



Report of the Seminar

Tackling employment challenges through coordinated action

Maputo, 16-18 April 2013

I. Purpose and design of the seminar

Like many countries in the region, Mozambique faces a number of important challenges in the area of employment despite solid economic growth. The priority set by the Government is to ensure that economic growth not only remains strong, but also becomes more inclusive and thus focused on employment creation. The complexity of the challenges of employment creation requires a wide range of integrated policy interventions and an integrated approach to employment policies, which can only be effective when it involves close coordination between the Ministry of Labour, the Ministries of Finance and of Planning and Development, other Sectorial Ministries, workers, employers and other national partners such as the Bank of Mozambique, NGOs, etc.

In this context the International Labour Organization (ILO), in collaboration with the Office of the UN Resident Coordinator and the United Nations Program for Development (UNDP), sponsored by the Swedish International Development Cooperation Agency (SIDA) and in partnership with the Ministries of Labour and of Planning and Development, organized a seminar with the title "Tackling employment challenges through coordinated action".

The main objective of this seminar was to provide the national partners with a common understanding of the challenges of employment and possible solutions, so as to ensure that they are in a better position to formulate inclusive, informed and sustainable employment policies, and especially to ensure greater coordination between ministries/sectors.

Experts participating in the seminar included those from the ILO (Lusaka, Geneva and Pretoria offices), the National Institute of Employment and Vocational Training (INEFP), the Ministry of Planning and Development (MPD), the National Institute of Statistics (INE) and UNDP. The final round table where the recommendations and conclusions of the seminar were discussed was also attended by the Director of Studies and Planning of the MPD, the Director-General of INEFP, the Director of the ILO Office for Malawi, Mozambique and Zambia, the UN Resident Coordinator and the Deputy Executive Secretary of the Organization of Mozambican Workers Union Centre (OTM).

Given the multidisciplinary dimensions of employment, the participants in the workshop included a wide range of stakeholders who play a direct or indirect role in employment creation. Therefore ten Ministries were invited, as well as relevant workers' and employers' organizations. The level of participation was high, reflecting the strong interest of national partners. (More than 90% of the invited guests attended throughout the three days, for details see attendance list attached).

Participants were both very knowledgeable and very active throughout the workshop, with dynamic group work and high levels of interaction in discussions and debates. This contributed greatly to the success of the workshop.

II. Conclusions and recommendations

It was a unanimous conclusion that, although there is room for improvements, Mozambique has a considerable number of programs and initiatives related to job creation, skills development and labour market institutions. Participants noted however that there is a lack of dissemination of results, as well as a lack in coordination. Interventions are fragmented and the scale of some projects is far too small to really have an impact. Weaknesses are also obvious regarding the implementation of interventions. All this leads to a smaller than expected impact in terms of

employment creation and thereby in terms of poverty reduction.



Throughout the seminar, and integrated into each thematic session, several working groups were organized. The discussions in the groups aimed not only at consolidating knowledge on the topics, but also at putting the knowledge into the Mozambican context. The following sections summarize the relevant outcomes of each of the interactive group sessions.

II.1 Key Challenges of Employment in Mozambique

The first working group discussion covered the theme **"Main employment challenges in Mozambique and what to do about it,"** the most important points raised by the participants were:

- The large informal economy and the need to formalize it to ensure decent jobs for the low skilled segment of the labour market;
- Reform the outdated and inefficient education systems, including technical and vocational training, through for example modernized and harmonized curricula reflecting the needs of the Labour Market;
- Identification of sectors with the most potential in terms of decent employment creation;
- The need to channel investments to the sectors with higher employment potential and diversification of investment;
- Insufficient infrastructure (mainly in rural areas) and the need to invest in this sector;
- The need to overcome inefficiencies in implementation of employment initiatives through improving the level of decentralized implementation;

- The need to ensure participatory design and implementation of employment and labour market policies;
- High levels of inequality and poverty and the need for better inclusion of the most vulnerable;
- The need for simplification of procedures for opening businesses;
- Lack of policy coherence;
- Better inclusion of young people, women, people with disabilities;
- Promoting distributive policies.

II.2 What Employment Policies and Active Labour Market Policies exist in Mozambique?

The second session of group work had as its theme "**What employment policies and active labour market policies exist in Mozambique?**" Based on the gained knowledge that employment policies go far beyond active labour market policies (for which the Ministry of Labour and INEFP are responsible), this exercise intended to take advantage of the different backgrounds of the participants to identify initiatives and other programs related to employment creation and skills development. It became clear that the Government of Mozambique (including several ministries) has various instruments of intervention that directly or indirectly contribute to job creation and skills development (see list in Annex c). Initiatives were identified at both centralized and decentralized levels. The discussion made it clear that besides the Ministry of Labour and INEFP, all Government sectors have various means of interventions that can and should focus on employment, such as the Ministries of Finance, Industry and Commerce, Education, INE and the State Administration.

Many policies, strategies, programs, legislation and other instruments that impact on employment were identified. Sometimes an overlap of instruments became obvious. For example numerous existing funds for micro, small and medium sized enterprises were identified. An extended discussion stressed the importance of initiatives to simplify procedures for business creation and the role that taxation (through exemptions, for example) can have in promoting employment. Also the importance of policies and programs for education, including technical and vocational training was mentioned, several initiatives were listed.

Interventions at urban as well as rural levels were identified such as rural banking and support programs for agricultural development.

It became evident that there is a strong need for effective coordination of all these instruments in order to achieve policy coherence.

II.3 Institutional framework for the implementation of a national employment policy

The seminar gave the participants the opportunity to learn about the institutional frameworks used by other countries to develop and implement national employment policies.

One of the cases presented was China, a case worthy of highlighting: When China realized that even very high growth rates do not automatically lead to sufficient employment creation the Government

decided to change the policy priority, shifting from economic growth (measured by GDP) to employment. Currently employment is at the heart of China's development strategy. The country has a National Employment Policy that was even changed into an Employment Promotion Law later on. This is accompanied by various institutions, tools and programs at the central and decentralized level. The Employment Promotion Law and the National Employment Policy specify that each ministry in the inter-ministerial committee has the obligation to develop their own employment sub-targets and policies. The NEP implementation and the various sectoral policies are steered by the Committee, chaired by the Vice Prime Minister, with multi-sectoral coordination and monitoring mechanisms. The Committee includes several ministers and heads of departments and high level officials from provincial governments.

Similarly to China, South Korea also focuses its economic growth strategy on employment through its National Employment Policy. It also has an implementation committee, with multi-sectoral coordination and monitoring mechanisms, but in this case it is chaired by the President of the Republic. It also includes several Ministers and Heads of Departments and high level officials from provincial and district governments.

In the case of South Africa, the new growth strategy has also focused the priority on employment. Although South Africa does not have a specific employment policy, its National Development Plan (NPD) focuses on the promotion and creation of employment, which is given effect through the New Growth Path and the budget framework. Lesotho also placed job creation at the center of their National Strategic Development Plan, identifying the binding constraints to job creation, defining the growth accelerators (water and mining projects) and growth generators (Agriculture, Manufacture, Tourism and Investment Climate).



II.4 Recommendations

Participants were asked to develop recommendations in several areas that were presented to the high level political panel at the end of the seminar. The very interesting suggestions included:

Improving the knowledge base on employment creation through the following research:

- Mapping of existing sectoral / ministerial strategies to promote employment;
- Need for sectoral studies to assess their impact on employment:
 - Industrial (subsidies and taxes);
 - Agriculture (agricultural productivity); and
 - Rural development.
- Creation of a modern labour market information system that includes information from all sectors as well as specific labour market information such as the available jobs, job seekers. This system should be available to all.

- Studies that estimate the employment impact of public investment.
- Identify labour market needs in terms of skills/skills forecasting.

Institutional framework, monitoring and evaluation for a possible National Employment Policy (NEP) and for the Employment and Vocational Training Strategy (Estratégia de Emprego e Formação Profissional)

Within the institutional framework and the main challenges that Mozambique has to face, the participants recommended the following:

- Develop a more comprehensive National Employment Policy as an instrument of coordination. Within this framework, the Employment and Vocational Training Strategy (EVTS) would be a central part in the formulation of an action program.
- Creation of an observatory of employment.
- Creation of an Inter-Ministerial Committee for employment promotion and the design and implementation of the NEP, with the participation of all key stakeholders including MPD, MIC, MITRAB, MF, INE, MJD, MINED, MOPH, MAD as well as Provincial Governments, Municipalities and District representatives and unions, private sector representatives, employers' organizations and NGOs. The Committee would be chaired by the Prime Minister.
- Need for an assessment of the current EVTS to identify weaknesses and gaps in implementation.

Capacity building needs

- Design and implementation of employment friendly macroeconomic policy frameworks
- Development of a modern Labour Market Information and Analysis Systems
- Capacity building on labour market indicators and labour market analysis
- Training on monitoring and evaluation of employment related programs and initiatives as well as on national employment policies
- Training in sectoral planning and targeting for employment creation

Communication and follow-up to the seminar

Participants suggested taking advantage of the wide range of institutions participating in the seminar to ensure the follow up of the working group recommendations. As a result the following suggestions emerged:

- Create a system of communication between the participants, by creating a contact list (mailing list) for distribution of information;
- Conduct periodic meetings to exchange experiences and identify needs of participants;

- Establish a relationship between this group and the PARP's Employment Group as a way of strengthening an existing group and with functions already defined;
- Validate at each of these Ministries the possibility of these technicians being formally recognized as focal points on this subject and for this group.

Participants' Evaluation

Finally, the evaluation from the participants was very positive, 4.29 on a scale of 1-5, both in terms of content, as well as in terms of organization and methodological approach of the seminar. It was suggested that the participation of higher level officials would have further enriched the discussion while at the same time ensuring that the seminar content is communicated to the level of decision makers.



III. Conclusions from an ILO perspective:

Experts from the ILO were highly satisfied with the running of the seminar as well as its results. All main objectives were achieved:

- Participation was high, over 90% of the participants invited attended, with a broad multi-sectoral coverage;
- Participants gained a better understanding of the concepts of policies and strategies for employment. This became obvious through participants' contributions, the highly interactive group discussions as well as the well-designed recommendations produced.

Taking into account that the developed recommendations do not have any binding character (as the participants were not formally mandated to produce recommendations) it would be important to ensure that the decision-making bodies of the Ministries analyze the recommendations and take the necessary decisions and actions.

The ILO is highly interested to discuss and analyze the possibility of supporting some of the proposed activities, particularly in the area of training and research and to support the continuing work of the working group created in the context of this seminar.

IV. Annexes:

- a. Agenda of the seminar
- b. List of participants
- c. The main employment policies and initiatives in Mozambique.

a. Tackling employment challenges through coordinated action

Workshop, Mozambique 16-18 April 2013

	Tuesday 16 April	Wednesday 17 April	Thursday 18 April
8:30 – 10:00	Opening: Capacity Building Workshop: Tackling employment challenges through coordinated action <i>Ministry of Labour, Ministry of Plan and Development, ILO (Martin Clemensson), UNDP, RC</i> Introduction: <i>Overview of the course</i> <i>ILO, Michael Mwasikakata, Dorothea Schmidt</i>	Session 4: EVTS: What is it? How was it designed? What are the main challenges with regard to implementation? <i>Ministry of Labour</i> How is employment addressed in the PARP? What are the main challenges with regard to implementation? <i>Ministry of Plan and Development</i> Group work: <i>Main challenges of EVTS and the PARP</i>	Group work: What have we learned for the process in Mozambique? What are the next steps to be taken? Presentation of Group Work Results and discussion on next steps Presentation: <i>UN Policy Facility</i>
10:00 – 10:30	Break	Break	Break
10:30 – 12:00	Session 1 Setting the scene: <i>Macroeconomic Context (UNDP)</i> <i>Poverty and labour market context (external expert)</i> <i>Latest developments on the labour market in Mozambique (IN-CAF)</i> Panel discussion: Major employment challenges in Mozambique and what to do about it <i>Selected workshop participants, discussion led by ILO</i>	Session 5: Creating a knowledge base: The identification phase and the need for a solid Labour Market Information and Analysis Systems <i>ILO, Michael Mwasikakata</i> Presentation: Draft Literature Review on employment related literature Group work: What further research needs to be done?	Preparation of the afternoon session where participants will present the main findings of the Workshop Evaluation of the Workshop
12:00 – 13:00	Break	Break	Break
13:00 – 14:30	Session 2: Addressing employment challenges: What are employment policies? What are active labour market policies? <i>ILO, Michael Mwasikakata</i> The Program on Urban Employment in Mozambique <i>Representative of Municipality of Matola</i> Group work: <i>What employment policies, programmes and active labour market policies exist in Mozambique</i>	Session 6: Institutional setting for the design and the implementation of a NEP <i>ILO, Dorothea Schmidt</i> The institutional setting in China <i>ILO, Yadong Wang</i> Group work: Institutional setting in Mozambique: What exists and main challenges?	Closing of the Workshop and High Level Meeting: Presentations: Main findings from the Workshop Workshop participants, ILO experts ILO's framework to address employment challenges <i>ILO, Michael Mwasikakata</i>
14:30 – 16:00	Session 3: What is important when designing and implementing employment and labour market policies? <i>ILO, Dorothea Schmidt</i>	Session 7: The experience of other countries: The case of China <i>ILO, Yadong Wang</i> The case of Lesotho and South Africa <i>ILO, Michael Mwasikakata</i>	Roundtable discussion: Mozambique's needs in terms of employment <i>Government Officials, Workers, Employers, ILO Experts, Workshop Participants</i> Official Closing: <i>Minister of Labour and Minister of Plan and Development, ILO Expert</i>

b. List of participants:

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c. The Main Employment Policies and Initiatives in Mozambique:

- Improvement of labour law;
- Strategy of small and medium-sized enterprises:
 - Capital KITS for commencement of business;
 - Small enterprises incubators;
- Mobile training units;
- Promotion of tax incentives:
 - Simplified tax code, benefits, expansion of E-SISTAF;
- Investment incentive law;
- Simplified licensing;
- Employment and Professional Education Strategy (INEFP/PACDE / EEFP / PIREP / PARP);
- Statistics: INE – INCAF, TRABALHO, MAE – PERPU e FDD, FUNÇÃO PÚBLICA, PÁGINAS (WEB) DE SONDAGENS;
- District Development Fund (FDD);
- Local Initiative Investment Fund (FIIL – 7,000,000.00);
- Pro-youth (PRÓJOVEM);
- Strategic Programme for Urban Poverty Reduction (PERPU);
- Customs barriers to encourage domestic Industry;
- Creation of Special economic zones (GAZEDA);
- Investment Promotion Centre (CPI);
- Job opportunities: newspapers, employment agencies, recruitment web pages;
- Technical-Professional Education;
- Food for work = productive work (social Protection);
- Industrial policy and strategy;
- Socio-economic plan for the agro business;
- Pró-Savana;
- Improvement of the business environment;
- District infrastructure program;
- Monetary policy and education Strategies:
 - Promotion of Rural Finance;
 - Rural banking.