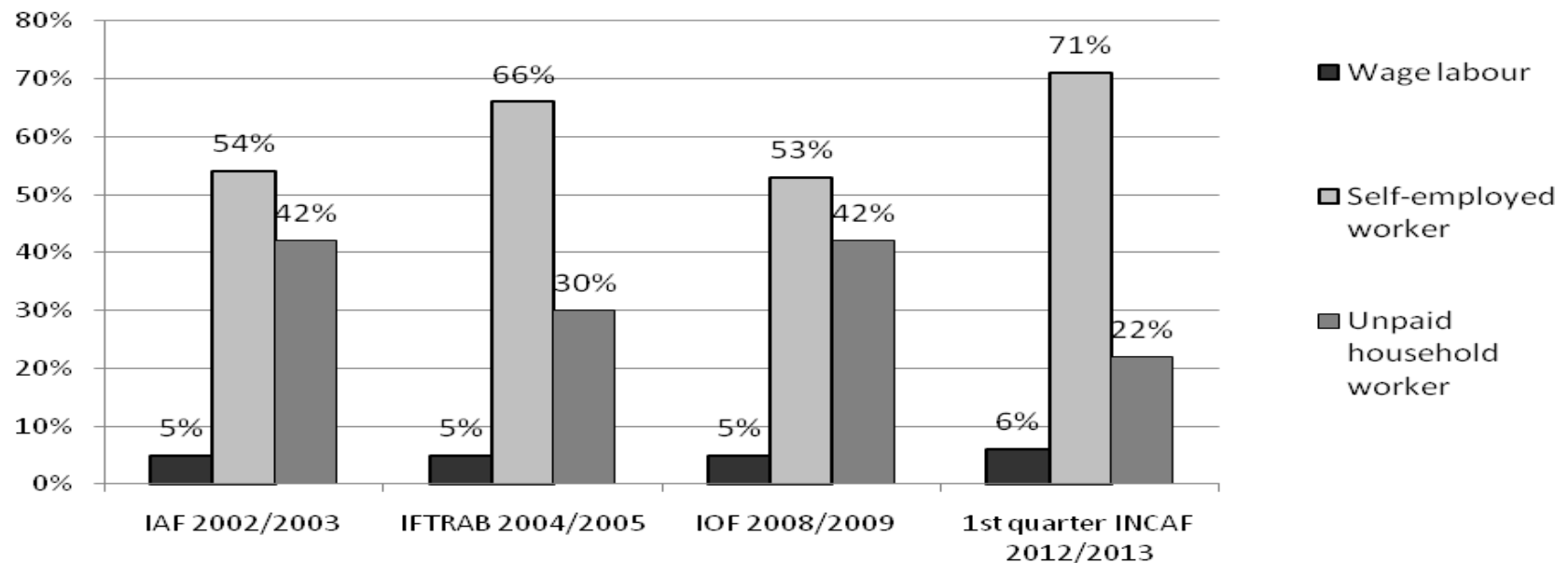
- It is argued that the method of analysis (analytical approach and the method of data collection) underlying distinctive approaches may make it possible (or not) to understand real rural patterns, where specific forms of labour happen and are developed, important for understanding the dynamics of employment, poverty and accumulation in Mozambique.
- The relevance of a deeper analysis of the patterns and dynamics of labour markets is enhanced, following a political economy approach, insofar the worker and the labour force is not a mere asset, and that labour markets are central in the socioeconomic and productive structure as well as in the process of capital accumulation in Mozambique. This, among other reasons, is because of the linkages, social relations, opportunities, social reproduction conditions of labour and capital, stability and crisis reduction that they stimulate between different agents and activities in the economy, in specific socio-economic and structural contexts.
- This research through questioning the neglect of RLM in the intentions of public policy in Mozambique reflects on its implications for the design, formulation, orientation, and effectiveness of public policies on employment and development that can be compromised by the neglect of real rural patterns relevant to the population's livelihood in the prevailing productive structure in Mozambique.

# A LOOK AT THE EVIDENCE ON THE RLM IN MOZAMBIQUE

## ■ What do the official statistics show?

- ✓ Official surveys reflect a similar picture with regard to the occupational situation, where the incidence of wage labour is minimal (only about 5%). Wage labour is indicated as of little importance for most of the rural population that is estimated as having its dominant forms of work: self employment (mostly in agriculture) and unpaid household labour (graph 1).

**Graph 1. Percentage distribution of EAP by occupational situation in rural areas, Mozambique**



Source: INE, various surveys

# A LOOK AT THE EVIDENCE ON THE RLM IN MOZAMBIQUE

- What do the independent studies and statistics show?
  - ✓ The evidence from a range of independent field studies and statistics contrasts with the official statistics presented in showing that RLM are prevalent, diverse and crucial in the context of the dominant mode of accumulation and in the livelihoods of many rural households in Mozambique.
  - ✓ A wide range of these findings shows the relevance of wage labour, even developed in irregular forms such as casual or seasonal work, and its interdependence with other activities for the livelihoods of many people in rural areas of Mozambique.
  - ✓ For instance, the research findings of Ali (2017) shows that in the prevailing mode of production and work organization in agro-industry plantations, on a task-basis, the profitability of the companies is based on the payment of low wages and in precarious working conditions, being the workers responsible for their own social reproduction and getting involved in a variety of activities and work, formally and informally subjected to the capital, including paid and unpaid work, agricultural and non-agricultural work.

# A LOOK AT THE EVIDENCE ON THE RLM IN MOZAMBIQUE

- What do the independent studies and statistics show?
- ✓ The research findings shows a relevance of wage labour in agro-industries plantations (eg. forestry, tea and sugar plantations), in different regions of Mozambique, with different expressions and patterns accordingly to the specific context and social organization of work and life.
- ✓ In the productive structure in Mozambique, family agriculture and wage labour are interdependent and finance each other mutually, so that, given the dependence on monetary income for the consolidation of the peasantry, it supported the costs of its own reproduction.
- ✓ Historically, monetary wage earnings, apart from meeting subsistence needs, expenditure on basic social services (such as health and education) and finance for building a house, for example, are an important basis for investment in household production through acquiring means of production (pumps and water tanks, agricultural tools, etc.) and can allow resources for food production to be released to cover possible periods of scarcity and/or to sell in these periods, instead of depending on their current consumption (Ali, 2017b, O’Laughlin, 1981; Castel-Branco, 1983a, 1983b). Similarly, wage earnings in kind can allow the “release” of peasant production for the market.



# A LOOK AT THE EVIDENCE ON THE RLM IN MOZAMBIQUE

- Methodological gaps in the evidence on RLM in Mozambique
  - ✓ The analytical method and data collection methodology may affect both the statistics and the research, calling into question the analysis of the links between RLM, the productive base, poverty and development.
  - ✓ The analytical framework on which the survey used rests may influence the type of questions asked and may limit the response that this information can supply to other questions.
  - ✓ Eg. the evidence analysed seems to indicate a link between the analytical approach and the method of data collection. The official data seem to reflect the method of conventional analysis resting on a dualist vision of a rural subsistence economy where the incidence of rural wage labour (even temporary) is marginal; this characteristic is inconsistent with the observed reality.
  - ✓ The independent studies and statistics, by pursuing the research into RLM in a broad context of the social system of accumulation show a predominance of heterogeneous forms of rural wage labour (mainly irregular forms), often under precarious conditions which are consistent with the extractive nature of the dominant accumulation pattern.
  - ✓ There is a lack of a continuous survey focused on broad patterns and dynamics of RLM in Mozambique. Since IFTRAB 2004/2005 is the only survey in existence, focused on characteristics of employment in Mozambique, it does not allow us to analyse changes. It also possesses some inconsistencies in the modules of rural employment which are too limited to study the complexity of labour dynamics.

# A LOOK AT THE EVIDENCE ON THE RLM IN MOZAMBIQUE

- Methodological gaps in the evidence on RLM in Mozambique
  - ✓ Information on the RLM is not captured in a broad and consistent manner in the conventional surveys and censuses.
  - ✓ An example of problems in the methodological structures is the type of research question contained in the official surveys. The research question is structured in such a way that it restricts, for example, the “hypothesis” that rural households are linked to diversified RLM.
  - ✓ Eg. only two options concerning the type of activity undertaken – “main or secondary activity” – in the last seven days are included in the official surveys (and centred on the first).
  - ✓ This may imply a poor interpretation of the question and that the majority of the respondents report only the activity of long duration which they remember and classify it as, for example “work on the farm” (usually called “machamba”, the local word for farm) since it was the most regular in the reference period (in the last seven days, rather than in a more inclusive period such as twelve months), although it might not be the only activity, or might be undertaken in a context of combination with irregular sources of rural wage labour.

# WHAT ARE THE IMPLICATIONS OF THE RLM'S NEGLECT FOR THE SOCIOECONOMIC AND PRODUCTIVE STRUCTURE IN MOZAMBIQUE?

- There is a problem with how the work has been conventionally handled in Mozambique. The method of analysis and data collection can affect both statistics and research, calling into question the analysis of the patterns of work and employment and their relations with dynamics of accumulation, poverty and well-being within the framework of the growth pattern prevailing in Mozambique.
- This knowledge has implications for the direction of public policies on these issues, which can be compromised by the neglect of real working characteristics important to the livelihoods of the population, in the current context of the socio-economic and productive organisation in Mozambique such as the Rural Labour Markets (RLM).
- The study shows that several implications arise from the neglect of Rural Labour Markets for the productive structure and the possibilities of accumulation in Mozambique, considering that the work force is not a simple asset and that the labour markets are central in the productive structure and the accumulation system, *inter alia*, because of the links they stimulate between different agents and activities in the economy.

# WHAT ARE THE IMPLICATIONS OF THE RLM'S NEGLECT FOR THE SOCIOECONOMIC AND PRODUCTIVE STRUCTURE IN MOZAMBIQUE?

- The rural areas of the Mozambican economy seem to be the basis of capital accumulation in the country. The rural economy is organically and structurally linked to national and regional labour markets.
- Rural labour markets in Mozambique are prevalent, complex, multiple and heterogeneous, and develop in a context of socio-economic differentiation. Wage labour exists at various levels and in various activities. There are those who are “waged” but at the same time hire wage workers in some of their activities, those who are only “waged”, and those who only hire wage workers, depending on their socio-economic stratum, economic and social processes and relationships, as well as on the activities and livelihoods involved.
- The way we look at (and) treat reality can influence our understanding and the possibilities of coherently analyzing and transforming it. The transformation of socio-economic problems requires an understanding of the structural nature of the economy (which structures labour markets and are structured by them), their patterns and expressions, their causes, as well as the inter-relations of all these structuring factors of the integrated system that characterizes the economy of Mozambique.

# WHAT ARE THE IMPLICATIONS OF THE RLM'S NEGLECT FOR THE SOCIOECONOMIC AND PRODUCTIVE STRUCTURE IN MOZAMBIQUE?

- There are no two separate sectors (traditional and capitalist) as presumed in the dualistic analysis, but an integrated organic system with linkages, tensions, contradictions and conflicts. In this system, the basis of capital profitability is based on the existence of various forms of labour and their subordination (formal and informal) to capital.
- Hence, how to discuss poverty, living standards, distribution, decent employment and development in Mozambique without looking at the social organisation of productive structures, labour markets, employment and livelihoods, within the dynamics of accumulation prevailing in Mozambique?

*Thank you!*