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Intersectoral debates on youth employment and income generation in the extractive industry in Mozambique

The Policy Knowledge Community (PKC) in Mozambique held a kick-off workshop in Maputo on 28 and 29 July 2016. The workshop was hosted by the Center for Public Integrity (CIP) in partnership with the Ministry of Labor, Employment and Vocational Training (MITESS) represented by the National Institute for Employment and Vocational Training (INEFP). The workshop brought together over 35 stakeholders in the employment sector to establish a policy knowledge community and to identify areas and policy priorities to enable young people to benefit from jobs created in the extractive industry. The delegates included representatives from government agencies, civil society organizations, and extractive sector firms, as well as young people.

The Mozambique PKC will focus on inclusive development, because - although Africa has experienced relatively high economic growth together with improvements to infrastructure, a reduction of poverty rates in several countries, and an increasing middle class - wages and employment rates remain low, economic growth has not been inclusive, and income inequality has increased. This is mainly due to the fact that structural change has not occurred, while, at the same time, manufacturing has declined and the service sector has expanded. [A comparative study of Asia and Africa](#) concluded that government policies implemented influence employment creation and inclusive development.

To address these issues, the INCLUDE platform, which started in 2012, supports and promotes research policy communities in several countries in Africa. The Mozambican PKC aims to promote intersectoral debate and action for employment creation in the extractive industry. In particular, it seeks to decentralize intersectoral debates to the provinces, with a focus on Cabo Delgado and Zambezia. The key themes that emerged from the workshop are outlined below.

The government acknowledges the need to address employment challenges

Inclusive development is a key element of the Government of Mozambique's Five-Year Programme. The Local Content Act provides a framework for small and medium enterprises (SMEs) to play a role in megaprojects and transfer a portion of the revenue from these projects to local communities. Furthermore, the Constitution of Mozambique protects the right to work, stating that "work is the driving force of development and is dignified and protected". On 30 May 2016, the Government validated the National Employment Policy for Mozambique, which will be adopted by the Council of Ministers. Two of the seven pillars of the employment policy focus on the creation of new jobs - including for young people - and the promotion of decent, productive and sustainable employment.

Employment challenges

The Government of Mozambique is keen to address the challenges facing youth, because those aged 15-35 years make up 33% of its population. One of the major challenges that young people face is lack of skills, especially to work in the extractive industry. In addition, each province has different employment challenges. In Zambezia, a province that is rich in natural resources, the unemployment rate was estimated at 15.9% in 2015. In Cabo Delgado province, although many young people use Facebook and WhatsApp, they do not search for jobs online. Other challenges in the provinces include low secondary school completion rates, lack of requisite work experience, and long distances to labour markets and universities. In Mocuba district in Cabo Delgado, personal networks are important in getting a job in the mining industry. In mining firms, unfair dismissal is common, safety and hygiene are ignored, and foreign workers receive preferential treatment. So far, trade unions have not supported workers in the district, nor have the government labour inspectors. Language is

another barrier, especially in Palma district where people do not speak Portuguese, as firms that extract natural gas prefer employees who speak Portuguese.

Strategies to address employment challenges

Strategies initiated to address employment challenges have largely focused on increasing employability. These include investing in education through literacy and skills development programmes and establishing business incubation programmes targeting young people. The government, extractive sector firms and non-governmental organizations have initiated various skills development programmes to enhance the employability of youth. Some extractive sector firms sponsor Mozambicans to study in Malaysia and Angola. Other firms are building facilities to train workers to avoid the cost of sending students abroad for training. Some firms, like Anadarko, promote the training of petroleum engineers.

In recognition of the few job opportunities available in the formal sector, programmes such as those offered by INEFP in Cabo Delgado aim to enhance the knowledge, capacity and skills of youth for self-employment. The programme has set up local committees, which have identified agriculture and carpentry as areas of interest, conducted feasibility studies on the viability of activities, and supported young people to start income generating activities. To ensure gender equity, at least 50% of the young people recruited by the programme are female.

Other strategies include the Department for International Development's (DFID's) Skills for Employment project, the DFID and German Ministry for Economic Cooperation and Development's (BMZ's) Skills for Oil and Gas Africa (SOGA) programme, which promotes skills development for the oil and gas sector in Cabo Delgado, UN Women, which promotes employment and entrepreneurship among young women, Anadrako, which provides training for the natural gas sector, and ILO, which has initiated value chain interventions in the extractive sector. In addition, the Professional Association of Teachers (OAJ) recruits teachers for the oil and gas industry, while Eduardo Mondlane University (EMU) and the Higher Institute of Sciences and Technology of Mozambique (ISCTEM) teach courses in oil and natural gas. There is a need for all these agencies to work together within the PKC for greater effect.

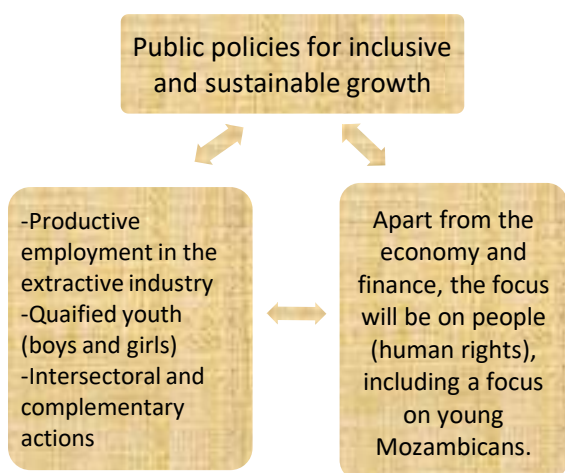
Comments/discussion

- Long-term development goals tend to be in conflict with the priorities of the Government of Mozambique, which is elected every five years. The Government seems to be looking for 'quick wins', leading to policies and practices that are not necessarily based on evidence and that lack a long-term view.
- NGOs should contribute to the financing of projects for youth and ensure fair wages between local and foreign workers with the same skills and professional training.
- Investors should establish productive corporate social responsibility (CSR) activities, enhance dialogue between employers, unions and the government, and recognize the context in which young people are operating. The government should be more proactive in working with the extractive sector, rather than leaving it to decide on training and employment.
- Policies should address inequality and the social dimensions of people's livelihoods. The Ministry of Economy and Finance should reinforce priorities in the social sector, including youth employment. Further, some of the employment policies in place have not been adequately implemented.
- As household members are interdependent, we need to expand the discussion about youth to include the demographic and economic structure of households.

- There is a mismatch between the programmes taught in universities and labour market demands. In Cabo Delgado province, some university students are not being taught marketable skills. There is a need to re-align vocational and university education so that students are trained in relevant and marketable skills.
- The country has few public employment agencies (25 in total). These agencies provide training to enhance young people's job skills. Relatedly, although few Mozambicans (6.3%) have access to the internet, job vacancies are advertised over the internet and in newspapers, excluding some young people.
- Strategies to address employment challenges should be inclusive, involving both trained and untrained youth.

Conclusion

The framework for inclusive development employed by the PKC incorporates three interlinked elements.



The aim is to gather evidence on people's employment experiences and propose strategies for the inclusion of youth in extractive sector jobs. Going forward, CIP and INEFP will work with other stakeholders to document employment experiences in Zambezia and Cabo Delgado and generate evidence for input into policy. The PKC will seek to influence debates to produce policies that will create jobs for young people. Going forward, September and October will involve data gathering and intersectoral reflection. In November, an intersectoral forum will be held to share results. Finally, in December, the proposed policy alternatives will be shared with the government and other policy actors.

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Weblink: <http://includeplatform.net/wp-content/uploads/2016/10/PKC-Mozambique-kick-off1.pdf>