



Socio-economic Integration of Mozambican Youth into the Urban Labour Market: The Case of Maputo

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In partnership with



In collaboration with



Though financial and technical support was received from the Embassy of France in Mozambique and the International Labour Organisation, the views expressed in this study are those of the authors alone.

It shall be up to the study's initiators to draw the relevant conclusions upon reading this document.

Foreword

by His Excellency the Ambassador of France to Mozambique

I believe that the study on the "Socio-economic Integration of Mozambican Youth into the Urban Labour Market" is of primordial importance because this is a key issue in Africa. The theme of the 23rd Summit of African Heads of State and of France, held in Bamako from 3 to 4 December 2005, which addressed the concerns of Africa's youth, bears witness to this fact. This study is timely in furthering reflection on the matter within Mozambique's context, and more specifically Maputo, as it analyses the conditions for integrating young people between 15 and 29 years, who represent more than a quarter of the country's population.

Mozambique's rapid urban population growth, from 35,6% in 2003 to 48,5% in 2015, should draw the international community alongside the Mozambican population and its leaders, at central as well as local level (provinces, municipalities, districts), so as to support their efforts to offer an alternative to the youth in view of the current difficulties they are facing with integration. The youth are expecting responses to their concerns in the face of the difficulties that they are encountering in planning their future confidently and thus participating in their country's development.

France has a clear desire to support youth initiatives. Its financial and technical support for undertaking this study is proof of this, together with her past support for the "Youth, Community Life" programme that was implemented in partnership with the Maputo Province authorities. Our financial contribution to the "1st job" youth project conducted by LINK-NGO forum, is also a demonstration of this desire.

I am also pleased to note that this document is a result of the exemplary partnership between the Mozambican Ministry of Labour, the Sub-regional Office (Harare) of the International Labour Office (ILO), Eduardo Mondlane University, the French NGO, ESSOR, and this embassy. This collaboration, once again, demonstrates that the correct combination of talent, know-how and resources is often a determining factor for concretising a project that is deemed difficult, within a short space of time.

I am convinced that this study is a worthwhile contribution to Mozambique's reflections, and that the proposed actions contained therein will prove useful to that country's authorities at a time when they are intensifying the fight against poverty. The socio-economic integration of young people is a challenge that forms an integral part of this fight. Mozambique can, indeed, count on France's support in these efforts.

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International Labour Organisation

Over the last three decades, the International Labour Organisation (ILO) has undertaken numerous research and technical cooperation activities targeting the informal economy and youth employment, and has provided advisory services on policy formulation. The ILO's work has greatly influenced national policy design, formulation and implementation. At international level, it has contributed towards a better understanding of the nature, characteristics and challenges of youth employment and the informal sector. It is hoped that the lessons drawn from this study along with the findings of the Southern African sub-regional Conference on Youth Employment, held in Harare, in October 2005, will be beneficial to the Mozambican government and its social partners.

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Pierre Romagny, Focal Point for the Study (ILO Mozambique)

ESSOR Mozambique

ESSOR, a French development NGO created in 1992, is involved in development activities in Brazil, Mozambique and Cape Verde. Operating in Mozambique since 1997, it is active in local, social and economic development. It supports, among others, vocational training and the integration of unemployed youth into the economy through access to training and employment. Since 1999 it has worked in Maputo in partnership with the Ministry of Labour, training specialists and members of the private sector and has put in place an innovative service called the UPA, dedicated to vocational training and the integration of unemployed youth. In view of its experience in these areas, ESSOR was contracted by the Service for Cultural Action and Cooperation (SCAC) of the French Embassy in Mozambique to be the executing agency of this study.

Bruno Meric, *Representative of ESSOR Mozambique*, Field Supervisor for the Study

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French Embassy in Mozambique

Mozambican youth are concerned about their future and the difficulties they face with participating in the social and economic development of their country. In this regard, France has supported research on possible areas for action. The Partnership Framework, in collaboration with local partners, defines the strategy for the next five years in Mozambique. The French Government's commitment to supporting youth development in Mozambique is demonstrated by its financial and technical support for this study.

José Da Costa, *Cooperation Attaché, SCAC*, French Embassy in Mozambique, Head of Financing and Monitoring Study

Local Partners

Ministry of Labour (INEFP)

Universidade Eduardo Mondlane in Maputo (UEM – Sociology Department)

Young people in Maputo are having to face the challenges, indeed the impossibilities, posed by the harsh realities involved in securing formal and decent work. Most of them are resorting to the informal labour market which predominates in the Mozambican economy. Economic integration is linked to social inclusion. For most of the increasing numbers of young job seekers entering the labour market each year, social integration is virtually an obstacle course, where the challenges encountered include finding a means of survival, trying to gain access to higher levels of education and forming social networks consisting of family, friends and acquaintances.

The Mozambican economy is experiencing growth, albeit unequally distributed, with the activities favouring such growth being concentrated mainly in the southern part of the country and, more specifically, Maputo. However, 83 per cent of the country's active population works in the primary sector. Analysts forecast that in the short-term the secondary and tertiary sectors will experience strong economic growth. However this trend does not necessarily entail a significant increase in the number of jobs. The informal sector that employs 95 per cent of Mozambique's active population, is growing and its workforce increasing each year. This growth has been largely influenced by the high rate of job losses due to the recent privatisations of large companies and the reorganisation of the workforce. Stringent legislation and restrictive administrative procedures as well as limited financial resources, are stifling formal private initiative and its development. Against this background, Mozambique is facing a youth employment challenge, characterised by the entry each year of 300 000 young people into the labour market. With this challenge in mind, the government is pursuing initiatives, particularly in youth employment promotion. The private sector, civil society and various international partners need to join forces with government in this endeavour.

The findings of this study, are based upon desk research, a quantitative study of 544 young people of both sexes, aged between 15 and 29 years and living in Maputo, and a qualitative study of 69 representatives of various economic, institutional and social players working in this field.

Main Findings of Study

Firstly, this study notes that, “the poorer one is, the less chances one has of emerging from poverty” and of becoming economically integrated into the labour market, with some degree of security. After all, securing a regular income is absolutely essential for guaranteeing one's survival. Young people with a disadvantaged background start their education late, do not learn enough (not necessarily their fault), drop out of school too soon and find themselves on the labour market with limited educational and vocational qualifications. For many young people, the informal economy is their salvation. Is this fatalism? Should it actually provide a future for these young people? This study seeks to answer these questions.

The second finding is, very logically, based upon the capacity of public educational institutions to facilitate the socio-economic integration of young Mozambicans. The lower the education level of young people, the more their socio-economic future is compromised. Having a headstart in life means quickly and sustainably acquiring the knowledge, tools (literacy and numeracy skills) and learning methods needed for building one's future. It seems, however, that the national education system is failing to fulfil this role, due to the financial, human and management limitations typifying this sector of activity. This is particularly worrying in today's rapidly changing world. Today... tomorrow, in Mozambique, as with anywhere else, young

people will need to acquire knowledge and skills if they are to build their own future and that of their country. The Ministry of Education and Culture, fully aware of this role, has undertaken to meet this challenge in the face of numerous difficulties that it must address, mainly with the support of the international community.

Another finding: low vocational training levels (such training is often expensive) among most of the young people in the sample are also an obstacle to their advancement. Practical training should, however, be the first step towards acquiring vocational skills. The inadequate vocational training institutions, limited education levels among students entering these institutions, scarcity of financial and material resources, learning methods that are far removed from the realities of the world of business, training fees that are beyond the reach of most pupils, the failure to recognise this training as a level of education, a tight labour market...the list of issues to be addressed is endless.

However, it is not enough to have a privileged social background and a good basic education enhanced with a vocational training qualification that enables you to be easily integrated economically. You also need to have a rich social network of close or distant relatives, friends from the same ethnic group or geographical region (not absolutely necessary, though) – people with whom you have a give-and-take relationship and a variety of acquaintances. In other words, to find work in the formal and informal sectors, not only are material and technical skills necessary but so are networking skills. It was surprising to note the degree of importance attached to this **fourth finding**. Among all social strata, 67,7 per cent of young people interviewed (see the end of Chapter 3 for the research methods pertaining to the young people – 70,4 per cent among young workers) confirm that mobilising ‘social resources’ is the main method used for seeking and securing jobs. So it is through establishing a social network, knowing the social environment and understanding the different underlying networks that young people are able to rapidly find work, with levels of stability and decency determined by the extent to which these social relationships are managed. This means that not being a social orphan is just as important as possessing actual educational and/or vocational qualifications.

It can be reasonably deduced that the difficulties being faced by many young people in accessing training and the labour market are a result of the profound imbalances in economic as well as social resources. For the large majority of the young urban poor, the only opportunity they have to access social networks is through securing any type of work, even it means retreating into the informal economy (few young people manage to get out of that economy).

The last finding we would like to highlight, is linked to a reality of the Mozambican economy. The informal or semi-informal economy (street traders, restaurant employees, shopkeepers, etc.) is the largest source of jobs. For most of the sample, this is a temporary arrangement as it does not provide any form of security for the future. In fact, 40,8 per cent of our sample, from all social strata, are involved in an economic activity without an employment contract. 88,4 per cent have not received an education or have only reached primary school level. It would however be very simple (in fact simplistic) to toss the weakest of the young Mozambican people into this informal economy, in order to integrate them. Although this economy is socially imbalanced (mainly geared towards the poorest), ignores labour standards, has the highest decent work deficit, and often perpetrates the worst form of human exploitation, it is a source of work for 2.6 million young people aged between 15 and 24 years. This is a crucial point. It is interesting to note that Maputo experiences very little social disturbance, particularly from young people who would have good reason to demonstrate their discontentment. One of the theories proposed is that the (semi-) informal economy provides a social and political safety valve which ensures that Maputo, like other large African cities, does not explode in social unrest. We therefore believe that any employment promotion (decent work) policy cannot spare any effort in reflecting on this matter. If the players in the (semi-) informal sector could become partners with politicians to promote employment, Mozambique would have made an important step in this domain.

In the light of these considerations, this study aims to make recommendations for proposed actions. These are some of the proposed actions:

Firstly, since there is nothing original at this stage, it seems clear that intensifying the fight against economic and social poverty is most important policy required, and should form the basis of all the more specific youth integration policies. This means that improving the education system is the highest priority. The PIREP project, PARPA II, having reached the same conclusion, are already addressing this issue.

A second recommendation of the report emphasises the need to re-define the entire skills acquisition chain which would clearly signify that it is necessary to improve the quality of technical training. To achieve this, funds need to be mobilised. The government has made this a priority issue and numerous donors have responded, including the World Bank and GTZ, to support the PIREP programme and current institutional reforms. We view such support as essential, however in our report we suggest that, under certain conditions, players in the informal sector should be involved in the vocational training process. There is a simple reason for this observation: on the one hand, the informal economy is the largest employer of EPAs. On the other, in the short to medium term, all the measures to improve the vocational training of young people will, unfortunately, not suffice for meeting the enormous expectations of young people in terms of the labour market. Consequently, it is proposed that the services offered by vocational training centres be focused upon two aspects: firstly they should involve practical work (an attachment) with a business for several weeks and then be followed by more theoretical work for a shorter period, at the training centre. This work would be directly linked to businesses, while limiting their operating costs, particularly those relating to equipment. A national work-based training diploma could thus be established. All these measures would be subject to a partnership agreement between the government, which would act as regulator, formal and informal businesses that would engage the young people for training under set conditions, the young people themselves who would be committed for a specific period and comply with a set of objectives that are to be achieved, and certain civil society organisations that would be responsible for monitoring the young people being trained.

Based upon this approach, which involves analysing the specificities of the labour market, we have a third proposal that seems highly relevant. The aim of this report is not to promote structuring the informal economy – as this would be an entire topic in itself – but structuring the representativity of businesses in this sector. This would mean having one or more representatives who could engage in dialogue at all societal levels, leading to a partnership to everyone's benefit and, in particular to the benefit of the socio-economic integration of young people under decent conditions. This proposal is based upon the following hypothesis: the more attention paid to the informal economy, the easier it will be for the different institutional partners to collaborate with it, thus making it possible to standardise the working conditions of their employees. Decent work should also be available within the informal and formal economies, as it is lacking at the moment.

The ILO classifies the right to work as a fundamental right and is, today, the main multilateral body serving as a point of reference for those seeking to extend and universalise human rights to labour. As with any right, the right to work does not just fall from the sky but is a general and individual conquest. Relationships in work define the quality of social inclusion attained. Whether the issue is of informal and precarious work, unemployment, or the deplorable minimum wage, most young people in Maputo are engaged in a daily battle to improve their future and that of their families.

Government policies on youth, particularly concerning labour, should be democratic governance instruments serving as mechanisms to promote inclusion, cohesion and social peace. Furthermore, there are various categories of young people from different walks of life and it is therefore absolutely essential for the different players in the labour market to seek to understand these diversities and take them into consideration, while stimulating and allowing more dialogue

among the different players. On an otherwise tight and unequal labour market plagued by unemployment, under-employment and informal work, there are now, fortunately, options such as an economy based on solidarity, the cooperative movement and entrepreneurship. The young people concerned are seeking out ways of addressing the issue of their integration which cannot be solved solely by the government's once-off solutions (e.g. National Integrated Programme – PNI, Medidas de Emprego) which in themselves need to be strengthened and monitored.

With a view to supporting youth employment policies, this study is an invitation to reflect and take action. It is a contribution to the discussion on the worrying issue of the integration of Mozambican youth into the urban labour market. A seminar on the study's findings is to be organised in Maputo in April 2006, to define common courses of action to be taken by government and social players.

ILO	International Labour Organisation
WB	World Bank
BPES	Economic and Social Plan
CEM	Country Economic Memorandum
CEMPRE	Centre d'Études Macroéconomiques et des Prévisions
CFP	Vocational Training Centre
DINET	National Department of Technical Education
EP1	Primary School Education
EP2	Upper school (at primary school level)
ESG1	Middle school (of secondary education)
ESG2	Upper school (of secondary education)
ESDEM	Socio-Demographic and economic statistics on Mozambique
ET	Technical training
ETV	Technical and vocational training
HIV/SIDA	Acquired Human Immunodeficiency Syndrome
IAF	Study on Household Expenditure
INE	National Statistics Institute
INEFP	National Institute of Employment and Vocational Training
INSS	National Social Security Institute
JVA	Jeunes Vie Associative
LABORSTA	Labour Statistics Database – ILO Geneva
MEC	Ministry of Education and Culture
MINTRAB	Ministry of Labour
MJD	Ministry of Youth and Sport
MT	Metical
ILO	International Labour Organisation
PARPA	Action Plan for the Reduction of Absolute Poverty
EAP	Economically Active Population
ESP	Economic and Social Plan
GDP	Gross Domestic Product
PIREP	Integrated Vocational Training Reform Programme
PNI	Integrated National Programme
UNDP	United Nations Development Programme
PPI	Indicative Prospective Plan
ERP	Economic Rehabilitation Programme
HDR	Human Development Report
RepM	Republic of Mozambique

SCAC	Cooperation and Cultural Affairs Section – Embassy of France in Mozambique
YEN	United Nations Youth Employment Network

This study¹ is based upon six findings, which are interlinked and led to the compilation of this document by three partners: the Embassy of France in Maputo, the International Labour Organisation and the French NGO, Essor. It falls within the framework of a partnership with the Mozambican Ministry of Labour and the Department of Sociology in the Faculty of Social Sciences at Eduardo Mondlane University (EMU)².

Besides the fact that our respective responsibilities in the area of international cooperation quite naturally lead us to addressing social issues, our desire to address the issue of the socio-economic integration of young Mozambicans into the urban labour market, also arises out of an examination of events and undertakings which are peculiar to Mozambique but, at the same time, are part of a global reality.

National and regional events: the driving force behind the study

- ❖ *The presidential and parliamentary elections of December 2004* were characterised by a high degree of apathy (close to 60% of the electorate did not vote), especially among the rural population but also in the 18 to 30 age group of the urban population. While these elections demonstrated that Mozambique is now firmly rooted in democracy, it has been noted that the dialogue between the politicians and certain sections of the Mozambican youth seems strained. Such an observation gives rise to a number of concerns, one of which relates to the long-term political and social consequences implications, if this situation were to continue.
- ❖ *The good performance of Mozambique's economy*: between 2001 and 2005, during the implementation of the Plan of Action for the Reduction of Extreme Poverty (PARPA) by the Mozambican government, the poverty index dropped from 67 to 54 per cent, while annual growth hovered between 7 and 12 per cent. If these good results are partly due to the implementation of mega-projects which generated considerable (but temporary) financial investments³, they are also a reflection of the country's economic dynamism.

In the beginning, this economic growth did not benefit young people aged between 15 and 29, who were looking for opportunities to be socio-economically integrated, primarily through high quality vocational training guaranteeing easy access to employment. Young people under 29 represent more than 65% of the Mozambican, estimated at about 19 million inhabitants. More than 27% of these young people are aged between 15 and 29 years. They are therefore considered an important part of the Economically Active Population (EAP) of Mozambique (15 years and above) According to a recent study, each year more than 300 000 young people are joining this statistical category. Under what conditions, in what manner, with what qualifications? When these young people are seeking part-time or full-time work, what formal and informal methods do they use in terms of their social background, educational qualifications and professional skills?
- ❖ *An enabling political environment*. The government that was elected in 2004 seems to be lending more priority to youth issues. This demonstrates government's will to improve access to education and enhance the quality of education, facilitate access to appropriate

1 *Conditions for the Socio-Economic Integration of Young Mozambicans in Urban Areas; The case of Maputo*

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3 *Mozal : 23 per cent of GBP, Cahora Bassa Dam, etc.*

vocational training for the older youth or to support access to credit for those choosing self-employment as a means of being economically integrated. All these aspects are taking into consideration by PARPA II⁴. This is a serious challenge given the size of the population of young people eligible to work. The State needs to act in partnership with all local civil society organisations to ensure that this large section of the population is able to develop a future that will truly contribute towards Mozambique's development. These measures need to benefit from the support of the international community.

- ❖ *Society and security.* The situation existing in some of the capital cities of countries neighbouring Mozambique are cause for concern. Deprived of access to knowledge (education, vocational training, culture...), to the city's economic resources, and therefore a legitimate source of income, because it is impossible to find work, driven to the outskirts of the city, without urban infrastructure (roads, water, electricity, sanitation and decent accommodation), basic public services (education, health...), some of the young people in Nairobi, having lost hope for their future, have taken refuge in the numerous city gangs. For these young people, these gangs provide a fragile security to guarantee their daily survival, but provide an uncertain future. They also give the thousands of young people excluded from the consumption society relatively easy access to economic resources. These illegal groups, which grow stronger as the poverty increases, control entire neighbourhoods thus creating 'no go' areas that are dangerous, particularly for those disadvantaged populations that are directly subject to their laws. Johannesburg, Luanda and other Southern African cities (besides other capital cities: Lagos, Kinshasa, Abidjan, etc.) in varying degrees and in their own unique ways, are facing similar developmental phenomena.

Fortunately, Maputo has experienced very limited social violence, unlike other African capitals. However there are a few disturbances from time to time that are becoming of increasing concern to the heads of security services. We believe that the most appropriate method of averting this potential threat, should not only be in terms of security but should also be political and social. To achieve this, it seems vital to intensify the fight against poverty and work harder to give young people access to employment, income and citizenship.

- ❖ *Malaise and the identity dynamic*⁵ among the African youth and particularly the urban youth⁶. Ever since the signing of the peace accords in 1992, Mozambique has changed profoundly, particularly as a result of the country opening up to external markets. This access to the neighbouring works is doubtlessly one of the factors giving rise to the country's political stability and economic growth. It is also a doorway to the invasion by an external culture dominated by the values, rites, symbols and ideals of a westernised cultural environment. In a globalised world where the movement of goods, services and information is facilitated by modern means of communication that are increasingly accessible, Mozambique, like so many other countries in Africa and elsewhere, is not being spared from the effects of economic and, therefore, cultural globalisation. What some term "world culture" is rapidly expanding throughout this country. Young people, who are the main targets of such messages, are living in a type of identity dichotomy. Between their African, Mozambican and even ethnic roots (Macoa, Changane, etc.) and this new way of speaking, acting, being and thinking originating from a world that is so close, yet so far away, they are having to engage themselves in a type of identity syncretism which saps a lot of their energy. This also leads to a lot of questions because there are so many models, to frustration because accessing this new lifestyle is expensive and to a certain disquiet because of the impossible future that these new models are proposing. If this identity crisis is to become an 'identity dynamic'⁷ » which will reconcile these different influences in a positive

4 *Plan of Action for the Reduction of Absolute Poverty*

5 DE LEENER Philippe, MBAYE Moussa, SEYNI NDIONE Emmanuel (coordinated by) : *Changement politique et social : éléments pour une pensée et l'action*. ENDA Graf. Dakar December 2005

6 *Young people in rural areas are not spared this phenomenon because the 'city culture' is gradually spreading to the rural areas.*

7 DE LEENER, opt. cité

way, it is then necessary to support their social integration. It is crucial to monitor them and offer them a perspective and secure future in the face of their sense of fragility. This quest for a new balanced identity can also be a driving force⁸ for Mozambique's development, which needs to be challenged towards building a common future.

- ❖ *Regional mobilisation for youth employment.* In October 2005, the International Labour Organisation organised a regional conference in Harare on youth employment. The 9 participating countries⁹ made a commitment to make youth employment a national priority by reformulating legislation relating to their integration. This commitment means the participation of employers, workers and youth organisations at all decision-making levels, and the establishment and monitoring of youth employment promotion policies and programmes.

This sub-regional conference that took place in Harare was part of a wider context of international, regional and national youth employment initiatives. These include the UN and Heads of States and Government Millennium Summit which led to the creation of the UN Youth Employment Network (YEN); the Extraordinary Summit of the Heads of State and Government on Employment and Poverty Reduction held in Ouagadougou, Burkina Faso in September 2004, where African governments committed themselves to creating decent employment and opportunities for young men and women through the Plan of Action on Employment in Africa; the tripartite youth employment meeting in 2004 during which the ILO was invited to consider innovative means of discussing national experiences with youth employment; and finally the International Labour Conference of the ILO in June 2005 which led to general discussion on youth employment challenges.

In the light of these different observations we considered it useful to make our contribution in that the quality of the answers put forward by the interviewees depends upon the economic development and social stability of the country. We felt it would be useful to stimulate some reflection on the mechanisms used by young people in the urban areas of Mozambique in order to be integrated into a common future. What conditions are needed to ensure that this integration process succeeds and does not turn into a murderous obstacle course (socially, economically and politically)?

Objectives of the study

The objective of the study is to shed some light on the issues concerning the acquisition of skills and knowledge facilitating the socio-vocational integration of young people in the urban areas in Maputo, as well as in the formal and informal sector, while taking into account the cross-cutting themes of HIV/AIDS and gender.

Through bibliographical research, qualitative interviews with 69 representatives of different economic, institutional and social players involved in this issue and statistical research with 544 young people aged between 15 and 29 years living in Maputo, this study presents:

- ❖ The context within which young Mozambicans are building their academic and vocational futures,
- ❖ an evaluation of this context by young people, employers and institutional players,
- ❖ the factors determining the socio-economic integration of young people,
- ❖ young people's aspirations and strategies (students, workers, the unemployed).

The aim of this study is to provide information on integration methods used by young people, the obstacles they encounter and the professional opportunities that are available to them.

⁸ Nowadays, the issue is not whether this cultural mix is a menace. It is inevitable. The issue is now to find ways of ensuring that this situation can be used for the benefit of the country's development.

⁹ Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia, Zimbabwe.

The Way Forward

Through analysing available information, and through research and interviews, this study presents a number of recommendations, concepts and activities that would form the basis for a national policy oriented towards the socio-economic integration of young Mozambicans.

It will be up to national and international leaders in cooperation, representatives of public institutions and of civil society to draw operational lessons from this document. In this regard, the conference on youth employment in Southern Africa, organised by ILO/Harare in October 2005 and attended by the representatives of numerous countries, including Mozambique, is a first, important response.

A. Structure and general state of Mozambique's Economy

1. General structure and trends in the Mozambican economy

a) Development

Since 1975 the Mozambican economy has experienced levels of growth that have varied in accordance with the strategy being implemented. Between 1975 and 1984, the economic policy was guided by the Indicative Prospective Plan (PPI), which was characterised by a controlled economy, a centralised administration and the establishment of cooperatives. Aimed at transforming the economic and social structure and the population's living standards, the PPI was defined around the socialisation and creation of villages in the rural areas, and the industrialisation and training of the workforce. This strategy did not, however, achieve the expected results and brought about a crisis characterised by weak and then negative growth, followed by a low rate of human development. Although all citizens were employed (salaries and subsidies), the population experienced a drop in the standard of living in the urban areas, and the rural areas suffered from lack of infrastructure¹⁰.

From 1984 to 1994, Mozambique revised its economic policy by adhering to the principles of the World Bank and the International Monetary Fund through implementation of structural adjustment policies. With the Economic and Social Rehabilitation Plan, priority was lent to the market economy and to expanding the private sector¹¹.

An impact assessment of these policies shows that although Mozambique may have had reservations during the period when the new policies were being implemented, the country recorded positive economic growth. Nonetheless, poverty and external debt increased and the HDI fell.

Between 1997 and 2002, Mozambique's economy grew by 1.6 per cent of GDP. In 2002, growth rose to 8.3 per cent of GDP and analysts forecast an average growth of between 7 and 12 per cent over the next five years. This growth is influenced mainly by the construction of mega-projects such as the MOZAL aluminium production plant (which represents 23 per cent of GDP); investments in commercial structures in the cities of Maputo and Matola and the manufacturing sector (13 per cent of GDP), transport and communication services and government services (55 per cent of GDP).

b) Structure

Recent results on economic performance show that economic activity is concentrated mainly in the southern region of the country (51 per cent of production), in which the city of Maputo occupies a dominant position, with 36.9 per cent of production, followed by the central region with 27.7 per cent and the northern region with 21.3 per cent. Maputo's economic performance is explained by the fact that most (24.4 per cent) of the country's business activities take place in that city, while the other regions are predominantly agricultural¹³.

¹⁰ Abrahamsson and Nilsson, 1994 ; Castel Blanc, 1994 ; Francisco, 2003

¹¹ Castel-Branco, 1994 ; Francisco, 2003

¹² Castel-Branco, 1994 ; Francisco, 2003

¹³ UNDP, *Human Development Report*.2001:24/26

Mozambique's economy is dominated by primary sector activities (83 per cent of the active population in 2002), followed by the secondary sector (9 per cent) and the tertiary sector (8.3 per cent). Major investments in the country tend to influence the structure of Mozambique's economy. In the short term, analysts are forecasting growth of 40 per cent for the secondary sector and the rapid growth of the tertiary sector¹⁴.

c) Constraints

Restrictive labour market legislation is often identified as being an obstacle to Mozambique's economic growth. The business environment is governed by a culture of state control. Even if this trend were to wane, the complexity and slowness of the administrative procedures for setting up a business remains, especially in the enforcement of commercial law, presenting cases to the law courts and labour legislation. Alongside the limited capacity of State departments, these constraints tend to prevent the development of formal private sector initiatives.

According to the World Bank¹⁵, which has conducted a study in 145 countries, the labour market in Mozambique is the 8th least flexible. The reasons for this ranking are administrative difficulties encountered in setting up a company, which are linked to the stringency of labour legislation. On average, 141 weeks' salary has to be paid before an employee can be dismissed compared to an average of 60 weeks for other African countries.

Mozambique is among the slowest countries in terms of business creation (ranked no. 93 in the world out of the 102 countries studied). In order to set up a company, one has to follow 14 different procedures, taking an average of 138 to 153 days. The average cost of setting up a company is USD 208.28 corresponding to a per capita GDP of 95.8 per cent. Another limiting factor is the difficulty in accessing and high cost of credit.

Table 1. Economic and social indicators

Economic indicators		Social indicators	
Economic performance		Human Development Indicator (HDI)	0.379 (2003)
Per capita GDP	230 USD (2003)	World ranking	168/177
Mean annual growth of GDP (%) — 1975-2003	2.3	Life expectancy	— 1970-1975
Mean annual growth of GDP (%) — 1990-2003	4.6	40.7 years	— 2003
		41.9 years	Infant mortality
		(1970)	163/1000
		(2003)	109/1000
Inequality of income		Demographic trends	
GINI coefficient	39.6 (1996)	Total population in millions	10.6 (1975)
Population living on less than one dollar a day (%)	37.9 (1990-2003)	Mean annual growth (%)	19.1 (2003)
below the poverty line (%)	69.4 (1990-2002)	— 1972-2003	2.1
Structure of trade		— 2003-2015	1.8
Imports of goods and services (% of GDP)	36 (1990)	Proportion of urban population (% of total)	8.7 (1975)
	39 (2003)		35.6 (2003)
Exports of goods and services (% of GDP)	8 (1990)	Proportion of population below 15 years (% of total)	44.1
	23 (2003)	(2003)	
Aid		HIV/AIDS	
Official Development Assistance (ODA)	1032.8 (Millions USD, 2003)	HIV/AIDS prevalence rate (% of 15-49 years)	16.2 (2005)
— Millions of USD	40.7 (1990)		
— Percentage of GDP	23.9 (2003)		

Sources: UNDP, HDR 2005

¹⁴ MANHIQUE. 2002:88; Ministry of Youth and Sport

¹⁵ Country Economic Memorandum 2005 (CEM)

2. Social Development

a) Demography

In 2004, the total population of Mozambique was estimated to be 18,961,503 inhabitants, 45 per cent of whom were under 15 years of age and 27.5 per cent were aged between 15 and 29. In the 15 to 29 age group, 65.5 per cent live in the rural areas and 51.63 per cent are women¹⁶.

In 2003 the urban population stood at 35.6 per cent of the total and is expected to grow to 48.5 per cent by 2015. In 2005 the population of the City of Maputo was approximately 1 100 000.

b) Poverty

54 per cent of the total population is currently living below the poverty line. 52 per cent of the urban population (Maputo 54 per cent) and 55 per cent of the rural population is living below the poverty line¹⁷. In 2003, Mozambique's Human Development Index was 0.379¹⁸.

c) HIV/AIDS

In Mozambique, the HIV/AIDS prevalence rate among adults (15 to 49 years) is about 16.2 per cent. For the city of Maputo it is estimated to be 20.7 per cent. In 2003 the number of AIDS orphans (0 to 17 years) was estimated to be 470.000¹⁹.

AIDS affects all social strata of the population. The impact of AIDS is particularly noticeable in the workplace where it affects the job security and sustainable development of work, for both the employee and the employer.

3. Characteristics of the Mozambican labour market

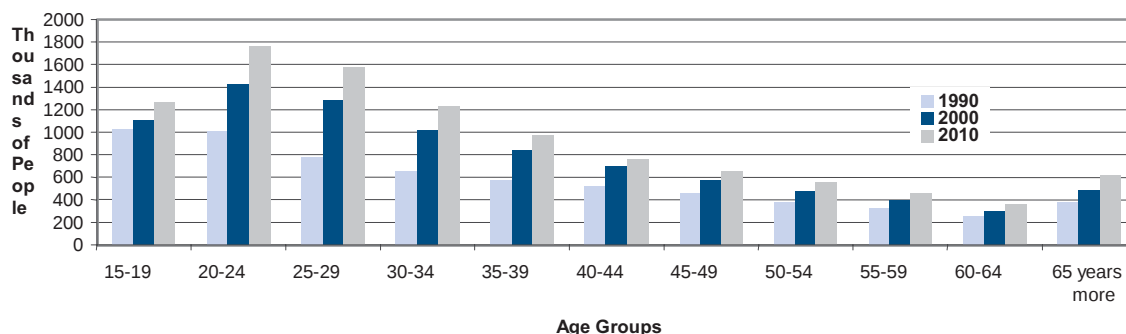
a) The Labour Market

i) The Economically Active Population (EAP)

The EAP (those aged 15 and above, ILO definition) is estimated to be 55 per cent of the total population and is clearly the majority in the rural areas.

The EAP is growing very rapidly in Mozambique (Graph 1). It is estimated that every year approximately 300 000 young people enter the EAP²⁰. In addition, one has to take into consideration the fact that the vast majority of young people enter the labour market before they have reached the minimum legal age for work. In fact, the ILO²¹ estimates that 32,41 per cent of children aged 10 to 14 are economically active (i.e. 791 000 children)

Graph 1. Active population by age group for 1990, 2000 and 2010 (in thousands)



Source: LABORSTA Labour Statistics Database, ILO Geneva

¹⁶ INE. 1997 ; INAF.1998

¹⁷ INE, ESDM.2005

¹⁸ RDH.2005

¹⁹ OMS/IRIN 2005

²⁰ Manhique, 2002:81

²¹ LABORSTA, 1998-2005

ii) *Gender disparities*

There are great disparities between men and women in the labour market. Men are dominant in all sectors of the labour market while 56.8 per cent of women are at home and do not generate any income. For example, the proportion of men in self-employment is much higher than that of self-employed women (65.2 per cent against 39 per cent respectively). Furthermore, women seem to be absent from the cooperatives sector (see Table 2 below)

Table 2. Distribution of active population by position at work, gender and place of residence (as a percentage)

	Government	Public Sector	Private Sector	Self-employed Entrepreneurs	Employers or Business-People	Cooperatives Sector	People/ Households	Total
Total	3.4	0.7	4.7	51	3.4	0.1	36.7	100
<i>Gender</i>								
Men	5.7	1.4	8.5	66.2	6.2	0.1	12.7	100
Women	1.4	0.2	1.5	39	1.1	0	56.8	100
<i>Place of Residence</i>								
Urban	9	2.2	12.3	43.6	9.2	0.2	23.6	100
Rural	1.2	0.2	1.8	53.8	1.2	0	41.7	100

Source: IAF data, 2002

In 2003, only 12 per cent of Mozambique's economically active population was considered as being in paid employment, 60 per cent of whom were employed in the informal sector.

b) The Formal Economy

Available statistical data²² shows that the formal economy represents approximately 5 per cent of the active population, or 520 000 workers. In November 2003, the INE (National Statistics Institute) reported that 31 735 companies employed 311 268 workers. The size of these companies, in 2002, was classified as follows:

Table 3. Distribution of companies and employment by size of company²³ (%)

Size of company	Percentage of Total No. Of Companies	Percentage of Total Employment
Large Firms	1.4	20
Medium enterprises	9.1	22.9
Small enterprises	89.5	57.1
Total	100	100

Source: CEMPRE data, 2002

The public sector remains the country's leading employer with 173 495 civil servants. The private and public sectors represent 484 763 registered employees, or 5.2 per cent of the EAP (3.34 per cent in the private sector and 1.86 per cent in the public sector)²⁴.

²² INE.2003

²³ Small enterprises: 0 to 9 employees

Medium enterprises: 10 to 99 employees

Large firms: 100 to +1000

²⁴ French Economic Mission .2004:1

Maputo has 10 186 formal private companies (21.2 per cent of the total number of firms in Mozambique) and employs 222 448 people (5.8 per cent of the total active population)²⁵.

The informal economy comprises workers in businesses that are classified as informal because they are not registered and/or are small in size. However, in cases where the worker, and not the company, is used as the unit of reference, this sector also includes workers who are not covered by a social security scheme.

Social Security

In 2004, only 542,582 Mozambicans were on social security schemes, representing an increase of 5.1 per cent from 2003. Of the 542 582 people registered, the INSS²⁶ recorded 163,443 working people (or 30 per cent of the people registered), up by 2.1 per cent since 2003. The highest number of registered people is in Maputo: 238,445 are registered 72,879 of whom are active. It is important to note that civil servants benefit from a specific social security fund which is not affiliated to the INSS.

c) The Informal Labour Market

i) Background

The emergence of the informal market in Mozambique dates back to the colonial era when it existed in the form of small businesses, various self-employment activities and arts and crafts produced by people who did not have access to the formal market or who wanted to supplement their income. For that purpose, the local authorities issued licences. These activities were banned after independence in 1975. However, the informal sector resurfaced in 1984 when the prices of horticultural products were liberalised, and in 1987 when the Economic Rehabilitation Programme (ERP)²⁷ was implemented.

ii) Growth

The urban informal sector is growing by 7 to 8 per cent per annum²⁸. It represented 60 per cent of the urban labour force in 1997 and 76 per cent in 2003. The growth of the informal sector in Mozambique was boosted mainly by high rate of job losses due to the recent privatisations of large firms and the reorganisation of the workforce.

1 470 companies were privatised and 120 000 workers lost their jobs at the end of 2002. The textile, cashew nut, railway, post and telecommunications industries were the hardest hit by these job losses²⁹.

In the particular case of the city of Maputo, other factors explaining the development of the informal sector include:

- ❖ The numerous refugees displaced by the war, who have not returned to their regions of origin;
- ❖ The concentration of investments in the capital;
- ❖ The increase in internal migration (rural to urban drift) as a result of people seeking better living conditions (employment, studies);
- ❖ The restrictive labour market legislation which hinders the establishment of formal businesses;
- ❖ The mass privatisation of public companies and the streamlining of the workforce;
- ❖ The increase in the active population and low manpower absorption capacity in the formal private economy

²⁵ World Bank, 2004: 9-10

²⁶ Instituto Nacional de Segurança Social [National Social Security Institute].

²⁷ Chichava, 1998:12-16; Hanlon.1996

²⁸ CEM, 2005

²⁹ ILO,2003

iii) *Characteristics*

The total number of active people involved in informal private sector activities is estimated to be 94.8 per cent of the active population; this percentage includes a very large number of young people (1.2 million are between the ages of 15 and 19; 1.4 million are between 20 and 24)³⁰.

*The informal labour market in Mozambique, as in many other developing countries, is characterised by*³¹:

- ❖ Small family businesses;
- ❖ Ease of entry and integration, but also the precariousness of activities and enterprises;
- ❖ Little or no access to official bank loans; the informal market depends on personal savings, friends, relatives and, for example, pooling together resources in a « xitique » fund³²;
- ❖ A competitive but irregular market;
- ❖ The use of young, cheap labour, with a predominance of women in such activities as the sale of horticultural products, vegetables and other agricultural products, foodstuffs, hairdressing, etc.;
- ❖ Marketing of a range of products and provision of various services which do not require a great deal of technology: vehicle repairs, plumbing, electrical installations, carpentry, building, transporting passengers and goods, polishing shoes, car washers, quackery, guards, prostitution, among others.
- ❖ The workers' level of vocational training is low or non-existent and few have academic qualifications;
- ❖ Prices are more competitive than in the formal sector;
- ❖ There are no working hours or set working days;
- ❖ Productivity is low, and salaries are poor and irregularly paid;
- ❖ Many processed products and goods come from the informal sector;
- ❖ The absence of legal procedures is potentially harmful to public health and the environment;
- ❖ It is the hotbed of criminal activities, trafficking and child abuse;
- ❖ Failure to contribute to State revenue can lead to prosecution.

d) *Unemployment*

The definition used by the Ministry of Labour in Mozambique is similar to the ILO definition.

The unemployed have to fulfil all of these three conditions:

- ❖ To be without a job, i.e. not to have worked for more than an hour, for a period of one week;
- ❖ To be available to take up a job within a fortnight;
- ❖ To be actively looking for a job or to have found one which will begin later.

Statistical data on the labour market, and particularly on unemployment in Maputo, as in the rest of the country, is scant and unreliable. The only data available on unemployment comes from job centres³³ in the country's cities (Centro do Emprego - Job Centre). In 2004, only 8,769 unemployed people, 20 per cent of whom were women, were registered with the centre in Maputo. In total, 16 772 unemployed people, 21.5 per cent of whom were women, were registered throughout the country in 2004. More than 50 per cent of those registered are first-time job seekers.

30 LABORSTA, ILO

31 Chichava, 1998 : 18/19/20

32 "Xitique" is a practice where money is collected from contributors by a trustworthy person. On a regular and rotating basis, the total amount in the fund is given to each contributor.

33 The registering of the unemployed with the Job Centre is not compulsory, which implies that the published unemployment rate does not necessarily correspond with the reality on the ground..

However, without relying solely upon the data on people registered with job centres, the unemployment rate is estimated at 30 to 50 per cent.

INEFP Job Centre ('Centro de emprego')

The Job Centre is the only public institution in Mozambique which assists job seekers. There are 11 such centres in the country. The number of people registered with the Job Centre in Maputo increases every year. The registered unemployed have poor qualifications and are not well-educated. Of the 16 772 registered, 2 359 have found employment through the job centre.

Qualification:

62% without any qualification
32% semi-qualified
6% some qualifications

Éducation:

90,1%: 9th grade
7,6%: 9th grade
1,3%: middle classes
1%: advanced classes

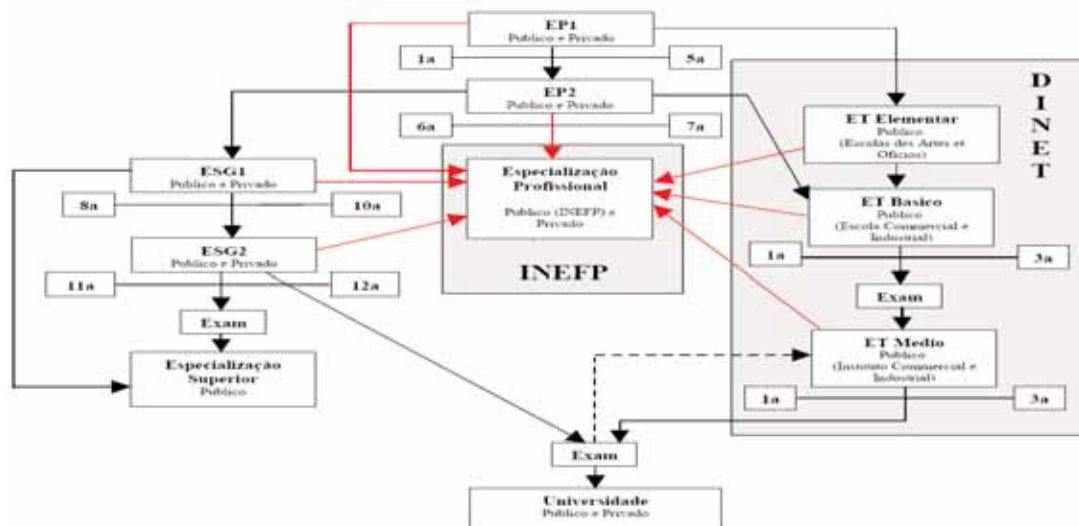


B. Training for Young People in Mozambique

The primary school education system in Mozambique is in two parts: lower primary education (EP1; grades 1 to 5) and upper primary education (EP2: grade 6 to 7). Primary education is followed by general secondary education (ESG), which is also in two parts, ESG1 (grades 8 to 10) and ESG2 (grade 11 to 12, equivalent to the French baccalauréat or 'A' level). There is another system which runs parallel to general secondary education, and that is technical education (ET). Students can enrol for higher education after taking the entrance examination. Students who do not qualify for higher education can enrol for middle technical education as a means of preparing for the university entrance examination.

Public or private vocational training is accessible, depending on the speciality, from all levels of primary, secondary and technical education. There are also higher institutes of specialisation. These are accessible from the 10th or 12th grade and train young people who wish to enter the civil service (police academy, customs, public administration, health, teaching...).

Graph 2. General and Technical Education System in Mozambique



1. Developments and trends in primary and general secondary education

There is a network of public and private schools in primary education (EP1 and EP2) and general secondary education (ESG1/ESG2). The public primary and secondary education system exists throughout the country and has 8000 EP1 schools, 950 EP2 schools, 125 ESG1 schools and 29 ESG2 schools. These schools are very unevenly distributed and tend to be concentrated mostly in urban areas. This is especially the case with secondary schools³⁴. However, an evaluation of the Economic and Social Plan³⁵, reveals a growing trend in the development of the school system in all provinces including the rural areas (see Table 4). Unfortunately, the number of students is increasing at a faster rate than the number of new schools.

Table 4. General Education: Student numbers for the 2003/2005 period

Level	School		Evolution (%)		Pupils		Evolution (%)	
	2003	2004	2004	2005	2003	2004	2004	2005
EP1	8071	8373	3.7	4.6	2825971	3071564	8.7	17.9
EP2	950	1116	17.5	21.1	355618	409279	15.1	25.2
ESG1	125	140	12	9.3	141795	168798	19	10.8
ESG2	29	30	3.4	16.7	18291	21350	16.7	8.4
Total	9175	9659	5.3	6.6	3341675	3670991	9.9	18.3

Source: MINED

Generally speaking, there is a significant increase each year in the number of pupils enrolling for general education. In 2004, the overall rate of new EP1 admissions was about 75.6 per cent and 15 per cent for EP2³⁶. The admission rate does not, however, correspond with the generally very low pass-rate. In 2003, the pass-rates for EP1 and EP2 were 40 per cent and 17 per cent respectively. The pass-rates were lower for girls in the centre and the north of the country, as well as in the rural areas³⁷. It should be noted that there is a very big difference between the number of young people at school in EP1 (3 071 564 in 2004) in relation to the number in EP2 (409 279 in 2004).

The low pass-rates are due to the following factors³⁸:

- ❖ The high cost of enrolment and of school materials after primary education, which is free;
- ❖ Education is not considered important by parents and pupils;
- ❖ The poor quality of teaching, access to education and school infrastructure;
- ❖ The shortage of teachers, insufficiently trained teachers, lack of teaching material;
- ❖ The shortage of qualified teachers;
- ❖ Contextual factors (socio-economic, cultural, community, traditional practices and rites);
- ❖ Chronic illnesses in households.

a) The crisis in secondary education

In 2005, 170 000 young people passed the 7th grade (EP2). Unfortunately, 70 000 of them (or 41,2 per cent) will not be able to proceed to the next level (8th grade, ESG1) because of insufficient places in secondary schools. During the enrolment period in January 2006, priority

³⁴ World Bank.2003 : 2

³⁵ BPES 2004: 35-37

³⁶ BPES 2004 : 35 and World Bank: 2005

³⁷ World Bank, 2005 : 19-22

³⁸ World Bank, 2005 : 42-53, 57-58, 67

was given to girls aged 13 to 15. The alternatives open to young people who cannot get into the 8th grade of public education are technical education (commercial or trade schools), private schools or vocational training³⁹.

b) Private general education

The expansion of the public school system at all levels of education does not seem to be corresponding with the current increase in school enrolments, particularly where general secondary schools and universities are concerned. This is especially the case in the urban areas. This increase in enrolment has been relieved by the development of private schools. The private education system has 31 EP1 schools (13 723 pupils) and 34 EP2 schools (4 829 pupils). This growth of the private education system has been particularly noticeable in Maputo where there were 22 411 pupils enrolled in ESG1 and 5 211 pupils enrolled in ESG 2 in 2003⁴⁰. Private education is obliged by law to follow the same curriculum as public education, with the exception of a few private institutions which offer additional courses (e.g. IT or languages.)

2. Technical and Vocational Education (public)

The formal technical education curriculum is approved by the National Department of Technical Education (DINET) in the Ministry of Education. The technical education (ET) curriculum is similar to the ESG curriculum and is aimed at the acquisition of skills and knowledge needed for professions in industry and commerce. This type of education is offered by schools run by DINET. Some ministries, such as the Ministries of Agriculture and Health, also offer technical and vocational education curricula. There are three levels in ET: the elementary level (which takes EP1 graduates), the basic level (which takes elementary level and EP2 graduates) and the intermediate level (which takes ET basic, ESG1 and ESG2 graduates). The duration of courses varies from 3 years (for day-time courses) to 4 years (for evening courses).

The Technical and Vocational education system comprises 35 technical schools, 6 of which are in Maputo, three commercial schools, one trade school, one commercial institute and one trade institute. This limited network is experiencing an increased enrolment rate. In 2004 there were 1 268 pupils in elementary technical education (an increase of 1.4 per cent), 19 878 pupils in basic technical education (an increase of 4.1 per cent) and 3 516 pupils in intermediate technical education (an increase of 7.3 per cent)⁴¹. The pass-rates and quality in ET remain very poor.

The ET system is affected by, among other things, the following factors⁴²:

- ❖ The shortage of training equipment in technical schools;
- ❖ The limited capacity and lack of geographical coverage;
- ❖ Ill-prepared trainers;
- ❖ The shortage of teaching manuals.

3. Vocational Specialisation

Vocational specialisation aims at deepening or acquiring practical knowledge in a specific professional sector, is generally of short duration (between 2 and 6 months) and is not recognised by the MEC as an academic level. The design and teaching of vocational specialisation courses is the responsibility of the Ministry of Labour through the National Institute for Employment and Vocational Training (INEFP). The INEFP has the sole responsibility for authorising the establishment of private vocational training centres.

³⁹ *Noticiais*, 06/01/06

⁴⁰ MINED, 2003

⁴¹ BPES, 2004:37-38

⁴² *Muhamede*, 2003:25/31 ; *Chang*, 2005

a) Public Vocational Training Centres

The INEFP is represented in most of the country. There are 10 centres throughout the country, 4 of which are in Maputo. This institute offers different types of specialisation such as hairdressing, dressmaking, secretarial, business, advertising, administration, public relations, human resources, financial management, metalwork, mechanics, industrial electricity and a few other courses specifically requested by companies (e.g. occupational safety courses organised following requests by MOZAL).

The curriculum does not include any academic subject and access to training is limited, as the INEFP trains only 1 000 people each year⁴³. The practical component accounts for 75 per cent of the courses while theory is 25 per cent. Applications and selection for admission to courses in public training centres are done at the job centres (Centro de Emprego). Candidates are eligible for admission from the age of 15 if they meet the work and health criteria. The academic level required varies depending on the type of training sought, with the lowest entry level being 5th grade for dressmaking courses, for example.

b) Private Vocational Training Centres

The INEFP's limited capacity to absorb all applicants for vocational specialisation has encouraged the development of private vocational training centres. There are more private centres than public centres: 36 private training centres in the country, 10 of which are in Maputo⁴⁴.

These centres have their own curricula and offer short courses in fields such as information technology, management, accounting, public relations, auditing, administration. This training is often geared towards the acquisition of skills in the service industries. The Ministry of Labour (MINTRAB) and Ministry of Education and Culture (MEC) are currently implementing reforms so that vocational specialisation is recognised as an academic qualification.

Access to private centres is more costly than it is to public centres. Private education has more resources at its disposal, the courses are recognised as being of a better quality, the practical courses are better developed and use more modern equipment, and closer links with industry are emerging.

4. Informal Training

Apprenticeship is considered the main form of informal training in Mozambique. It leads to the acquisition of technical skills, in general, in the informal private sector. Obtaining this type of training is generally done through the young people's social networks.

C. Labour market, employment promotion and vocational training policies

The Plan of Action for the Reduction of Absolute Poverty (PARPA 2001-2005 and 2006-2009) defines the strategic development policy of the Mozambican government. This five-year plan of action defines, among other things, a specific framework of action for promoting employment which includes economic development, labour market and training themes.

1. Labour market and employment promotion policies

Labour policies are only developed in the government's five-year Plan of Action, as the Ministry of Labour has not yet drawn up a sectoral policy specifically for employment and for the employment of young people in particular. The Ministry of Labour has all the same put together several programmes and initiatives that implement the PARPA policy.

⁴³ World Bank, 2004 : 30

⁴⁴ INEFP, 2005

a) PARPA I (2001-2005)

PARPA I does not specifically deal with the economic integration of young people into the labour market but it does recognise that young people represent the greatest potential in the active population.

PARPA I's employment and entrepreneurship development policy lays emphasis on the role of the private initiative of citizens, families, companies and other institutions with great employment creation potential. In this regard, the government's plan of action lends particular attention to small entrepreneurs who are considered as the backbone of the country's entrepreneurial structure. In fact, of the 28 870 companies recorded in Mozambique in 2002, 89.5 per cent were small enterprises (employing 9 people or less)⁴⁵.

PARPA I recognises that there are barriers to private initiative development and has set the following objectives⁴⁶:

- ❖ Revision of labour legislation;
- ❖ Revision of the commercial law;
- ❖ Adoption of appropriate plans for improving the business environment;
- ❖ Reorganisation of the State entrepreneurial sector;
- ❖ Formulation of strategies within the Small Industries Promotion Fund (FFP).

Implemented actions

The following employment creation and promotion activities have been implemented by the Government⁴⁷:

- ❖ Revising labour legislation
- ❖ Constructing Vocational Training Centres in Pemba and Quelimane
- ❖ Signing a memorandum of agreement with China to support the construction of three Regional Vocational Training Centres in Maputo, Sofala and Nampula provinces, and beginning the construction of the Vilanculos Vocational Training Centre
- ❖ Implementing the social integration project for former employees of South African mines (1 532 ex-mineworkers organised into associations), in Maputo (Magude), Gaza (Chókwè) and Inhambane (Massinga) provinces
- ❖ Training 133 micro-entrepreneurs, 67 of whom are women in Sofala and Nampula provinces Granting 475 million meticaïs in loans by SOCREMO to 5 420 small entrepreneurs.

1 073 unemployed people were trained in various specialities. Of the 16 772 registered with the public Job Centres, 4 600 applicants were integrated into the labour market. 2 359 of these were integrated through the job centres and 2 241 through a direct recruitment process in companies⁴⁸.

b) PARPA II (2005-2009)

The objective of PARPA II, in terms of entrepreneurial development, employment promotion and vocational training policies, is to maintain continuity of policies implemented by PARPA I, such as labour law and economic legislation reforms.

⁴⁵ CEMPRE, 2002

⁴⁶ PARPA, 2001-2005

⁴⁷ BPES.2004

⁴⁸ BPES.2004

In addition to ensuring the continuity of PARPA I policies, PARPA II is introducing the following new initiatives specifically for young people:

- ❖ Promoting the associative movement;
- ❖ Putting in place mechanisms to facilitate the participation of young people in national development;
- ❖ Revising and disseminating the youth policy;
- ❖ Setting up a fund to assist the youth;
- ❖ Guaranteeing participation of the youth in promoting and creating employment opportunities and self-employment;
- ❖ Vocational training for the youth.

Although PARPA II lays emphasis on self-employment, the informal sector, which represents 95 per cent of the active population, has not always been recognised and taken into consideration in the government's national policies.

2. International Legislative Framework

Mozambique has ratified most international conventions regulating the labour environment.

Table 5. ILO international conventions ratified by Mozambique

Conventions	Date of ratification
- Forced Labour Convention (1930)	2003
- Minimum Age Convention (1973)	
- Worst Forms of Child Labour Convention (1999)	
- Employment Policy Convention (1964)	1996
- Tripartite Negotiation Convention (1976)	
- Freedom of Association and Protection of the Right to Organise Convention (1948)	
- The Right to Organise and Collective Bargaining Convention (1949)	
- Abolition of Forced Labour Convention (1957)	1977
- Equal Remuneration Conventions (1951)	
- Discrimination (Employment and Occupation) Convention (1958)	
- Hours of Work (Industry) Convention (1919)	
- Hours of Work (Commerce and Offices) Convention (1919)	
- Right of Association Convention (Agriculture) (1921)	
- Weekly Rest (Industry) Convention (1921)	
- Worker Compensation Convention (Accidents) (1925)	
- Worker Compensation Convention (Illness) (1925)	
- Labour Inspection Convention (1947)	
- Employment Service Convention (1948)	

Source: ILO

3. Education Sector Policies

As with employment, the government has identified the education sector as a priority sector within its five-year Plan of Action. The principal areas developed in the education sector are expanding and strengthening the education system, improving the quality and importance of education at all levels of the education system. The Ministry of Education and Culture has developed sectoral policies in the education sector, such as the “2002-2011 Technical and Vocational Education Strategy in Mozambique”. All these policies have been adopted and used in the Mozambique government's 2005-2009 Plan of Action.

a) General Primary and Secondary Education Policies

i) Supply

The policy of the education sector is to develop and strengthen the education system by boosting supply at all levels of the education system so as to promote access to education.

In this regard the following plans of action were drawn up:

- ❖ Expanding literacy programmes for young people and adults,
- ❖ Constructing new schools,
- ❖ Drawing up school integration programmes for the handicapped, both young people and adults,
- ❖ Improving the internal efficacy of the system, aiming to reduce drop-outs and repeats and to achieve gender balance.

The government's main objective is to attain primary education for all by the year 2015⁴⁹. Through these measures the EP1 school attendance could reach 79 per cent in 2015, against the current 75,6 per cent and enrolment could increase by 19.1 per cent to reach 156,7 per cent in 2015 (it currently stands at 137.6 per cent).

ii) Quality of education

In addition to promoting access to education, the government is placing emphasis on improving its quality and relevance. Through training teachers, instituting reforms, introducing new secondary education curricula, and introducing modules to prepare general education pupils for involvement in community development programmes, the government is defining a simple but relevant framework for intervention with the aim of improving the quality of education.

The government is therefore planning to design and introduce a new curriculum for the 2nd, 4th and 7th grades (EP1 et EP2). Teacher training colleges will also benefit from new curricula. These strategies are defined in the Strategic Education Plan II in which lateral themes such as gender and HIV/AIDS are part and parcel of the educational policies⁵⁰.

b) The Technical and Vocational Education (ETP) policy

Where Technical and Vocational education is concerned, PARPA II sets the following priority actions: curriculum reform in order to adapt it to the needs of the labour market; expanding the technical education system, promoting the participation and permanent commitment of partners from the productive sector in revising the curriculum, setting up integrated technical and vocational training in partnership with the private sector and unions.

PARPA II defines, in particular, implementation of the following actions:

- ❖ Setting up a new legislative framework in line with ETP reform;
- ❖ Supervising 200 000 pupils currently enrolled in Technical and Vocational Education;
- ❖ Attaining a pass-rate of 70 per cent in 2009;
- ❖ Increasing the teaching staff to 3000 by 2009;
- ❖ Constructing 1 000 classrooms, equivalent to 50 schools, especially in provinces which do not yet have an ETP system;
- ❖ Continuing the rehabilitation and expansion programme for the Vocational schools network;
- ❖ Promoting the participation of private partners in publicising the provision of Technical and Vocational Education;

⁴⁹ PES.2005

⁵⁰ PIREP.2006-2010 : 2-7

- ❖ Developing new courses adapted to the development needs of rural areas;
- ❖ Promoting courses in strategic sectors of development;
- ❖ Institutionalising the creation of a fund to assist various ETP players, within the context of the ETP reform programme.

The Strategic Education Plan II⁵¹ views Technical and Vocational Education as one of the key components for increasing the qualified manpower which contributes to bolstering economic growth.

For 2005, enrolment is expected to increase by 35.4 per cent for elementary ET, 2.2 per cent for basic ET and 11.4 per cent for intermediate ET.

c) Vocational Specialisation Policies (INEFP)

In order to increase the qualified workforce, the INEFP's strategy is to develop vocational training curricula (e.g. 'Medidas de Emprego Initiative'⁵²). These strategies, which are clearly defined in PARPA II, provide for the execution of the following actions⁵³:

- ❖ Basic, intermediate and advanced vocational and technical training and other types of training
- ❖ Promoting employment through micro and small enterprises in the formal and informal sectors
- ❖ Constructing self-employment promotion centres; a mobile training centre pilot project is planned for Tete Province.

'Medidas de Emprego'⁵⁴: the INEFP's pilot initiative

Objectives

To offer unemployed people the opportunity to be involved in a vocational activity through which they can earn a living. To boost the employability of people by improving professional qualifications. To contribute to the eradication of absolute poverty.

Outcomes

The 'Medidas de Emprego', which were introduced in 2002, have made it possible for a total of 1444 young people to benefit from the following training⁵⁵:

- Subsidised professional attachments: 404 beneficiaries
- Assistance to the Craft Industry: 51 beneficiaries
- Traditional professional apprenticeships: 377 beneficiaries
- Assistance with self-employment creation: 117 beneficiaries
- Vocational training: 495 beneficiaries

⁵¹ PIREP, 2006-2010:2/3/5

⁵² *Measures for Employment*

⁵³ INEFP, 2005

⁵⁴ *Translation : Measures for Employment*

⁵⁵ INEFP data 2002-2004

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Young people's impressions of training, institutional and economic players obtained through qualitative interviews

This chapter outlines the opinions, perceptions and impressions that young people – whether they are in vocational training, working or unemployed –, have of employers, vocational training centre officials, and officials of associations and ministries. These opinions, which were voiced during qualitative interviews, provide subjective comments on the labour market, access to education and access to employment in Maputo. The perceptions and views given by each person reinforce and complement, but also shed new light on the different themes and results obtained by the quantitative survey and presented in the next two chapters. These perceptions of the labour market, evaluations of the education and training system, and identification of current obstacles and problems encountered by young people sometimes vary depending on the position of the different players interviewed and also, on where the young people are in the « training, job-seeking, employment status» cycle. Nonetheless, although the words used may be different, there are certain common threads in the observations made.

A. Evaluation of the labour market for young people, other institutional players and heads of training centres and businesses

1. The main obstacles to formal employment

Access to employment is deemed difficult by all. Everybody, irrespective of age or situation (young people, employers or institutional players), agrees that there is a shortage of jobs, in terms of the limited number of vacancies and opportunities, coupled with a general absence of information. The combination of these two factors and the perception that the opportunities are progressively decreasing, makes them feel discouraged or creates a sense of fatalism because it is practically impossible to find a place in the formal labour market.

Young people, especially those in vocational training, are facing increased competition; both trained and untrained young people are facing greater difficulties because of the growing number of young graduates entering the labour market each year. This labour market does not, in return, provide a sufficient number of vacancies and already has a large number of unemployed people. Consequently, selection for the few jobs available is increasingly tight. These young people decry the academic levels demanded by formal companies and the increasing number of years of professional experience required and mentioned in job vacancies.

Based upon by statements made by young people, employers and institutional representatives, the following paragraphs present some of the factors which are regarded as the main obstacles to the socio-economic integration of young people into the Maputo labour market. Each factor depicts the job shortage situation and the ruthless selection process to which young people are subjected.

a) A lack of vacancies in the formal private sector in the face of a mass and increasing entry of young people into the urban labour market

A lot of mention was made of the economic context of the labour market, dominated by limited employment creation, which is not increasing in line with the country's economic growth. All respondents are aware of the limited number of vacancies available and the difficulty of

accessing them. This is a harsh reality where only 5 per cent of the employed population is in the formal economy.

« There is a higher unemployment rate in Maputo and vacancies are limited ».

Laurinda, 27, student at the Metalomecânica Vocational Training Centre

This gap between the supply and demand for formal jobs is worsened by the simple fact of **demographic pressure**, which has doubled for Maputo, and the continued growth of the urban population. It is estimated that 300 000 young people enter the labour market each year in Mozambique.

« Many young people come from the provinces to look for work in Maputo ».

SOCAVA Association

« Supply in the labour market does not meet growing demand (the indicator for this trend is the large-scale development of the informal sector) ».

Formal sector employer - TECNICAR - INTERCAR

There are many young people and heads of associations who cite **the increasingly stringent job selection criteria**. The requirements in terms of qualifications and professional experience, in particular, pose a disadvantage to young first-time job-seekers, including those coming out of the vocational training system. In fact, the limited job vacancies require 5 to 10 years experience in addition to a high academic level, which excludes most, if not all, young people, as well those emerging from the vocational training system.

« Adverts are few and, in most cases, require 5 to 10 years' experience ».

JVA Association

Because an increasing number of trained young people is entering the labour market, some levels of education and vocational training are no longer good enough to secure employment in the formal labour market. Having the minimum secondary school-leaving level (10th-12th grade), which is often the requirement, very often turns out to be inadequate when looking for a job. During the qualitative interviews, most young people who had attained that level, spoke of how difficult it was to secure employment if they did not complement their course of study with an additional practical specialisation such as information technology or foreign languages, for example, or a university degree.

“It's very difficult to find formal employment because there are a lot of trained people and a lot of unemployed people.”.

Agimo, 21, student at the Mekanagro Vocational Training Centre

« There aren't enough vacancies for all the trained young people ” (trained in the vocational training system, that is).

Formal sector employer – Transporte de Moçambique, public enterprise

« The labour market does not have the capacity to employ the entire existing workforce, even if it is trained ». « The market is very aggressive»

TOYOYA Moçambique.

Although access to education seems to be a determining factor in securing formal employment in Maputo, given the fact that this is a restricted market, education and vocational training are clearly inadequate for many trained young first-time job-seekers.

b) Lack of information on training and jobs

This lack of information includes the absence of links between training systems and companies, the lack of transparency of hiring mechanisms and the very limited or little-known existing placement mechanisms (Job centres, attachments). There are many who do not know where or how to find information and what information to look for.

« Many young people don't know where to begin or what to do ».

YES Moçambique Association

c) Access to education

Young people who are at school or are employed, are aware of the importance of education and, more importantly, that a relatively high level of education is a major advantage for getting a job. There are many who express their wish to continue with or resume their studies. Since they are aware of the demands of the labour market expressed by employers, a good level of education is seen as a means of obtaining a good job. But not everybody is able to pursue a higher course of studies or supplement their training with a specialisation that is deemed necessary. The main obstacle to pursuing a school, specialisation or general academic education programme, is the lack of financial means and the need for some of them to earn an income so that they can look after themselves or their families. Education and training are seen as an investment for the future, but they are also an immediate loss of earnings because the young people cannot take care of their own needs, so there is a double expense which many young people or their families cannot bear.

Added to this are inequalities in access which are linked to the factor of proximity. There are inequalities between the rural and urban areas. In fact, schools and training are concentrated in the urban areas, where there are more institutions and the quality of education is said to be better. Although training services are concentrated in Maputo, there are disparities between the different districts, with most training institutions being in the city centre, which is promoted more than the outskirts. There is an economic limitation here, particularly for the poorest, because of transport costs which are added to training costs.

d) The lack of access to credit and of management capacity in self-employment

Although everyone agrees that there is a lack of access to credit, there are divergent views on management capacity and, in general, the entrepreneurial capacities of young people at the end of their schooling. These differences of opinion mainly exist among heads of training centres and associations and young people. This point is tackled later in Chapter 4, in the section on self-employment. However a quick look at the differences brings to the fore a likely mismatch between the training offered and its appropriateness to the realities of the labour market. Several heads of Vocational Training Centres state that it is possible to start one's own business after vocational specialisation. On the other hand, young people emerging from general and technical education think it is very difficult to start one's own business immediately after completing their training (because of the lack of financial resources and technical know-how.) Finally, several heads of associations and government institutions have been less enthusiastic about the capacity of the education system to train young entrepreneurs. Their main reservations spring from the excessively theoretical nature of the training and the marked bias of the education towards training employers rather than entrepreneurs. Their reservations also arise out of the lack of information and immaturity of young people, which is discussed below. The latter find themselves ill-equipped and unprepared for the different stages of setting up and then managing a business.

e) Age

"I can't find a job because potential employers say I am too young".

Nelo, 18, unemployed

Discrimination by potential employers against young people is a reality and is due to their age and the lack of experience and maturity normally associated with young people. As a result, the opinions of employers are not very favourable towards young people, who are often stigmatised. Some highlight their lack of responsibility, their bookish knowledge which unfortunately is not accompanied by practical know-how, and their individualistic or immature mentality.

"Before, we used to take young people of between 18 and 25, but they never displayed any real sense of responsibility. They are not emotionally stable. Now we only recruit young people aged 25 to 35 years. "

Public enterprise: Mozambique Transport, DHR

2. Importance of the informal economy

Faced with the different obstacles to finding formal employment in Maputo that are experienced by young people and acknowledged by most economic and social players, many young people enter the informal labour market, after several fruitless attempts at securing employment.

The informal economy in Mozambique plays an important role in terms of being:

- ❖ **A source of alternative employment:** The number of workers and, more specifically, young workers is very high. It is an easily accessible sector, irrespective of one's training or experience. However, the informal activity carried out is often regarded as an alternative, a temporary job through which one can gain experience and earn an income, but not as real and long-term employment. Informal employment is viewed as a source of subsistence, a refuge or a stop-gap measure. It is often the only possible and accessible way of becoming socially and economically integrated.

"It is not a real job, but only resolves an immediate problem, but not the problem of entering the formal labour market".

An official of the CERP Association

"Informal employment is not a job, but another activity which is a means of subsistence".

Lavinia, 29, a cookery student, Hotel-Escola Andalucia Vocational Training Centre

"Without doubt, it is a good opportunity given the lack of jobs in the formal sector."

MINTRAB, Director of Employment

- ❖ As source of income, informal activities are a means of earning a quick income (which is often low, and for subsistence purposes) in order to meet one's or the family's needs.

"Young members working in the informal sector say that in their current job they are earning 1 500 000 MT/month. In the formal sector the minimum salary is 1 100 000 MT/month, so it is better for them to continue with their current job rather than to earn less and incur transport costs in getting to work. Moreover, they only get paid at the end of each month."

SOCAVA Association official (Informal street vendors)

- ❖ **Opportunities to acquire skills and professional experience.** There are many young people with a very low academic and professional level, and it is only through informal activities that they can acquire practical know-how.

However, working conditions in the informal sector are precarious and there is an **absence of organisational structure and capacities** that make it possible to protect your rights, to have enough influence on the authorities and financial institutions, in order to obtain information or even gain access to certain markets.

“ The informal sector must be organised. It yields high returns. The question is how to organise it. It is a sector that needs to be organised and improved, not eliminated »

YES Mozambique Association, founder member

Key Concepts

In Maputo, the informal private sector absorbs most young workers who otherwise would have neither work nor income. It is a significant reservoir for employment creation and income generation in the face of the shortage of jobs in the formal sector, particularly for young people seeking to be integrated into the labour market. The informal economy has the potential to be a good basis for business creation or skills acquisition. But, the informal economy is very often a fallback solution, where working conditions guarantee neither health nor occupational safety.

There is an overabundance of less educated young people and management capacities are limited. As they are generally poorly organised, these young informal economy workers do not have any form of representation which would enable them to make themselves heard and to protect their interests both in terms of employment and access to social services, infrastructure, property, productive investments and training. The lack of access to information, markets, financing, training, education, the legal system and technology results in poor prospects for change and a serious lack of job security.

B. The different skills acquisition mechanisms: vocational training is one, but not the only, integration method

1. Evaluation of vocational training

The evaluation of vocational training takes into consideration the following fundamental questions: *Why offer training and go for training? Which curricula are best suited to securing employment and acquiring the skills required by the labour market or for self-employment? Where do you go after training? Where do you find a job?*

The assessments done by young people and Vocational Training Centre officials and companies have brought to the fore certain weaknesses in this system:

- ❖ The teaching is too theoretical and there is a lack of practical training in the curricula, which reduces the “employability” of young people;
- ❖ Access to attachments is very limited, which makes it more difficult to secure employment;
- ❖ Vocational training is not affordable for many young people;
- ❖ The number of Vocational Training Centres and the number of resources at their disposal are too limited to guarantee better access to and quality of teaching.

a) Vocational training/specialisation compared with general education

i) *As seen by young people:*

- ❖ For public schools, there is more of a demand than a supply of places (general and technical vocational education). The admission of young people into commercial and trade schools after completing upper primary studies is considered easy by pupils. As for students in institutes, there are many who, after a course of study at middle secondary level, have

chosen to do a different course after failing the university entrance examination, often with the intention of attempting the university entrance examination again later.

- ❖ Training costs are low, but the training is sometimes seen as inadequate due to an inappropriate curriculum, shortage of teaching equipment, outdated technology, insufficient practical courses.
- ❖ **In private schools:** Supply is more diversified, but access is limited because of high enrolment costs which worsened by additional transport costs. Young people believe that these private schools have better teaching methods and more appropriate technical resources – modern technology and tools which provide the opportunity to apply theory to more effective practical courses.

Although some young people at school, especially in trade or commercial institutes, made this choice by default after trying to get into university, for many of them vocational training is seen as an opportunity to study a speciality for which they have a passion. It is a way of learning and improving themselves through technical and practical courses over a short period of a few months.

“I chose this vocational specialisation course so I could do a more advanced course and acquire more technical, scientific and practical knowledge”.

Oscar, 18, a student at the Mekanagro Vocational Training Centre, mechanics course

Most young people interviewed are not involved in any work activities in addition to their studies and have little or no professional experience. Their reasons for choosing a course depend on each curriculum. Young people who embark on vocational specialisation choose courses depending on their capabilities, abilities and interests and also depending on the opportunities that the specialisation provides in the labour market. Vocational specialisation is sometimes an alternative to entering the labour market for those who cannot secure employment. It also enables many young people to continue with training when they have not succeeded in pursuing their course of study or when they have failed the university entrance examination.

Generally speaking, young people think that general education and the highest possible academic level, ideally university education, give them a better chance of securing employment. And besides the interest shown in technical specialisation, there are many young people who, after vocational specialisation, want to continue with their studies and attain a higher and more recognised qualification.

“After the attachment and after working a bit to improve my practical know-how, I would like to resume my studies and attain a higher academic level”

Ilidio, 22, a student at the Mekanagro Vocational Training Centre

Consequently, general education which is often more valued, is seen as a recognised academic level, whereas specialisation centres provide practical know-how which is not recognised as an academic level. This perception is confirmed by the fact that salary levels are determined by the general education academic level and that recruitment requirements are often based upon general education certificates.

If their diplomas and practical knowledge obtained from vocational specialisations are not recognised, the young people are worried about the problems they face with carrying out activities that are outside their often very specific area of specialisation. Due to their poor general education levels, their choices are often limited and their access to higher academic levels thus compromised. Young people in the general system have more of an option of changing to a different course.

In terms of resources available to training centres, the DINET technical teaching training centres consider the practical courses as inadequate or deficient (for example, at the trade school, where

students complain that there is a shortage of equipment or that the equipment is unsuitable, while the tools and machines for practical instruction are obsolete. Private training centres, on the other hand are often better equipped and have resources and means which are deemed more suitable.

ii) As seen by employers:

Recruiters are expressing their need for technical manpower which qualifications in a specific area of specialisation. According to them, training centres produce good technicians. The curriculum is considered to be suited to their requirements because they are trained specifically for practical application. In Vocational Training Centres the age of graduates is higher since the age restriction is not as strict as in other educational institutions. The young people are considered more mature than those who have received technical education. However, young people are generally seen as irresponsible, unreliable, lacking moral values, inexperienced and with no plans to stay on a long-term basis.

"The emergence of Vocational Training Centres is commendable because they give young people practical know-how, which will then help them to secure employment. However more funds are needed so that there can be more practical courses".

Auto Lagoa, RH official

"Vocational training centres, unlike commercial/trade schools or institutes (technical and vocational institutions run by the MEC), train technicians who can then be employed immediately. In ETs young people are less mature than those coming out of Vocational Training Centres, who are often older and better-prepared to enter the labour market".

Toyota de Moçambique – Human Resources Manager

b) Vocational training as a means of professional integration

Vocational training is recognised as a starting point for those aspiring to a job in a company or who have the ability to run their own business. It is regarded as the basic way to learn and then do technical or manual work, which is not the case with more academic training. Vocational training also prepares people for access to formal and informal employment or self-employment (mostly in the informal sector).

"Generally speaking, general education curricula are very theoretical and are of no help when it comes to being immediately ready to work and to adapt to reality as soon as one enters the labour market"

Association of Young People in Journalism, Antonio, coordinator

Students receiving technical education are more optimistic than those in vocational specialisation about the possibility of securing employment, in both a formal sector public or private company.

Young workers rate the effectiveness of the training as a means of professional integration according to the type of company employing them and the formal or informal nature of their job. Consequently, young workers in the formal sector, particularly in the public sector gave a less favourable rating. Vocational training is considered inadequate but may constitute a necessary basis because it is complemented by a specialisation or a higher academic level. This confirms the fact that, for young people who have received vocational training, young people trained in academic institutions and universities, in particular, represent stiff competition.

However, although it is a recognised fact that vocational training provides practical skills, many association heads and ministry representatives acknowledge that young people with vocational

training are not capable of setting up their own businesses. Vocational training produces employees rather than company managers or entrepreneurs. This explains the fact that although vocational training is not always suited to the labour market, it seems to fit in with the expectations of recruiters who are looking for young people trained in a specific area of specialisation and who are able to show their practical know-how (which is the objective of vocational training).

Key Concepts

Vocational training gives young people the opportunity to take practical courses which enable them to acquire skills and technical knowledge in an area of specialisation.

3. Alternative and /or complementary methods for formal training

a) Informal learning as an alternative method to vocational training

The education system, be it general, technical and commercial or a vocational specialisation, does not have the capacity to accommodate all young people, and not all young people are able to undergo training or continue with their schooling. There are a number of reasons for the limited access to formal education/training: the economic context, limited places, lack of resources, and sometimes age limit, the shortage of training centres, and the need to work in order to meet one's needs.

As a result, the young people who do not have access to formal education/training make up the vast majority of workers in the informal sector. These young people work in small businesses as employees or they are self-employed..

Although many young people do not possess any vocational training and have a minimum academic level (usually end of EP2 primary), through their informal sector activities, they gain experience and acquire skills, often technical know-how which requires little academic knowledge. This informal training is often given by a tutor, who is a specialist in the informal structure, be it a parent, a relative, an acquaintance or a neighbour. This is often the case with specialities such as mechanics, electricity, carpentry, the sheet-metal trade, etc.

The skills acquired are often very specific to a given activity. They are often basic and limited. Furthermore, they are not recognised when it comes to seeking employment in the formal sector. When they emerge from formal training systems with their guidelines and recognised levels, many young people hesitate or lose interest in pursuing further studies.

Key Concepts

As an alternative to formal training, many young people who do not have access to such education/training turn to the informal private sector where, by working directly, without professional experience and with a low academic level, they learn « technical » skills. Such training however is not recognised in the formal sector as an educational level.

b) Gaining First Working Experience

Professional experience complements vocational training in terms of putting into practice, validating and recognising the technical skills acquired during training. Professional experience is also necessary and often a requirement when seeking employment on the labour market. Gaining professional experience takes different forms:

- i) During practical courses at vocational training centres. Not all vocational training centres offer the same opportunities for practicals during training, as this mainly depends on the resources available.
- ii) During an attachment at the end of the training period. Attachments, which are often not compulsory for validating the training, are only taken by a few young people because there are not many attachments on offer, there are no links between vocational training centres and companies, and also because many people are ignorant about how to proceed. Most young people express the desire to go on attachment, as they are aware that it will enable them to put into practice what they have learnt and to show their know-how. Attachments are viewed as a springboard to employment, the first steps towards possible employment in that business. Attachments are often described by young people and employers as a very important aspect of the skills acquisition programme. It puts you face to face with practical reality and tests your ability to resolve concrete problems and operate in a work environment.

« An attachment will enable me to acquire skills through practice. It's a stepping stone to the labour market. But it's difficult to find an attachment – there are no offers, there's no information and I don't know where to look ».

A young person in public education in Maputo – DINET institution

Disadvantages encountered by young people: *« Lack of experience, young people have little or no professional experience, lacking in self-confidence, a lot of bureaucracy, lack of practice after training, what we're more interested in is what the young person can do rather than the curriculum »*

CERPRE Association, official

Most young people in vocational training centres express interest in going on attachment at the end of their training, whereas in other programmes of study they do not really say what they want to do. Young people want to go on attachment but they don't know where to look or are discouraged by the lack of vacancies and lack of support in looking for an attachment.

“Currently 40 per cent of applicants for attachments are successful, and some are even employed at the end of the attachment. It is difficult to find an attachment”

Metalomecânica Vocational Training Centre, Head of Teaching

“It is not the responsibility of schools to organise attachments... it's difficult to find an attachment in a company. Attachments facilitate entry into the labour market and provide an experience of reality”

Moseis, 23, a student at the Commercial Institute, general accounting

Key Concepts

Gaining the first professional experience is a way of becoming familiar with the realities of work and validating your skills and knowledge when seeking your first job. For young people, there are very few mechanisms for gaining professional experience. Practical courses during vocational training and attachments are ways of learning and improving their know-how during the first professional experience.

C. Links between training players and economic players (businesses)

Whether it is from the point of view of Vocational Training Centre officials or recruiters, there are few or no links between them and, where they do exist, they are informal. The links that exist are traditional ones with companies who are happy with former trainees or graduates of Vocational Training Centres, whose performance in the company was considered good. Recruitment takes place as the need arises. From time to time companies may request a Vocational Training Centre to train its employees in a specific area of specialisation.

“There is no formal contract between our centre and public or private enterprises, be it for training employees or recruiting from the centre. However, we do have good ad hoc links with some companies”.

Head of Teaching at Metalomecânica Vocational Training Centre

1. Access to employment and information systems

In Mozambique, vacancies are advertised as follows:

- ❖ Centro de emprego (job centres) (see Chapter 1)
- ❖ National newspapers (particularly offers from government or NGOs)
- ❖ Websites

Access to and Evaluation of these mechanisms

Few young people know that these information systems exist and, moreover, these are limited. Only a minority of young people are familiar with job centres. The other method, which is newspaper advertisements, offers vacancies which are often not accessible to young people seeking their first job. Consequently, few young people use these systems because they don't know about them, do not have the money, or are discouraged.

The use of « formal » job-seeking mechanisms seems to be the preserve of the few young people who have found employment in a state-owned company. For example, in one case an attachment with the company resulted in employment. In another case, a newspaper advertisement ended in employment after a successful interview.

Most young people, and this will be confirmed by the results of the quantitative survey, use their **family and social circles**, in the first instance, **to seek employment**. Many recognise the importance of personal contacts, which is an important if not vital factor for integration into the labour market. However many of the young people at school and not yet seeking jobs, are more likely to use « formal » job-seeking methods such as sending their CVs to companies, contacting employers or consulting newspaper advertisements. They do not, however, discount the help of family or acquaintances.

Young workers, on the other hand, have already been through this often difficult process of securing employment. Workers in the informal economy in particular, but also in formal private companies, stress the importance of family, friends and cousins, especially family members who are already working, often in the informal economy.

The only job seeking method used by unemployed young people, is by resorting to family and neighbours.

« I contact people who are already working, acquaintances, neighbours, friends »

« I asked my brother who is already working and neighbours »

« Vocational training is indispensable but it is mostly because of your family and acquaintances that you get a job. If anyone is looking for a job, they need skills and also contacts »

Unemployed young people

2. Recruitment practices within businesses

Young people do not consider companies as transparent when they are selecting candidates. Most companies interviewed recruit as the need arises. Most of the time, they approach Vocational Training Centres (for technical trades) and young people are then hired directly or placed on attachment. But such requests are rare and places are very limited.

“We hire according to our needs. There is no set period but only when we have a vacancy or we are opening a new structure. Recruiting is generally done by direct contact with job applicants or through the UPA centre ».

INTERCAR, HRD

«The best time to recruit is between January and April, because that is the time when many young people with qualifications are looking for work in Maputo. Some give up, others look for work in a sector other than the one they specialised in. There are many young people with training.»

“Before we hire, we first give the person 15 days to demonstrate their skills and attitude. Of late, our company has not recruited as we prefer people on attachment. We give priority to people who know how to go about it. People wishing to be employed by our company send us their CV, or we approach our partner Vocational Training Centres or UPAs; other young people have been hired by approaching us directly. »

Auto Lagoa, Human Resources Manager

Depending on the nature of the vacancy, recruiters will, for example, require that a young person have a secondary school qualification or better for jobs in administration or services. For manual work, young people from Vocational Training Centres are generally preferred. Finally, employers are inclined to take on mature young people, favouring those who are over 20 years of age.

“We employ young people from the age of 20. There are more men than women in our company because of the type of work, except in administration”

Auto Lagoa, HR Manager

Views of young people on Company Recruitment:

According to them, the requirements set by employers' prevent them from applying for the posts because of their lack of experience. In fact, the few vacancies advertised very often require people with 5 to 10 years' professional experience.

“5 years are often required by recruiters. It shouldn't be like that, there is no way young people can meet current requirements. It is important to first improve technical schools and match curricula with the criteria of the labour market.”

“Young people do not have a lot of opportunities and there are some privileged young people. It is also important to highlight the value of self-employment and its positive impact on society, and not only individual work but also work which is beneficial to society.. »

António, President of the Association of Journalism Students

Many decry the methods used to select applicants, which are not considered transparent. Some young people underline the fact that there is also discrimination; ethnic or racial, gender, skin colour or family origin. Some speak of special favours obtained through bribery and the need to pay in order to get a job, or the widespread practice of « string-pulling » and other speak of abuse of power and sexual abuse.

Let us now discuss a sensitive but apparently real issue, which was mentioned by many young people during informal discussions. Schooling, obtaining vocational training and access to employment for young Mozambicans are subject to a form of « economy or market of access to knowledge or employment », which is initiated both by those transmitting such knowledge and by its recipients, when needing a job or a pass mark for an examination, for example. In informal discussions, some young women⁵⁶ said that the transaction was not necessarily monetary, but also sexual.

The study does not directly examine the issue of financial or other « transactions » in order to get employment, as the interviewees were not directly asked that question. However, a large number of young people, both boys and girls, were asked informally about the issue. These discussions reveal that social relations are an important way of « landing a job », and paying for this service has become more or less accepted in the socio-economic integration process.

Key Concepts

There are formal information systems in the Mozambican labour market, but they remain to a large extent unknown, especially among young people. Moreover, links between Vocational Training Centres and companies are almost non-existent or informal.

⁵⁶ Information gathered informally from some twenty female students and/or waitresses in restaurants or bars, employees of a security company, secretaries, etc.

3

Factors Determining the Socio-economic Integration of Young People

The analysis of the quantitative survey conducted in November 2005 in Maputo on 544 young people highlights certain factors determining the socio-economic integration of young people. Basic education, social networks, and social, geographical and gender inequalities determine the integration of young people into the labour market and their access to formal working conditions.

A. Importance of Basic Education

The education levels of the young people involved in the study are distributed as follows:

Table 6. Distribution of young people by level of education and sex

Level of education (complete or incomplete)	Women		Men		Total	
	Number	%	Number	%	Number	%
None	9	3.9	9	2.9	18	3.3
Primary education [incomplete/ complete]	19	8.3	31	9.9	50	9.2
Second level primary education [incomplete/ complete]	64	27.8	119	37.9	183	33.6
Commercial/Trade school [incomplete/ complete]	17	7.4	23	7.3	40	7.4
Commercial/ Trade institute[incomplete/ complete]	5	2.2	8	2.5	13	2.4
Basic secondary education [incomplete/ complete]	49	21.3	55	17.5	104	19.1
Intermediate level secondary education [incomplete/ complete]	26	11.3	29	9.2	55	10.1
INEFP or private vocational specialisation [incomplete/ complete]	25	10.9	27	8.6	52	9.6
University	16	7	13	4.1	29	5.3
Total	230	100	314	100	544	100

Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market [544 young people - November 2005]

NB: Since quotas were used for the survey sample, the information on this table is not representative of the level of education among young people aged between 15 and 29 years in Maputo. Thus it should be interpreted with caution. However, since it was only the sample of educated young people that was subject to these education level criteria, the information on education levels among working, unemployed and inactive young people can be interpreted relatively freely.

1. Education as a Determining Factor

a) For securing employment

Table 7. Distribution of young people by education level and employment status:

	Categories of Young People									
	Students N	%	Unemployed N	%	Working N	%	Inactive N	%	Total N	%
None	0	-	3	6.8	14	5.5	1	3.2	18	3.3
Primary education [incomplete/ complete]	10	4.7	5	11.4	31	12.3	4	12.9	50	9.2
Second level primary education [incomplete/ complete]	53	24.8	26	59.1	90	35.6	13	41.9	182	33.6
Business/trade school [incomplete/ complete]	28	13.1	1	2.3	8	3.2	3	9.7	40	7.4
Business/Trade institute [incomplete/ complete]	0	-	1	2.3	12	4.7	0	-	13	2.4
Basic secondary education [incomplete/ complete]	51	23.8	5	11.4	39	15.4	8	25.8	103	19.0
Intermediate level secondary education [incomplete/ complete]	21	9.8	3	6.8	29	11.5	2	6.5	55	10.1
INEFP or private vocational specialisation [incomplete/ complete]	51	23.8	0	-	1	.4	0	-	52	9.6
University	0	-	0	-	29	11.5	0	-	29	5.4
Total	214	100.0	44	100.0	253	100.0	31	100.0	542	100.0

Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market [544 youth -November 2005]

There is a higher proportion of young people with an education level below secondary school among the inactive and the unemployed, than there is among young people who are employed (77,3% for the unemployed and 58% for the inactive against 53.4% for employed young people). Therefore there is a wide difference in education levels between unemployed young people and young people with jobs. The unemployed and the inactive young people had neither a vocational specialisation nor a university degree.

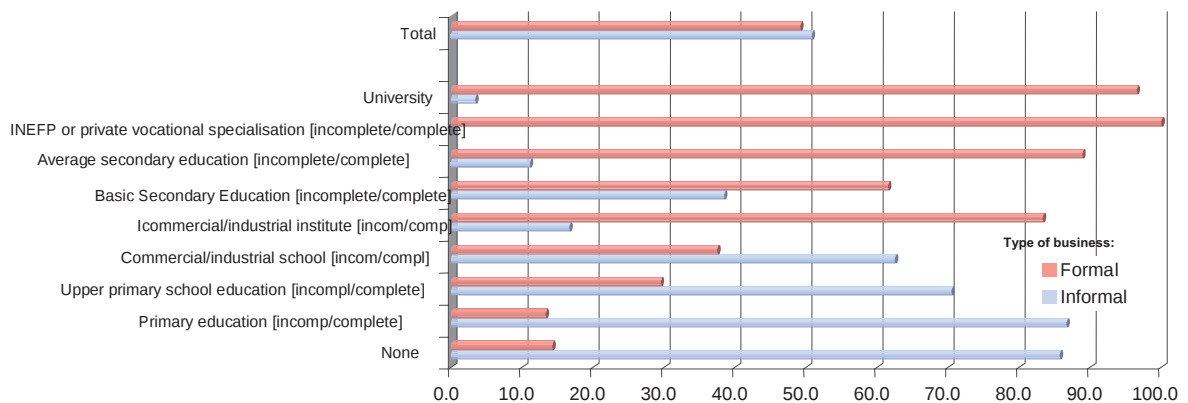
Since the number of jobs is limited, the least educated young people are unable to access the formal labour market, with employers lending priority to the most qualified. The young people who have not accessed the labour market can be classified into three categories: unemployed young people, informal workers and inactive young people.

b) For securing formal employment

Education levels have a particularly strong influence upon the degree to which the jobs accessible to the young people are formal, secure and stable. Since the number of formal jobs is limited, the least educated young workers or those without access to networks for securing formal employment, compensate for this by being resourceful and through the need to survive, mainly through working in the informal sector.

In effect, there is a notable correlation between the young people's education levels and the formal or informal nature of their employment [graph 3]. Ninety-seven per cent of young workers with university education work in a formal business, while 80% of young people with education below secondary school level work in an informal business.

Graph 3. Young workers: Distribution of workers by formal or informal nature of the business and by level of education



Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market, November 2005

On surveying workers in the informal sector and the formal sector, it can be noted that 79,3% of young workers in the informal sector have an education level below general secondary school as compared to only 26,2% of young workers in the formal sector. On the other hand, only 0,8% of workers in the informal sector have an education level that is above sixth form as compared to 23,8% of workers in the formal sector.

c) For accessing « decent » working conditions

Informal employment is often associated with precarious, insecure, and unstable working conditions, and low salaries. Certain indicators for working conditions are given below, some of which relate to job security while others relate to social security:

i) Employment Contracts

The existence of an employment contract, whether verbal or written, as well as the length of the contract, all give an indication of the degree of job security. It is customary to consider as legitimate a permanent full-time employment contract that binds the employer and the employee in an exclusive manner.

In this case, only one worker out of three is bound to their employer by a written contract of indefinite validity. This mainly includes the most educated young workers (77% for workers with university education or a vocational specialisation) and workers recruited by formal businesses. Almost one out of two women have an employment contract of indefinite validity compared to only one out of four men.

Table 8. Type of employment contract by young worker's level of education (%)

Employment contract (main activity)	Level of Education (complete or incomplete)										Total	
	None/Primary education		Second level primary education/ Business/Trade school		Business/Trade institute/Basic secondary education		Intermediate level secondary education		INEFP or private vocational specialisation /University			
	%	N	%	N	%	N	%	N	%	N	%	N
No contract	88,4	38	48,4	44	24,5	12	11,1	3	3,3	1	40,8	98
Verbal contract	7	3	15,4	14	14,3	7	7,4	2	3,3	1	11,2	27
Written contract for a specific period – less than one year	2,3	1	6,6	6	16,3	8	3,7	1	16,7	5	8,8	21
Written contract for a specific period – more than 12 months	0	0	7,7	7	4,1	2	11,1	3	0	0	5	12
Written contract, indefinite validity	2,3	1	20,9	19	40,8	20	66,7	18	76,7	23	33,8	81
Does not know [spontaneous]	0	0	1,1	1	0	0	0	0	0	0	0,42	1
Total	100	43	100	91	100	49	100	27	100	30	100	240

Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market, November 2005

ii) Place of Work

In terms of place of work, a distinction is drawn between people working from home and those working outside the home in a fixed work structure such as a company, factory, shop or boutique.

In this case, working from home or on the street is considered as being less secure. Working from home may mean greater flexibility and independence as far as time management is concerned. However it does require basic skills in managing sub-contracting relationships, especially in the textile sector, or, on the other hand, high level communication skills. Working from home is characterised by:

- ❖ a certain amount of isolation;
- ❖ a lack of interaction with other employees and the employer;
- ❖ a lack of representation and methods of self-protection;
- ❖ High output for low income.

Based on the survey findings, the link between the location of the activity and the level of education is quite distinct. A fixed location in an office, a shop, a hotel or a factory is clearly characteristic of young people with the equivalent of or higher than a secondary school or a commercial or trade institute education. Young people who have gone beyond 6th form, following either the general or vocational curriculum, all work in fixed premises, often in a formal business. In contrast, less than half the young people with primary school education or less, work in fixed premises outside their homes or away from the streets. Working from home, on the streets, or being mobile or in a fixed location seems attributable only to young people with a level of education that was below secondary school.

Table 9. Distribution of young workers by location of business activity

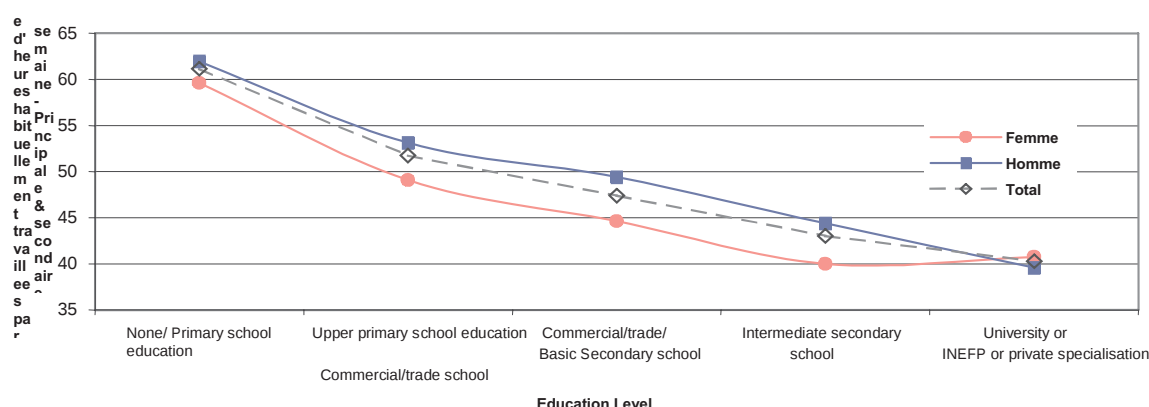
Place of work (recorded)	Level of Education (complete or incomplete)											
	None		Primary education 1st and 2nd level		Basic secondary education/ Business/ Trade school		Intermediate level secondary education/business /Trade institute		University or INEFP or private specialisation		Total	
	N	%	N	%	N	%	N	%	N	%	N	%
Professional premises [offices, shops, factories, etc] – Fixed	5	35,7	55	45,8	37	78,7	38	95	30	100	165	65,7
Fixed spot on the street	3	21,4	44	36,7	6	12,8	1	2,5	-	-	54	21,5
Impromptu spot on the street or mobile	3	21,4	15	12,5	3	6,4	1	2,5	-	-	22	8,8
At home/ or at another person's home	3	21,4	4	3,3	-	-	-	-	-	-	7	2,8
Other	-	-	2	1,7	1	2,1	-	-	-	-	3	1,2
Total	14	100	120	100	47	100	40	100	30	100	251	100

Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market, November 2005

iii) Working Hours

Although an imperfect indicator, the number of working hours is an indicator of workload. This indicator reveals that the number of working hours decreases as the worker's education level increases. However, in the informal sector, working hours, including virtually all the time spent at the market or on the street, are often difficult to quantify, unlike the hours spent in a formal operation which are often set in an employment contract. The survey does not indicate any differences between the working hours of men and women in the same area of work, whether formal or informal.

Graph 4. Number of hours usually worked per week by level of education and sex



Source :Study on the Socio-Economic Integration of Young People into the Maputo Labour Market, November 2005

iv) Social Security and Job Security

The last set of indicators relate to social security: annual paid leave, paid sick leave, reimbursement of medical costs, etc. The relationship between eligibility for benefits and level of education is especially significant among young workers in the formal and informal sectors.

A considerable number of young people do not benefit from true social security and/or job security. One out of two young people with no education is not eligible for any benefits, in particular those relating to severance pay and retirement. Only one-third of these young people are entitled to refunds for medical expenses. If they have a higher level of education, young workers have more access to social security.

Severance pay does not change much according to the level of education, but seems to be influenced by the formal or informal nature of the young worker's activity. However, generally speaking, only 14,2% of young workers have some 'job security' (24,3% of formal workers and 1,1% of informal workers, see Table10).

The differences in security between the formal and informal sectors are significant. Yet the lack of security for the worker is an integral part of the wider definition of « informal economy ». This definition is not limited to the characteristics of the business alone but also considers the worker as a unit of reference.

Table 10. Eligibility for one or more benefits: social security, job security, training and benefits by level of education [young workers]

Eligibility for the following benefits and perks:	Level of Education (complete or incomplete)					Total
	None	Primary and second level primary education	Basic secondary education/ Business/ Trade school	Intermediate level secondary education/ Business/ Trade school	University or INEFP or private specialisation	
Eligible: Fringe Benefits (accommodation, transport, electricity)		8.3	19.1	39.0	36.7	18.2
Eligible: Free or subsidised company meals	14.3	19.0	29.8	34.1	26.7	24.1
Eligible: Annual paid leave	7.1	17.4	46.8	75.6	83.3	39.5
Eligible: Paid sick leave	14.3	12.4	34.0	65.9	60.0	30.8
Eligible: Paid maternity leave	7.1	4.1	8.5	22.0	46.7	13.0
Eligible: Retirement and pension		3.3	6.4	29.3	50.0	13.4
Eligible: Reimbursement of medical expenses/ health insurance	14.3	9.0	20.8	56.1	70.0	26.3
Eligible: Severance pay		2.5	19.1	22.0	30.0	11.9
Eligible: Training courses/ education		3.3	14.9	36.6	40.0	15.0
Total [%]	100.0	100.0	100.0	100.0	100.0	100.0
Total workforce	14	121	47	41	30	253

Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market, November 2005

v) Levels of Education, Income and Informality

The average income of young workers increases as their level of education/training increases, especially in formal businesses. The correlation between average monthly income and education level is also evident in the informal sector but is less marked. For those with an education level that is above or equivalent to primary school, the salaries are, on average, lower in the informal sector. Young workers are generally paid low salaries that are determined by their level of education.

- ❖ One out of two young workers earn between 1 200 000 and 5 000 000 meticaïs per month (between 50 and 200 USD)⁵⁷. 61,1% of them work for a private informal or family business.
- ❖ One out of five young workers earns less than 1 200 000 meticaïs per month (that is less than 50 USD)⁵⁸ and in general works for a large private or state-owned company, is self-employed or is employed by a private informal business.
- ❖ Only one out of ten young workers earns more than 10 000 000 meticaïs per month (that is 400 USD). Eighty-four per cent of the latter work for a large state-owned company or private company.

Table 11. Income Brackets among young workers by type of business in which they work (%)

What type of business do you work in?	Total Individual Income Brackets – primary and secondary activity(ies)							Number
	Below 1,200,000	1,200,000-2,000,000	2,000,000-5,000,000	5,000,000-10,000,000	Over 10,000,000 Meticaïs/month	Does not know	Total	
	%	%	%	%	%	%	%	
Civil service	-	-	-	-	100.0		100.0	1
State-owned company or parastatal	-	-	18.2	45.5	27.3	9.1	100.0	11
Large private corporate	-	17.4	21.7	26.1	28.3	6.5	100.0	46
Small or medium enterprise	18.9	34.0	30.2	1.9	1.9	13.2	100.0	53
Own business / own-account activity	9.5	23.8	33.3	14.3		19.1	100.0	21
Not-for-profit organisation			50.0		50.0		100.0	2
Informal private business	32.7	25.0	32.7	5.8	-	3.8	100.0	52
Family business	62.5	-	-	-	-	37.5	100.0	8
For an individual	100.0	-	-	-	-		100.0	1
Total	18.3	22.8	26.9	12.2	9.6	10.2	100.0	1

Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market [November 2005]

vi) Education Level and Access to Training

The access to possible training on the job increases according to level of education, which poses several advantages and disadvantages.

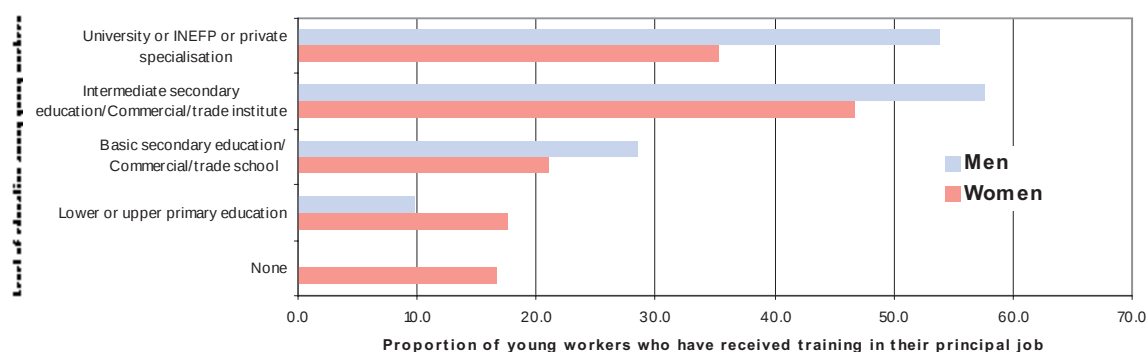
However the access to training increases significantly among formal sector workers. Forty per cent of young workers in the formal sector receive training in their primary employment against only 7% of informal sector workers.

Payment of training fees (see Graph 8) also varies according to education level and the formal or informal nature of the business, with costs being borne by the employer more often in the formal businesses, where the young worker has a higher level of education. In most cases, workers in informal businesses finance their own training (38%) or it is financed by their family and close relatives (50 %).

⁵⁷ 1 USD = 25 000 meticaïs

⁵⁸ *Idem*

Graph 5. Proportion of young workers receiving training their primary job by initial education level



Source: Study on the Socio-Economic Integration of Young People into the Maputo Labour Market, November 2005

Key Concepts

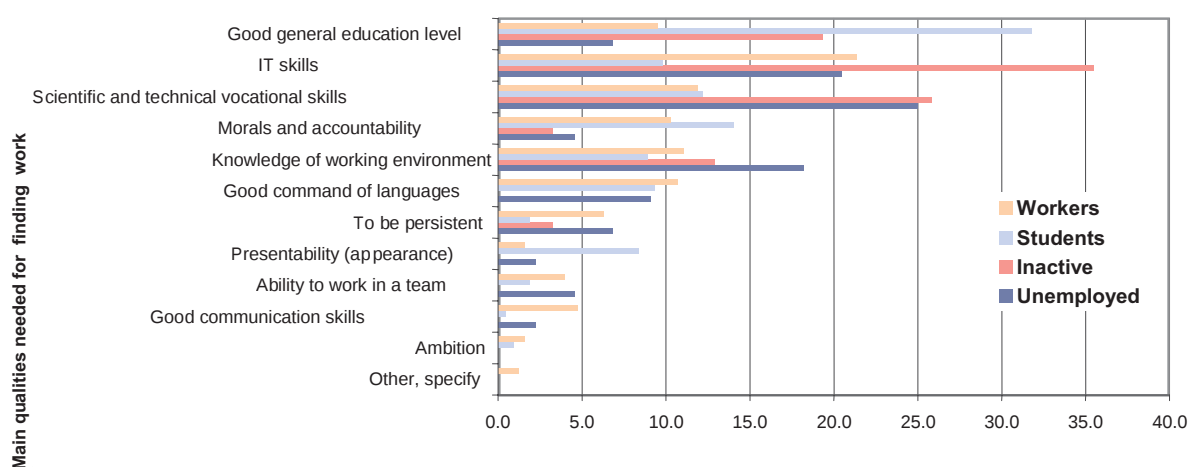
The importance of education: Education levels determine access to formal and informal employment. In general, education levels determine the extent and quality of the socio-economic integration of young people in urban areas.

2. Young People's Perceptions of the Role of Education

a) Most Important Qualities for Securing one's First Job

The most important qualities for securing one's first job, as cited by the young people, are linked to one's general level of education, information technology skills and scientific and technical qualifications. Generally, the need for general and specialised knowledge as well as information technology skills are mentioned by one out of two young people. The qualities cited vary according to employment status.

Graph 6. Importance of education as a requirement for securing your first job, as identified by young people.



Source: Study on the socio-economic integration of young people into the labour market, November 2005

b) The Most Important Goal in Life

The principal goal cited by one out of three young people is a successful career (37% of young people); « developing a successful family life » is mentioned by 23% of young people.

However, the goals vary according to the category of young people:

- ❖ For the unemployed and the inactive, the most important goal mentioned by more than one out of three young people is the development of a successful family life. What differentiates this group from young workers or students is the large proportion who state that their life's primary objective is to earn a large amount of money (22%).
- ❖ The main goal cited by one out of three students is a successful career. A second goal mentioned by 27% of young people in this category is more short-term: success in their studies or the pursuit of studies or training.
- ❖ Among the workers, career success and developing a successful family life are both mentioned by 30% of the young people. Their main goals no longer involve pursuing studies, but having a family and personal growth and achievement occupy a more important place among this category of young people than in other categories.

Key Concepts

Perception of the importance of education by young people: Young people have a very clear vision of the role that education can play in improving their quality of life and have made it one of their priorities.

3. Minimum Level of Education for Formal Employment

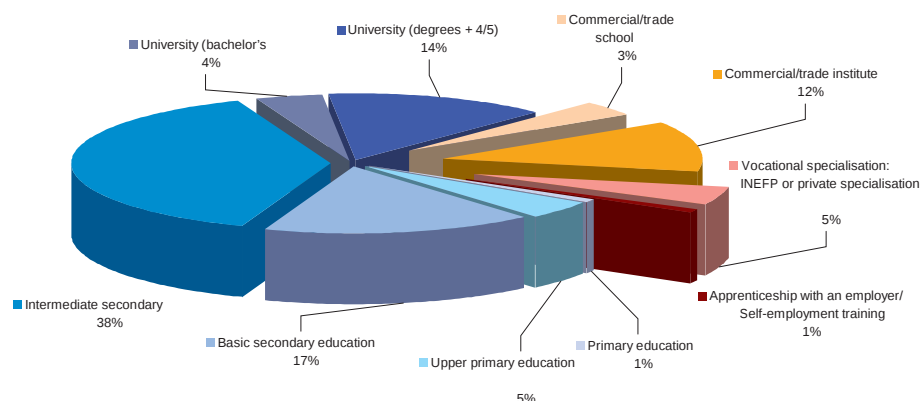
Based on the distribution of young workers according to the formal or informal nature of the business where they work and their education level, it appears that, according to a large proportion of the young people, an intermediate level of secondary education (ESG2 or business/trade institute) is the minimum requirement for securing formal employment.

In response to the question « What is the minimum level of training required for securing employment in a public company or private formal business? », 37 per cent of young people from all the categories cite intermediate secondary education as their first choice. In total, 60 per cent of the young people indicate a level that is equivalent to or above intermediate level secondary education.

a) General Education Versus Vocational Training

The minimum education levels for securing one's first job are general education levels rather than vocational training. However, a « good level of general education » is the first quality cited by most of the young people for securing employment. Even if the minimum education level indicated by the young people is strongly influenced by their own level of education, the intermediate level secondary education remains the most cited, except by young people with only primary school education. The link between the findings on the workers and the opinion expressed by young people demonstrates that they are aware of the realities. This awareness of the value of education exists among the large proportion of young people expressing a desire to pursue or resume their studies, and this applies, whatever their employment status.

Graph 7. Highest level of education required for securing formal employment: Young People's Perceptions



Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market, November 2005

Key Concepts

The minimum level of education for securing formal employment: the young people agree that general secondary education is the minimum level for accessing formal employment.

Key Information

The importance of education for:

- ❖ securing employment: In a country where access to the formal market is extremely competitive, the education level is an important factor in securing formal employment. Given the limited absorption capacity of the formal sector (low rate of employment creation) and the growing number of young people undergoing training and entering the labour market, the informal sector, presently characterised by low education levels among its workers, should benefit from an increase in the number of qualified workers in the years to come. The growing education levels among young people should thus have a positive effect on skills development in the informal sector, as long as the development potential of these businesses and entrepreneurial spirit is not dampened by obstacles such as the heavy legislative framework and difficulties with accessing capital or markets.
- ❖ access to better income: Education is a highly profitable investment for young people due to its significant correlation with monthly income. The young people seem to have adopted this principle and are attempting to attain the highest possible levels of education, and regard secondary as the minimum requirement for economic integration into the formal labour market.
- ❖ access to decent work: Access to decent working conditions, in the form of an employment contract, guarantees of a certain degree of job security, work premises, an acceptable workload and social security are to a large extent linked to the young people's level of education. The most significant decent work deficit is in the informal sector, yet this deficit also exists in formal businesses, though less significantly so.

B. The Importance of Family Networks, Friends, Acquaintances and Contacts

1. For Securing Employment

The question on the main employment seeking methods varied by category:

- ❖ students who have already begun to seek employment were asked about the actual employment seeking methods used, whether work was found or not;
- ❖ young workers were asked about the methods that enabled them to secure work;
- ❖ unemployed young people who have worked in the past.

In general, the most common methods are personal contacts and the assistance of family members, friends and acquaintances. This is mainly used by young people with the lowest level of education (75 per cent of young people with primary school education only use their family, friends and acquaintances compared to only 22 per cent of young people with university education or a vocational specialisation). Among workers, this method is more commonly used in the informal sector (84 per cent in the informal sector compared to 44 per cent in the formal sector). Generally speaking, this job seeking method is largely used by workers (70,8 per cent) and the unemployed/inactive (88,1 per cent) while students opt for « formal » methods (55,7 per cent) (see Table 12 below).

Table 12. Main Employment Seeking Methods

	Student		Employed		Unemployed/ Inactive		Total	
	%	N	%	N	%	N	%	N
Personal Contacts:								
Assistance of family, friends, acquaintances, colleagues, etc.	23	14	53,2	115	69	29	49,5	158
Direct personal contact with employers	19,7	12	17,6	38	19	8	18,2	58
Personal contacts and assistance from family, acquaintances, friends [sub-total1]	42,6	26	70,8	153	88,1	37	67,7	216
"Formal" methods								
Spontaneous written applications	34,4	21	5,1	11	-	-	10	32
Responding to vacancies [newspapers, internet, etc..]	16,4	10	4,2	9	9,5	4	7,2	23
Placing advertisements in the newspapers	1,6	1	4,6	10	-	-	3,4	11
Sitting competitive examinations	3,3	2	6	13	2,4	1	5	16
Through the educational/training institution	-	-	3,7	8	-	-	2,5	8
"Formal" methods [sub-total 2]	55,7	34	23,6	51	11,9	5	28,2	90
Methods specific to the self-employed								
Seeking premises, buildings, tools for setting up own business	-	-	1,4	3	-	-	0,9	3
Securing capital	-	-	3,2	7	-	-	2,2	7
Submitting applications for permits, licences	1,6	1	0,9	2	-	-	0,9	3
Specific to the self-employed [sub-total 3]	1,6	1	5,6	12	0	0	4,1	13
Total	100	61	100	216	100	42	100	319

Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market, November 2005

Key Concepts

The Importance of Social Networks for Securing Employment:

- Very few young people use formal employment methods
- Students are the only ones who use more formal employment seeking methods. This formal approach is, in general, their first experience with seeking employment.
- Although mainly used by the informal sector, informal employment seeking methods are also very common in the formal sector.

2. For Self-employment (access to capital)

As is the case for securing employment, most young people depend upon their social networks for starting businesses. Only 4 per cent have secured loans from a bank/financial institution while 71 per cent use either the savings of family members, or loans from relatives or friends, and 23 per cent from personal savings.

Key Concepts

The importance of social networks for self-employment:

- Social networks enable young people to be self-employed by providing capital that would otherwise be unavailable or inaccessible.
- This source of financing has as much of an influence on the business' success as do official private or public sources.
- Establishing a business is generally a last resort for people who have not found paid work in the formal or informal sector. Self-employment is a survival strategy for young people in the urban areas.

3. For Seeking Training

a) Subsequent to General or Technical Education

Young people who are financially dependent on their parents, partners, close relatives or friends have the option of seeking training upon completing their general or technical education. 16 per cent of young people who are financially dependent embark upon or have embarked upon professional training, compared to only 2 per cent of financially independent young people. Those receiving financial support through their social networks may delay their integration into the labour market, and thus have the opportunity to acquire additional skills.

As expected, support from family or friends is essential for the younger people. However, in the 15-18 year age group, 91 per cent of people with no financial support have at least primary school education. The proportion of young people in this age group, who are financially dependant, is 65 per cent.

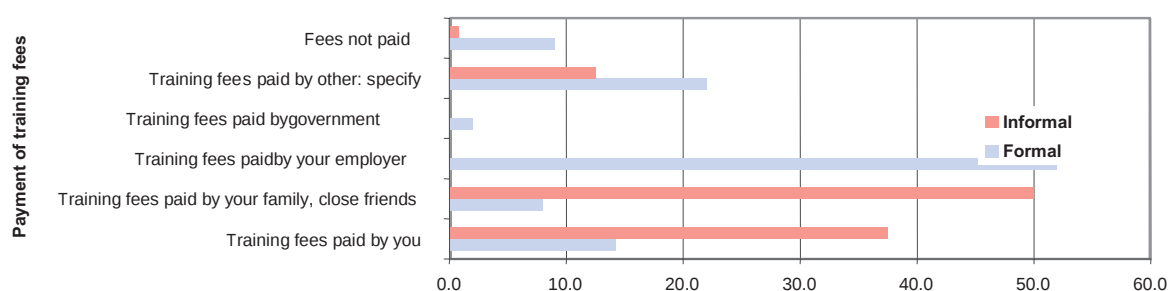
Table 13. Distribution of young people by level of education, availability of financial support and age group

Age of respondent and financial independence		Level of education (complete or incomplete)					Total
		None	Primary and second level primary education	Basic secondary education/ Business/ Trade school	Intermediate level secondary education/ Business/ Trade institute	University or INEFP or private specialisation	
15-18 years	Independent	4.3	87.0		8.7		100
	Dependent	1.8	63.6	20.0	1.8	12.7	100
19-24 years	Independent	4.5	41.6	28.1	12.4	13.5	100
	Dependent	1.8	38.2	33.9	10.9	15.2	100
25-29 years	Independent	5.6	39.9	21.7	17.5	15.4	100
	Dependence	1.4	30.4	30.4	15.9	21.7	100
Total		4.2	36.8	24.5	17.0	17.5	100

Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market, November 2005

b) When Employed

The importance of social networks for pursuing training is mainly evident in the informal sector where, in half of the cases, family and close friends cover the young people's training costs. In the formal sector, social networks are less important because the employer bears the costs of training in more than 50 per cent of cases (Graph 8).

Graph 8. Payment of training fees by formal or informal nature of business.

Source: Study on the socio-economic integration of young people into the labour market, November 2005

Key Concepts

The importance of social networks for pursuing training: Social networks act as a safety net enabling young people to undertake training and/or pay for training.

Key Information

The importance of social networks for:

- ❖ **Securing employment:** The large proportion of young people who have access to a social network for seeking employment is symptomatic of the lack of information on the labour market. 83,3 per cent of the unemployed and 95,3 per cent of workers have never sought guidance from the Job Centre. Disseminating information on the labour market informally does not necessarily optimise the balance between job supply and demand.
- ❖ **Access to self-employment:** Business creation, a survival strategy for young people in the informal sector, is dependent upon the financial support of social networks. Self-employment is a last resort for young people because access to business or public loans is still difficult for young people and does not allow for the creation of medium or micro business in the formal and informal sectors. Social networks are incapable of promoting entrepreneurship among young workers, their role in self-employment being to provide a safety net for young people. Though the tools for promoting entrepreneurship (business loans, advice, etc) are not within the reach of active young people, business creation is still a means of survival in the informal sector.
- ❖ **Pursuing training:** Social networks enable students to receive training and, in this case, are determined by social background. On the other hand, social networks enable informal sector workers to benefit from work-based training. Hence they compensate for the inability of informal sector employers to bear the costs of training needed by their employees.

Furthermore, social networks bridge the information gaps in the private sector on the labour market, financial resources and training, and also substitute for the public sector by informally disseminating labour market information to young people.

C. Factors Causing Inequalities in the Socio-economic Integration of Young People

1. Gender Inequalities

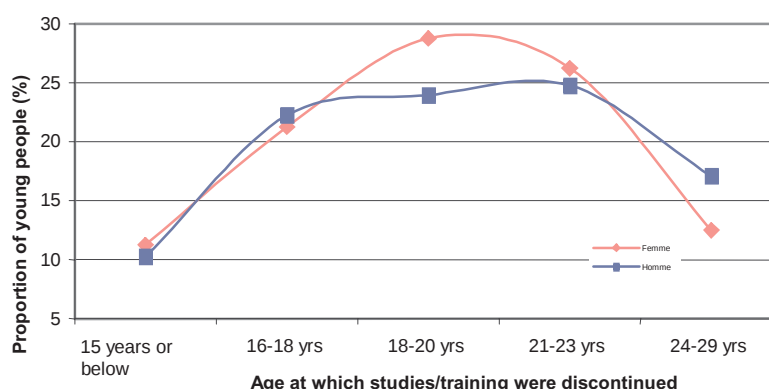
Generally, most young men and women believe that men have a better likelihood of accessing employment, receiving promotions and achieving career success. Only one out of four respondents, regardless of gender, believe that men and women have equal opportunities for securing employment, being promoted and having successful careers

The age at which education is discontinued is not influenced by gender, even though the reasons differ between men and women. Pregnancy is the main reason for women discontinuing their education (32 per cent) while for men it is for financial reasons (36 per cent) and because they wish to begin working (23 per cent).

Table 14. Extent of equal opportunities for accessing employment, being promoted and attaining career success for men and women.

			Categories of Youth			
	Sex		At school	Unemployed	Employed	Total
Access to employment: a woman benefiting from the same opportunities as a man	Woman	Equal opportunities for men and women	22.2%	23.5%	27.4%	24.6%
		Better opportunities for men	45.6%	47.1%	35.7%	41.4%
		Better opportunities for women	28.9%	23.5%	20.2%	24.6%
		Does not know [Spontaneous]	3.3%	5.9%	16.7%	9.4%
		Total	100.0%	100.0%	100.0%	100.0%
	Man	Equal opportunities for men and women	16.3%	7.4%	33.9%	23.2%
		Better opportunities for men	22.8%	74.1%	28.1%	30.3%
		Better opportunities for women	56.9%	18.5%	27.3%	39.9%
		Does not know [Spontaneous]	4.1%		10.7%	6.6%
		Total	100.0%	100.0%	100.0%	100.0%
Promotion and career success: a woman benefiting from the same opportunities as a man	Woman	Equal opportunities for men and women	16.5%	23.5%	16.4%	17.1%
		Better opportunities for men	54.9%	47.1%	45.2%	50.3%
		Better opportunities for women	24.2%	23.5%	21.9%	23.2%
		Does not know [Spontaneous]	4.4%	5.9%	16.4%	9.4%
		Total	100.0%	100.0%	100.0%	100.0%
	Man	Equal opportunities for men and women	18.3%	7.4%	32.7%	23.5%
		Better opportunities for men	45.8%	51.9%	31.9%	40.4%
		Better opportunities for women	35.0%	33.3%	23.9%	30.0%
		Does not know [Spontaneous]	0.8%	7.4%	11.5%	6.2%
		Total	100.0%	100.0%	100.0%	100.0%

Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market, November 2005

Graph 9. Age at which schooling was discontinued (men/women)

Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market, November 2005

Since a sample of 50 per cent men and 50 per cent women was used for the study, it was unfortunately not possible to analyse the differences in the distribution of men/women by sector of activity in the formal and informal sectors. This was also the case for access to education.

« In the urban areas, there is the phenomenon of confining women to the « domestic » sphere and of informalising their work. The division of labour tends to be « westernised » with the strict separation of the productive sphere from the reproductive sphere in a context where there is low productivity in reproductive activities. Apart from cultural factors and, in particular, domestic constraints that limit the mobility of women, they also suffer from a lack of education, which is strategic for accessing the urban labour market. »

**Comprendre le concept de Genre (Understanding the Gender Concept)(IFAID), 2001,
Emmanuelle Le Nouvel**

2. Family Background and Social Status

a) Education Level and Family Background [parents' professional category and level of education, number of siblings]

Family background – the parents' education level and socio-professional category – as well as the family context – number of brothers and sisters, absence of a parent – play an important role in accessing education and in the opportunity to pursue studies. The parents' education level and social status are reflected in their expectations and their moral and financial support for their children's education and the pursuit of their studies.

It can be noted that the level attained by children increases in accordance with their parents' education level. Linked to the parents' education level is the fact that the children of senior managers in the public or private sector have an advantage over children whose parents work in the informal sector. As a matter of fact, 40 per cent of children whose father is a senior manager and 52 per cent of children whose mother is a senior manager have university level education or an INEFP or private vocational specialisation. Only 7 per cent of children whose fathers work in the informal sector have an equivalent level of education [Table 15].

Though the figures are low in this particular case, they seem to indicate that a slightly higher proportion of young people receiving informal training, if their parents (particularly the mother) are in the informal sector, inactive or unemployed, or if one of the parents is deceased.

Table 15. Distribution of young people by level of education attained and by parents' socio-professional standing (percentage)

Socio-professional categories of parents		Young person's education level (Complete/Incomplete)					Total	Total numbers
		None	Primary and Upper primary education	Basic secondary education/ Business/ trade school	Intermediate level secondary education/ Business/ trade institute	University of INEFP or private specialisation		
Socio-professional category of your father	Senior manager [private sector or civil service)]		15.8	26.3	18.4	39.5	100.0	38
	Middle level manager [private sector or civil service)]		22.7	38.6	15.9	22.7	100.0	88
	Skilled worker [(private sector or civil service)]	2.9	55.3	22.4	8.8	10.6	100.0	170
	Owner/Own account worker – formal sector		33.3	23.8	28.6	14.3	100.0	21
	Own account worker - informal sector	5.6	46.3	29.6	11.1	7.4	100.0	54
	Unemployed/ seeking employment	6.7	26.7	26.7	13.3	26.7	100.0	15
	Inactive: retired, with private means, etc.	7.3	46.3	19.5	14.6	12.2	100.0	41
	Deceased parent	4.3	50.0	24.3	10.0	11.4	100.0	70
	Does not know [spontaneous]	8.6	45.7	22.9	11.4	11.4	100.0	35
	Total	3.4	42.5	26.3	12.6	15.2	100.0	532
Socio-professional category of your mother	Senior manager [private sector or civil service)]		15.8	15.8	15.8	52.6	100.0	19
	Middle level manager [private sector or civil service) fonctionnaire]		19.4	34.3	19.4	26.9	100.0	67
	Skilled worker [(private sector or civil service)]	2.7	38.4	28.8	11.0	19.2	100.0	73
	Owner/Own account worker – formal sector		33.3	22.2	22.2	22.2	100.0	9
	Own account worker - informal sector	2.8	49.6	27.2	9.3	11.0	100.0	246
	Unemployed/ seeking employment	2.9	44.1	29.4	17.6	5.9	100.0	34
	Inactive: retired, with private means, etc.	9.5	33.3	28.6	19.0	9.5	100.0	21
	Deceased parent	7.5	47.5	22.5	12.5	10.0	100.0	40
	Other		60.0		40.0		100.0	5
	Does not know [spontaneous]	6.7	66.7	6.7	6.7	13.3	100.0	15
	Total	3.0	42.2	26.8	12.7	15.3	100.0	529

Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market [544 youth - November 2005]

3. Geographical Location

a) Urban/Rural

Though the study was conducted in Maputo, young people in the rural areas and in the large urban areas of Mozambique seem to have access to education that is inferior to that of young people in the capital, where the majority of general secondary schools, training centres and universities are concentrated. Thirteen per cent of the young people from the rural areas are not educated compared to only 3,6 per cent in the urban areas and 2,7 per cent in Maputo.

However, in terms of accessing employment, young workers residing in Maputo have similar opportunities in the formal sector, since the majority of small and medium enterprises are concentrated in the Central and Northern zones of the country.

Table 16. Geographical distribution of small, medium and large enterprises in Mozambique

Province	Large enterprises		Medium enterprises		Small enterprises	
	%	Employed (%)	%	Employed (%)	%	Employed (%)
NIASSA	1	0.7	3	3	4.8	4.1
CABO DELGADO	2.3	1	44	44	26.1	30.9
NAMPULA	6.6	4.9	8	8	9.9	11.5
ZAMBÉZIA	5.1	5.1	5	5	6.4	6
TETE	2.8	2	3	4	7.1	5.7
MANICA	5.3	2.5	8	7	7.9	8
SOFALA	8.4	8.6	2	2	2.4	2.7
INHAMBANE	4.1	4.7	10	12	8.2	8
GAZA	3.8	6	10	9	19.1	15.7
PROVÍNCIA DE MAPUTO	10.6	11.2	2	2	5.3	4.2
VILLE DE MAPUTO	50.1	53.5	4	5	2.7	3.3
TOTAL	100	100	100	100	100	100

Source: Information from CEMPRE 2002

b) Maputo Districts

In relation to the young person's place of residence in Maputo, disparities are evident in the education levels by district. Young people in District 1 tend to have a higher level of education than those in Districts 2 to 5, especially in terms of university education [Table 17]. Eduardo Mondlane University in Maputo and practically all the training centres and technical schools are in District 1, which is the most affluent district in Maputo. Therefore, young people residing in District 1 have greater access to education, in terms of available infrastructure and financial resources.

Table 17. Respondent's Education Level by district (percentage)

Education Level (complete or incomplete)	Survey Location: district number					Total
	District n°1	District n°2	District n°3	District n°4	District n°5	
None	0.0%	6.3%	6.0%	3.4%	3.5%	3.3%
Primary education	2.2%	10.8%	16.0%	8.5%	14.1%	9.1%
Upper primary education	21.6%	44.1%	40.0%	40.7%	32.9%	33.5%
Business/trade school	3.2%	8.1%	11.0%	6.8%	11.8%	7.4%
Business/ trade institute	3.8%	0.0%	1.0%	5.1%	2.4%	2.4%
Basic secondary education	24.3%	13.5%	14.0%	11.9%	25.9%	19.1%
Intermediate level secondary education	15.7%	9.9%	4.0%	13.6%	3.5%	10.2%
INEFP or private vocational specialisation	16.2%	7.2%	5.0%	8.5%	4.7%	9.6%
University	13.0%	0.0%	3.0%	1.7%	1.2%	5.4%
Total	100.0%	100.0%	100.0%	100.0%	100.00%	100.00%
Total numbers	185	111	100	59	85	540

Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market [544 young people - November 2005]

Key Concepts

Factors causing inequalities:

- **Gender:** Though the quotas set by the study prevent a relevant analysis of gender inequality, it seems that such inequality is relatively insignificant in Maputo.
- **Parents' level of education and socio-professional category:** the parents' education levels and hence their professional category, especially that of the mother, affect their children's education levels.
- **Geographical Location:** Considerable disparities exist in accessing education and are determined by the residential district in Maputo. These disparities are also clearly evident between the rural and urban areas.

5

Young People's Aspirations/Strategies and Situational comparisons

A. Survival Strategies versus Personal and Professional Development Strategies

1. Workers: Comparisons between situations facing Formal and Informal Workers

Formal Workers

All the workers below are considered as formal workers:

- ❖ Employees in the civil service, state-owned companies or parastatals;
- ❖ Employees of private companies (large, small and medium) insofar as these companies are registered with the Registrar of Companies;
- ❖ The self-employed, who have formally registered their activities with the Registrar of Companies;
- ❖ Those carrying out activities in an association that is duly licensed

a) Integration Methods

As we saw in Chapter 3, the majority of young workers have adopted social networks (informal method) as their main integration method. However, this method is used more in the informal sector where 87 per cent of workers use it compared to 58,5 per cent in the formal sector. More men than women in the informal sector use their personal networks: 94 per cent of men compared to 78 per cent of women. Women tend to focus upon methods leading to self-employment more than the men. One out of five women have taken measures to access capital or find premises, land or equipment with a view to setting up their own business. Only 6 per cent of men have adopted this approach. Among workers in the formal sector, both men and women use the same methods without any significant differences.

Table 18. Employment-seeking methods by the formal or informal nature of the business

	Type of business		
	Formal	Informal	Total
Formal methods	40.7%	1.2%	20.1%
Through the school/training institution	6.8%	0.0%	3.9%
Spontaneous written applications	8.5%	1.2%	5.4%
Responding to vacancies [newspapers, internet, etc.]	7.6%	0.0%	4.4%
Placing advertisements in the newspapers	8.5%	0.0%	4.9%
Sitting competitive examinations	9.3%	0.0%	5.4%
Informal methods	58.5%	87.1%	70.4%
Direct personal contact with employers	13.6%	24.7%	18.2%
Assistance of family, friends, acquaintances, colleagues, etc.	44.9%	62.4%	52.2%
Methods specific to self-employment	0.8%	11.8%	5.5%
Seeking land, buildings, equipment to set up my own business	0.0%	3.5%	1.5%
Sourcing capital	0.8%	5.9%	3.0%
Applying for permits, licences	0.0%	2.4%	1.0%
Total	100.0%	100.0%	100.0%

Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market, November 2005

b) Integration Approaches

The integration approaches adopted by young workers in the formal and informal sectors differ in terms of duration as well as the number of interviews carried out. The findings reveal that the older the young workers in the formal sector the more work experience (Graph 10) they have, while 73 per cent of young workers in the informal sector have had no work experience prior to their current job, whatever their age group:

- ❖ Though the latter have not changed jobs, 70 per cent of the 15-24 year olds wish to change their primary job.
- ❖ 50 per cent of workers aged 15-19 years in the informal sector have not applied for any vacancy to secure their first post.
- ❖ In cases where young people in the informal sector wish to change jobs, it is mostly in order to obtain a better salary.

Career opportunities for young workers in the formal sector increase with time. The latter are relatively mobile on the labour market as indicated in the graph below. Almost half of the young people in the formal sector (47 per cent) have applied for 2 to 10 jobs so as to secure their current job. As with the informal workers, 67 per cent of formal workers wish to change their primary activity, 57 per cent of whom wish to obtain a better salary.

Graph 10. Previous work experience by formal or informal nature of current employment and by sex

Source: Study on the Socio-Economic Integration of Young People into the Maputo Labour Market, November 2005

c) Aspirations/ Expectations (also in terms of training)

i) Employment

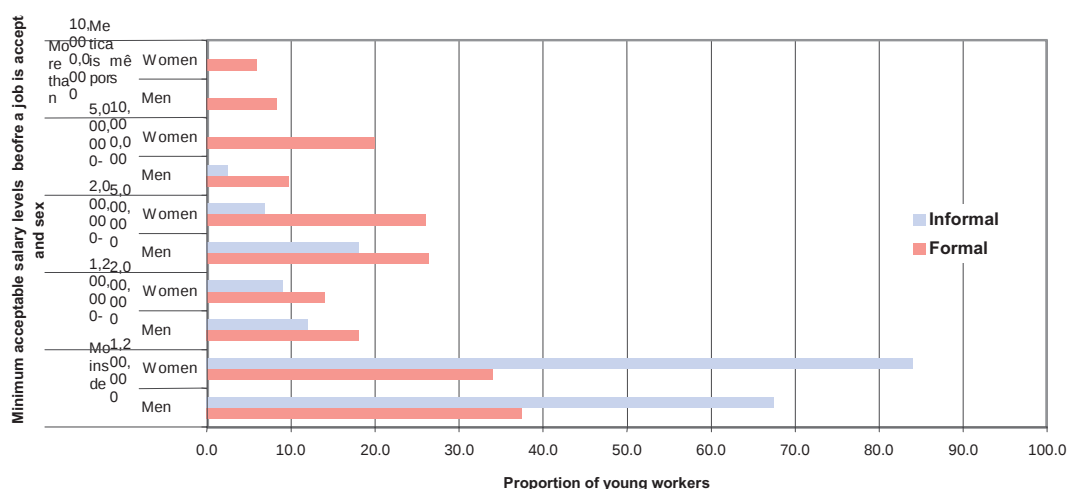
In the main, young workers in the formal and informal sector are satisfied with their job (60 per cent) though with a marked difference among women, depending on whether they are carrying out a formal or informal activity. Seventy-one per cent of women involved in formal activities are satisfied or very satisfied compared to 59 per cent of women currently in informal employment. However, there is an insignificant difference in satisfaction levels according to how formal the activity is, despite the lower salaries and more difficult working conditions for informal workers. This insignificant difference highlights the fact that the expectations differ and are lower among informal workers. In a way, the fact that most of them are expressing a desire to change their jobs may demonstrate their dissatisfaction and their desire to advance themselves professionally and socially, obtain better working conditions and a higher salary.

More specifically, young people in the formal sector generally have higher expectations than those in the informal sector, in terms of working conditions. One out of four young people have already refused a job, compared to only one out of ten in the informal sector. The main reason for refusing a job in the formal sector as well as in the informal sector is that the salary proposed is too low.

Nearly one out of two young workers in the formal sector are prepared to accept a job, provided that the working conditions are stable, the job is well paid and that it matches their qualifications. Young people in the informal sector are far less demanding than those in the formal sector, and are prepared to accept a job offer as long as it is well paid, whatever the working conditions (38 per cent) or terms (13 per cent). Although this financial prerequisite seems to determine the choices of informal workers, the proportion stipulating a minimum salary requirement, is much lower (67 per cent) than among formal workers (93 per cent), whatever their sex.

Graph 11 presents the minimum income accepted among the workers specifying a minimum acceptable salary. The informal workers who specified a minimum acceptable salary (and this category is in the minority), quote a figure that is below the figure set by the formal sector workers. This graph also shows that women in formal employment have a lower minimum acceptable salary.

Graph 11. Minimum monthly salary for which job is acceptable by formal or informal nature of current job and by sex

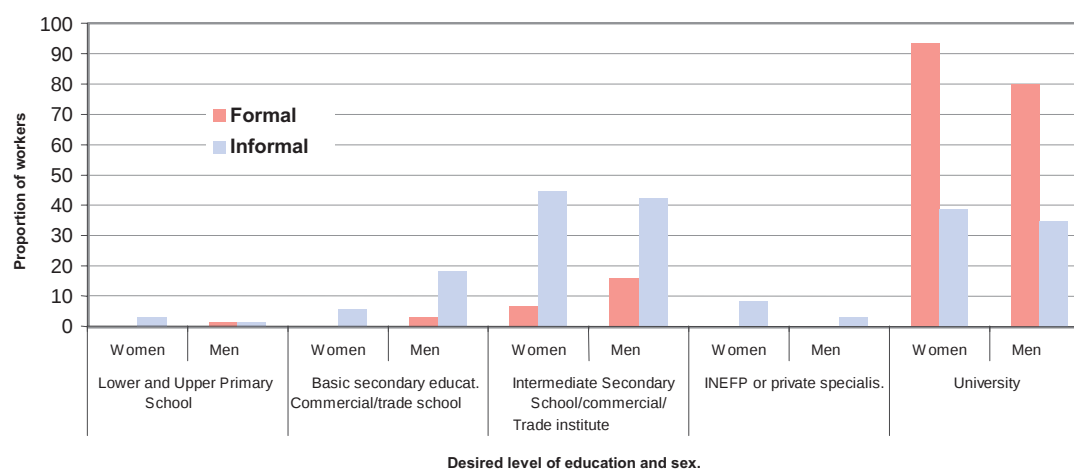


Source : Study on the Socio-economic Integration of Young People into the Maputo Labour Market, November 2005

ii) Training/Education

All the young workers aim to pursue their studies (97 per cent in the formal sector and 86 per cent in the informal sector). The level they plan to attain differs between formal sector workers and those in the informal sector. 85 per cent of workers in the informal sector wish to reach university level compared to only 37 per cent in the informal sector who ideally would like to reach intermediate secondary level (43 per cent). The desired education level is slightly higher among young women who are employed, particularly if they work in the formal sector. Workers in both the formal and informal sectors all have as their ideal to reach higher education level. Workers in the formal sector, having already reached the intermediate level of secondary education, wish to reach university level, while those in the informal sector aim to reach the intermediate level of secondary school as, for the most part, they have only reached the upper primary school level.

Graph 12. Desired Education level by sex and by formal and or informal nature of work



Source: Study on the Socio-Economic Integration of Young People into the Maputo Labour Market, Nov. 2005

iii) Working Conditions

Entry into the Labour Market

Informal

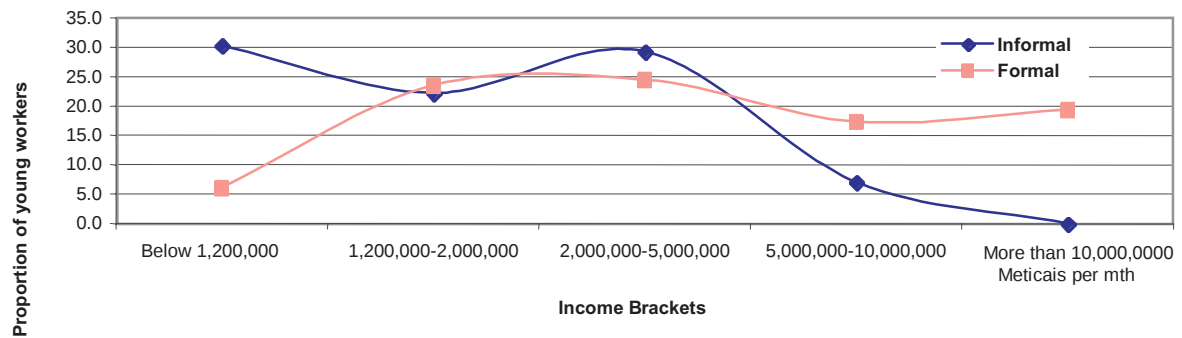
In general terms, entry into the labour market is simple. One out of three young people did not need to submit a job application in order to find work. However:- Forty per cent of employees in the informal economy have applied for 2 to 5 vacancies;- compared to 21 per cent for self-employed informal workers.

Formal

The entry of young people into the labour market is more selective. One out of two young people have applied for 2 to 5 vacancies before securing employment.

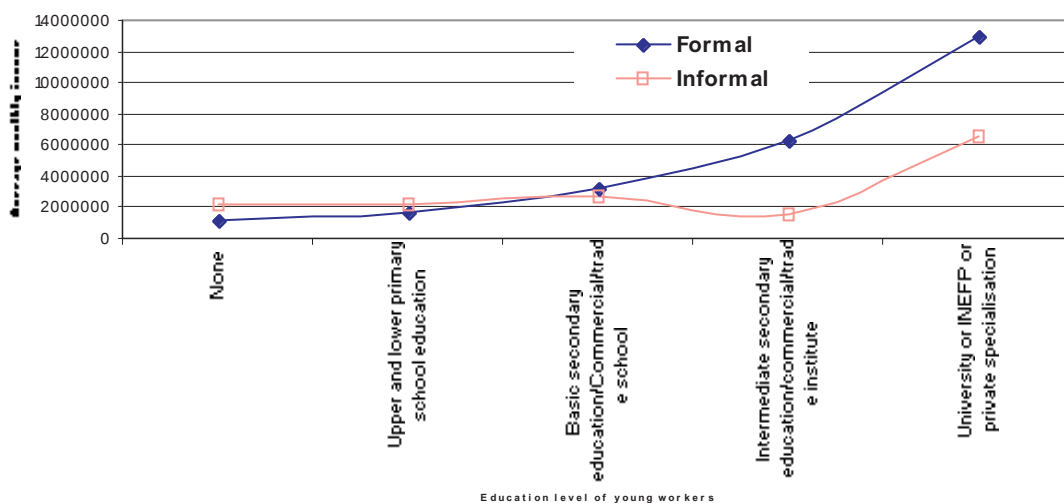
Income

Graph 13. Distribution of young workers in the formal and informal economy by income bracket/monthly salary



Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market, November 2005

Graph 14. Distribution of young workers in the formal and informal economy by average monthly income according to level of education



Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market, November 2005

The salary bracket for half of the young people in the formal and informal sectors was low. It was around 1 200 000 and 5 000 000 meticaïs per month.

Informal

One out of three young people earn less than the minimum wage (1 200 000 meticaïs per month). The highest income among informal sector workers is about 5,000,000 meticaïs per month, which is earned by about 7 per cent of workers.

Most young people in the informal sector receive daily or weekly salaries. This salary was not subject to any tax or employee contributions.

The average monthly income/salary is about 2,250,000, meticaïs, over 2,5 times less than the average monthly salary received by formal sector workers. The average income/salary is about 1,500,000 meticaïs, which means that one out of two young people earns less each month in this sector.

Finally, the salaries earned in this category by informal sector employees working for an employer, is, on average, lower than the income of own-account workers.

Formal

The average monthly salary or income is slightly higher than 6,000,000 meticaïs and one out of two young people receive a salary of more than 4,500,000 meticaïs.

There is a wide variation among informal sector workers. 6 per cent of young people working in the formal economy (who are a minority) earn an income or salary that is below the legal minimum wage. On the other hand, more than one in three young people earn an income above 5,000,000 meticaïs per month and one in five earn more than 10,000,000 meticaïs per month.

In the two groups, more than one out of two young people earns a monthly income of between 1,200,000 and 5,000,000 meticaïs, equivalent to that earned by young people in informal employment.

Employment Contract

Informal

Only one out of three have an employment contract (43 per cent of women and 28 per cent of men, a larger proportion of the latter being self-employed). 15 per cent have a verbal contract and one out of six have a written contract of indefinite duration.

Formal

Fifty-eight per cent of young workers in the formal sector have a written contract of indefinite duration. According to the survey data, 15 per cent of young people do not have employment contracts, especially those who were self-employed or work in small businesses employing less than 5 people.

Place of Work

Informal

The place of work and the existence and type of employment contract, are all indicators of the level of job insecurity, precariousness and accessibility to certain services (training, including peer group training, even if it may be informal). It is also an indicator of whether workers with common interests can organise themselves within the same structure (company/factory).

Fifty per cent of young workers in the informal sector are street traders, 16 per cent of whom have an improvised place of work or are itinerant workers (17 per cent of men and 9 per cent of women). 6 per cent work from home or someone else's. Lastly, 43 per cent work in fixed

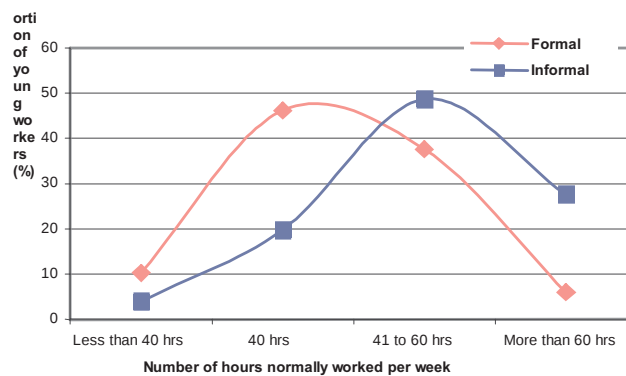
work premises (office, factory, shop). This is the case for 47 per cent of women and 42 per cent of men.

Formal

Close to 9 out of 10 young people work in fixed work premises such as an office or a shop, with no significant difference between men and women.

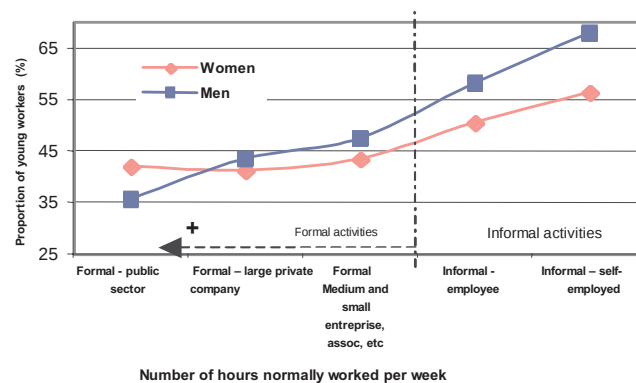
Working Hours

Graph 15. Number of hours normally worked per week by formal or informal nature of activity



Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market, November 2005

Graph 16. Average number of hours normally worked per week by formal or informal nature of activity and by sex



Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market, November 2005

Informal

Graph 15 shows the working hours, or a higher workload for workers in informal businesses. Graph 16 is more detailed and examines the different levels of formality, defined on the basis of the size of the business and its sector of activity (public/private). Within the formal economy, state-owned companies and parastatals are considered the most formal. Within these companies both male and female employees have the least number of working hours per week (on average 42 hours for women and 36 hours for men). This graph reveals two important facts:

- ❖ The workload, in terms of the average number of working hours per week, increases in accordance with the level of informality of the activity. These levels are up to 64 hours per week for self-employed informal workers (56 hours for the women and 68 hours for men);

- ❖ The second graph also clearly shows that, on average, women have fewer working hours, whatever the nature of the activity, except in government or large state-owned companies, and parastatals. This is the only scenario in which women seem to work more than their male counterparts, when only the hours spent at place of work are taken into account.

8 out of ten young people say they worked more than 41 hours per week. 34 per cent of them work more than 60 hours per week.

Formal

More than 50 per cent of young people work 40 hours per week. More than one out of three work between 41 and 60 hours per week, beyond the legal limit set for working hours per week.

Access to Training

Informal

Only 7 per cent had received training within their primary employment. As indicated in Chapter 5, a sad collection of disadvantages, the young informal workers who receive training (most often informal in nature – learning and training on the job) are those who with a higher level of education from the outset.

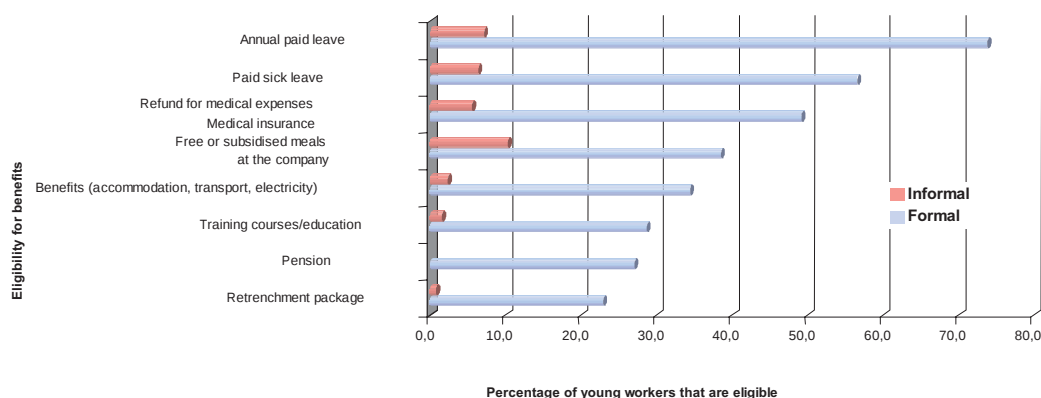
For the few young people who « receive » training in their primary economic activity, the cost of that training is fully covered by the worker himself, his family or his close friends (see Chapter 5, Section C).

Formal

43% of young people in the formal sector undergo training (close to 45 per cent of men and 40 per cent of women). In 50 per cent of cases this is an apprenticeship (especially for women). About a third have undertaken a formal course at an institution, mostly private institutions: there is a much higher proportion of men than women in this category. 15 per cent undertake on-the-job training on an ongoing basis. In 52 per cent of cases, this training is financed by the employer and 14 per cent of young people in the formal sector finance their own training (particularly in the case of training at a private institution).

Job Security and Social Security

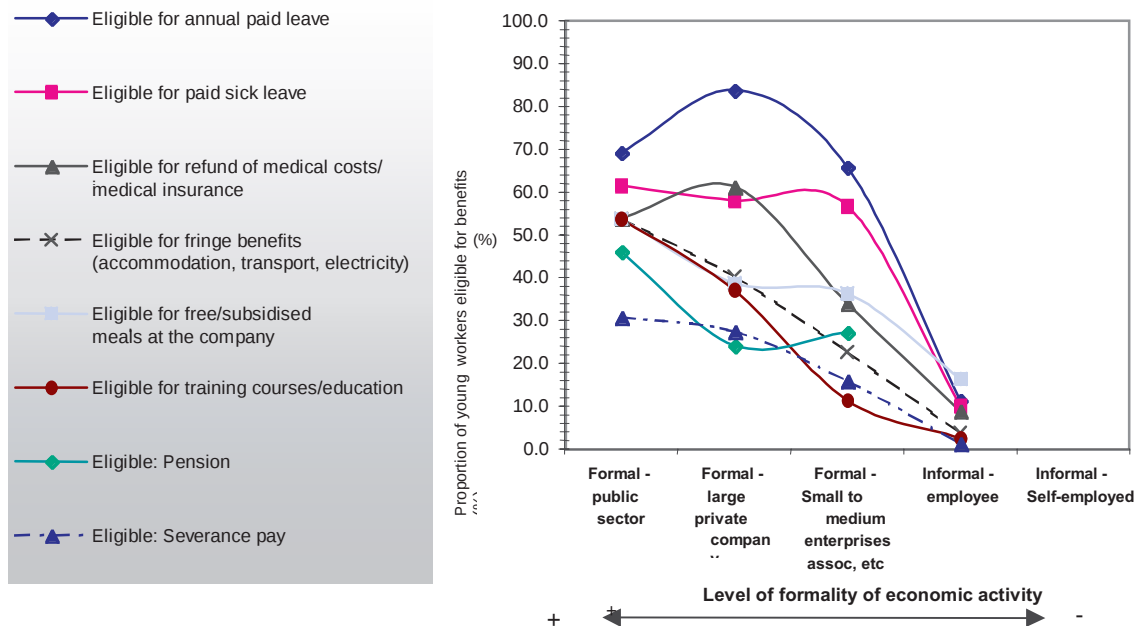
Graph 17. Eligibility for benefits: social security, job security, training, fringe benefits according to the formal or informal nature of the business (young workers)



Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market, November 2005

Graph 17 provides differentiated data on access to social benefits and other employment benefits for young employees in formal and informal businesses. This graph only provides social welfare indicators linked mainly to health and safety at work and social security. Nevertheless, apart from confirming the virtual non-existence of training for informal sector employees, the findings clearly indicate that there is a wide disparity between formal and informal workers in terms of accessing social benefits and other employment benefits.

Graph 18. Eligibility for social benefits and employment benefits by level of formality of economic activity



Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market, November 2005

Informal

Graph 18 shows that the more informal the business activity, the fewer the social security benefits. None of the self-employed informal sector workers with unregistered businesses, are members of a social security scheme. Since they are not employed and have no employment contract, these informal independent workers do not seem to have any social security.

Concerning informal employees, their main benefits are in kind – 16 per cent receive free or subsidised meals – and about one in ten employees are entitled to paid annual leave or sick leave.

On the other hand, formal sector workers seem to have numerous benefits: none of the workers in informal businesses are covered by a pension scheme and only a few are entitled to severance pay (1 per cent) and allowances.

Formal

Only some social benefits are available to a wide range of workers.

The most common benefit is annual paid leave, with nearly three out of four workers being entitled to annual paid leave. Moreover, most workers in formal businesses (or businesses considered as such) have medical cover: 82 per cent (76 per cent of women and 86 per cent of men and all public sector employees) are covered by medical insurance entitling them to a refund for medical costs, and 56 per cent are entitled to paid sick leave. However, even in the formal sector, only a minority are entitled to other benefits such as severance pay (12%) or a pension

scheme (13%). The latter scheme is mainly used in the public sector and is largely determined by the type of employment contract signed with the employer and the number of years spent in the organisation. In other words, the fact that conditions in formal businesses are so diverse demonstrates how precarious or insecure so many of the working situations are.

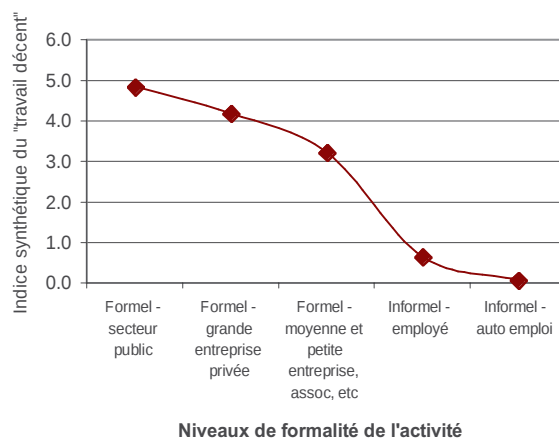
The Notion of Decent Work

Informal

It would seem that the decent work deficit is more glaring in the informal sector, when we examine the situation facing young workers from the perspective of the general decent work deficit. This means not only in terms of accessing employment in order to earn an income, but, more broadly speaking, accessing quality employment, social security, training and the ability to defend one's rights. If the labour market is examined along a « continuum of scenarios », ranging from the most formal employment to the most informal, then it is at the most extreme point of informality that there are jobs of a deplorable quality. These are unproductive and unrewarding jobs, that are neither recognised nor secure, and with no labour rights, social security or representation. However, some of the problems and constraints pertaining to decent work that are faced by workers and businesses do not only exist in the informal sector but are also in some sections of the formal sector.

By drawing up an overall index based upon the different job quality and social security indicators, a statistical overview can be obtained of the decent work deficit according to the level of formality of a job (see Graph 19 below). This graph not only demonstrates how considerably vulnerable young workers and informal sector business people are, but also the fact that working for a formal business is not necessarily a guarantee of decent work.

Graph 19. Decent work deficit by level of formality of business



Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market [November 2005]

Formal

The overall index is based on the simple principle of a cumulative scale of 7 criteria. Each criterion, if met, represents a value of 1 and if not met, is equal to 0. Adding up all the criteria results in an overall score from 0 to 7, which is an indicator of the quality of the job categorised as an indicator of decent work. The higher the score, the more decent the work (or the more decent it is considered).

The workers meet the criteria for decent work if:

Job Security Indicators

- i) they have a written employment contract that is valid for more than 1 year;
- ii) they are entitled to severance pay

Working Condition Indicators;

- iii) they work more than 40 hours per week;
- iv) they receive annual paid leave

Social Security Indicators;

- v) they are covered by health insurance or another equivalent scheme;
- vi) they are entitled to paid sick leave, and
- vii) they are entitled to a pension (are eligible)

Key Concepts

Survival strategies versus professional development strategies:

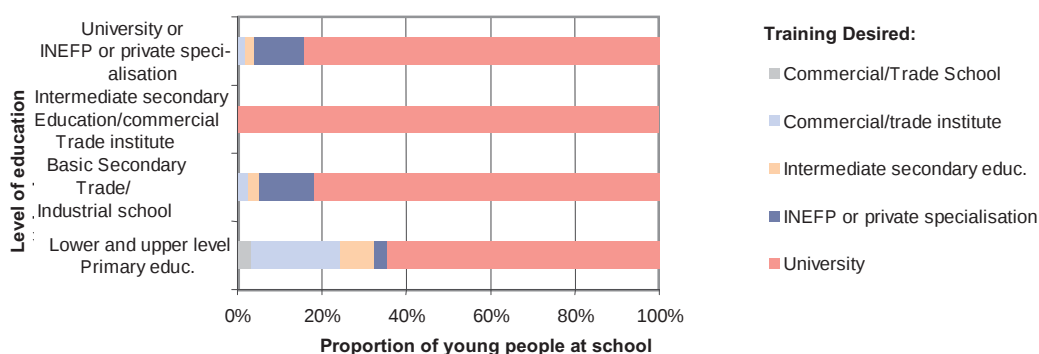
- A survival strategy means that you integrate yourself into the informal sector, at all costs, in order to quickly earn an income. Young people who have adopted this strategy are in a type of « lottery » system, where they are passive, while awaiting an opportunity and at the same time feel demotivated. They are therefore often ready to accept any employment whatsoever.
- The second strategy developed, though by fewer young people, is that of personal and professional development. They attempt to display their ability to undertake an activity and take initiative. These young people are characterised by their proactiveness which involves seeking or creating an opportunity to be integrated. This category is often from a favourable environment: their parents have a certain level of education, and the young people have easier access to education, further studies, training etc.

The formal sector is characterised as adopting a predominantly developmental strategy, while the informal sector often prefers to adopt the survival strategy.

2. Young People at School**a) Actual Training received vs Training Desired**

The young people at school, whatever their level of education, are expressing the desire to reach university level. In response to the question « What is the minimum level of education that would enable you to secure formal employment? », they said intermediate level general secondary education. Their responses, though different, are not contradictory. Young people are aware that without intermediate level secondary education it will be difficult for them to secure formal employment. On the contrary, given the choice, they all wish to go further and reach higher education which is considered highly prestigious, is highly recognised and also attracts better salaries.

Graph 20. Level of education desired by actual level of education attained/completed



Source: Study on the Socio-Economic Integration of Young People into the Labour Market, November 2005

However, the desire expressed to reach university is more idealistic than a concrete and realistic strategy, with most young people at school planning to work after finishing their education. Two out of three young people at lower and upper primary school level wish to enter the labour market after their education. The same applies for pupils at lower secondary school level. 70 per cent of young people undergoing vocational training plan to work once they have obtained their diploma. Only 1,4 per cent of young people at school expressed a desire to set up their own business after their education.

This demonstrates the economic reality that young people face. One out of two young people in all categories have had to stop their education due to a lack of finances and because of the need to earn an income to meet both their needs and that of their families.

b) Jobs Desired

The hopes expressed by young people concerning the type of work they hope to secure does not match the realities presented by the labour market or its requirements in terms of academic profiles. Most of the young people at school are often obliged to drop out of school and go to work, although they still hold onto the ideal of working in sectors and businesses that they hold in high esteem and that require the highest levels of academic qualifications. 60 per cent of the students that were surveyed expressed a desire to work in a large state-owned or private company.

Key Concepts

- Young people at school who are, for the most part, faced with harsh economic realities, are unable to pursue their academic plans and enter the labour market prematurely.
- The latter generally do not have the qualifications necessary for securing the job of their choice. Those who are least educated enter the informal market.
- Most young people at school have great expectations and aspirations. They all want university education although they are aware that there is a slim possibility that they will achieve that.
- Young people at school are ambitious and motivated, whatever their level of education.

3. The Unemployed: Job-seeking methods, Expectations and Obstacles

Unemployment: definition

An unemployed person must meet all the three following conditions⁵⁹:

- ❖ they must be unemployed, that is, to not have worked more than one hour during one week of reference,
- ❖ they are available to take up employment within a fortnight,
- ❖ they are actively seeking employment or have found work that will commence at a later date.

The only records on unemployment in Mozambique are maintained by the job centres (Centro de Emprego) in the Ministry of Labour. Officially 140 000 unemployed people were recorded in 2004 for the entire country. Nevertheless, it is difficult to estimate the actual number of unemployed people in Mozambique as defined by the ILO. It is highly probable that these unemployed people carry out some economic activity or other within the informal sector in order to provide for their immediate needs. This activity does not match their career plans and/or is carried out for a few hours per week. It is therefore often not viewed and/or stated as employment.

⁵⁹ ILO definition.

a) The Paths/Profiles of Unemployed Young People

Some observations:

- ❖ Three out of four unemployed young people have been looking for work for 6 months. Half of them have been seeking work for more than a year;
- ❖ Two out of three unemployed young people have never worked;
- ❖ The majority of unemployed young people who have performed an income-generating activity have worked in the hotel and restaurant industry, mechanics and commerce;
- ❖ Three out of four unemployed young people have a level of education equivalent to or below lower/upper primary education.

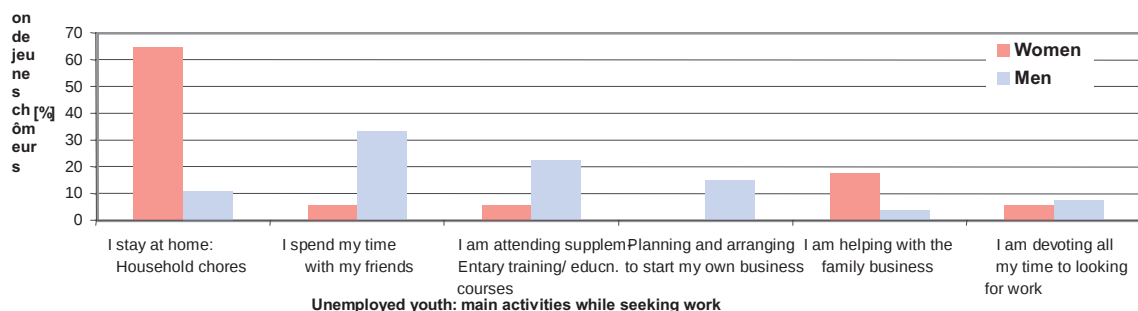
b) Seeking Employment

Two out of three unemployed young people wish to work so as to provide for their own needs and those of their families. 88 per cent of the unemployed people surveyed state they have been seeking employment over the past four weeks. 12 per cent of them have not sought employment, because they have already found work that will commence later or because they are ill.

In order to find work, 87 per cent of the unemployed young people make direct use of their social networks, i.e. their family and friends, or they have used direct or indirect personal contacts with employers. Hence informal employment seeking methods are used by unemployed young people. Close to 85 per cent of the latter have never received advice or assistance from recruitment services.

During the job-seeking period, the main activities done by unemployed young people seem to vary considerably according to their sex. As a matter of fact, most women fulfil family-based roles by remaining at home to perform household tasks (65 per cent compared to barely 11 per cent of men) or by assisting with the family business (18 per cent of women compared to less than 4 per cent of men). None of the unemployed women have either planned or organised themselves to set up a business while seeking employment. Unemployed males seem to be more involved in activities linked to their personal/immediate interests – spending time with friends, - or linked to their future: undertaking supplementary training organising themselves to start their own business. This seems to be related to the gender-based division of labour. A minority, both men and women, say they dedicate all their time to job-seeking activities (6 per cent of women and 7 per cent of men). Besides the lack of « active » job-seeking, this finding has confirmed the dominant role of social networks – family and friends – in seeking and securing work.

Graph 21. Unemployed young people: main activity during the job-seeking period by sex

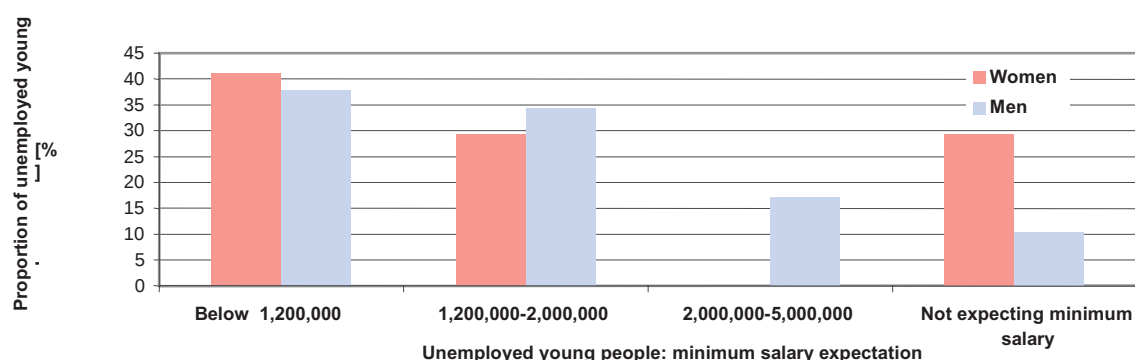


Source: Survey on the Socio-economic Integration of Young People into the Maputo Labour Market [November 2005]

c) Expectations

Less than one out of five young people are prepared to accept a job on condition that it pays well, is stable and is in line with their training. The vast majority of unemployed young people expect very little in terms of working conditions and, in general, only the salary is the job selection criterion used. Eight out of ten unemployed young people have a minimum salary that they would accept if they were to take on a job. More than half of them would accept a salary that is slightly below the minimum wage, 90 per cent of whom have a very low education level (lower/upper primary education). Very few of the unemployed young people interviewed (about 10 per cent) expect to receive a salary exceeding 2 000 000 meticaïs per month. The proportion of women setting salaries as a job selection criterion is distinctly lower than that of men, and the expected salary is, on average, lower.

Graph 22. Minimum salary acceptable to young people by sex



Source: Study on the Socio-economic integration of young people into the Maputo labour market, November 2005

Eight out of ten unemployed young people would like to resume their education/training in the future, and most of them would like to reach university level (57 per cent).

d) Obstacles

The three main obstacles to securing employment as stated by unemployed young people are:

- ❖ Their unsuitable general education and vocational training;
- ❖ Their lack of work experience;
- ❖ The unavailability of jobs on the labour market.

Key Concepts

Unemployed young people have a very poor level of education with very low expectations in terms of salary and working conditions. As is the case for workers and students, they depend on social networks to find work. Job-seeking generally takes long (more than six months for the majority) and is characterised by a large number of active and formal procedures.

It is often very difficult to establish the difference between unemployed young people and inactive young people in terms of official status.

B. Individual and collective initiatives as an integration strategy: self-employment and associations.

1. Self-employment as an integration strategy

Self-employment is, above all, perceived by young people as a fall-back solution, a survival strategy making it possible to earn a subsistence income. An analysis of the interviews and quantitative data clarifies the reasons for this denigration of self-employment, considered to be a stop-gap solution, but rarely or never seen as a proper career option, an entrepreneurial act motivated by a quest for earnings, curiosity, creativity or perhaps a desire for independence.

a) Self-employment as a fall-back solution

i) *Self-employment as an absence of choice*

The reasons expressed for taking up self-employment are more revealing than any other indicator linked to the absence of choice and the obligation to fall back on this option for lack of a better alternative. Three own-account workers out of four state that they are in this situation because they could not find paid work (69 per cent of women and 77 per cent of men); another 7 per cent work for themselves in order to help their family, particularly women (13 per cent in this situation compared to 5 per cent of men). Only a minority of own-account workers give reasons which indicate that this was a deliberate and voluntary choice, or a “career move” motivated by greater independence (19 per cent of women and 5 per cent of men), a higher income (5 per cent in total, men only), increased flexibility in working hours (2 per cent) or even the pursuit of an ambition (2 per cent).

ii) *A choice few young people consider*

Very few young people, particularly those in school, intend to enter self-employment of their own volition, despite the large proportion of young people with accounts or management training that could easily lead to the creation of a business.

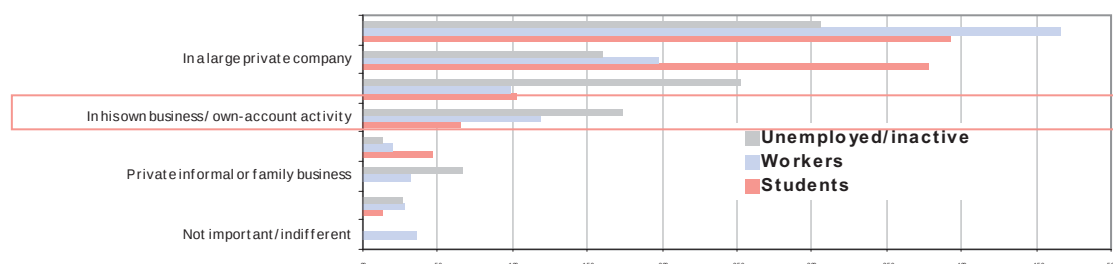
Self-employment is mentioned as a first choice by only 10 per cent of young people — 17 per cent of whom are not inactive, 12 per cent are workers and 6 per cent are in school. Among the young workers there are marked differences. Indeed, although 12 per cent in total state that they prefer self-employment, 7 per cent of them are presently working in the formal sector, 15 per cent are informal sector workers and 18 per cent are self-employed workers in the informal sector.

In terms of preference, mainly young people with the lowest level of education, choose self-employment (13 per cent of young people with primary education at the most have “self-employment” as their ideal, compared to 8 per cent and 5 per cent respectively of young people with basic secondary education or intermediate secondary education. This choice is also related to age. Proportionately, more of the older and more mature young people prefer self-employment, perhaps because they are better equipped to create their own business, or have a sharper and more concrete awareness that they lack other possible options. 11 per cent and 12 per cent respectively of those aged between 19 and 24, and between 25 and 29 express a preference for self-employment as opposed to less than 4 per cent of those aged between 15 and 18.

According to data from the study, in answer to the question: “In what type of business would you like to work?” the first choice indicated highlights a marked preference for state companies or parastatals and large private companies. This is particularly true in the case of young people at school (39 per cent show a preference for the civil service and 38 per cent for large private companies) but also among workers and, more specifically, those who are currently self-employed. In fact, 46 per cent of workers as a whole and 55 per cent of self-employed workers give, as their first choice, the civil service or a large state company. Twenty per cent of all workers and only 2 per cent of workers in self-employment demonstrate a preference for large private

companies. The fact that young people at school seem less attracted to large private companies may be indicative of a desire for stability and security as a reaction to their present precarious situation. Similarly the limited appeal of large private companies among the self-employed may be due to a quest for stability as well as independence.

Graph 23. Type of business in which young people would prefer to work by category of young people [first choice mentioned]



Source: Study on the Socio-economic integration of young people into the labour market, November 2005

iii) Among workers self-employment is a means of survival

When the analysis is focused upon the social and demographic characteristics of young people currently in self-employment, rather than upon their expressed desires, various factors highlight their need to earn an income “at any cost” to support themselves and their family: family responsibilities, a worker displaced from his home area, a humble or disadvantaged family background or perhaps a low level of education.

In fact, workers who are currently self-employed differ from other workers with respect to their family responsibilities and the need to survive by means of their own, often larger, resources. Sixteen per cent of them already have two or more children to care for as opposed to 8 per cent of workers or employers in the formal sector and 6 per cent of employees in the informal sector.

Self-employment is also the refuge of a number of workers who have come to Maputo to find work. Among the 20 per cent of workers in self-employment who are not natives of Maputo, two-thirds have come in order to find work, which does not apply to the other categories of workers, the majority of whom have come to Maputo to follow or join their families.

Self-employed workers, more than the other categories, have come from disadvantaged backgrounds with:

- ❖ A high proportion of illiterate parents: 17 per cent of self-employed workers have an illiterate father and 37 per cent an illiterate mother. In comparison, among the formal workers, none of their fathers is illiterate and 12 per cent of their mothers can neither read nor write.
- ❖ A higher proportion of parents who have died: 27 per cent have a deceased father in comparison with 17 per cent for all young people currently employed.
- ❖ A proportion of working members of the household that is below the average. By analysing the proportion of household members earning a salary or income, it can be seen that there is far less security or higher risk in families or households where the young people are self-employed. Thirty-eight per cent of self-employed workers live in households where less than a quarter of the members earn a salary or an income. Among informal sector workers, the corresponding proportion is less than 10 per cent.

One third of self-employed workers are still at school. Almost half of them have dropped out of school for financial reasons. On examining the categories of workers who dropped out of school under the age of sixteen, you will find that these are mainly employed in the informal sector but

are not self-employed. Self-employment is more wide-spread among young workers who are less educated than the average, but are more mature than other workers employed in the informal sector as paid or unpaid family helps. Eighty-four per cent of self-employed workers have, at most, primary education [Table 19].

Table 19. Education Level by Category of Worker

Education level (complete or incomplete)	Formal Worker		Informal Employee		Self-employed		Total	
	Number	%	Number	%	Number	%	Number	%
None	2	1,7	9	11,4	3	5,9	14	5,6
Lower and upper primary education	28	23,5	53	67,1	38	74,5	119	47,8
Basic secondary education/commercial/trade school	26	21,8	13	16,5	8	15,7	47	18,9
Intermediate secondary education/commercial/trade institute	34	28,6	3	3,8	2	3,9	39	15,7
University or INEFP/private specialisation	29	24,4	1	1,3			30	12,0
Total	119	100,0	79	100,0	51	100,0	249	100,0

Source: Study on the Socio-Economic Integration of Young People in Maputo (November 2005)

Key concepts

Self-employment is associated with informal subsistence activities, low income and limited development potential. According to the perceptions of young people, these are the realities presented by self-employment; it is probably also through lack of examples or models of success that self-employment remains, as far as young people are concerned, the fall-back solution in the absence of salaried employment in a formal business.

When the analysis focuses upon the social and demographic characteristics of young people in self-employment, rather than upon the desires that they have expressed, various factors point to the need to earn an income “at any cost” to meet the needs of the individual concerned and those of his family: family responsibilities, a worker displaced from his home area, a humble or disadvantaged family background or perhaps a low level of education.

b) Obstacles to self-employment

In order to give or restore to young people the desire and resources for creating their own business voluntarily and not for lack of choice, one needs to begin by identifying the reasons for this denigration of self-employment. What are the obstacles to self-employment? What is lacking in the educational system, job market and integration mechanisms? Why doesn't the real world offer more success stories that stimulate development and provide encouraging examples that can be followed? Various reasons were put forward during qualitative interviews, including: i) over-theoretical training which gives young people little or no preparation for self-employment and, more generally, entrepreneurship; ii) a lack of mentorship, guidance and information providing young people with instructions and the main steps for setting up a business. These two factors, in particular, give rise to an apparent lack of motivation and ideas, and an understandable sense of helplessness and confusion on the part of young people; iii) once they have completed the school curriculum or training, there are no concrete measures or mechanisms for seeking and accessing financial and other resources needed to create, manage and develop businesses; iv) an overly rigid and restrictive legislative framework.

i) *Theoretical and unsuitable education and training*

Several respondents mention that education and training are not suited to the realities of the job market. Some complain about the inadequacy of practical education in training, sometimes due to a lack of resources. Training is deemed to be over-theoretical or solely intended for training individuals as employees but is not oriented towards the development of entrepreneurship and an entrepreneurial spirit

“Perception of current education system: our schools train employees”

Ministry of Youth and Sport

“The syllabuses are too theoretical, and do not effectively help with a rapid integration into the job market.”

SOCAVA Association

“The education system is not geared towards entrepreneurship.” ... “It is important for entrepreneurship to be introduced into the education system. As such, the self-employment aspect will always be distinctive and essential because the number of private companies in the formal sector is not sufficient to absorb the growing number of people arriving on the job market every year. New businesses need to be created, that would absorb some of these young people entering the labour market.”

“On completing their education, individuals emerge with the intention of looking for a job, and not of creating their own business.”

Yes Moçambique Association

Furthermore, some of the study’s findings highlight the weak relationship between training, even when it is geared towards business creation, and the desire of young school-leavers to set up businesses. More generally, the findings reveal how training has failed to adapt to the needs of the job market and, more specifically, to the creation of businesses.

Training that is normally geared towards entrepreneurship but does produce entrepreneurs

In relation to the INEFP, the number of young people who completing training with either a trade or commercial institute is quite low. However, there is a slightly higher proportion of respondents expressing a desire to create their own business is slightly higher than the proportion of young people who have received a general education or INEFP training. Finally, a comparison of the specialities studied and the specialities desired also shows that there a very weak link between management and accounting training and the desire of students to use these skills set up their own businesses.

Among educated young people, divergences can be observed between specialities studied and specialities desired, which would seem to indicate that choices are made in the absence of an alternative. This is particularly evident in the case of the catering and hospitality industry, art and literature, and accounting and management. These areas of specialisation, which are well-represented among the training courses that students in the sample are pursuing, are less cited among the areas of specialisation desired for future training. But these three examples are different.

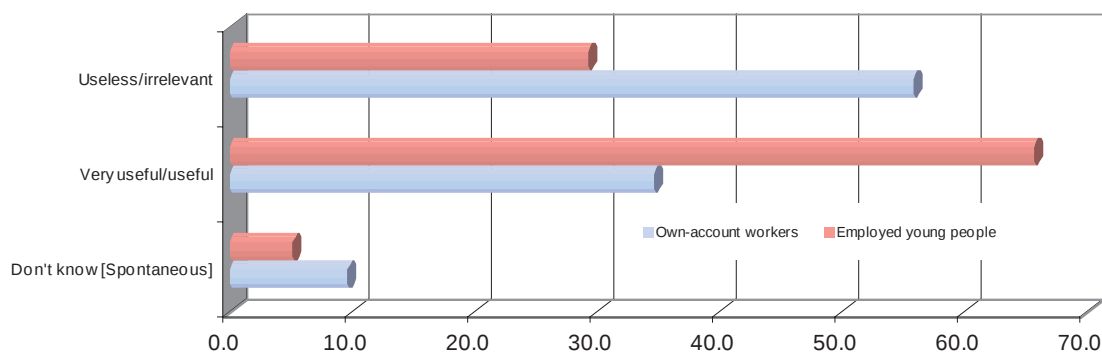
The most critical example of a wide gap between the desired activity and actual activity is that of catering and hospitality. Only 7 per cent of the young people undergoing training in this field, wished to do so. Other respondents mention a desire to pursue areas of specialisation that are unrelated to the specialisation they are studying: medicine, art and literature, sciences ... these are mostly areas of specialisation pursued at university level, that offer considerable prestige. Most of the young people pursuing accounting and management studies, were keen to pursue this field (41 per cent) and a quarter of the respondents want to study economics, which is directly related to their current training, but at university level. However, despite these

consistencies and the opportunity to start a business upon completing their studies or training in this field, none of the young people studying accounting and management express a preference for becoming own-account workers.

Training that does not match the qualifications and knowledge required to establish or manage a business

In terms of the extent to which training is directly perceived as useful for securing employment or starting a business, Graph 25 clearly indicates the negative perception by young own-account workers of their training's usefulness. In fact, whereas 66 per cent of employed young people consider their training useful, or even very useful, only 35 per cent of own-account workers make the same judgement with respect to the usefulness of their training. The majority, 56 per cent, perceive their training as useless and even irrelevant to business creation.

Graph 24. Perception of the Value of Training or Education Undertaken in the Past for Securing Present Job or Starting a Business by Job Status (Employed Young People or Young Own-Account Workers)



Source: Study on the Socio-Economic Integration of Young People into the Maputo Labour Market: 2005

The Lack of Training Leading to a Qualification and Training for 'Business'

Some of these aspects are confirmed by the quantitative data, especially where the young people list the main obstacles encountered (table 20) when carrying out their own-account activities. More than 10 per cent of young own-account workers (20 per cent of women and 8 per cent of men) cite the lack of "useful" training in the creation and management of businesses as the main obstacle. This includes "business" training, training leading to a qualification, and more indirectly, product development.

ii) A lack of supervision and support for young people in business creation and management

This refers to both the content of the training programmes, as mentioned above, and to what happens after training and during integration into the job market. The general view is that, left to themselves, without the necessary practical knowledge base, interface and support which gives them the keys to accessing employment and knowing the steps to be taken, young people "do not know where to begin or what to do". Among the chief shortcomings suggested during the qualitative interviews are i) the lack of information and ii) more generally, the lack of support.

Lack of support for the creation and supervision of business";

Employers

Lack of support and assistance for carrying out an economic activity.

Young people have the desire but there is a lack of information on how to proceed."

Socava Association

“Lack of information. Information makes it possible to learn what needs to be done first to start a business”;

“Many young people have no idea where to start or what to do”;

“No idea of how to start a business. Young people in an urban environment have more access to information (internet, newspapers, etc.) compared to young people in the rural areas. However, even in Maputo, which is at an advantage, there are gaps, and there are many people who do not know how to use or benefit from the information, or how to start any small income-generating business.”

Yes Moçambique Association

This lack of support and, particularly, of information feature among the chief obstacles mentioned by young own-account workers. The obstacles highlighted during the qualitative interviews by young people conducting own-account activities are confirmed by the findings of the quantitative study, more specifically in relation to young own-account workers.

Table 20. The Most Serious Problems Encountered as an Own Account Worker by Sex.

The most serious problem encountered in carrying out your activities	Women		Men		Total	
	Number	%	Number	%	Number	%
Access to capital	1	6.7	11	28.9	12	22.6
Access to information	3	20.0	2	5.3	5	9.4
Access to training that is useful for business creation and management	3	20.0	3	7.9	6	11.3
Business training	2	13.3	0	0.0	2	3.8
Training providing a qualification	0	0.0	2	5.3	2	3.8
Product development	1	6.7	1	2.6	2	3.8
Administrative/legal constraints	2	13.3	2	5.2	4	7.6
Too much training required by management			1	2.6	1	1.9
Too many taxes	2	13.3	1	2.6	3	5.7
Supplies	2	13.3	2	5.2	4	7.6
Availability of raw materials (quality and quantity)			1	2.6	1	1.9
Increase in prices of raw materials	2	13.3	1	2.6	3	5.7
Sales	1	6.7	14	36.8	15	28.3
Selling your products: lack of clients			8	21.1	8	15.1
Selling your products: too much competition			3	7.9	3	5.7
Unpredictable profit/income	1	6.7	3	7.9	4	7.5
Other	1	6.7	3	7.9	4	7.6
Location of activity			1	2.6	1	1.9
Other, specify	1	6.7	2	5.3	3	5.7
Don't know (spontaneous)	2	13.3	1	2.6	3	5.7
Total	15	100.0	38	100.0	53	100.0

Source: Study on Socio-Economic Integration of Young People in Maputo, (November 2005)

One of the main obstacles cited by 22,6 per cent of own-account workers, especially men (28,9 per cent of men and 6,7 per cent of women) is the lack of access to funds.

iii) Lack of access to funds:

This obstacle cited during the qualitative interviews, particularly by some employers, refers to both the general lack of resources available to young people and the guarantees making it

possible to meet the various conditions set by formal sector institutions, including mechanisms for micro-entrepreneurs, such as micro-credit. This is particularly so when the majority of the young people concerned are in precarious and disadvantaged situations and have turned to self-employment for lack of any other means to support themselves. Due to the lack of resources, the activity is conducted on a small scale, with the young person in self employment mainly doing the work himself, and involving long working hours.

“Micro-credit institutions are limited.” “The problem is not the institutions but more the lack of conditions. “It is necessary to have the material resources as well as funds when the project is initiated.”

Employers

“The informal sector needs to be better supported, because young people are confronted by problems of access to funding to create their own business. Setting up your own business costs a lot of money.”

MINTRAB (Ministry of Labour) Director of Employment

Due to their lack of access to finance, most young people depend on their families and social network (particularly women) in order to access resources for starting their business. The findings of the study confirm the difficulties with accessing formal capital. Few young people (4 per cent) have taken out a loan from a bank or financial institution, and these only include women. None of them have resorted to taking out a loan from a private funder, be it a loan or assistance from a state institution, NGO or donor-funded project. None have had access to funds from a savings and loans club or obtained credit from a client, intermediary or supplier.

Table 21. Funding sources used to start a business by sex (multiple responses)

Start-up capital	Women		Men		Total	
	Number	%	Number	%	Number	%
No need for capital			1	2.6	1	1.9
Personal savings	2	14.3	10	26.3	12	23.1
Savings of family members	7	50.0	12	31.6	19	36.5
Loan from relative or friend	3	21.4	15	39.5	18	34.6
Loan from a commercial bank	2	14.3			2	3.8
Total	14	100.0	38	100.0	52	100.0

Source: Study on the Socio-economic Integration of Young People in Maputo (November 2005)

The lack of information on existing mechanisms and the steps to be taken, and the lack of guarantees are certainly factors for consideration.

iv) *Very Rigid legislative framework and restrictive procedures*

“Difficulty: a lot of rules and procedures”

Employer

Legal and administrative constraints are cited as the main obstacles by 8 per cent of young people —13 per cent of them are women, who are more vulnerable because they are involved in more formal activities, and 5 per cent are men. As a result of the very informal nature of most of the activities and, in many cases, the lack of procedures for formalising a new subsistence activity most young workers do not cite this constraint, although it is mentioned by the employers interviewed.

Other obstacles raised during the interviews supplemented the list of obstacles identified during the qualitative interviews.

v) Problems with selling products and, more broadly, ensuring an activity's viability.

The greatest problem cited by 28 per cent of young people (7 per cent of women and 37 per cent of men) is the problem of outlets, i.e. the sale of their products or services. The reasons, which are related, are the lack of clientele and too much competition resulting in unpredictable sales income. These products and services do not often have much added value, and are similar to products being sold by other informal own-account workers with limited resources and in similar situations.

For 70 per cent of these young own-account workers, most of their clients are individuals and households although there is a marked difference between men and women. Whereas 80 per cent of men sell their products or services directly to individuals or households who are their end users, this only applies to 47 per cent of women. Others with more formal activities are part of a production chain which includes middlemen, made up of small traders or formal businesses. This may be due to the fact that some of these activities form part of a sub-contracting relationship, although this information was, unfortunately, not included in the study. In future studies, it will be interesting to analyse the impact of such relations on the potential offered by sub-contracting activities, and opportunities to formalise and to obtain more secure and, therefore, more decent working conditions.

In total, 60 per cent state that they earn a profit, 80 per cent of whom are women and 53 per cent men. Fifteen per cent of the other workers register a loss (18 per cent of men against 7 per cent of women) and one worker in four is bankrupt (13 per cent of women and 30 per cent of men). Rather than being determined by gender, the profit-earning potential of an activity depends more upon the activity's degree of formality, and the actual reasons for starting such an activity.

c) What are the conditions for succeeding as an own-account worker?

A very small proportion of young own-account workers are distinguishable by their deliberate choice to start their own business and by the results and potential of their activity. By distinguishing young own-account workers who enter self-employment for lack of choice (a majority of 82 per cent, with no significant difference by gender) from those who deliberately start their own business because they want independence, flexibility, and a higher income or are pursuing a dream (18 per cent), two principles and possibly other factors determining the success of an own-account activity can be noted. What are they?

The “young entrepreneurs by choice” category differs in many ways from the “young entrepreneurs by default” category:

- ❖ From a personal perspective, the « entrepreneurs by choice » have higher levels of education and, more generally, have different personal goals. In this category, one worker in two has an educational level equivalent to or above secondary level education compared to 15 per cent of “young entrepreneurs by default” with similar qualifications. On average, girls who have chosen to start own-account activities are more educated. Concerning the most important goal in life, these entrepreneurs cite goals linked to personal achievement, the accumulation of varied experience, which displays a certain curiosity, an important entrepreneurial quality. In terms of socio-demographic characteristics, apart from an above average level of education, these ‘young entrepreneurs by choice’ are not particularly older or younger than the others. Their family backgrounds do not seem to be especially privileged, except in terms of the father's education, but they form the minority, and it is difficult to draw meaningful conclusions. It would be worthwhile undertaking further studies to determine whether it is a question of personal will or whether this can be viewed from the perspective that personal achievement is linked to a privileged environment rather than the daily quest for a means of survival.

- ❖ In terms of activity, choosing to start a business is a real career option which can be sustainable and, in the beginning, involves setting up the activity and having it legally recognised through registering it with the Registrar of Companies. Forty per cent (all women in this category and only 14 per cent of men) have taken measures to formalise their activity compared to less than nine per cent of “entrepreneurs by default”. Thirty per cent are registered with the Social Security authority whereas none of the young people in the other category have taken measures to obtain social security cover. The “businesses” created — for these really are businesses and not just self-employment activities— have a more solid basis, make a profit and consequently show potential for more development. A considerable proportion of the “entrepreneurs by choice” already have salaried employees (57 per cent compared to 14 per cent in the other category), are making a profit (86 per cent compared to 54 per cent in the « entrepreneurs by default » category) and generate an income that is, on average, 3,5 times higher than that earned by the other category.
- ❖ In terms of working conditions, it is difficult to speak of decent working conditions with such a limited number in this category. However, by only taking into account the most marked trends, some of the objective and subjective indicators indicate that there are better working conditions among these “entrepreneurs by choice”. As mentioned above, 30 per cent are members of a social security scheme. In terms of workload, the number of working hours per week is, on average, lower for this category (normally 51 working hours on average per week compared to 62 hours for the “entrepreneurs by default” category). Finally, by selecting a more objective indicator, such as job satisfaction, it can be seen that 90 per cent state that they are satisfied or very satisfied with their work compared to 47 per cent in the other category. Only 20 per cent are contemplating changing jobs as opposed to almost 70 per cent of the young entrepreneurs by default.

Can it then be concluded that the most important requirement is the will to succeed and an entrepreneurial spirit? Is an enabling environment also needed so as to be able to step back, look into the future, and start a business, not by default, but by choice, with a time-bound vision and the potential to develop this activity? The findings seem to demonstrate the importance of having the will and the resultant business strategy, as well as the minimum education necessary for achieving this strategy. These findings validate the importance of orienting education and training towards entrepreneurship and developing an entrepreneurial spirit as well as showcasing success stories.

Key Concepts

The access to and development of self-employment initiatives by young people is hindered by the limited access to capital and the lack of training suited to and designed for young entrepreneurs.

The rigid legislative framework and restrictive administrative procedures hinder the creation and development of businesses among young people.

The lack of information and, more generally, the lack of support and assistance hamper the growth and sustainability of self-employment initiatives among young people.

2. Associations

The associative movement in Mozambique developed when democracy was established in 1990. It is in this context that youth associations were formed in Mozambique. The associative movement implies the free association of people who pool their ideas based on common interests and objectives. Legislation permitting the establishment of associations in Mozambique was passed in 1991, and it defines the legal bases, regulating the citizens’ right to free association.

Within associations, activities may be developed which are aimed at resolving social issues in a given community (JVA, 2005:8). The associative movement may thus be viewed as a form of participation, particularly by young people, in society's economic, social, political and cultural development process.

There are various kinds of associations in Maputo. These associations are characterised by the types activities that they conduct and by their legal status. There are informal youth organisations (whose existence is not legally recognised, but have formed groups), and formal youth associations (with a legal status, and fully recognised as associations). Generally speaking, there are very few associations and there are as many informal as there are formal associations (only 32 youth associations are accredited). (JVA, 2005)

Community-based youth associations are involved in various activities and are non-profit-making. The activities of youth associations in Maputo are geared towards the fight against HIV/AIDS (e.g. awareness-building, discussions), the protection of the environment (e.g. clean-up campaigns, awareness-building), cultural activities (e.g. music, theatre, dance), or even the educational campaigns (e.g. literacy programmes, awareness-building, civic education, etc.) (JVA, 2005:36-41). However, there are very few or no associations for the integration of young people into the labour market.

According to the opinions expressed by JVA programme leaders, many young people are engaged in associative activities because they have nothing else to do and because they enjoy social activities. Many young people hope that being involved in such activities provides income-generating opportunities (NGO- or state-funded projects) and opportunities source contacts for securing employment.

The Ministry of Youth and Sport (MJD) and the Government of Mozambique recognise the importance of youth associations for the country's socio-economic, political and cultural development. The Permanent Secretary for Youth in the Ministry of Youth and Sport claims that "associations help to reduce the problem of juvenile delinquency, because the ideas of two or three young people can be used to resolve community problems".

Young people who are members of associations see this as a means of achieving their goals and carrying out practical activities that benefit their community: *"Everyone should join an association (...) it is very important to be a member of an association"* (Head of the CERPPE Association).

Key Concept

Although a number of youth associations exist in Mozambique, few of them are active in the area of the socio-economic integration of young people. Young people often join associations with the intention of developing their social networks to assist with their social and economic integration.

Conclusions

For all young people, socio-economic integration is determined by a number of social and economic factors ranging from basic education in a social environment, to gender and government policy. The promotion of employment and vocational training are today at the heart of discussions and labour policies by government and donors. The study analysed the conditions and factors governing youth integration in Maputo, particularly the socio-economic characteristics of young people, the role of vocational training and the difficulties/opportunities for accessing employment.

Vocational Training is a determining factor for accessing employment. Vocational training provides young people with the opportunity to undertake practical courses enabling them to acquire technical skills. Numerous young people undergo such training in the hopes that they will be integrated into the formal sector. Employers in the public and formal private sectors attach great value to such training and favour qualified workers.

...but it is not the only, or main factor. The general education level (EP and ESG) is a measure of the extent to which young people in urban areas have become socio-economically integrated. For many, the general academic education level determines whether they can secure formal or informal employment. Vocational training is merely supplementary and presently seems inadapted to the needs of the labour market. However basic education is not a determining factor for the integration of young people into the labour market. Without basic education, vocational training is not deemed to be of added value, for formal sector businesses. A minimum academic level (9th class) is often the main selection criteria for a candidate.

Vocational training is not the only means of being trained and accessing the labour market. As an alternative to formal training, many young people turn to the informal private sector where they work, often without any professional experience and a low academic level. They acquire technical skills that are often not recognised by the formal sector.

Acquiring their first professional experience is also a method of demonstrating their practical skills and familiarising themselves with the realities of the working world. Practical courses and attachments are methods of acquiring their first professional experience. However these methods of integration are often not easily available.

Although vocational training is not the main determining factor for securing employment or the only way of acquiring training, it is still the most popular and sought after approach by young people and employers (when recruiting for technical posts)

Social networks play a key role in securing employment, self-employment and training for young people in Maputo.

A large proportion of young people have access to social networks to aid in seeking employment. This situation demonstrates the lack of or poor dissemination of formal information on the job market. Eighty-three per cent of unemployed young people and 95,3 per cent of employed young people have never sought advice from the Job Centre (Centro de Emprego). Even though the informal dissemination of information on the labour market cannot optimise the balance between job supply and demand, it is still the only way of obtaining information on the labour market, for the majority of young people in Maputo.

Self-employment, which is a survival strategy for young people in the informal sector is only being sustained by the financial support of social networks. Self-employment is a last resort for young people because accessing business or public loans is still difficult for young people and does not allow for the development of formal and informal sector businesses. Social networks cannot promote entrepreneurship among young workers, since their role in self-employment is to provide a safety net for young people. As long as the tools stimulating entrepreneurship (business loans, advice, etc.) are not available to active young people, business creation will confine itself to self-employment as a survival strategy in the informal sector.

Social networks enable young people at school to receive training and, in this case, only depend upon your social status. On the other hand, social networks enable some informal workers to obtain on the job training. They also compensate for the incapacity of informal sector employers to provide their employees with necessary training.

Social networks fill the gaps in the private sector relating to access to information on the labour market, access to financial resources and access to training. They also act as a substitute for the public sector through informally transferring information on the labour market to young people.

Importance of the Informal Sector

The informal economy absorbs workers, particularly young workers who would otherwise not have any work or income. Mozambique, particularly Maputo, which is experiencing massive population growth, particularly in the urban areas, has a large workforce which is rapidly expanding. Most entrants into the informal economy are not doing so by choice but by necessity, because it is the only solution during an era of high unemployment, under-employment and poverty. It may be a temporary solution but often becomes a long-term solution for young people who are demotivated by their incapacity to be absorbed into the formal economy. The informal economy is a potential source of employment creation and revenue generation that should not be ignored, because it is relatively easy to access, even with a limited education or qualifications, and limited technical or financial resources. However jobs that are created, with limited capital and based upon the personal work of these young people, lacking access to information, the market and financial resources, are actually subsistence activities that rarely meet the criteria for decent work.

A growing number of young people are being trained and are entering the labour market each year. Selections for accessing formal employment are determined by the education levels and training, but young people are increasingly turning to the informal economy because they are unable to access the formal economy.

The informal economy is heterogeneous but, for most young people, is often characterised as cramped or undefined premises, working conditions that do not protect your health or guarantee your safety, low qualifications and limited productivity, low and irregular pay, long working hours and a lack of access to information, markets, finance, training, and technology.

In future, higher education levels among young people and suitable training could have a positive effect upon the development of the capacities and potential of informal economic units. This potential could thrive in the absence of certain obstacles and if young people – through training, education, exchanges, information and mechanisms for accessing financial resources – are given the means and capacity to allow their creative spirit, dynamism, innovativeness, in other words their entrepreneurial spirit, to flourish.

For most young people in the urban areas, the informal economy clearly constitutes a major survival strategy. It has become their career path and permits socio-economic integration. The informal economy is now participating more in the Mozambican economy, employing nearly 95 per cent of the EAP and representing the main source of professional opportunities for the urban youth, even if they are perceived as less attractive.

Decent Work

The ILO seeks to « promote decent work for all workers, whether male or female, regardless of their place of work⁶⁰ ». This ambition requires a broad-based strategy: being aware of the fundamental labour principles and rights; creating new and better employment and income earning opportunities; extending social security and stimulating social dialogue. These dimensions of decent work are inter-dependent and consist of an integrated poverty eradication strategy.

It would seem that the decent work deficit is more glaring in the informal sector, even if it does exist in certain sectors of the formal economy, when we examine the situation facing young workers from the perspective of the general decent work deficit. This means not only in terms of accessing employment in order to earn an income, but, more broadly speaking, accessing quality employment, social security, training and the ability to defend one's fundamental rights. Education and training for young people are major assets for accessing decent or relatively decent working conditions, which is why it is important to have general access to education and training as well as to training that leads to qualifications and meets the needs of the labour market.

The Importance of Information on the Labour Market. Although formal information systems exist in the Mozambican labour market, their dissemination and use are still very limited, particularly among young people. There is very unequal access to such information among young people in the different social classes.

These labour market information systems are little known among young people because there are few systems and they are not effective. There are very few links between these information systems, vocational training centres and businesses. It is difficult to estimate the gap between the labour market's needs and the qualifications of the EAP if these systems are of a poor quality, inaccessible and limited in number.

Professional integration of young women. Although there are serious inequalities between men and women, it seems that the differences in terms of accessing education and the labour market are less marked in Maputo than in other secondary cities and the rural areas of Mozambique. The unequal opportunities for men and women to be socio-professionally integrated in Maputo are not representative in the rural areas where women are less educated and do not have access to the same economic and social opportunities as men. Although most of the young women interviewed agree that men are more likely to access employment and gain promotions, this reality is not always confirmed by their salary or education levels. There is increased gender balance among young people in Maputo in a country where women occupy 35 per cent of parliamentary seats and senior government positions. However there is a difference between the expectations of men and women, particularly in terms of salary.

Constraints to entrepreneurship among young people. Entrepreneurship among young people in Mozambique is concretised through business creation (particularly self-employment). It should be noted that entrepreneurship is not an activity that is sought after or in demand among young Mozambicans but, rather, arises out of the barriers that exist in the labour market. Young people are denied access to the resources needed for starting businesses:

- ❖ Capital;
- ❖ Management skills through appropriate training
- ❖ Legal and administrative information on financial resources and available training;
- ❖ Restrictive administrative and legal procedures (formal sector).

60 ILO (1999), *Director General's report presented during the 87th session of the International Labour Conference, June 1999 : A Decent Job*

These different barriers make entrepreneurship a very difficult and inaccessible means for young people to access the labour market and they will only invest in it if they have failed to secure paid work. However, a minority have set up businesses voluntarily and see a future in it, having even taken measures to formalise it and demonstrated its growth potential. Entrepreneurship for survival (short-term), as opposed to entrepreneurship for development (long-term and growth oriented), is predominant in the urban areas of Mozambique.

In April 2006 a seminar on the Socio-economic Integration of Young People in Mozambique will take place in Maputo to enable discussions between the main social and government players. On the basis of the study and recommendations made, roundtables during the seminar will define joint courses of action for formulating and implementing youth employment policies and programmes.

Courses of action⁶¹ and recommendations in response to the challenge of integrating young people into the Maputo urban labour market

Proposals for discussion

These courses of action which were drawn up on the basis of this study on the socio-economic integration of young people into the urban labour market in Maputo are being put forward for discussion. The various forms of intervention proposed are complementary and interdependent. Generally speaking, these courses of action should be considered as being part of a broader policy of poverty alleviation based mainly on better access to employment in response to the challenge of integrating young people into the labour market⁶².

On the informal sector, which is a safety net for most young people, the actions will be aimed at improving the productive potential of the informal sector, and consequently of its capacity to generate income and employment; improving the well-being of the most disadvantaged groups; setting up a regulatory framework comprising appropriate forms of social welfare and regulation; improving the organisation of producers and workers in the informal sector⁶³ and implementing partenarial governance based on dialogue between the different players in the labour market, including those in the informal sector.

A. Education – Vocational Training

Action 1: To continue with efforts already undertaken and promote access to general and technical education (primary and secondary). To support and facilitate actions implemented by the PIREP and other programmes/projects drawn up within the framework of vocational training reform.

Action 2: To build the capacities of training centres in training young people while giving them their first experience in the world of work by developing practical courses, attachments and teaching that is relevant to the labour market. For this to happen, the notion of work attachment must have legal standing and the rights and obligations of each partner must be defined.

Action 2.1: To give support to existing associations and competent institutions in the area of vocational training and to support the creation of new institutions.

Action 2.2: To strengthen and encourage the role of private training centres, to define their areas of intervention and to promote complementarity between private and public training, within the framework of contractualisation (charter, convention, partnership agreement, act...) between the State and private operators which determine the roles and obligations of each party.

Action 2.3: To build vocational training capacities at national level both institutionally and legally.

61 To be submitted to the partners during discussions to be held at a seminar at which this study will be presented.

62 See Appendix 4 : General Recommendations for an Employment Policy in Response to the Challenge Posed by the Problem of Integrating Young People into the Urban Labour Market in Maputo.

63 See Appendix 5 : Some Relevant Lessons on the Informal Economy : An ILO Approach.

Action 2.4: To better prepare teachers and trainers with regards to in-house educational and vocational training programmes. To enable, for example, working professionals to teach in VTCs (Vocational Training Centres).

Action 2.5: To diversify sources of funding: public and private sectors, and income-generating academic activities, especially where practical courses are concerned.

- Look at modes of financing which involve companies which use and employ young people with training.
- Think of possible income-generating academic activities, especially with practical courses, mainly through partnerships with companies. This would result in practical experience and self-financing of training by training centres.
- Setting up a fund to finance training with funds coming from increased earnings and sound management of State funds.

Action 3: To set up competent tripartite structures for vocational training and create a system of partnerships between training centres and formal/informal public and private companies. The VTCs will teach theory, companies will offer the practical training while the State will supervise and support the process. This will entail contractualising VTC-company relationships by defining an induction and learning framework for young short- and medium-term trainees, who as a result will be in direct contact with economic operators, while at the same time limiting the costs of having them in place, especially where facilities are concerned. A national sandwich course diploma could thus be created. The entire process will take place within the context of a contractualised partnership between the State which will lay down the rules, formal and informal economic operators who will take on young people for genuine training in conditions yet to be defined, the young people themselves who will commit to a period of training with set goals and some members of civil society whose role it will be to mentor the young trainees.

Action 4: To promote and formally recognise alternatives to formal vocational training, enhancing the value of the experience and expertise of young workers in the informal sector⁶⁴. To mobilize informal economic operators around a platform so as to identify, evaluate and promote alternatives to vocational training. To recognize training identified by INEFP and companies in the formal sector.

Action 4.1: To improve already existing learning mechanisms based on the transfer of expertise from one generation to the next. Some methods such as CEFÉ (GTZ) or « Know your business and “Improve your business » (ILO⁶⁵) or EMPRETEC (UNCTAD) can be used and adapted to the context of the urban informal economy of Maputo.

Action 4.2: To promote, at the same time, the development of more innovative training, including training for the informal economy and short training courses. Identifying the needs of workers in the informal economy will make it possible to strengthen and develop specific qualifications which will be useful in improving working conditions and the potential for development of informal activities.

- Offering general training modules such as: management and development of an economic activity; access to information on, for example, credit, micro-credit, social welfare and micro-insurance institutions; administrative procedures; associations; unions and other workers' organisations; introduction of new technologies and new products.
- The modalities for the transfer of knowledge can be based on the mobilising platform and on partnership with private and public sector players through interventions by officials from various key sectors such as: credit, micro-credit, insurance and micro-

⁶⁴ See the South African experience, among others, in ILO : *Skills Working paper n°21 – Recognition of prior learning. Policy and practice for skills learned at work* (Geneva, 2005)

⁶⁵ SIYB, ILO Programme

insurance institutions, private companies which are in a position to present their mode of operation and their markets and the possibility of considering potential networks and sub-contracting relationships; public sector players dealing with administrative procedures for registering an activity, access to social welfare, job centres.

- It is advisable to undertake studies to determine the best way to regulate subcontracting contracts signed between informal sector companies and operators in the informal economy.

B. Information on the labour market

Action 5: To improve and develop the dissemination, access, visibility and quality/relevance of information systems on the labour market (job offers and offers for training, information on companies and branches of industry). To develop and strengthen tools for the dissemination and updating of information (media, counsellors in job centres and community centres, data bases, among others).

Action 6: To strengthen and formalise dialogue between employers, training and guidance centres, the Ministry of Labour and workers' organisations. This multipartite dialogue, which will be coordinated and regulated by the government, will sustain information systems and make it possible to identify the needs of the labour market.

Action 7: To strengthen and create, in both the formal and informal sectors, structures representing young workers which are capable of participating in dialogue with private and public institutions. This requires the emergence of one or more representatives with whom the whole society can enter into dialogue, resulting in a partnership which will benefit all, especially the socio-economic integration of young people in decent conditions. In this regard, supporting the structuring of the representativeness of young entrepreneurs from the informal economy is an important step.

Action 8: To set up representative structures and forums for dialogue within urban communities, especially the poorest which have least access to the labour market and to training. These will serve as a channel through which information on the labour market will be provided and disseminated to young people. To set up, strengthen and formalize youth community associations. To strengthen their bargaining power in multipartite dialogue on employment and training.

Action 9: To improve, develop and adapt the structures of Job Centres and Career Guidance Centres to the labour market. To decentralize job centres in the different urban districts and areas and/or to enter into contracts with competent community structures so as to improve access to information on the labour market and the different training/education opportunities.

Action 10: To encourage and urge young people to register with the Job Centre, as this will lead to better assessment of needs, expectations and the situation of young jobless people in the formal and informal labour market. To encourage young people to take active and organised steps in finding employment through a team of specialised counsellors who will supervise and encourage the process. This action must go hand in hand with a meaningful improvement in the way the job centres currently operate:

Action 10.1: Identify the current deficiencies of job centres and the reasons why they are not known or recognised by young people as an effective means of assisting them to integrate into the labour market in Maputo.

Action 10.2: Improve the visibility of job centres: exchange and presentation of these centres within the framework of vocational training; interventions among young workers in the informal and formal economy.

C. Promotion of employment and Promotion of entrepreneurship

Action 11: To laterally promote decent employment in all sectors of the formal and informal economy. To draw up a framework for promoting and reinforcing respect for the different dimensions which cover decent work centred around four strategic objectives, namely the promotion of basic principles and rights at work, the development of employment potential, increasing the scope of social welfare⁶⁶ for all, and the reinforcement of tripartism and social dialogue. This objective concerns everybody or almost everybody: young people, all the women and men working in the public service or in large companies, and others, who are even more numerous, working in the informal economy. The actions of awareness raising, improving working conditions, strengthening the institutional framework and mobilizing the different players should aim at respecting decent work in the formal sector and taking steps towards improving working conditions with a view to creating decent employment in the informal sector.

Action 11.1: To promote, as much as possible, the move of these workers and of economic units towards greater formalisation – This entails building the capacities, on the one hand, of these informal economy workers and units so they can integrate into the formal economy (in association with the previous point) and on the other hand, the capacities of society and the formal economy to include the workers and units of the informal economy. This dual principle presupposes actions on two levels: that of workers in the informal economy and that of the political and institutional environment.

Action 11.2: The government must be made aware of the need to inventory, on the one hand, those informal sector activities which cannot come under existing regulation and which need tailor-made rules, and on the other hand, those which could gradually be brought under the said regulation. All projects undertaken in this area must take into account issues of equality between the sexes, especially the fact that women are more vulnerable to exploitation.

Action 11.3: Preventing future informalisation of employment entails tackling the very causes of the increasing informalisation of work. This undoubtedly is the most difficult task, but also the most important. Such change can only be brought about by structural reforms both on a national scale, based on macro-economic measures, and on an international scale from the standpoint of the impact of globalization on the development of the working environment. This means that the role and competencies of the State in monitoring and regulating work must be affirmed and strengthened.

Action 12: To promote (bring about) and enable the setting up of companies as a mechanism for long-term vocational development. To create and strengthen initiatives for promoting the setting up of companies among young people in the formal and informal sectors. To follow up on and monitor young people throughout their employment.

Action 12.1: To improve and facilitate access to formal resources and financial information through a greater involvement of local financial institutions.

Action 12.2: To improve and facilitate access to legal and administrative information on setting up companies in the formal and informal sectors using tools and representative structures within the communities. To coordinate government players so as to come up with an information pack intended for young people..

⁶⁶ Formal social security systems and regulation of working conditions were in most cases not designed to cover workers in the informal economy. In order to tackle this situation, instruments more geared towards the informal economy have been developed and could be used or adapted. This is the case, for example, of community-based social welfare systems especially micro-insurance (such as those developed by the STEP programme in Mozambique) or those of the WISE » (Work Improvement in Small Enterprises) programme which provide tools for improving working conditions in SMEs.

Action 12.3: To increase, strengthen and adapt vocational training with the aim of acquiring the skills needed for setting up a company and developing it in the formal and informal sectors. To develop and encourage, using initiatives from the 'Medidas de Emprego' programme, the introduction of other public and private initiatives and to significantly increase the number of beneficiaries of this training.

Action 12.4: To promote, through associations and local economic development, income-generating cooperatives and decent working conditions for young people. To promote among young people the potential of cooperatives as a means of integration, acquisition of professional experience and a source of income. To support current reforms on the status of cooperatives which encourages and facilitates setting them up.

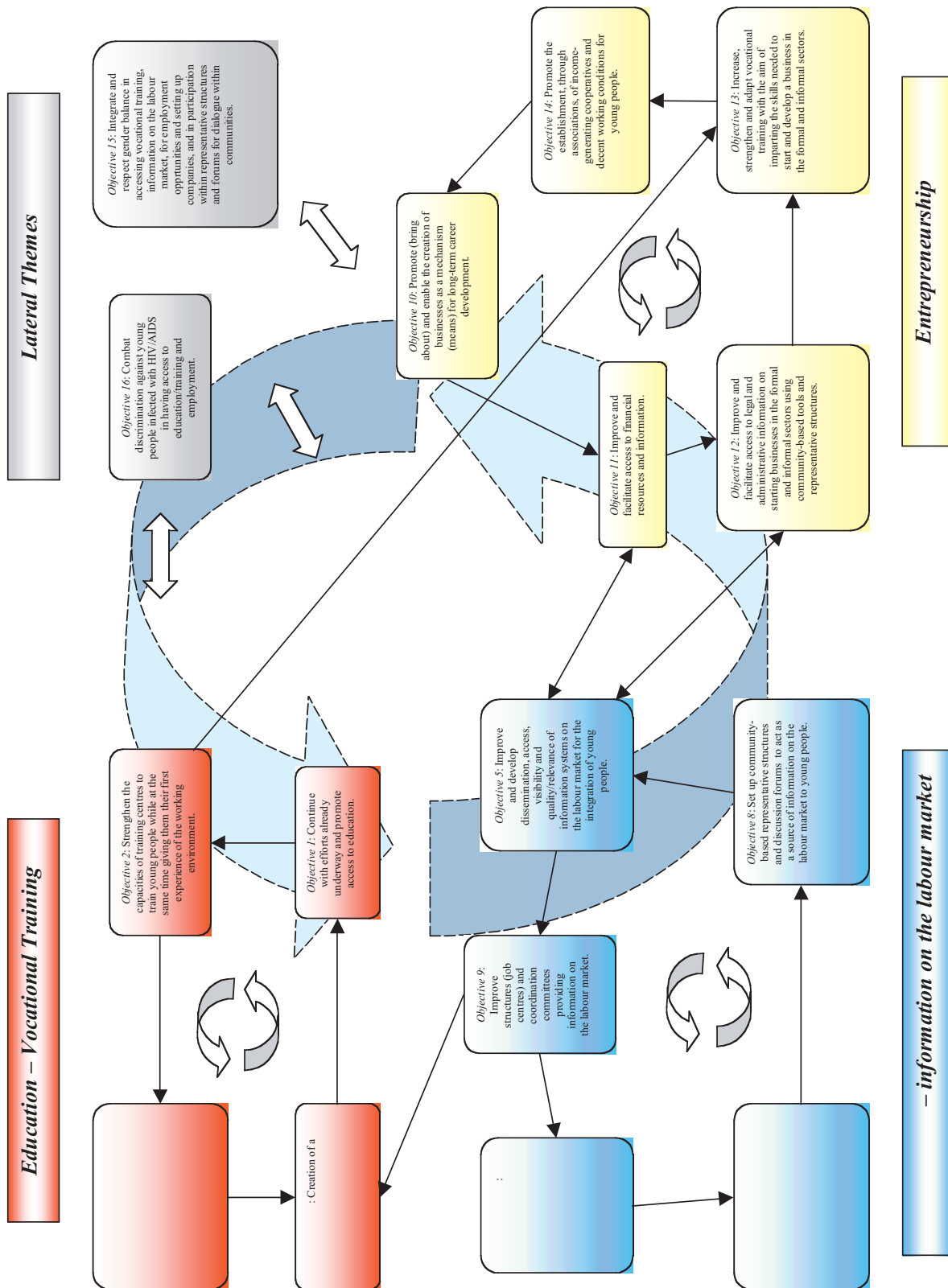
Action 13: To promote the structuring, not of the informal economy (which would constitute a study in itself), but of the representativeness of economic operators in that sector. This would entail the emergence of recognized representatives with whom national or local policy-makers could enter into dialogue, thus bringing about a partnership to the benefit of all especially the socio-economic integration of young people in decent conditions. This proposal is fundamental to the development of effective governance within the working environment.

D. Lateral Actions

Action 14: To integrate and respect gender balance in the access to vocational training, access to information on the labour market, access to employment opportunities and setting up companies, and in participation within representative structures and forums for dialogue within communities.

Action 15: To continue to make efforts to combat all forms of discrimination against young people infected with HIV/AIDS in having access to education/training and employment.

Action 16: In order to guarantee greater correspondence between supply and demand in terms of employment (circulation of information, promotion of employment, creation of a catchment area for companies...), local authorities (at provincial, municipal and district level) need to be more involved in managing this problem.



Courses of action⁶⁷ and recommendations in response to the challenge of integrating young people into the urban labour market in Maputo

Courses of Action and Final Recommendations resulting from the feedback seminar held on 4 & 5 April 2006

These courses of action were drawn up, based on an initial set of proposals put forward by the research team, and then considered by the participants⁶⁸ to the feedback seminar organised in Maputo with INEFP on 4 and 5 April 2006.

The various interventions proposed are complementary and interdependent. Generally speaking, these courses of action should be considered as being part of a broader policy of poverty alleviation, based mainly on better access to employment, in response to the challenge of integrating young people into the labour market⁶⁹.

On the informal sector, which is a safety net for most young people, the actions are aimed at improving the productive potential of the informal sector, and as a result its capacity to generate income and employment; improving the well-being of the most disadvantaged groups; setting up a regulatory framework comprising appropriate forms of social security and regulation; improving the organisation of producers and workers in the informal sector⁷⁰ and setting up partenarial governance based on social consultation between the different players in the labour market, including those in the informal sector.

A. Vocational training

Action 1: To continue with efforts already underway, and promote access to general and technical education (primary and secondary). To support and facilitate actions implemented by PIREP and other vocational training reform programmes/projects.

PIREP is a long-term measure and cannot bring about an improvement in a large number of training centres. On its own, this programme does not provide solutions to the problem of the poor quality of training institutions. It can only make it possible for the government's partners (including the private sector) to bring in additional support in order to really improve access to and the quality of technical training.

Action 2: To strengthen the capacities of training centres to train young people while giving them their first experience in a work environment, using the mechanisms identified in the Ministry of Labour's 2006-2015 National Strategy for Employment and Vocational Training: developing practical courses, attachments and learning adapted to the labour market. For this to happen, the notion of work attachments must have legal standing and the rights and obligations of each partner defined.

⁶⁷ To be submitted to the partners during discussions at the seminar at which this study will be presented.

⁶⁸ 89 representatives from the Mozambican Government, business, training centres, unions, civil society and donors.

⁶⁹ See Appendix 4 General Recommendations for an Employment Policy in Response to the Challenge of Integrating Young People into the Urban Labour Market in Maputo

⁷⁰ See Appendix 5 Some Relevant Lessons on the Informal Economy : an ILO approach

Action 2.1: To lend support to existing associations and relevant institutions in the area of vocational training by strengthening their technical, institutional and legal capacities while also setting up new institutions.

Action 2.2: To strengthen and support the role of private training centres, to define their areas of intervention and to promote complementarity between private and public training, through contractualising (charters, conventions, partnership agreements, laws...) the relationship between the State and private operators, which defines the roles and obligations of each party.

Action 2.3: To better prepare teachers and trainers with regards to in-house educational and vocational training programmes. To enable working professionals to teach in VTCs (Vocational Training Centres), for example.

Action 2.5: To diversify sources of funding: public and private sectors, and income-generating academic activities, especially where practical courses are concerned.

- To examine methods of financing which involve companies that use and require young people with training.
- To consider possible income-generating academic activities, especially within practical courses, mainly through partnerships with companies. This would result in practical experience and self-financing of training activities by training centres.
- To set up a training fund which is capitalised through increased earnings and the sound management of State funds.

Action 3: To develop competent tripartite vocational training structures and create a system of partnerships between training centres and formal/informal public and private enterprise.

- Training centres should always offer a number of practical courses. Companies alone cannot teach these practical skills. The government must encourage the establishment of conditions/measures to enable training centres to play this role in the best possible conditions (facilities, teacher training). Improving the quality of teaching should enable training centres to facilitate the establishment of partnerships with the private sector.
- To contractualise the relationships between training centres and companies in order to define a framework for mentoring and learning for young trainees (short and medium-term attachments). As a result, young people will be in direct contact with economic operators while, at the same time, the operating costs of training centres will be limited. An alternating national training diploma could be formally introduced. Contractualisation must take place between:
 - 1. The State, which sets the regulations;
 - 2. Formal and informal economic operators who mentor young people during training;
 - 3. Young people who commit to a period of training with set goals;
 - 4. Some members of civil society who will play the role of mentoring young trainees.
- To promote partnerships between training centres and economic operators by using chambers of commerce, for instance, to mobilise and encourage companies to accept trainees and to participate in vocational training.
- To create tools to facilitate communication between trainers and economic operators, such as an informative magazine that would outline good participatory practices in training, attachments, and integration into the labour market. Job centres would play a crucial role in compiling and disseminating such information.

Action 4: To enhance the value of and formally recognise alternatives to formal vocational training, developing the experience and skills of young workers in the informal sector⁷¹. To mobilise informal economic operators around a platform in order to identify, assess and develop alternatives to vocational training. To recognise training identified by INEFP and businesses in the formal sector.

Action 4.1: To improve existing learning mechanisms through the transfer of knowledge from one generation to the next. Some methods such as CEFE (GTZ) of “*Know your business*” and “*Improve your business*” (ILO⁷²) or EMPRETEC (UNCTAD) can be used and adapted to the context of Maputo’s urban informal economy.

Action 4.2: At the same time, to promote the development of more innovative training, including training for the informal economy and short courses. Identifying the needs of informal sector workers will make it possible to strengthen and develop specific qualifications which will be useful in improving working conditions and the potential for the development of informal activities.

- TCs should be able to assess the technical skills of informal sector professionals, offer courses adapted to improving and complementing these skills and certify the level of training acquired.
- Recommended general training modules: business management and development; access to information on credit, micro-credit, social security and micro-insurance institutions, for example; administrative procedures; associations; unions and other workers’ organisations; introduction to new technologies and new products.
- The knowledge transfer methods can be based on the mobilising platform and on partnerships with private and public sector players through interventions by leaders in key sectors such as credit, micro-credit, insurance and micro-insurance institutions, private companies able to present the way they operate, their markets and potential sub-contracting networks and relationships; public sector players dealing with administrative procedures for registering a business, access to social security and job centres
- Studies should be undertaken to determine the best way to regulate subcontracting agreements signed between informal sector companies and operators in the informal economy.

B. Information on the Labour Market

Action 5: To improve and develop the dissemination, access, visibility and quality/relevance of information systems on the labour market (vacancies and available training, information on companies and sectors of activity) by:

- Setting up a team to coordinate information on the labour market. This team will be coordinated by the National Employment and Vocational Training Institute (INEFP) to create a database of information on the labour market.
 - *Stakeholders/participants:* VTCs, Civil Society (NGOs), Private Sector, Associations representing young people (target group)
 - *Time frame:* 2 months (ILO will organise a regional seminar on databases on the labour market before June, at which the coordination team can be represented)
- Creating a database of information on the labour market.
 - *Stakeholders/participants:* VTCs, Civil Society (NGOs), Private Sector Associations representing young people (target group)
 - *Time frame:* Short-term (urgent)

⁷¹ See the South African experience, among others, in ILO : *Skills Working paper n°21 – Recognition of prior learning. Policy and practice for skills learned at work* (Geneva, 2005)

⁷² SIYB, ILO programme.

Action 6: To integrate structures representing young people in the formal and informal sector that are capable of taking part in dialogue with private and public institutions.

Action 6.1: Within youth structures, to set up departments dealing specifically with the integration of young people, which are able to establish links with formal and informal sector community structures. These departments will be a channel for the provision and dissemination of information on the formal and informal labour market. To set up, strengthen and formalise community-based youth associations.

- *Stakeholders/participants:* The National Youth Council (CNJ) was identified as the most representative body for young people. There needs to be coordination with the CNJ.
- *Time frame:* Short-term

Action 7: To improve, develop and adapt the operations of Job Centres and Career Guidance Centres concerning the labour market. To decentralise information on the labour market to district level and to the different urban suburbs through official and regulated links between the Job Centre, community centres and local structures, for example.

- *Stakeholders/participants:* The Job Centre, community centres and local structures (to be identified)
- *Time frame:* Medium-term

Action 8: To identify the current deficiencies of job centres, the reasons why they are not known or recognised by young people as an effective means of assisting with entry into the Maputo labour market.

Action 8.1: To encourage and urge young people to register with the Job Centre so as to better assess the needs, expectations and situations facing unemployed young people on the formal and informal labour market. To encourage active and organised job seeking by young people with the help of a specialised team of counsellors who will supervise and encourage the process.

- *Stakeholders/participants:* The Job Centre, Partners to be identified
- *Time frame:* Short-term (action 8), medium-term (action 8.1)

Action 9: To put together a communication strategy for job centres so as to improve their visibility and dissemination of information on the labour market.

- *Stakeholders/participants:* The Job Centre, Partners to be identified
- *Time frame:* Medium-term

C. Promotion of employment and entrepreneurship

Entrepreneurship and the training centre/work environment

Action 10: To develop young people's experiences in entrepreneurship and use them as a reference point for motivating young people. To promote, among young people, the potential of cooperatives as a means of integration, gaining professional experience and as a source of income. To support current reform on the status of cooperatives which promotes and facilitates their establishment.

Action 11: To identify and select young people with entrepreneurial potential. To make wider use of psychotechnical selection tests for career guidance and the selection of would-be entrepreneurs.

Action 12: Entrepreneurship should be promoted from as early as primary school through educational activities which stimulate initiative, associative movements, etc.

Action 13: To adapt the curriculum of training centres to the new economic reality. To introduce entrepreneurship into the vocational training process.

Action 14: To conduct a needs analysis on the labour market so as to offer better guidance to young people.

Action 15: To set up attachments with companies in the informal sector so as to develop this form of entrepreneurship and improve technical and management skills.

Self-employment and financing

Action 16: To support young people (mainly in associations) in accessing credit through a credible entity which already has experience in offering technical assistance for the development of businesses.

Action 17: To promote and encourage traditional forms of access to credit.

Action 18: To raise the awareness of young people in training and career guidance centres and inform them of the procedures for accessing formal credit.

Self-employment and decent work

Action 19: To laterally promote decent employment in all sectors of the formal and informal economies. To prepare a framework for promoting and strengthening respect for the various aspects concerning decent work, structured around four strategic objectives, namely:

- The promotion of the fundamental principles and rights at work,
- The development of employment opportunities,
- The enhanced extension of social welfare for all,
- The strengthening of « tripartism » and social dialogue.

The activities involving awareness-building, improving working conditions, strengthening the institutional and mobilisation framework of the different players will have to take into account the respect for decent work in the formal sector and the identification of steps to improve working conditions in order to promote decent work in the informal sector.

Action 20: To create a workers' representation mechanism (union) for the informal sector. This would entail identifying recognised representatives with whom national or local policy-makers could enter into dialogue, thus bringing about a partnership to the benefit of all, but particularly beneficial to the socio-economic integration of young people under decent conditions.

Action 21: To create a mechanism (union) to represent the interests of the unemployed and to assist information centres in supporting entrepreneurs.

D. Lateral actions

Action 22: To integrate and respect gender balance in accessing vocational training, information on the labour market, employment and business creation opportunities and participation in representative structures and community-based discussion forums.

Action 23: To continue with efforts to combat all forms of discrimination against young people infected with HIV/AIDS in accessing education/training and employment.

Action 24: In order to guarantee more balance between employment supply and demand (Circulation of information, employment promotion, creation of a catchment area for companies...), there is need for the greater involvement of local authorities (at provincial, municipal and district level) in managing this problem.

Appendix 1. Interviewing and research methodology

Appendix 2. Definitions of main concepts used in the study

Appendix 3 District Map of Maputo

Appendix 4 General recommendations on an employment policy in response to the challenge of integrating young people into the Maputo labour market

Appendix 5 Some relevant lessons on the informal economy: an ILO approach

Appendix 6 Sub-regional conference (Southern Africa) on Youth Employment, Harare, 17 - 19 October 2005

Appendix 7 Instruments adopted by the International Labour Conference that are relevant to discussions on the Employment Sector

Appendix 8 THE UPA SERVICE, Experiences with vocational training and economic integration for unemployed youth in the suburban districts of Maputo

Appendix 1. Interviewing and Research Methodology

An inventory of available material using a bibliographical review of studies conducted on the subject. This bibliographical search and inventory of existing tools and studies i) served as a basis for writing Chapter 1 – Background to the Report and (ii) assisted with the selection of data collection tools and methods used for conducting this research, as presented in this appendix on methodology.

A. General Factors

1. Objectives:

Gathering qualitative and quantitative information on the conditions for the socio-economic integration of young people into the urban labour market: the Maputo case. This means using the data collected to determine young people's perceptions of the labour market, identify the determining factors for their integration into the labour market and, in accordance with the socio-economic characteristics, discover the aspirations, strategies, conditions for integration and, therefore, the different approaches and needs, requiring appropriate recommendations and policies.

Several information gathering and supplementary data collection methods were used in this study:

- ❖ Nearly 70 qualitative interviews conducted with the main target group of the study made it possible to collect qualitative information and clarify certain aspects of the quantitative study.
- ❖ A quantitative study using a modular questionnaire administered with nearly 550 young people.

B. Qualitative Interviews

69 interviews conducted in 3 groups:

- ❖ Institutional;
- ❖ Employers (formal and informal, public and private sectors) and
- ❖ Young people, men and women aged between 15 and 29 years

9 different guides/questionnaires were designed:

- ❖ Ministries: MEC and MINTRAB/MJD, CMCM, CNJ/Youth Associations/Training Institutions;
- ❖ Public, private and informal companies;
- ❖ Youth: school going, employed and unemployed

Period of interviews: between 15 September and the end of October 2005

Venue: Maputo

1. Objectives

a) General Objectives

- ❖ To capture the opinions, vision and proposals of the main stakeholders in training, employment and the labour market in Mozambique;
- ❖ To capture the impressions and experiences of young people concerning their intentions and experiences with training and access to employment on the formal and informal labour market.

b) Specific Objectives

To obtain qualitative information and quantitative data:

- ❖ In order to supplement the first set of information collected through the bibliographical search on the themes of the study;
- ❖ So as to adapt the quantitative study questionnaire, and complete and finalise the analysis framework of this quantitative study conducted with 550 young people in Maputo;
- ❖ Collect life experiences, ideas and the vision of the main players involved in the conditions for integrating young people into the labour market in Maputo. Not only does this involve knowing the opinions and perceptions of the main interested parties concerning work available, and the opinions of the young people themselves, but also the opinions of employers, their perceptions and expectations and the vision of institutional stakeholders — ministries, training centres and representatives of associations;
- ❖ To illustrate, support and complement the results produced by the quantitative survey.

2. Methodology

a) Description of target groups

The face-to-face interview technique was used. These interviews were conducted with three groups of key stakeholders:

- ❖ **Institutional stakeholders:** to gather information and opinions on vocational training, the job market, existing and planned policies and employment and youth initiatives¹³. This category includes the heads of vocational training institutes or establishments, the heads of different ministries relevant to youth integration and vocational training and the heads of associations;
- ❖ **Employers:** to gather information and their opinions on youth recruitment practices used by companies. The objective is to collect data on employment demand, in other words the perceptions of young people and their motivation as seen by employers, their opinions on the adequacy of skills among young people vis-à-vis the needs of the labour market, their views on the training system's capacity to provide young people with the means of finding paid employment or creating their own activities. More generally, their perception of the labour market. These opinions are expressed by employers who are currently in the formal or informal sector employers in the public and private sectors;
- ❖ **Youth:** to collect information on life and experiences concerning training and access to employment. The aim of the interviews is to discover their perceptions, choices or apparent lack of choice, and their expectations. These young people in Maputo are men and women aged between 15 and 29 years, whatever their employment status. They include i) young workers or young own-account workers on the formal (public and private) and informal labour market; ii) young people attending school at public or private vocational training centres; and iii) young people who are presently looking for employment.

The third group, youth, is the most represented in terms of the number of interviews conducted. The different categories of young people identified also correspond with the categories of young people involved in the quantitative study. This similarity in the profiles used makes it possible to draw a parallel between the results produced by the interviews and those produced by the quantitative study. This qualitative information, based upon structured questions, will be illustrative as well as supplementary, introducing factors that were overlooked during the quantitative study.

b) Steps

- ❖ Inventory of the main people, structures and institutions working with or directly involved in matters concerning training, and young people and their integration into the labour market;
- ❖ Preparation of 8 interview guides (forms adapted to the groups interviewed, semi-structured, open-ended and closed questions);
- ❖ Precise identification of main stakeholders to be interviewed⁷³ (name, telephone number, location, etc.)
- ❖ Contacting these people to explain the objectives of the study and agree on the interview date;
- ❖ Conducting face to face interviews with the people contacted;
- ❖ Preparing a summary report on the main information gathered.

c) Interview guidelines: Main Themes Covered

The interviews with the young people were structured as follows :

- Objectives and Aspirations
 - o in terms of training
 - o in terms of their professions
- Strategy planned and adopted in order to achieve these objectives
 - o Have any of these objectives been achieved? If so, how? If not, why?
- Obstacles/ Difficulties Encountered
- Ideas and alternatives planned and adopted in order to achieve their objectives

More specifically, the following themes were covered during the interviews with the different groups of young people:

Young People at School

Characteristics of young people interviewed : Age, sex, place of residence (Maputo suburbs)

Characteristics of the training and courses undertaken

- Conditions of admission
- Duration
- Opinions on the centre :

Motivation : why this particular course was chosen

Expectations

- Expectations concerning training
- Expectations concerning future employment

Mechanisms/strategies for accessing employment that are planned or have already been adopted

Perceptions

- Perceptions of the labour market
- Perceptions of the quality of the training for the purposes of obtaining employment
- Methods, other than vocational training, for gaining employment

Employed youth and unemployed youth

Socio-demographic and professional factors : age, sex, place of residence (suburb or urban district of Maputo), academic level, vocational courses undertaken, work experience and activities apart from seeking employment (unemployed people only)

Seeking Employment

- Reasons for seeking employment
- Search mechanisms
- Importance of vocational training for gaining employment and alternative methods
- Perceptions of the labour market and self-employment, and obstacles encountered

General Expectations:

- Concerning training
- Concerning employment
- In general

⁷³ In order to identify the young people and interview them, the research team went directly to training institutions and companies. In many cases, the company and institution heads were contacted in advance for their authorisation and support. This measure was also supported by resource persons in ESSOR UPA and JVA project networks.

Employers	Employers Characteristics of the company : sector, activity, number of staff, types of contracts, dominance of men or women among the employees Training and Integration practices. - Characteristics of training : existence of a training centre or internal training facility - Capacity to employ : tendency to hire, recruitment methods and criteria (for example, academic level required, possible recruitment calendar, method of recruitment) - Use of company attachments and link between attachments and employment External Relations : links between the labour market and other players in training and the labour market - With formal mechanisms for integration into the labour market, - With training centres Opinions - Opinions/ perceptions - o Concerning training - o Concerning access to employment and the labour market - o Concerning problems encountered when starting a business - o Opinions about young people Specific questions for informal employers - Source of resources - Perceptions on self-employment and, more generally, evaluation of access to self-employment and employment	Number
Interviews with Institutions	Ministry of Labour: - Director of Labour (INEFP) : Ms. Fatima Tayob - Director of Vocational Training (INEFP) : Mr. Manusse Junior Ministry of Youth and Sport : Director of the National Department for Youth Affairs (DNAJ) : Mr. Albino Adamogy Valia Chairpersons of Mozambican Associations: - National Youth Council (CNJ) : Vice President, Mr. Boris - Jovens Vida Associativa (JVA) : Mr. Alex (discussions with young people in the association) - Hawkers Association : Mr. Joao de Rosa - YES Mozambique : Mr. Ilidio Machyava - Association of Journalism Students (JEA) : Mr. Antonio Jorge - CERPPE : Ms. Vania Directors of Public and Private Vocational Training Centres: - INEFP Centre – tertiary unit, Ms. Agostinha - INTEC, Mr. Davide Muianga - PROFIMAGEM, Ms. Ilda Fomo - METALOMECHANICA, Mr. Carlos Mucarreira - HOTEL ESCOLA ANDALUCIA, Mr. Carlitos Maibasso Total number of Interviews with Institutions	2 1 6 5 14
Interviews with Employers	Public Enterprise Transporte de Moçambique (TPM), DRH, Mr. Abilio Formal Private Companies - TECNICAR, DRH, Ms. Catija - AUTO-LAGOA, Director, Mr. Zefanias Maposse - TOYOTA, DRH, Mr. Filipe Informal Private Companies (Chiquelene) : - Hair salon, Manager, Mr. Andre Macamo - Furniture shop, Manager, Mr. Tomas Total Number of Interviews with Employers	1 3 2 6
Institutions	Institutions — Ministries, vocational training centres and associations The interviews with the institutions were more specific, each being in accordance with their area of involvement, but in addition to the specific topics covered by each, the following general framework was used as a guideline for structuring the interview. Problems young people are facing and characteristics of young people Structural Constraints - In training - Access to employment and the labour market Existing solutions and initiatives - Training - Employment	

d) List of interviews conducted

Interviews with Young People	Young people attending school at public institutions (Department of the Ministry of Education and Culture – DINET)	8
	– Commercial institute – Industrial technology institute – Commercial Institute	
	Young people attending public and private vocational training centres :	16
	– MECANAGRO Centro INEFP (mechanics) – HOTEL ESCOLA ANDALUCIA (Hotel management, cookery, bars and catering) – METALOMECANICA (Electricity, mechanics, industrial design)	
	Young Workers	14
	– Public company : Transporte de Moçambique (TPM) – Private company : Auto-Lagoa – Informal companies : hair salon, furniture shop, market stall – Self-employed (informal) : various selling and manufacturing activities	
	Young people seeking employment (Mafalala and other suburbs)	9
	Total number of interviews with young people	47

By analysing the qualitative interviews, certain trends concerning both employers and young people will be highlighted. Using common themes in the quantitative study, parallels will be drawn, particularly for young people, with the quantitative results that will be produced. Finally the vision of the employers, which is not covered in the quantitative study, makes it possible to obtain information to validate or, rather, qualify the vision and perceptions that young people have of the labour market and, in particular, the obstacles that they are facing with professional integration.

C. Quantitative Study

Period of field study: 14/11/2005 to 25/11/2005

Location: Maputo. Urban districts 1 to 5⁷⁴;

Population under reference: Young people aged between 15 and 29 years (women and men) living in Maputo

Target Groups:

- ❖ Young people at school:
 - commercial and industrial schools and institutes,
 - public and private vocational training centres
- ❖ Young people employed by:
 - public companies,
 - private companies
 - formal sector (employees and employers, and own-account workers involved in formal sector activities)
 - informal sector (employees, employers and self-employed)
- ❖ Unemployed young people currently seeking employment
- ❖ Unemployed and idle youth

Sampling method: empirical quota sampling and random sampling methods

Size of sample: 544 young people

⁷⁴ Maputo has 7 urban districts, 5 of which are considered as having advanced urban characteristics.. Catembe and Inhaca districts are more rural in character and were excluded from our study. The study took place in Districts 1 to 5.

1. Objectives

a) General Objective

To obtain quantitative information on the realities of the socio-economic integration of different categories of young people in Maputo.

b) Specific Objectives

- ❖ To gain more knowledge about the conditions for the socio-economic integration of young people in Maputo through collecting information on the opinions and experiences of more than 500 young people on the strengths and constraints concerning training and access to employment;
- ❖ To evaluate, from the young people's perspective, the context of the labour market in terms of vacancies, recruitment mechanisms and employment opportunities;
- ❖ To identify and/or confirm the different factors influencing the integration of young people into the labour market;
- ❖ To describe the characteristics of the young people in terms of vocational training and access to employment;
- ❖ To identify the problems that young people are facing when seeking employment;
- ❖ To describe the perceptions, expectations and motivations of young people concerning education/training and employment;
- ❖ For young workers, based upon their aspirations and the training they have received, to analyse the different situations concerning working conditions, or the formal or informal character of the business and, more broadly, to analyse the shortage of decent work in accordance with family characteristics and the different training/education options.

2. Questionnaire

The questionnaire used is a modular questionnaire based mainly on the questionnaire, targeting young people, developed by the ILO « School to work transition » employment unit. Starting with this questionnaire, changes were made to introduce gender issues and adapt the questionnaire to the Mozambican vocational training context and system and to develop some sections, notably for young workers, concerning the more or less informal character of the activities and employment. Some modules are common to all young people and others are specific to certain groups identified on the basis of their employment or training status.

This questionnaire was pre-tested before being finalised.

These are the different modules:

- A. Description of questionnaire – provides description, but lack of really informative questions
- B. Personal details – about family or household
- C. Education, professional experience and aspirations
- D. Young people at school
- E. Unemployed young people seeking employment
- F. Young workers, employers or self-employed workers
- G. Unemployed/idle youth

Modules A, B and C apply to all young people in Maputo aged between 15 and 29 years, regardless of their status on the labour market.

Modules D to G are specific to certain groups of young people identified on the basis of their employment status.

a) Themes covered in the different modules

Module A provides information needed for describing the questionnaire.

Module B – Personal, family or household details

This module collects information that analyses the influence that family and personal factors have upon lives. This information covers the young people's personal characteristics, and family situation and socio-demographic and professional characteristics of their parents.

Module C – Education, professional experience and aspirations

This module contains the following information:

- ❖ The knowledge and educational path of young people: access to education and education level attained;
- ❖ Obstacles encountered and reasons for dropping out of school;
- ❖ Personal objectives, values and ideals;
- ❖ Professional objectives and expectations;
- ❖ Perception of the importance of education and the qualities required for gaining access to the labour market;
- ❖ Main source of income and name of specific questionnaire to be used.

When applied to all cases, this module helps to identify the current situation young people are facing concerning the labour market and training, and from among the different specific modules, to select the appropriate module.

Module D – School children

This module address young people who are presently being trained and aims to identify:

- ❖ For each type of training being undertaken, the objectives and expectations of these young people
- ❖ In terms of training
- ❖ In terms of being integrated into the labour market
- ❖ The possible combination of school with work experience or prior work experience and, where necessary, the job seeking methods used.
- ❖ The level of education aimed at or desired.

Module E – Unemployed young people [in the process of seeking employment]

All young people meeting the set age criteria and matching the definition of unemployment provided by ILO, are eligible⁷⁵.

The main topics covered in this section include:

- ❖ Methods and approaches to seeking work
- ❖ Reasons why work is not being sought:
Personal reasons, intending to work but starting later, unavailability of suitable work, does not meet the needs expressed by the employer
- ❖ Availability, period for which they have been seeking work, details on job seeking efforts – types of jobs sought, refusal of a job offer, help/assistance received, number of applications and interviews, salary expected, mobility (prepared to move out of home, if necessary)
- ❖ Main obstacles encountered
- ❖ The importance of training for finding work and the intention to resume studies.

⁷⁵ This definition is in Appendix 2 under the section on Definitions and Concepts.

Module F – Young workers, employers/own-account workers

This part of the questionnaire targets all young people who are currently working (formal and informal; in the public or private sector, as an employee, employer or own-account worker). It also contains the set of criteria used to define whether the young person is doing formal or informal work, in terms of:

- ❖ whether the business is formal or informal
- ❖ the extent to which job security and social security exist.

The main themes addressed in the questionnaire that were specific to young workers are on:

- ❖ The characteristics of the current job;
- ❖ The place and the nature of business: workplace, whether the it is a public or private company, registration, membership of a social security fund;
- ❖ Working conditions in terms of job security, social security, income, extent of employment risk, and access to training;
- ❖ Conditions under which this job was accessed and and obstacles faced;
- ❖ Obstacles encountered when seeking employment;
- ❖ Methods used in finding the job (formal/ informal)
- ❖ Expectations and criteria for finding a job;
- ❖ Opportunities differentiated according to gender;
- ❖ Level of satisfaction in present job
- ❖ Objectives and expectations;
- ❖ Desire or intention to change main job and reasons;
- ❖ Intention to resume studies or undergo training;
- ❖ Strategies envisaged (in terms of geographical mobility and professional mobility/training).

This module comprises a **section specific to independent or self-employed workers** aimed at identifying the reasons for this choice, the characteristics of the job, sources of financing and the problems faced.

Module G – Unemployed and Idle Youth

This includes young people without jobs and young people who are not seeking jobs.

This last section comprises only five questions on the main reason for the inactivity, the possibility of previous professional experience and the intention to work or resume studies or training.

3. Methodology

a) Type of Survey

In the absence of an existing survey base enabling a random selection from among a list of “registered” young people aged between 15 and 29 years, a **quota-based empirical method**⁷⁶ and an « **on site sampling**⁷⁷ » method were used.

⁷⁶ A quota survey involves defining the quotas of the target population to be studied on the basis of several criteria. In this case, these include employment and training status, and gender. There are 3 stages: classifying the population in relation to important characteristics relating to the study objectives; determining the population in each class using knowledge about the population and the possible over-representation of some of the population's quotas or groups that are not highly represented in the overall population but require specific analysis; determining the quotas for each interviewer.

⁷⁷ The empirical method known as “on-site sampling”, means that sampling is done on-site, at a training centre or at the business site. In the sample, it is necessary to first identify the interview sites and the interview periods. This method is one of the techniques used for “mobile populations”, which is particularly relevant for surveys on informal businesses

There are operational reasons for this choice relating to a number of constraints and also linked to the sociological nature of this study.

- ❖ Operational reasons linked to existing constraints:
 - o The absence of an up-to-date survey base;
 - o Financial and human resource constraints that affect the geographical coverage and sample size as well as the data collection method. Unlike the random selection method, the quota method allows for sufficient representation in the sample of each group of young men and women, according to their status on the labour market and in the « training – integration – employment » cycle. The quotas make it possible to do a specific analysis of each group while ensuring that there is a sufficient number within each category of young people, and this despite a limited overall sample size. Furthermore, this method is reputed to be less costly and takes less time than a random survey;
 - o Time constraints with very short deadlines made it impossible to compile an exhaustive list in the selected zones for the purposes of developing an appropriate survey base.

Sociological nature of the study:

The study's primary objective was not to identify the proportion of young people attending school or in informal or formal employment among all young people aged between 15 and 29 years in Maputo. The primary objective was to identify the different paths chosen within each category of young people, to know the characteristics, motivations and strategies, perceptions and expectations differentiated among these groups of pre-identified young people. The quota method enabled this comparative analysis of the different groups.

The main limitation worth noting is the existence of bias and the impossibility of estimating the margin of error. The best and most reliable way of analysing this data involves conducting a comparative analysis of the different groups, a sociological approach, and identifying groups that are differentiated according to the path they have chosen, training and employment as well as identifying the factors that explain or determine these paths.

b) Scope of the Survey and Geographical Coverage

The population under reference is comprised of young people aged between 15 and 29 years residing in Maputo. This age group represented the main eligibility criteria when distributing the questionnaire.

These young people were divided into two main categories: economically active youth (formal and informal workers and the unemployed) and inactive youth (young people currently in training and others who are inactive). Sub-groups were then identified. These are presented below in the table showing the quotas.

In choosing the districts⁷⁸ and suburbs that were surveyed, the aim was to gather, within the sample, a diversity of situations in the light of the reality that the young people of Maputo were experiencing. The aim was to ensure that all situations were represented whatever the group of young people. Different characteristics were used as selection criteria, such as the concentration of informal activities, the unemployment rate and the work opportunities, the representation of the youth in relation to the total population, the more or less sparse number of training centres, and, in the case of educated youth, the presence of training institutions and schools.

⁷⁸ In the quantitative survey, quotas by district and the analysis were established, not on the basis of survey location but on the basis of place of residence. This differentiation is important, in particular, in the case of young people at school. This distinction makes it possible to go beyond the concentration of training courses offered in certain districts.

c) Sample Size

The planned size of the sample was 500 young people. The reason for this was largely financial constraints that determined the possibilities in terms of operational resources but also the time constraints for conducting this study.

d) The Quotas

The quotas were set so as to provide for a much larger number within the group. This was deemed to be important. These quotas also aimed to ensure that there were enough young people of each sex and each pre-identified group so as to allow relevant analysis within each group.

The choice of variables for determining the quotas meant that the young people were differentiated according to their training and employment situation, and their gender as men and women were equally represented, whatever the group of young people. Obviously the setting of quotas and the equal representation of men and women led to an over-representation of certain groups. However, as mentioned in point a), this over-representation allows for a sufficiently detailed analysis of each group for the sample size chosen.

The following criteria were chosen to define the quotas: (the groups are presented in the table below).

Table 22. Quotas that were set and distribution of young people in the final sample

		Set quotas ⁷⁹	Actual numbers	Actual proportion
Population active	Economically active population ⁸¹	46%	297	55
	Economically active population	40%	253	47
	- formal private	(15%)	109	20
	- public and Parastatals	(5%)	13	2
	- informal private	(20%)	124	23
	Unemployed ⁸³	(6%)	44	8
Population inactive	Young people at school	40%	214	39
	- DINET/ INEFP training [public]	(15%)	94	17
	- Formal private training	(15%)	101	19
	- Informal private training	(15%)	19	3
	Inactive youth	14%	31	6

⁷⁹ In proportion to the total sample.

⁸⁰ Interviews conducted.

⁸¹ See Résolution concernant les statistiques de la population active, de l'emploi, du chômage et du sous-emploi (Resolution concerning statistics on the economically active population, employment, unemployment and under-employment), adopted by the Thirteenth International Conference of Labour Statisticians (October 1982) and available on the internet at the following address: <http://www.ilo.org/public/french/bureau/stat/download/res/ecacpop.pdf>

⁸² This category of workers includes all young people with an, often informal, subsistence job, during a period of transition before undertaking training or a job (so that they can survive whilst seeking a job/saving for studies). There are more workers within this category.

⁸³ According to the ILO's definition of unemployment, the unemployed should meet all of these three conditions:

- Being without a job, in other words not having worked for more than an hour during the week under reference
- Being available to take up work within a fortnight,
- Actively seeking work or having found work that commences at a later date. There should be fewer workers in this category as the majority of young people cannot be without a source of income for too long a period (without assistance from their family).
- On this subject see Appendix 2 on the definition of the concepts used in the study.

The tables below show the distribution of different variables used to define the quotas in the final sample of the 544 young people interviewed.

Table 23. Distribution of young people by employment status and by sex.

Young People	Sex				Total	
	Women		Men			
	Number	%	Number	%	Number	%
At school	91	39.7	123	39.3	214	39.5
Workers	97	42.4	156	49.8	253	46.7
Unemployed	17	7.4	27	8.6	44	8.1
Inactive	24	10.5	7	2.2	31	5.7
Total	229	100.0	313	100.0	542	100.0

Source: Survey on the socio-economic integration of young people into the labour market in Maputo - November 2005

Table 24. Distribution of youth by age group and by sex

Age of interviewee	Sex				Total	
	Women		Men			
	Number	%	Number	%	Number	%
15-18 years	26	11.3	52	16.6	78	14.3
19-24 years	121	52.6	133	42.4	254	46.7
25-29 years	83	36.1	129	41.1	212	39.0
Total	230	100.0	314	100.0	544	100.0

Source: Survey on the socio-economic integration of young people into the labour market in Maputo - November 2005

Table 25. Distribution of young people by district and by sex

Place of residence of interviewee: district n°	Sex				Total	
	Women		Men			
	Number	%	Number	%	Number	%
District n°1	94	41.0	91	29.3	185	34.3
District n°2	42	18.3	69	22.2	111	20.6
District n°3	39	17.0	61	19.6	100	18.5
District n°4	23	10.0	36	11.6	59	10.9
District n°5	31	13.5	54	17.4	85	15.7
Total	229	100.0	311	100.0	540	100.0

Source: Survey on the socio-economic integration of young people into the labour market in Maputo - November 2005

Table 26 Young People at School — Distribution by type of training being undertaken and by sex

What training are you currently doing?	Sex				Total	
	Women		Men			
	Number	%	Number	%	Number	%
Commercial/industrial school	14	15.4	36	29.3	50	23.4
Commercial/ industrial institute	15	16.5	20	16.3	35	16.4
Vocational specialisation in a training centre	6	6.6	3	2.4	9	4.2
University (Bachelor's degree)	47	51.6	54	43.9	101	47.2
Apprenticeship: informal training	9	9.9	10	8.1	19	8.9
Total	91	100.0	123	100.0	214	100.0
Public or Private Training [formal or informal]						
Public	35	38.5	59	48.0	94	43.9
Formal private	47	51.6	54	43.9	101	47.2
Informal private	9	9.9	10	8.1	19	8.9
Total	91	100.0	123	100.0	214	100.0

Source: Survey on the socio-economic integration of young people into the labour market in Maputo - November 2005

Table 27. Young workers — Distribution by type of business and by sex

In what type of business are you working?	Sex				Total	
	Women		Men			
	Number	%	Number	%	Number	%
Civil service	1	1.1			1	0.4
Public company or Parastatal	4	4.3	8	5.2	12	4.8
Corporate	21	22.3	41	26.6	62	25.0
Small or medium-sized business	32	34.0	37	24.0	69	27.8
In own business / self-employed	11	11.7	22	14.3	33	13.3
Not for profit organisation	2	2.1			2	0.8
Informal private business	15	16.0	39	25.3	54	21.8
Working in family business	6	6.4	6	3.9	12	4.8
For a private individual	1	1.1			1	0.4
Do not know [spontaneous]	1	1.1	1	0.6	2	0.8
Total	94	100.0	154	100.0	248	100.0

Source: Survey on the socio-economic integration of young people into the labour market in Maputo - November 2005

Table 28. Young workers — Distribution by formal or informal nature of main activity and by sex

Type of business(formal public or private/ informal)	Sex				Total	
	Women		Men			
	Number	%	Number	%	Number	%
Public	5	5.3	8	5.2	13	5.2
Private formal	45	47.9	64	41.6	109	44.0
Private informal	43	45.7	81	52.6	124	50.0
Do not know [spontaneous]	1	1.1	1	0.6	2	0.8
Total	94	100	154	100	248	100
Type of business (formal versus informal)						
Formal	50	53.2	72	46.8	122	49.2
Informal	44	46.8	82	53.2	126	50.8
Total	94	100.0	154	100.0	248	100.0

Source: Survey on the socio-economic integration of young people into the labour market in Maputo - November 2005

4. Summary of the Main Stages of the Study

a) Preparatory Stages

- ❖ Identifying businesses, training centres and community centres in the different suburbs of Maputo;
- ❖ Preparing questionnaire;
- ❖ Defining and determining the sampling and quotas;
- ❖ Distributing the sample in accordance with the envisaged scope of the study;
- ❖ Young people studying at technical educational institutions and vocational training centres in Maputo;
- ❖ Young people working in public and private companies and in the informal sector in Maputo;
- ❖ Unemployed youth residing in Maputo;
- ❖ Recruitment and training of 10 interviewers (students in the last stage of their Masters at Eduardo Mondlane University);
- ❖ Planning of field operations.

b) Conducting the Study – in the Field

- ❖ Supervising the interviewers (orientation, follow-up, advice, support, conducting interviews, collecting questionnaires.);
- ❖ Data capture on computer, correction, coding of verbatim data (SPSS software);

c) Stages Subsequent to the Field Survey

- ❖ Analysis
- ❖ Selection and definition of methods for analysing the data collected;
- ❖ Data analysis using SPSS software;
- ❖ Drafting the final study report.

Appendix 2. Definition of the Main Concepts Used in the Study

Active Population according to the ILO

The **active population** includes the **active, employed population** and those who are **unemployed**. According to the ILO definition⁸⁴, the active population comprises all persons from both sexes who, during a specific reference period, are the workforce used for producing goods and services, as defined by the United Nations System of National Accounts.

Employed Active Population

The **employed active population** includes all people with a job but the number differs according to the statistical analysis made. Currently there are three main approaches used: the ILO approach, the population census approach and the National Accounting approach.

Note: active members of the clergy, apprentices and paid trainees are also part of the employed active population.

Inactive Population

The conventional definition of ‘inactive’ is those people who are neither employed nor unemployed: young schoolchildren, students, retired people, men and women at home, people who are unable to work.

Unemployment

Unemployment represents all persons of working age (15-74 years) without work and seeking work. In Mozambique the age limit is set at 60 years. Establishing the number of unemployed is complex. The dividing line between employment, unemployment and inactivity is not always easy to establish.

Unemployment according to the ILO

According to the international definition adopted in 1982 by the ILO, an **unemployed person** is someone who is of working age (15 years or above) and meets all these three conditions:

- ❖ is unemployed, in other words, has not worked for more than an hour during a week under reference;
- ❖ is available to take up a job within 14 days;
- ❖ is actively seeking work or has found work that will be commenced later.

Employment according to ILO

Employed persons are those having worked during any period, for at least one hour, during the week preceding the survey.

⁸⁴ For all the definitions concerning statistics on the active population, employment, unemployment and under-employment, consult the *Résolution concernant les statistiques de la population active, de l'emploi, du chômage et du sous-emploi* (Resolution concerning the statistics of the economically active population, employment, unemployment, and under-employment), adopted by the Thirteenth International Conference of Labour Statisticians (October 1982) which is available on the internet at the following address: <http://www.ilo.org/public/french/bureau/stat/download/res/ecacpop.pdf>

Salaried Employment

The term salaried means every person who works under a contract for another resident institutional unit in exchange for a salary or equivalent remuneration.

Decent Work

The synthetic index for assessing decent work is established on the simple principle of a cumulative ladder of 7 criteria. Each criteria, if it is met, is given a value equal to 1 and if it is not met is given a value of 0. By adding all the criteria an overall score from 0 to 7 is obtained, indicating the quality of the job, as an indicator of decent work. The higher the score, the more decent the job (or the more decent it is considered).

Work is considered decent when evaluated by workers according to the following criteria:

Job Security Indicators

- i) they have a written contract of employment for a period longer than 1 year
- ii) they benefit from compensation in the event of dismissal

Working Condition Indicators

- iii) they work a maximum of 40 hours per week
- iv) they have annual paid leave

Social Security Indicators

- v) they are covered by health insurance or another equivalent system,
- vi) they benefit from paid sick leave, and
- vii) they are covered by a pension (are eligible)

Labour Market

A place where all operations and procedures for employers to recruit job seekers are conducted. That is, the relationship between supply and demand for defined categories of workers (Silva.1986:744/745). This labour market has a multitude of situations ranging from the most formal and secure jobs (in terms of job security or social security) to the most informal jobs, without a contract or specific location, where an income is earned through day to day activities.

By drawing a continuum of these situations for the purposes of analysing and identifying the different situations, the formal labour market and the informal labour market can be identified.

Informal Labour Market

There is no universally accepted or exact description or definition of the term ‘informal economy’. However, it has been agreed that this term covers a wide diversity of workers, businesses and entrepreneurs that have identifiable characteristics and encounter constraints and problems of varying intensity, according to their national, urban or rural context. In actual fact, there is no formal sector, on the one hand, and informal sector, on the other, but rather a continuum ranging from the most informal to the most formal activities, with “grey areas” and interdependencies. The expression “informal economy”, refers to all the economic activities of workers and economic units that are not covered – by virtue of legislation or practice – by formal provisions.

The informal economy absorbs workers who would otherwise have neither work nor income, particularly in developing countries that are characterised by a large workforce that is rapidly growing. The majority of those who join the informal economy do so, not by choice, but by sheer necessity. In particular, where there is high unemployment, under-employment and poverty, the informal economy is a significant potential source of employment and income

because it is relatively easy to access, even without much education or qualifications, or large technical or financial resources.

From an operational viewpoint, the International Conference of Labour Statisticians in 1993 adopted an international definition of the informal sector⁸⁵. The Resolution on Employment in the Informal Sector defines the informal sector as any enterprise that is unregistered or unincorporated and is below a certain size, including micro-enterprises of informal employers who employ one or more employees on a continual basis and own-account workers assisted or not by family workers, or casual workers. The notion of the informal economy and the conceptual framework proposed during the 90th International Labour Conference in 2002, is a broader notion of work and, more precisely, of the worker and his status in the job. The informal economy includes all informal jobs (no contract establishing a long-term relationship between the employee and the employer, no employment benefits, no social security, etc) whether within an informal or formal enterprise.

Given the analysis made here and available relevant information, all salaried workers, employers or own-account workers in companies that are not formally recognised, are considered as workers in the informal sector. This dichotomy is a simplification of a more complex reality, but through analysis the groups with their own characteristics and needs can be identified.

Furthermore, through conducting an analysis on working conditions and, more broadly, decent work, the wider notion of employment and the informal economy can be addressed, while taking into consideration the notion of job security and social security from which the worker benefits.

Under-employment⁸⁶

Under-employment represents the under-utilisation of the production capacity of the employed population, which can also result from a deficient national or regional economic system. This concerns another work situation that a person wishes to and is available to occupy. Under-employment linked to the duration of the job exists when the duration of the job is short, in comparison to another possible position that this person is able and available to occupy.

⁸⁵ Resolution concerning employment statistics in the informal sector adopted by the Fifteenth International Conference of Labour Statisticians, (January 1993),
<http://www.ilo.org/public/french/bureau/stat/download/res/infsec.pdf>

⁸⁶ For more information, consult the *Résolution concernant la mesure du sous-emploi et des situations d'emploi inadéquat* (Resolution concerning the measurement of under-employment and inadequate employment situations, adopted by the Sixteenth International Conference of Labour Statisticians, (October 1998), available on the internet at the following address:
<http://www.ilo.org/public/french/bureau/stat/download/res/underemp.pdf>

Appendix 4. General Recommendations for an Employment Policy in Response to the Challenge of Integrating Young People into the Urban Labour Market of Maputo

1) The role of economic policies aimed at enhancing employment creation

Firstly it is necessary to put in place economic policies aimed at enhancing employment creation (on the demand side). This requires taking account of the political, macro-economic and financial aspects, the investment climate and policies, sectoral policies, mobility of the workforce and migration. In order to appropriately implement these policies, the following tools are recommended - poverty reduction strategies that focus on all of the following:

- ❖ Employment growth and creation, and economic growth;
- ❖ Adapting the labour market to commercial and regional integration;
- ❖ Access by poor workers to credit;
- ❖ Labour-intensive methods;
- ❖ and the recognition of all skills.

2) Skills Development and Employability

The second recommended area of intervention is the development of skills and employability, which affects the entire range of vocational training policies and systems in the face of technological changes, as well as employment services and improved access to training. The recommended tools include:

- ❖ training;
- ❖ lifelong learning;
- ❖ on-the-job training;
- ❖ vocational guidance;
- ❖ rehabilitation at community level;
- ❖ and using information and communication technology to increase productivity.

3) Business Development

The third area has to do with business development. This requires taking into account the existing policies and regulatory framework, upgrading the value chain, local economic development, and current practices at the workplace. This area of intervention necessitates:

- ❖ developing business services for small and medium enterprises;
- ❖ granting credit to small and medium enterprises;
- ❖ designing tools for developing an entrepreneurial spirit and productivity;
- ❖ corporate social responsibility;
- ❖ strengthening cooperatives;
- ❖ and materials for capacity-building in local economic development.

4) Regulating the Labour Market, Institutions and Policies

Regulating the labour market as well as institutions and the relevant policies form part of the fourth area of intervention. The issue here is to put in place passive labour market policies, such as the right to unemployment benefits, and active policies on training, employment creation, salary allowances and business creation, electronic services and to institutions in the labour market.

5) Capacity Building, Governance and Capital Organisation

The fifth area of intervention concerns capacity building, governance and capital organisation. In this context, trade union representation, vocational guidance and institutional development are of utmost importance. These are the tools used:

- ❖ development of national capacities;
- ❖ dialogue between employers and employees to implement projects for decent work;
- ❖ and upgrading informal and community-based businesses.

Appendix 5. Some Relevant Information on the Informal Economy: an ILO Approach⁸⁷

The proliferation of precarious forms of employment and the serious problems that arise in most countries, has attracted the ILO's attention for decades. This awareness has given rise to numerous research and technical cooperation activities by the ILO on the informal sector. The results of these activities have enabled the ILO to provide detailed advice to its Constituents on policy guidelines.

The ILO has always been interested in both the volume and quality of employment. Today, these aspects are receiving particular attention in accordance with the notion of "decent work" as outlined in the Director General's Report at the 1999⁸⁸ International Labour Conference. Furthermore, already in 1991⁸⁹, the priority objectives of the ILO's activities concerning the informal sector were defined in the Director General's report at the 1991 International Labour Conference. Here are the main objectives of the priority activity areas which are interdependent and should be pursued simultaneously:

- ❖ Improving the productive potential of the informal sector, and consequently its capacity to generate income and employment;
- ❖ Improving the well-being of the poorest groups;
- ❖ Setting up a regulatory framework that comprises appropriate forms of social security and regulation;
- ❖ Improving the organisation of producers and workers in the informal sector.

The ILO's approach aims not only to build the capacity of the informal sector to generate income and employment, but also to promote the productive potential of this sector. If the objective is to create employment and increase income, the strategies should attempt to suppress or reduce existing obstacles, especially in accessing credit, education, new technologies, equipment and markets, in order to increase productivity. With regards to activities to be undertaken, active support could be lent to policy and institutional reforms aimed at increasing the access of informal sector workers to services needed for developing their business.

The ILO, in conjunction with the local authorities, has carried out numerous activities which include awareness-building, providing policy advice, drafting legislative texts and capacity building.

The reform of the legal framework is also necessary. In order to release the potential of the urban informal sector and improve the protection of workers, a favourable legal and political framework needs to be created. The ILO has initiated and organised dialogue between the social partners and other institutional players to determine the measures and reforms that could be

87 Parts of this section are taken from the ILO document: *Emploi et protection sociale dans le secteur informel, Activités de l'OIT concernant le secteur informel urbain : évaluation thématique, Conseil d'administration, Commission de l'emploi et de la politique sociale, 277ème session, Genève, mars 2000 (Employment and social security in the informal sector, ILO activities concerning the urban informal sector: thematic assessment, Executive Board, Commission on Employment and Social Policy, 277th session, Geneva, March 2000).*

88 ILO: *Un travail décent (Decent Work), report of the Director General, International Labour Conference, 87th Session, 1999.*

89 *Le dilemme du secteur non structuré (The Dilemma of the Unstructured Sector), report of the Director General, International Labour Conference, 78th Session, 1991.*

adopted in order to improve the legislative and regulatory framework. So as to increase the chances of seeing labour-related legislation being applied in the informal sector, the studies that have been carried out recommend the following measures: to more precisely define and classify the informal sector by activity, level of production and employment situation; to promote a better understanding of the temporary nature of employment relations; to re-examine the definition and the role of family enterprises; to proceed with the necessary revisions in the labour legislation in accordance with the conditions specific to the informal sector.

Within the context of the **Programme for the Development of Businesses in the Informal Sector**, the ILO emphasises that a strategic choice should be made when defining the objectives, actions and instruments for:

- ❖ supporting subsistence activities whose economic growth potential is very limited, but which are nevertheless essential to reducing the effects of poverty;
- ❖ enabling certain micro-enterprises to accumulate capital through considerable gains in productivity.

The **Report of the Director General at the 1991 Conference** recommended the gradual introduction of labour laws and standards, starting with the most viable enterprises while ensuring respect for the fundamental human rights of freedom of association, the elimination of forced labour and child labour, as well as discrimination⁹⁰. Since then, the protection of workers has become one of the priority goals of the ILO's activities concerning the urban informal sector.

Three major strategies for responding to the urban informal sector's training needs were studied in greater depth by the ILO. These are:

- ❖ to adapt training systems to the needs of small businesses and small entrepreneurs;
- ❖ to design new training methods that are more adapted to the sector: less costly training methods, training material specially designed for people with limited literacy;
- ❖ to design new training systems based on the current means of acquiring knowledge and on the skills transfer in the informal sector, such as traditional learning.

The **traditional learning system** is highly suited to the informal sector. All the same, so as to maximise its effectiveness, the following issues should be taken into account:

- ❖ traditional learning is based upon the techniques and ideas of previous generations;
- ❖ due to the traditional division of labour, women have less access to training;
- ❖ theoretical aspects are practically never taught due to the type of learning.

Concerning traditional learning programmes, the following strategies were developed to improve the quality of training:

- ❖ supplementary training for the learners covering the theoretical aspects of business, management, techniques, and health and safety at work;
- ❖ providing consultative services before, during and after the learning period;
- ❖ providing support to business owners who train learners, to help them to improve their teaching methods, productivity, products and training materials and to encourage exchanges with other interested artisans.

90 The ILO Declaration on the Fundamental principles and rights at work and their monitoring, adopted by the International Labour Conference at its 86th Session in 1998.

Adapting **training systems in the informal sector** demands that measures are taken at both the micro- and macro-economic levels – designing training needs analysis methods, implementing training programmes and refresher courses for the trainers and other stakeholders in the system, as well as access to sources of finance, raising the awareness of the relevant national authorities on the training needs of the informal sector, assessing needs, and adapting national policies in this area to the sector's priorities.

At the micro-economic level, **training with production** is one of the methods used to ensure that the informal sector benefits from traditional and non-traditional training systems. Improving training activities at the micro-economic level is only possible and viable if it is part of a national policy and strategy.

Another innovative training method is to task **mobile teams**, who are generally field staff from the national ministries and NGOs, with providing technical advice.

The community-based approach requires participatory methods and instruments that make it possible to analyse training needs and career prospects. The training content, course curricula, and training materials are designed specifically for the target group, thus requiring capable trainers to adapt the training as and when the need arises.

Several studies have shown the obstacles to extending **traditional social security systems** to workers in the informal sector and their families. Four main strategies were identified, which permit workers in the informal sector and those in their charge to benefit from a Social Security system:

- ❖ special insurance schemes;
- ❖ social security (in the areas of health, nutrition and education);
- ❖ reform of the social security system in the formal sector and extending this system to the informal sector;
- ❖ innovative social security programmes.

Several studies on the effectiveness of **micro-insurance programmes** set up in Africa have enabled the following information to be gathered: the success of these programmes depends on three conditions being met: simplicity, low cost and proximity. A certain amount of flexibility is also needed to allow the members to effect transfers when they can, based on their income at the time; the schemes that are proposed need to be adapted to the specific needs of the potential beneficiaries; the effectiveness of micro-insurance programmes can be improved by making provision for insolvency periods for the new members, controls for preventing abuse, a system of contributions by the patient or of setting ceiling amounts for reimbursements and, possibly, compulsory family, association or group membership; since this type of programme was only recently introduced, it has not yet been possible to ascertain its long-term viability. The example of medical aid societies established in South Africa and Zimbabwe shows how micro-insurance programmes could develop in the future to become large bodies, and, in the long run, become affiliated to compulsory health insurance schemes. However, little information is available on other programmes implemented and on the possibility of forming groups.

Appendix 6. Sub-regional Conference (Southern Africa) on Youth Employment, Harare, 17- 19 October 2005

The importance and urgency of formulating policies that are relevant and specific to youth employment is now globally recognised. Last October, in the wake of a set of youth and youth employment initiatives over the last two years, the Sub-regional Office for Southern Africa in Harare organised a regional conference, in collaboration with the ILO Offices in Pretoria and Lusaka, on the “Youth Employment Challenge”. Nine countries in the region participated at the conference: Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe.

Thirty-six participants from nine countries in the sub-region participated at the conference, 27 of whom were from the tripartite group (i.e. 9 government representatives, 9 employers’ representatives and 9 employee representatives), one was from the private sector and two representatives were youth association representatives from the SADC region (2 representatives from Zimbabwe and 2 representatives from Lesotho).

Conference Objectives

The general objective of the conference was to contribute to employment creation as well as poverty reduction in southern Africa.

- ❖ To create a forum for exchanging views on the challenges, scope, characteristics and reasons for youth unemployment in southern Africa.
- ❖ To share ideas and viewpoints on the strategies, methods and implementation of employment creation programmes for young people.
- ❖ To re-structure youth unemployment themes within the wider context of employment policies.
- ❖ To highlight the role of skills development in facilitating the transition to work.
- ❖ To analyse the policies, strategies and programmes based on youth entrepreneurship.
- ❖ To discuss the objectives and nature of a technical cooperation project on youth employment in southern Africa.
- ❖ To encourage the members to draft action plans for the Youth Employment Team and the Youth Employment Network (YEN).
- ❖ To build the awareness of members and the general public on the ILO’s work, thus enhancing the visibility of the Sub-regional Office in the sub-region.

Youth Employment Policies in the Sub-region

Generally speaking, the problems of youth employment in southern Africa present a certain number of themes and challenges for the countries of the sub-region. These countries are attempting to remedy these problems. In terms of youth employment policy formulation, all the countries, apart from Swaziland, have put in place policies specific to youth employment. Mozambique, together with South Africa, Botswana, Zambia and Zimbabwe have recently been cited as examples of good governance in the sub-region.

Conference Recommendations

The conference identified five main sectors as well as several crosscutting themes forming components of youth employment action programmes.

The key sectoral themes are as follows:

(The details below are for the purposes of illustration alone, the complete list of recommendations is available in the final conference report.)

- ❖ **Priority sectors offering the greatest potential for young people:** agriculture, tourism, mining, manufacturing, infrastructural development and extension services.
- ❖ **Innovative youth employment creation programmes (employability, employment creation, and equal opportunities)** such as innovative gender-sensitive training and skills development programmes (e.g. apprenticeships, entrepreneurship), vocational training programmes, promotion and development of SMEs and cooperatives, self-employment programmes, promotion of the employment of young women.
- ❖ **The respective roles of the main players.**
 - o **Government:** political will and government commitment to making youth employment a national priority by increasing the allocation of resources to youth development.
 - o **Worker's organisations:** increased representation of the informal economy and support for youth organisations and initiatives.
 - o **Private sector:** to invest in youth development and draft programmes targeting youth.
 - o **Young people:** lobbying so that the challenges facing young people are placed at the centre of development policies and programmes.
 - o **Local Communities:** mobilisation and allocation of local resources, awareness-building campaigns.
- ❖ **The different levels of intervention**
 - o **Local:** mobilisation of the community, employment development programmes, local economic development.
 - o **National:** review/formulation, implementation, monitoring and evaluation of youth employment policies.
 - o **Sub-regional:** coordination and monitoring of mechanisms, information exchange, harmonisation of policies and practices, data base for labour market information (LMI).
 - o **International:** disclosing of good practices and information exchange.

Intervention schedule: formulation of new skills development programmes (1 year); implementation and monitoring of employment promotion (2-5 years); guaranteeing the sustainability of these programmes, monitoring and evaluation (+5 years).

The main cross-cutting themes to be integrated into each stage and at each level of programme development and implementation are education and lifelong learning, equal opportunities, HIV/AIDS, the need to involve the youth and their representatives in the design, implementation, monitoring and evaluation of policies and programmes that concern them. The involvement of the young people is particularly important in order to convince them that their voices are being heard and taken into account. It is also important to strengthen social dialogue amongst those involved in this process.

The full conference report can be accessed on the ILO website: <http://www.ilo.org>

Appendix 7. Instruments Adopted by the International Labour Conference, that are relevant to discussions on the Employment Sector

5. Economic policies in relation to the labour market and demand

- ❖ The Convention on Employment Policies (No. 122) and the Recommendation (No. 122), 1964
- ❖ The Recommendation on Employment Policies (supplementary provisions) (No. 169), 1984
- ❖ The Convention on Employment Promotion and Protection from Unemployment (No. 168) and the Recommendation (No. 176), 1988

6. Skills, technology and employability

- ❖ Convention on Human Resource Development (No. 142), 1975
- ❖ Recommendation on Human Resource Development (No. 195), 2004
- ❖ Convention on Vocational Rehabilitation and Employment of Disabled Persons (No. 159), 1983 and Recommendation (No. 168), 1983; the Recommendation on the Vocational Training and Rehabilitation of Invalids (No. 99), 1955
- ❖ The ILO Code of Practice on Managing Disability in the Workplace

7. Labour Market Policies

- ❖ Labour policy standards, including vocational rehabilitation and job security (presented in points 1 and 2 above)
- ❖ Standards governing access to the labour market by groups that are traditionally discriminated against:
 - o Convention concerning discrimination (Employment and Occupation) (No. 111) and the Recommendation (No. 111), 1958
 - o Recommendation concerning older workers (No. 162), 1980
 - o Recommendation on special youth programmes (No. 136), 1970
 - o Instruments on the needs of disabled persons (listed above)
 - o Convention on indigenous and tribal peoples (No. 169), 1989 and the Recommendation (no. 111), 1958
 - o The ILO Code of Practice on Managing Disability in the Workplace⁹¹
- ❖ Standards on equal remuneration
 - o Convention concerning Equal Remuneration (No. 100) and the Recommendation (No.90), 1951

⁹¹ Document available online at the following address: <http://www.ilo.org/public/english/protection/trav/aids/code/languages/hiva4f.pdf>

- ❖ Instruments on migration policies:
 - o Convention on Migrant Workers (revised) (No.97) and the Recommendation (revised) (No. 86), 1949
 - o Convention on Migrant Workers (supplementary provisions) (No. 143), 1975
 - o Recommendation on Migrant Workers (No. 151), 1975

8. Business Development

- ❖ Recommendation on Employment Creation in Small and Medium Enterprises (No. 189), 1998
- ❖ Recommendation on the Promotion of Cooperatives (No. 193), 2002

9. Improving Management

- ❖ Convention on Employment Services (No. 88), 1948 and the Recommendation (No. 83), 1948
- ❖ Convention on Private Employment Agencies (No. 181) and the Recommendation (No. 188), 1997
- ❖ Tripartite Declaration of Guidelines on multinational corporations and social policy, 1977 (amended in 2000).

10. ILO Declaration on fundamental Principles and Rights at Work

- ❖ Convention on the Freedom of Association and the Protection of the Right to Organise (No. 87), 1948
- ❖ Convention on the Right to Organise and Collective Bargaining (No. 98), 1949
- ❖ Convention concerning Forced or Compulsory Labour (No. 29), 1930
- ❖ Convention on the Abolition of Forced Labour (No. 105), 1957
- ❖ Convention concerning Minimum Age (No. 138), 1973
- ❖ Convention on the Worst Forms of Child Labour (No. 182), 1999
- ❖ Convention concerning Equal Remuneration (No. 100), 1951
- ❖ Convention on Discrimination (Employment and Occupation) (No. 111), 1958



Appendix 8. THE UPA SERVICE Experiences in the suburbs of Maputo with vocational training and the economic integration of unemployed youth

1 Background of the « UPA Service »

The "UPA Service"⁹² is a project that was implemented in municipal districts n° 2 and 3 of Maputo aimed at providing vocational training and integration into the labour market for unemployed young people in precarious social situations. The project's motivation was based on the realisation that a large section of the population in the outlying suburbs of Maputo⁹³ had not had any training or benefited from any vocational project. According to a study conducted by the Ministry of Labour and Municipal Council of Maputo in 2001:

- ❖ the unemployment rate was then more than 30% of the population of working age;
- ❖ 88% of job seekers had only primary school level education;
- ❖ 38% of job seekers were under the age of 25, and
- ❖ 46% of them had no previous work experience.

Faced with this situation, ESSOR initiated a literacy and vocational training project in 1999 for the unemployed in districts 2 and 3 of Maputo, in partnership with the training centres and businesses. In 2002, the projects developed formally (the "UPA Service"), through a partnership between ESSOR, National Institute for Employment and Vocational Training (INEFP) and the NGO, Care International. The project fell within the government's strategic guidelines and contributed to reaching the strategic employment and vocational training objectives (2006-2015) of the Ministry of Labour'.

2 The Objectives of the UPA Service

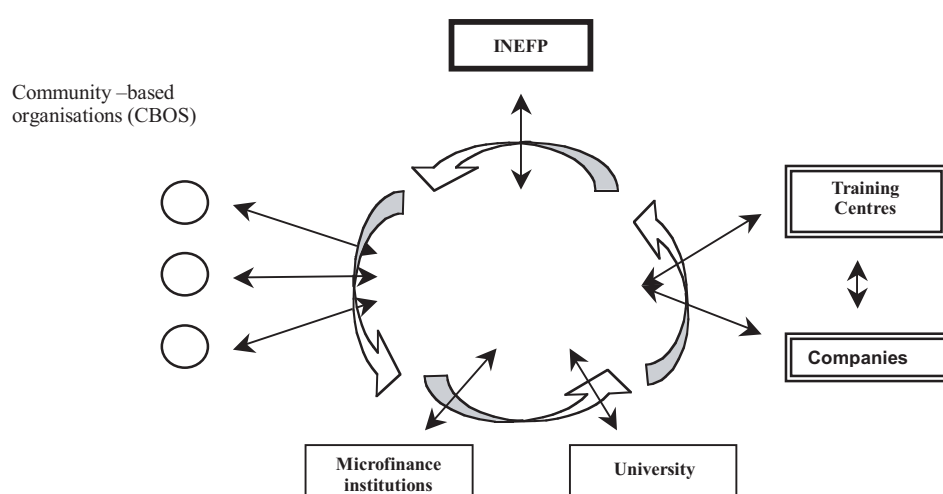
- ❖ to assist the unemployed to access vocational training adapted to the needs of the labour market;
- ❖ to promote professional attachments and job seeking for the young people being trained at training centres and businesses;
- ❖ to promote self-employment for young people who have received training but have not succeeded in integrating themselves into the market;
- ❖ to improve the relationship between the different players (private companies, associations and institutions) involved in unemployment issues.

⁹² UPA stands for "helping to integrate"

⁹³ Representing 90% of the city's total population and 79% of the economically active population.

3 Stakeholders and Partners of the UPA Service

Actors	Roles with in Service UPA
Community-based associations	- Disseminating information on community activities - Identifying and supporting beneficiaries
Training centres	- Providing training - Assisting with seeking attachments and jobs
Private sector (businesses)	- Offering attachments and jobs - Participating in financing courses
Micro-finance institutions	- Access to Micro-Credit for the self-employed
University	- Carrying out research, studies and evaluations
INEFP	- Institutional training - Assistance with mobilising players and funds
ESSOR (UPA Service)	- Coordinating, funding and co-funding the Service



4 UPA Service's Activities

4.1 Identifying and Supporting the Unemployed

The UPA Service works in direct partnership with 5 community-based associations from Districts 2 and 3 where a system for receiving and informing unemployed youth was established. Within each association, a Community Career Guidance Officer was trained on how to receive and provide job seekers with information on the opportunities offered by the UPA concerning vocational training and job seeking. Once identified, the candidates are supported by the UPA through Course Guidance Services so as to define a vocational training project. The final selection of students is done by a Committee comprising a UPA officer, a representative from the suburb and a representative of the training centre.

Identifying and providing guidance for unemployed persons (September 2002 to February 2005)

- More than 2000 unemployed people were directed to the UPA services by Community-based organisations to obtain information on the opportunities available and conditions for gaining vocational training.
- 1101 people participated at 33 Course Guidance

4.2 Vocational Training

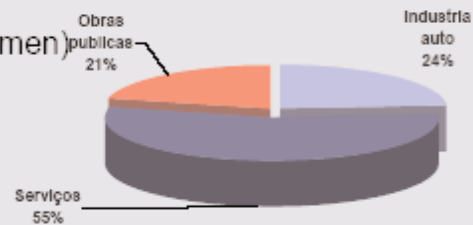
The UPA Service is not a training centre, but works in close collaboration with 7 public and private training centres, all recognised and accredited by the Government. Training (lasting 2 to 6 months) is selected on the basis of the candidates' requirements and their potential to be placed on the job market. There are three main categories of training:

Public Works Sector (2 centres)	Automobile Mechanics Sector (2 centres)	Services Sector (3 centres)
Electrical engineering	Auto-mechanics	Restaurant and Bar waiter
Painting	Auto- electrics	Housekeeping
Piping and cabling	Automobile painting	Cookery
Ironwork	Coach building	Domestic work
Building		Hairdressing
Carpentry and welding		Dressmaking

Vocational Training (Sept.2002 to Feb. 2005)

- ✓ 723 students trained (56% men / 44% women)
- ✓ 03% drop-out rate
- ✓ 686 issued with certificates (95%)

List of courses undertaken →



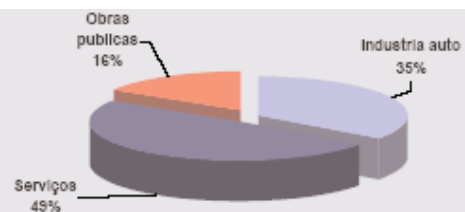
4.3 Helping to Integrate Young People into the Labour Market

After the training, the UPA gives specific assistance to the young people who have been trained, through its Career Guidance Services where they can learn to identify businesses, draft a CV and letter of application, and prepare for job interviews. The UPA Service also encourages attachments at the end of vocational training and, for this purpose, carries out awareness-building activities targeting businesses and training centres to encourage them to set up subsidised attachments.

Professional Integration (September 2002 to February 2005)

- ✓ 167 industrial attachments (24%)
- ✓ 153 integrated into the labour market (22%)

List of those integrated into the market →



4.4 Assistance with Self-employment

As the statistics show, the labour market's capacity to absorb young people who have received training is very limited. In 2005, in response to this problem, the UPA service, together with some private sector and micro-finance partners, established some initiatives to support trained young people to create their own businesses. Through training in establishing and managing small businesses, the young people received support to implement their business projects thus gaining access to micro-credit. Since October 2005, the UPA Service has been implementing a pilot project that supports 15 young people in creating a mobile business that sells Unilever products.

4.5 Assisting Dialogue between the Various Players

The UPA service is convinced that finding solutions for the improved integration of young people into the market depends to a great extent on the quality of collaboration between training and economic players. Therefore, the UPA service has developed the following set of activities:

- ❖ A UPA Steering Committee (training centres, businesses and public partners), to set guidelines for the UPA, and evaluate and fund its activities;
- ❖ A database of training centres, vacancies and job seekers;
- ❖ Roundtables and events to promote vocational training and employment;
- ❖ A UPA bi-monthly newsletter to establish relationships between the players;
- ❖ Studies and research in collaboration with different players⁹⁴, to better understand the problem of unemployment and to contribute to reflection with the Government and its partners.

5 Lessons Learned and Future Prospects

- ❖ There is a strong demand for vocational training in the outlying suburbs and this requires considerable resources which most young people and their families do not possess;
- ❖ There is little by way of partnership between players in the field of training and the economic players. However, this partnership would be necessary to better adapt the training to the needs of businesses and to boost the placement of students on attachments and the job market;
- ❖ Due to the poor capacity for employment creation in the formal market, relations need to be developed with the informal sector and measures also need to be developed with players in micro-finance to support self-employment;
- ❖ Furthermore, the poorest groups need guidance and access to information on training and employment opportunities, as well as low cost training options;
- ❖ It would be worthwhile developing the UPA's experience in other districts and cities, after formulating a self-financing strategy and studying the opportunities for its institutionalisation.

ESSOR, February 2006

Partners:



⁹⁴ The Department of Sociology of the Faculty of Arts and Social Sciences of Eduardo Mondlane University, the International Labour Organisation

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