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INFORMATION ON LABOUR MARKETS IN MOZAMBIQUE: Some methodological gaps, implications and challenges

ROSIMINA ALI

Introduction

There is a growing interest in standardising the information about the labour market in Mozambique, by the Ministry of Labour, Employment and Social Security (MITESS) through the National Directorate of Observation of the Labour Market (DNOMT). For example, in this framework, the design and development of a management platform for the Labour Market Information System (SIMT) is under way in order to understand and follow the trends in the labour market, thus allowing implementation of public policies on these questions¹. However, there remain methodological gaps and challenges in the statistics on labour markets and employment in Mozambique.

This IDeIAS bulletin analyses: (i) the existing methodological problems in the dominant analytical framework (underlying the questionnaires), and in the collection of information on the characteristics and dynamics of labour and employment, in their various forms² and in connection with the dominant growth patterns, and (ii) the implications of the methodological gaps for the understanding of these questions and for the formulation, orientation and effectiveness of public policies in Mozambique on the social conditions of labour and of life. The example highlighted in this analysis is the relevance of the rural labour markets which, although vital, have been neglected in the statistics and policies on employment, poverty and development in Mozambique.

Demystifying dominant theoretical preconceptions in the conventional approach

The dominant analytical framework, the questionnaires on which official statistics are based and the policy documents on labour markets and employment, reflect a dualist method of analysis, which separates the various forms of labour within the economy and their formal and informal subordination to capital. This dualist method of

analysis separates the economy into two sectors (traditional or pre-capitalist, and modern or capitalist) and neglects the diversity of forms of labour, particularly the integration of unpaid forms of labour into the capitalist system. Paid work is seen as integrated into the labour markets, unlike household and unpaid labour, which is assumed as not included.

In this analytical framework, it is presupposed that the countryside is dominated by subsistence agriculture and by peasants who are regarded as being outside the labour market, and not integrated into the processes of accumulation, as if they lived solely on small scale household agricultural production, or “machamba” (family farm), and it is assumed that rural wage labour is residual. This method of analysis is reflected in public policy documents (PARP³, PQG⁴ 2015-2019, and the Employment Policy, for example). To a large extent, the analyses in these documents draws upon information from large scale official surveys.

However, if we look at the social organisation of labour, of the livelihoods and of the productive structures in Mozambique, rural wage labour, undertaken in temporary forms (casual and seasonal) and under differentiated and precarious conditions, stands out as predominant and relevant in the countryside.

IESE's research into the patterns and dynamics of the labour markets and employment challenges the dominant theoretical preconceptions in the conventional analysis, revealing a complexity of labour markets where the work force is structurally integrated into the mode of capital accumulation. Analysis of the economy of Mozambique, in various periods of its history, shows that two distinct and separate structures do not exist. Instead, there is an integrated organic system, with tensions, contradictions and conflicts. In the context of the prevalent productive structures in Mozambique, the basis of profitability of capital

rests on the existence of various forms of labour which are interlinked, and which allow the reproduction of the work force at low cost for capital.

The rural areas are indicated as a strong cornerstone for the accumulation of capital in Mozambique. Historically, the dominant mode of accumulation rested on the expropriation of the peasantry on whom depended many of the cash crop exports of the country (such as cashew nuts, cotton, sugar, copra, tea, sisal and tobacco). The peasantry was integrated into the capitalist labour and commodities markets, by providing cheap labour power and as a supplier of cheap raw materials and foodstuffs for capital. The capacity of the peasantry to produce food for its own consumption and for the market, which depended on wages, was central for the survival and reproduction of the work force and to guarantee its availability at low cost to capital. Household agriculture and wage labour financed and continue to finance each other.

The interdependence between household production and wage labour, among other, multiple forms of labour, remains within the context of the extractive productive structure prevalent in Mozambique, concentrated and with weak domestic linkages, specialised in primary production and commodities with low levels of processing for export, unable to generate the wage goods or basic consumer goods and services which are vital for the sustenance and social reproduction of the work force, and dependent on imported processed goods.

The analysis of the nature, dynamics and relevance of the labour markets in the context of the growth pattern prevalent in Mozambique shows some contradictions between the profile and dynamics of labour and employment, and the employment, poverty and development policies. The neglect of rural wage labour, and the residual nature attributed to it, although it is relevant in the

¹ *Magazine Independente*, 2018. MITESS quer padronizar informação sobre mercado de trabalho, 1 May, page 16, Maputo.

² Paid and/or unpaid, agricultural and/or non-agricultural, among others

³ Poverty Reduction Action Plan (PARP) 2011-2014

⁴ Government Five Year Programme

socio-economic context of the country, are one example. This fact is problematic for the design and directing of the economic policy and may compromise its effectiveness. It is crucial to understand what is really happening in a broader and conflicting picture of the inter-relationship between labour, employment and productive structures.

Collecting information: what methodological gaps and how to tackle them?

The statistical information (quantitative and qualitative) about labour markets is central for understanding the broader socio-economic dynamics in which labour is organically integrated.

However, in Mozambique, the statistics do not capture broad information about labour markets, the diversity of forms of recruitment, employment and dependence of wage labour, about the heterogeneous range of livelihood activities of rural households and the dependence that this structure of occupation and income has on wage labour, nor information about the conditions of employment or occupational mobility.

There is no continuous official survey focusing on labour characteristics that makes it possible to analyse broadly the patterns and trends of labour markets and employment in the country. The statistics on labour and employment are generally obtained from short modules on employment in the Population Census and the Household Budget Survey (IOF), which are focused on gathering information about consumption for poverty estimates and on which the recent Labour Market Information Bulletin is based.

There are methodological problems in the framework of conventional analysis which underpin the official statistical surveys. This framework isolates the characteristics of labour from the socio-economic context and from the general organisation of the productive structures and livelihoods where complex labour markets are developed. The analytical method used to collect information may influence the type of questions formulated, and limit possible answers and questions to be investigated in the future.

One example is the research question included in the official surveys, structured in such a way that seems to limit the "hypothesis" that rural families may be linked to multiple and diversified labour markets. That is, only two options concerning the type of activity undertaken – "main or secondary activity" – in the reference week (which refers to the previous seven days) are included in the official surveys (and centring on the first). This can imply a poor interpretation of the question and that the majority of respondents only report the activity of long duration that they remember and which they classify as "work on the farm" since it is the most regular

though it may not be the only form of work or might be undertaken in combination with irregular sources of rural wage labour and/or other forms of work. Casual and seasonal wage workers, who have their own "machamba" (farm), generally do not appear in the official statistics, because they are classified as "peasants". The problem with the idea or "preconception" generally held about wage labour is that it is often associated with regular forms of work, with the "formal economy" and/or urban areas (regarded as stable). Thus, there are few who are classified as waged workers, particularly in agriculture.

Another question concerns the design of the survey in terms of the detail of the questionnaires (short vs. detailed) and the choice of the respondent (own report vs the report of a proxy or representative of the respondent). This is crucial since different types of surveys can lead to different results, and so it is important to define their purpose. For example, when the official surveys ask about the "main activity" in the reference week (instead of asking about the previous twelve months) this may lead to an inadequate interpretation of the question and hence to poorly reported statistics which underestimate diversified forms of irregular work, paid work (such as rural casual wage labour) and unpaid work, which are beyond the conventional "dual economy" and the restrictive formal-informal dichotomy in labour markets.

Furthermore, the existence of exclusive categories (instead of multiple choices) treats the self-employed worker, the peasant and the waged worker, for example, as if these were mutually exclusive categories. This does not make it possible to capture the variety of activities. It implies that people who are waged workers are probably being automatically classified as "self-employed" or as "unpaid household workers". This limits the identification of the existing multiplicity and interdependence between forms of labour that are predominant in the organisation of livelihoods, in the context of the productive structures prevalent in Mozambique.

Furthermore, there are some conceptual inconsistencies in the official surveys which may compromise the quality of the data such as, for example, the concept of household used. The official surveys are based on a residential concept of household which may exclude potential active members who contribute to or benefit from household expenses but who do not live in or live irregularly in the residence surveyed (for example, constantly mobile waged workers or students living outside of the habitual residence) and may include members such as domestic servants who live in the "house". It would be important to include, conceptually, the individuals economically linked to the household interviewed, such as the potential contributors to and recipients of income from wage labour, who have an economic relation with the interviewee.

In view of these structural problems (conceptual and methodological) identified in the analysis of a series of official surveys used conventionally as reference points for the analysis of labour markets and employment in Mozambique, the method of analysis and of data collection must be rethought.

Implications for public policies and challenges

As shown above, there is a problem with the way that labour has been conventionally treated in Mozambique. The method of analysis and of data collection may affect both the statistics and the research, calling into question the analysis of the patterns of labour and employment and their relations with dynamics of accumulation, poverty and well-being, in the context of the prevalent growth pattern in Mozambique. This knowledge has implications for the effectiveness of public policies on these issues, which may be compromised by the neglect of real characteristics of labour that are important for the livelihoods of the population in the current context of the socio-economic and productive organisation in Mozambique.

The lack of a survey on labour markets may condition the type of information collected. IFTRAB 2004/2005 is the only integrated survey on the work force, which has existed in Mozambique. This limits the analysis of processes of change in labour characteristics. This survey also has some methodological inconsistencies. Hence there is a need not only for a continual survey aimed at capturing quantitative and qualitative information on labour markets, but also with modules more consistent with the dynamics of the structure of the Mozambican economy, and which capture the social conditions of labour, in different regions, and over time. Synergy between the official statistical bodies and research institutions seems crucial, so as not only to make statistical information available, but also to monitor the information, its format and its quality, thus helping policy makers to take decisions based on the best possible information.

Labour, employment and the transformation of its social conditions should be analysed, in the framework of the broader organisation of the prevalent productive structures, labour processes and livelihoods. The interest in a deeper analysis of the question is strengthened when we consider that the workforce is not a simple asset and labour markets are central in the social system of accumulation because, among other things, of the linkages, social relations, opportunities, and conditions of reproduction which they stimulate between various agents and activities in the economy. The study of labour markets in Mozambique has to include unpaid labour and other forms of labour informally subordinate to capital, which have been a fundamental part of the reproduction of the work force and of capital from the colonial period to today.