



Eurofound

Working conditions in Mozambique

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Introduction

Despite the global economic crisis, growth appears to have remained positive in many countries and high in some developing countries. Yet this does not create a sufficient number of new and better jobs that can lead to a reduction in poverty. In many developing countries, unemployment is rising, a large proportion of the labour force is paid wages below the poverty level, and the majority of non-agricultural employment is in the informal economy. It is therefore not surprising that, in recent years, there has been a shift of focus from exclusive interest in economic growth to a broader concern with improving the quality of work.

Indeed, quality of working life is integral to both human and socioeconomic development. The notion of quality of working life has shifted from an exclusive focus on certain dimensions of paid labour – primarily working hours, wages and maternity protection – to including a wider range of elements of both paid and unpaid work, especially how to balance work and family life. It also encompasses the intersection between the labour market and the lives of workers that take place beyond paid work. Yet these issues are to be fully integrated into the most prominent policy responses to the globalised economy (for example, mainstream economic policies at the national and global level).

Governments across Africa have called forcefully for action to meet these challenges. The African Union Extraordinary Summit on Employment and Poverty Alleviation in Africa (Ouagadougou, September 2004) overwhelmingly endorsed the **ILO's Decent Work Agenda**, which emphasises the creation of good quality jobs. Mozambique's poverty reduction strategy (2006–2009) and the strategy for employment and training (2006–2015) reflect this.

As a response to this pan-African initiative, a new pioneering survey was undertaken to document the current status of working conditions in selected sectors in Mozambique and to draw attention to related policy gaps. The survey was carried out based on the global version of the **European Working Conditions Survey** which had been developed jointly by the International Labour Organization (ILO)¹ and the European Foundation for the Improvement of Living and Working Conditions (Eurofound). A similar survey was also implemented in mainland Tanzania.

1. National context

Mozambique has experienced sustained economic growth since the end of the civil war in the early 1990s. Economic growth has remained strong in recent years, with an estimated average growth in gross domestic product (GDP) of 7.7% between 2003 and 2007. This impressive economic performance, especially compared to other African countries, can to a large extent be attributed to political stability and economic reforms, which have also attracted foreign direct investment. At the same time, the economy has become more open, in that the share of trade as a percentage of gross national product has increased considerably in recent years (from 42% in 1996 to 75% in 2005). One of the leading areas of economic growth in Mozambique is the tourism sector, which employs about 35,000 workers, twice as many as in the 1990s.

¹ This report draws on *National profile of working conditions in Mozambique* (ILO, 2009).

Table 1: *Key social and employment indicators for Mozambique, 1996–2006*

	1996	2001	2007
Employment-to-population ratio (% , age group 15 years or above)			
<i>All</i>	78.3	77.5	77.0
<i>Men</i>	75.3	72.7	71.3
<i>Women</i>	80.9	81.7	82.2
Employment status, % of total employment (urban sector, in parenthesis)			
<i>Wage and salaried workers</i>			13.3 (36.2)**
<i>Self-employed workers</i>			62.1 (52.3)**
<i>Contributing family workers</i>			24.6 (11.5)**
Employment by occupation (% of total employment, urban sector only)			
<i>Senior officials, professionals, technicians etc</i>			10.1**
<i>Clerks</i>			3.1**
<i>Personal service and sales workers</i>			23.5**
<i>Skilled agricultural workers and fishery workers</i>			39.1**
<i>Craft and related trade workers</i>			10.1**
<i>Unskilled workers, elementary occupations</i>			11.3**
<i>Others</i>			2.7**
Labour productivity (GDP per person employed, constant 1990 USD at PPP)	2,157	3,058	3,863**
Gini index	44.5*	47.1***	
Working poor (% of total employment)			
<i>USD 1 or below (per day)</i>	53.0*	42.5***	
<i>USD 2 or below (per day)</i>	91.7*	88.1***	
Gross domestic product (GDP) per capita (constant USD 2000)	183	234	292**
Trade (% of GDP)	41.9	72.2	74.9**
Earnings from tourism (million US dollars)			144 millions
Life expectancy at birth (years)	43.8	42.6	41.8**
Population (growth rate, %)	2.9	2.5	2.2**
Adult illiterary rate	61.3*		

Note: USD 1 is equivalent to €0.76 (as at January 2012). * 1997 figure. ** 2005 figure. *** 2003 figure.

Sources: *ILO key labour market indicators; Economist Intelligence Unit country report; other national sources. One significant negative aspect of this development is the economy's increasing reliance on foreign aid. Net official development assistance is estimated to be about 20% of GDP. Fiscal dependency is even more serious, with some 40%–50% of government expenditure being financed through external assistance. There is increasing recognition of the importance of fiscal autonomy in achieving sustainable economic growth.*

Despite the rapid economic growth, overall living standards in the country remain low. The majority of workers are poor, earning less than two US dollars (USD) a day. Even with a lower threshold of USD 1 a day (about 35 Mozambique meticals (MZM)), the proportion of working poor is still high at about 40%. There is some indication that income inequality has been on the rise, although available data are rather limited.

The structure of employment is characterised by a high proportion of self-employment and the underdevelopment of wage employment. In the case of the urban sector, however, wage employment accounts for a significant proportion of

employment (about 36% in 2005). In the urban sector, the structure of employment is polarised between agriculture/fishery and services sectors. Most personal service and sales workers are believed to be engaged in informal economic activities where casual and temporary work dominates (World Bank, 2008).

2. Methodology

Survey sampling was based on a representative sample of households, but for various technical and logistical reasons, the geographical coverage was limited to three major urban areas, namely the cities of Maputo, Tete and Nampula. With help from the National Institute of Statistics, an appropriate weighting of the sampling frame was undertaken to allow an acceptable sample size. Upon the request of the tripartite partners, special attention was given to the tourism sector for which a different sampling method, based on the enterprises, was introduced.

The sampling frame included households from 92 randomly selected enumeration areas in the neighbourhoods of Maputo (36), Tete (26) and Nampula (30). Both paid employees and self-employed were included. In addition, the sampling frame included 125 randomly selected tourism enterprises from a list of registered tourism enterprises in Maputo (68), Tete (26) and Nampula (31).

To allow for the randomness of the selected sample, the team used the unordered list of households in selected enumeration areas. In each enumeration area, 10 households were randomly selected, and in each household only one person, working informally, was randomly selected for the interview. Thus, the scope of survey covered 920 households (or household respondents) in the three selected cities: Maputo (360), Tete (260) and Nampula (300).

Equally, in each selected tourism enterprise some workers were randomly selected for the interview. The number of selected workers in each enterprise varied from one to six, which was dependent on the size of the respective enterprise. Therefore, the scope of the survey covered 368 respondents from tourism enterprises in the three cities: Maputo (220), Tete (64) and Nampula (84).

The total sample size is 1,288 respondents (920 from households and 368 from tourism enterprises). However, for this analysis 1,224 questionnaires have been entered in a database. A further 64 questionnaires have been considered as invalid with 'no response', since the respondents decided not to participate in the interview. Thus, the non-completion rate is at 5%. The total number of responses presented in this report is 1,224 (due to a wide range of factors which complicated the field work, it was not possible to establish the non-response rate in the standard manner).

This survey was implemented by the Centre for Policy Analysis (Centro de Análise de Políticas) in Maputo. The field work was undertaken between May and June 2009.

3. Survey findings

While the labour laws in Mozambique lay down minimum standards, actual working conditions often do not comply with them. Where employees are subjected to conditions well below legally required minimum working conditions, the substance of labour laws is undermined. A recent survey of working conditions (see box at end of report) provided useful insights into the gaps between the law as it stands and the reality of the quality of working life (Table 2).

Table 2: Overview of working conditions, 2009

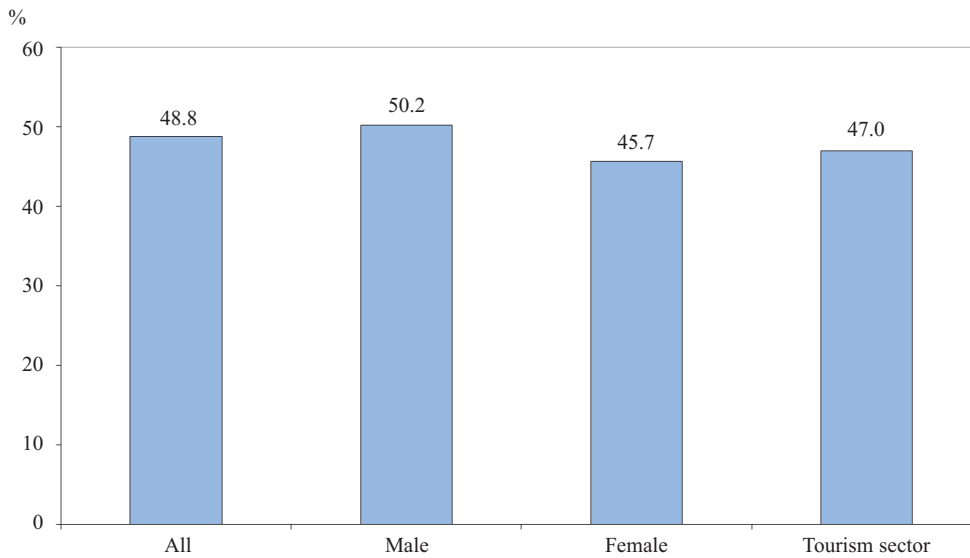
	All	Male	Female	Tourism sector
Employment contract				
Having a written contract or agreement (%)	48.8	50.2	45.7	47.0
Contracts having details on (% of respondents who have a contract or agreement)				
<i>Wages</i>	90.8	92.5	87.2	83.8
<i>Hours of work</i>	78.9	78.3	80.4	64.7
<i>Holidays</i>	61.2	59.4	65.2	75.2
<i>Having a baby</i>	NA	17.3	NA	46.3 (women)
Covered by a collective agreement (%)	19.1	19.4	18.6	21.3
Legal awareness				
Being aware of legal entitlements (%)				
<i>Minimum wages</i>	64.4	61.5	70.5	77.0
<i>Working time</i>	58.6	61.5	52.1	71.2
<i>Maternity protection</i>	71.9	71.6	72.6	76.3
Leave benefits and protection				
Benefiting from paid annual leave (%)	26.8	28.3	23.7	40.8
Benefiting from paid sick leave (%)	49.8	50.7	47.9	56.8
Benefiting from maternity leave (%)	NA	NA	43.9	49.7 (women)
Benefiting from dismissal compensation (%)	18.5	18.5	18.6	18.3
Contributions to pension funds (%)	21.8	21.5	22.4	33.6
Working time				
Having more than one job (%)	5.6	7.2	3.6	0.3
Weekly working hours				
<i>Short hours (less than 30 hours)</i>	22.4	22.7	22.0	13.6
<i>Long hours (more than 50 hours)</i>	59.3	58.9	59.8	68.0
Working hour preference compared with current working hours (% of respondents who would prefer)				
<i>More hours</i>	14.5	13.7	15.6	4.2
<i>Same hours</i>	67.4	68.9	65.4	66.9
<i>Less hours</i>	18.1	17.4	19.0	28.9
Working time regularity (% of workers who have fixed starting and finishing time)	41.5	46.5	35.6	62.0
Compatibility between working time and family and social life (% of workers who say that their working time fits family or social commitments)	68.1	67.3	68.9	43.0
Physical work environment and risks				
Physical hazards (% of workers who are exposed to the following hazards around 3/4 of the time or more)				
<i>Noises</i>	26.6	31.7	20.3	29.0
<i>High temperatures</i>	17.5	15.4	19.9	13.5
<i>Smoke, fumes, dust</i>	30.8	34.3	26.5	22.8
<i>Dangerous people (thieves, poachers and so on)</i>	18.1	19.7	16.1	15.1
Being well informed of safety risks (%)	44.4	50.9	36.8	45.9
The way work is organised				
Working at high speed (% around 3/4 of the time or more)	27.8	34.2	20.2	35.5
Working to tight deadlines (% around 3/4 of the time or more)	22.0	29.1	13.1	26.5
Having enough time to get the job done (% 'often' and 'almost always')	70.6	69.3	72.2	73.5
More training is needed to cope with the current job (%)	39.8	41.0	38.3	35.2

	All	Male	Female	Tourism sector
Violence at work				
Physical violence from people from the workplace	9.9	11.9	7.5	20.3
Physical violence from other people	9.9	12.7	6.5	15.2
Bullying and harassment	8.0	10.3	5.3	25.8
Work and health				
Work affects your health (%)	32.3	39.1	24.0	39.4
<i>Backache</i>	70.3	74.3	63.5	70.3
<i>Headache</i>	47.3	44.5	52.2	58.1
<i>Muscular pains</i>	74.1	76.9	69.2	59.7
<i>Injuries</i>	36.8	46.7	19.5	27.9
<i>Stress</i>	40.5	42.4	37.2	49.6
<i>Fatigue</i>	46.3	49.0	41.6	58.9
<i>Anxiety</i>	13.4	12.4	15.2	14.5
Absent due to health problems (% , over the past 12 months)	18.3	19.0	17.3	26.6
Earnings				
Low paid workers; % of workers earning less than...(MZM)				
<i>Less than 2,000</i>	53.9	51.4	60.3	51.7
<i>Less than 5,000</i>	86.0	86.8	89.8	92.0
Evaluating working conditions				
Working conditions have improved, compared to the previous year (%)	42.2	46.6	41.2	42.1
Job satisfaction				
<i>Pay</i>	30.4	31.5	28.2	22.0
<i>Amount of work</i>	48.6	45.1	56.0	36.9
<i>Working hours</i>	49.3	46.1	55.9	35.7
<i>Training</i>	37.2	40.5	30.3	31.7
<i>Job security</i>	49.9	50.5	48.6	51.9
<i>Workplace safety</i>	52.2	53.2	50.0	57.9
<i>Overall</i>	41.2	42.2	39.0	45.3

Employment relationships

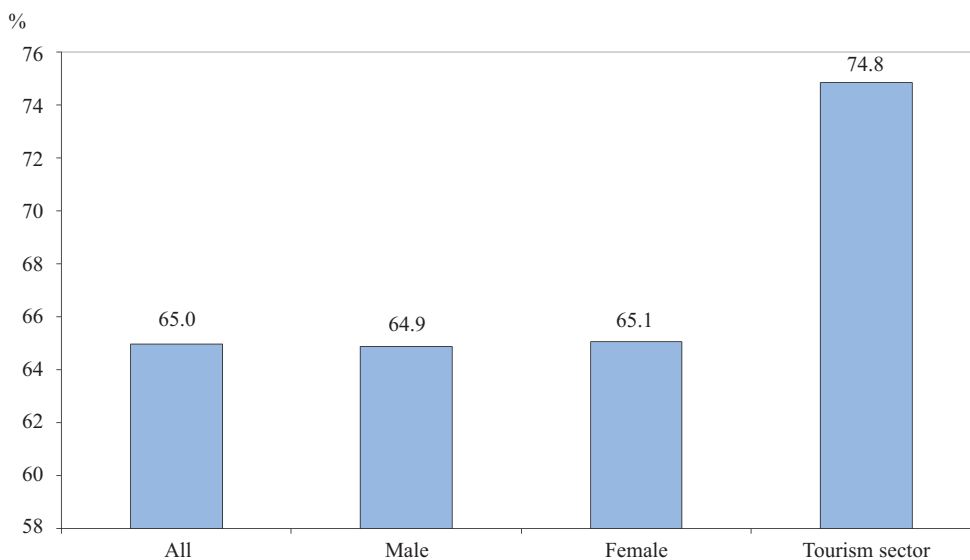
The results of survey indicate that employment in the urban sector is largely informal, many workers lacking an explicit employment contract. Only about half of workers have a contract or agreement (Figure 1). Where there is an explicit contract, it tends to include details on wages and working time, but not necessarily on paid holidays and maternity-related arrangements. Temporary employment is estimated to affect more than 18% of workers, with employers often preferring this type of employment as it reduces the statutory regulations governing regular employment contracts. Temporary contracts are less frequent in the tourism sector (about 11%). Significantly, the incidence of stable and permanent employment tends to be higher among workers with higher educational attainments. The proportion of workers covered by collective agreements is small (less than 20%).

Figure 1: Percentage of workers with a written contract or agreement, 2009



This informal nature of the employment relationship is related to the fact that a considerable proportion of workers are not aware of their basic legal entitlements in relation to the minimum wage, maximum working hours and maternity leave (Figure 2). About one third of workers are unaware of existing legal entitlements, although the proportion is lower in the tourism sector (about one quarter). Legal awareness is associated with better working conditions. For example, the incidence of working long hours (for example, 50 hours per week) tends to be significantly lower among those workers who are aware of the statutory maximum hours (52% versus 62%).

Figure 2: Percentage of workers aware of their legal entitlements concerning minimum wage, working hours and maternity protection, 2009



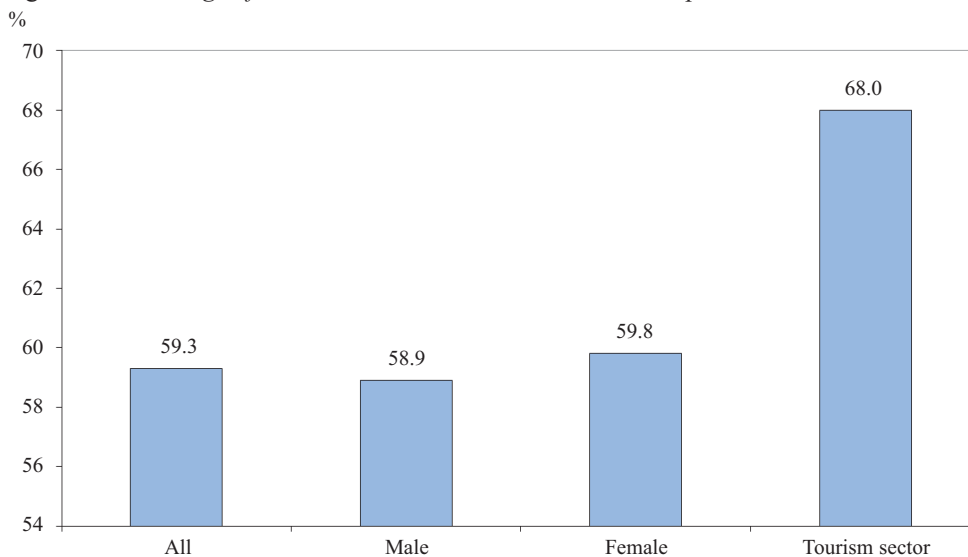
Most workers in the informal economy have little or no social protection and receive little or no social security, either from their employers or the government. Furthermore, when workers are covered by social security, their social security deductions often leave them with very little on which to live. Only 22% of workers are reported to contribute to pension

funds. The majority of workers do not benefit from maternity leave or sick leave. Paid annual leave is far less frequent and reaches only 27% of workers.

Polarisation of working hours

Under the law, employees may work a maximum of 48 hours per week, with a maximum of 200 hours overtime per year. In reality, however, in both the informal and tourism sectors, working hours are polarised between very long and short hours (workers working short hours tend to be underemployed). For example, 59% of workers work more than 50 hours per week (see Figure 3), while another 22% work fewer than 30 hours. Only a small minority of workers work ‘standard’ hours: between 30 and 50 hours. Workers with shorter hours are often in ‘time-related unemployment’ in that their short hours are simply due to the lack of work (about 15% of workers). Thus, these workers would like to increase their hours whenever work is available. By contrast, another 18% of workers, who typically work long hours, would like to reduce their hours but are not able to do so because of various constraints in the workplace (for example, high and sustained work demands).

Figure 3: Percentage of workers who work more than 50 hours per week, 2009



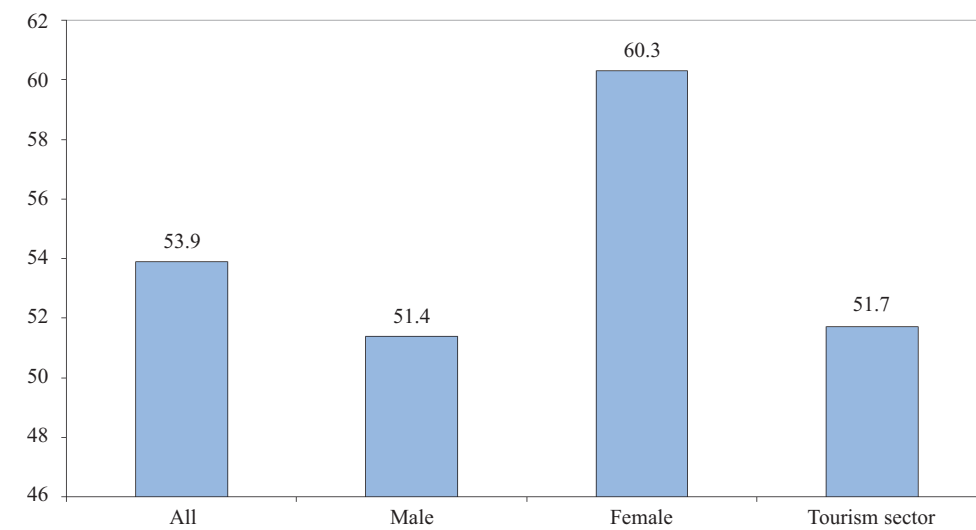
Long working hours are particularly common in the tourism sector where labour is required 24 hours a day. There is an extreme system of working hours in this sector, which has two 12-hour shifts and no rest day in between, resulting in 72 working hours per week. Workers with long working hours are more likely to have health problems and difficulties in balancing work and family life. As a result, overall job satisfaction is low.

Coupled with the polarisation of working hours, the majority of workers (about 60%) have irregular working time patterns in that they do not have any fixed time for starting and finishing work. Their working time tends to be determined by the level of demand for labour.

Widespread incidence of low pay

Mozambique has a different minimum wage for different industries, ranging from MZM 2,050 to MZM 2,758 a month (2009 rate; about USD 58 and USD 78 respectively). The majority of workers earn less than the relevant minimum wage, however. Payment below the minimum wage is particularly frequent among women workers and in small enterprises. Only 37% of workers in small enterprises (fewer than 10 employees) earn the minimum wage or more. The fact that 86% of workers earn less than MZM 5,000 a month (about twice the minimum wage) illustrates the massive presence of low pay in Mozambique. The incidence of low pay is significantly higher among women workers (Figure 4).

Figure 4: Working poor: percentage of workers earning less than MZM 2,000 per month, 2009



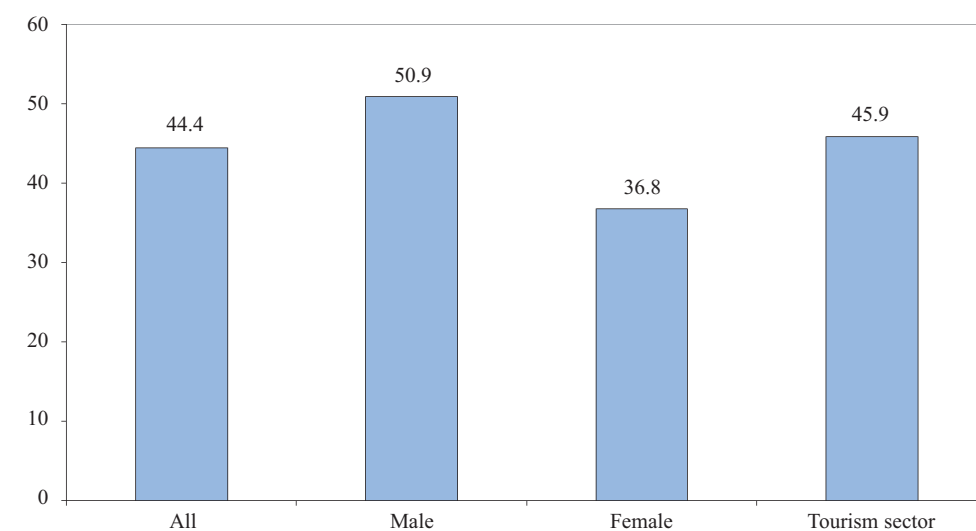
High exposure to physical risks at the workplace

Workers in Mozambique are exposed to various types of physical risk. Noise, especially from loud music and people is a common risk in overcrowded informal-sector activities. Moreover, given the nature of the climate, high temperatures particularly affect workers in the informal sector.

Workers are often vulnerable to risks from dangerous people (such as thieves and poachers). The incidence of physical violence and harassment is particularly high in the tourism sector as workers in this sector are more likely to be attacked by thieves, especially when they hold cash after sales.

Many workers in all sectors are also subject to inadequate safety and health standards and environmental hazards. They are also often poorly informed about risks at work (Figure 5), which means that they are not well prepared to cope with them. Women workers are more vulnerable to such risks.

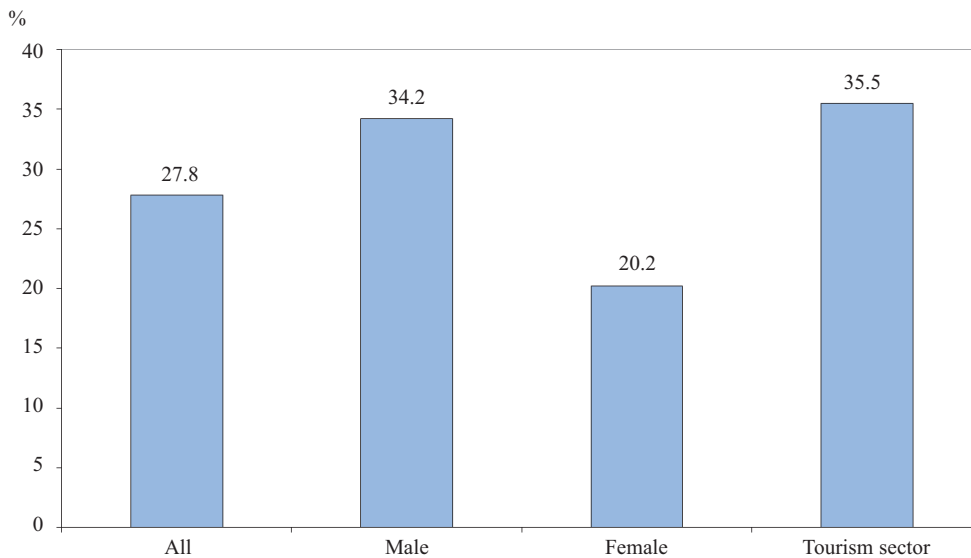
Figure 5: Percentage of workers who are well informed about safety risks, 2009



Work intensity and skills mismatch

Working hard under pressure characterises working life for the majority of workers. They not only work at high speed (Figure 6), but also under tight deadlines. As a result, the overwhelming majority do not have enough time to do their jobs. This time pressure in the workplace appears to be related to skills mismatch: many need more training to cope with their current jobs.

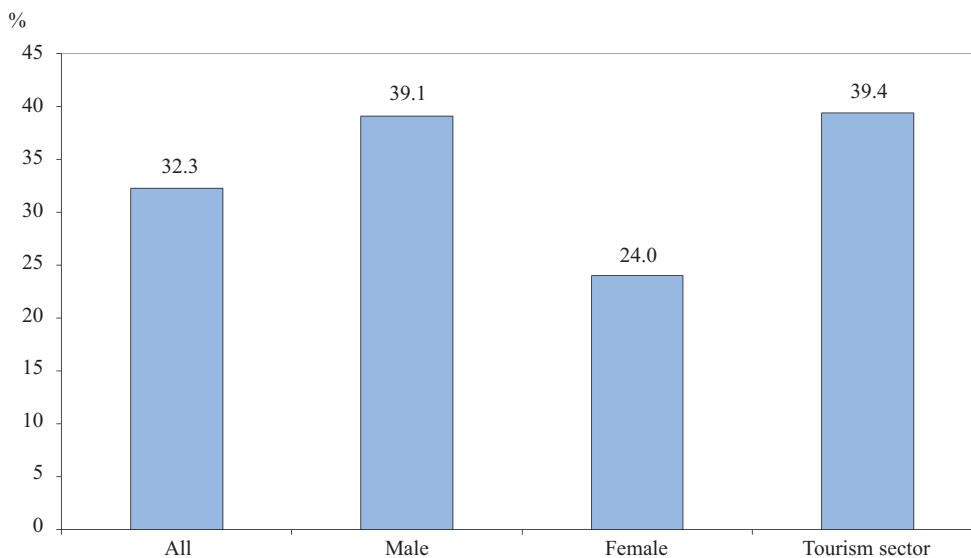
Figure 6: Percentage of workers working at high speed three-quarters of the time or more, 2009



Influence of work on health

About 32% of workers report that their health is affected by their work (Figure 7). Overall fatigue, hearing problems and backache are the most commonly cited negative health effects of work. Not surprisingly, those workers subject to physical risk in the workplace (such as working in tiring positions and repetitive movements) are much more likely to have health problems. They also tend to be more pessimistic about the possibility of working when they are older (at 60, for example). Significantly, the incidence of work-related health problems is much lower where workers are well informed about workplace risks. It was found from the survey that in 2008, 18% of workers were absent from work for at least one day for health-related reasons.

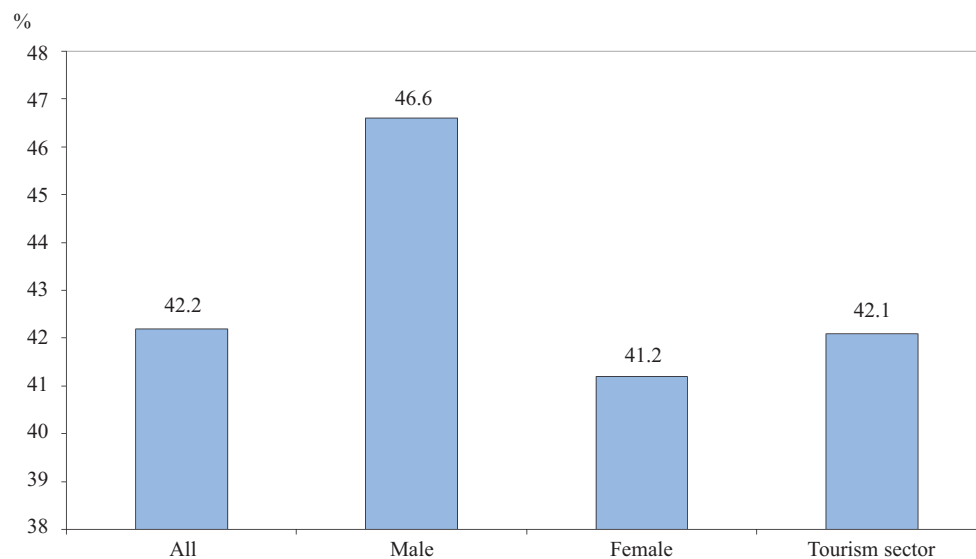
Figure 7: Percentage of workers who report that work affects their health, 2009



Low job satisfaction

Forty-two% of all workers questioned report that their working conditions have improved (Figure 8). Women workers are slightly less positive than male workers about recent developments. At the same time, the overall level of job satisfaction is low. Only 41% of workers are satisfied with their current working conditions. Overall, workers are more concerned about pay and training than they are about job security and safety at work.

Figure 8: *Percentage of workers who report that their working conditions have improved compared to the previous year, 2009*



4. Policy considerations

The new survey on working conditions in Mozambique highlights a series of primary ‘gaps’ in both the implementation of labour legislation and the content of the legislation compared with the country’s development goals. The differences between the law and the reality of the situation are particularly stark in the areas of working time, work–family balance and social protection. The widespread practice of unreasonably long working hours and the massive incidence of payment below the minimum wage are causes of great concern. Moreover, the legislation itself neglects workers with family obligations and workers in the informal sector. As a result, job satisfaction is low and health and safety concerns are high.

These findings and concerns were discussed in the national tripartite workshop on 15 October 2009 in Maputo. The workshop participants greatly appreciate the new survey and identified key areas for policy action. These are summarised in a conclusion document which was adopted unanimously at the workshop. The box below provides the English version of the original Portuguese text.

Conclusion of National Tripartite Workshop concerning improvement of working conditions in Mozambique (15 October 2010)

Mozambique has made significant efforts to reduce unemployment and poverty. Recently, the Poverty Reduction Strategic Plan (PARPA) made social inclusion and income security central objectives of national policy. This move is an opportunity to work towards combining job creation policies with attention to the quality of the jobs being created. In part, the aim of this new policy is to promote social justice by reducing the impact of unacceptable working

conditions on the welfare of workers and their families. As the global financial and economic crisis made clear, it is important to ensure that the new jobs created are of high quality and sustainable in the long term.

The need for sustainable job creation policies underlies the International Labour Organization (ILO) initiative on improving job quality in Africa, launched in November 2008 to support research-based decision-making policies on working conditions. The programme was designed to promote rigorous and objective analysis of current working conditions and the laws governing them, and to assess the influence of national legal standards on current conditions. This new methodology was introduced in Mozambique with a particular focus on the tourism sector as one of the primary growth sectors in which job quality has raised concerns. To this end, two studies were commissioned to review working conditions and the legal framework in Mozambique.

The reports of both studies were analysed in depth during the workshop and were the subject of vigorous debate. With regard to the regulatory framework, the issues that attracted particular attention included: (1) the possibility of integrating reconciliation of work and family responsibilities in the legal framework; (2) extending maternity leave; (3) improving labour inspection, with greater emphasis on its educational role; (4) making the minimum wage more effective.

The results of the survey on working conditions were also presented, the discussion focusing on: (1) long working hours and their impacts; (2) health and safety concerns; (3) low job satisfaction; (4) inadequate social protection; (5) low pay.

The workshop also reviewed the policy recommendations submitted for discussion by the research team. The participants thought the recommendations were relevant and needed to be taken into account in future policy-making. Considering the constraints in terms of time and resources and the urgency of the various measures, the participants concluded that the following areas should be taken into account for the purposes of policy-making:

- There is an urgent need to strengthen the role of labour inspectors, not only in order to penalise offenders, but also in order to take preventive measures through continuing education.
- Trade unions should take a leadership role in all matters concerning the improvement of working conditions.
- An effort should be made to integrate the informal sector into the formal economy.
- Technical and professional training is needed for workers in both the formal and informal sectors.
- The existing legal instruments should be used to encourage informal sector workers to organise ways of being represented in order to give themselves a collective voice.
- Efforts should be made to establish a clear link between employers and workers through the application of existing standards and laws that encourage employment and labour relations on the basis of explicit and consensual contractual arrangements.
- The possibility should be studied of extending the current period of maternity leave to at least 90 days and paternity leave to five days in view of the impact this would have on workers' lives.
- Incentives should be given (in addition to wages) in order to meet the rising cost of living.
- Social security should cover both the formal and informal sectors.

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Sangheon Lee

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