

**ASSESSMENT REPORT OF THE LO – NORWAY PROGRAM
NAFMOZ: “Strengthening the Trade Union Movement in
Mozambique” through the PROJECTS 2010 – 2014 AND 2015 –
2018 WITH OTM – CS OF MOZAMBIQUE**

(SUMMARY)

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Acronyms

AEDOM – Associação de Empregados Domésticos de Moçambique
(Mozambique Domestic Worker’s Association)

AEIMO – Associação da Economia Informal de Moçambique (Association for
Informal Economy of Mozambique)

CCS – Comitê Central de Sindicatos (Central Committee of Trade Unions)

CCT – Comissão Consultiva do Trabalho (Labor Consultative Commission)

CNJT – Comitê Nacional da Juventude Trabalhadora (National Committee for
Youth Workers)

COMUTRA – Comitê da Mulher Trabalhadora (Working Women Committee).

CONSILMO – Confederação dos Sindicatos Livres de Moçambique
(Confederation of Free Trade Unions of Mozambique)

CSE – Conselhos Sindicais de Empresas (Companies Trade Union
Committees)

FDI – Foreign Direct Investment

FRELIMO – Frente de Libertação de Moçambique (Mozambique Liberation
Front)

GDP – Gross Domestic Product

HDI – Human Development Index

HIV / AIDS – Human Immunodeficiency Virus / Acquired Immune Deficiency
Syndrome

ILO – International Labour Organization

IMF – International Monetary Fund

LO Norway – Norwegian Trade Union Confederation

MDM – Movimento Democrático de Moçambique (Democratic Movement of
Mozambique)

OTM – CS – Organização dos Trabalhadores de Moçambique – Central
Sindical (Workers Organization of Mozambique – Trade Union Center).

RENAMO – Resistência Nacional de Moçambique (Mozambique National
Resistance)

SINAFP – Sindicato Nacional da Função Pública (Public Function National
Union)

SNED – Sindicato Nacional dos Empregados Domésticos (Domestic Employees National Union)

1) Methodological approach of the assessment

The methodology of the assessment started by studying and reviewing secondary data sent to the assessment team by the International Department of the LO regarding the cooperation projects signed by OTM – CS and LO during the mentioned periods, the political and financial reports presented by OTM – CS, LOs comments on them and the audit reports presented annually by the firm BDO Binder & Co. Mozambique. The main data base that was used to issue comparisons for the assessment was the agreement signed between OTM – CS and LO in 2015 that defined the goals and their indicators and the numbers were collected from the audit reports to confirm or not the achievements.

Based on the information released from those documents and the ToR, a basic questionnaire was created to accomplish a series of interviews with OTM – CS leadership and its staff from the headquarters and the province of Gaza, as well as representatives of the COMUTRA, of the CNJT and of some affiliated unions. The assessment team also interviewed some officials from Mozambican governmental bodies, from other international cooperation partners of OTM – CS and from BDO, the audit company.

2) Current Mozambique and OTM – CS context

It's one of the poorest counties in the world and currently occupies the 178th position of the HDI from a total of 193 countries. Its GDP per Capita was US\$ 509.00 in 2016. The population is estimated at 28,0 million inhabitants while life expectancy at birth is 53,1 years, illiteracy rate is of 41,2% and 11,5% of the population aged from 15 to 49 are HIV positive.

In 1987, it submitted to negotiation of its external debts with the IMF and the World Bank in exchange of the adoption of a Structural Adjustment Program and of neoliberal economic reforms with serious social impacts despite of the improvements in Mozambique's economic growth.

Between 2004 and 2014, it grew around 7 – 8% a year that fell to 3 – 4%, while the inflation rate increased tremendously at the end of 2016, partly because of the devaluation of almost 100% of the local currency (Meticai). The dependence on the imports of many essential goods means an increase in the living cost as products for daily consumption and use become much more expensive. Mozambique's exchange rate is one of the most liberalized in Africa and in November, 2016, one US Dollar was exchanged for about 70,00 Meticais.

The configuration of the labor market is of high informality where 80% of the labor force work in agriculture and mainly for subsistence. Industry and services respond to the remaining 20% of the workers. According the Ministry of Industry and Commerce, 78% of the companies in the country in all sectors are small and medium ones and in the industrial sector they represent 97,4 % of the shops, which also contribute to the informality. The latter employs 67% of the industrial workers and beyond that, the official rate of unemployment is 23% in average and up to 60% among young people. Indeed, it's difficult to precisely measure the unemployment rate in such an unstructured labor market.

So, workers and their unions face challenges that include constant violation of labor and trade union rights; closure of many companies and massive workers' dismissals; most workers from different sectors just earn minimum wages, not enough to cover the increasing living cost; precarious labor contracts, particularly the abuse of short-term contracts for permanent jobs and, finally, delays in the process of legalization of the SINAFP and its right to freely organize.

OTM – CS is the largest trade union center in Mozambique with 16 affiliated unions and one association, AEIMO. There is another center, CONSILMO with three affiliated unions and there are also two independent unions, the teachers and the journalists but the trade union density in Mozambique is very low.

The first legislative and presidential elections with multiparty participation were held in 1994. The fourth President of the Republic elected in 2014 is Felipe

Nyusi. FRELIMO won the elections by 57% of the votes at this last election. The second placed was RENAMO¹ with 36,6% of the votes and the MDM got 6,3%.

3) Assessment content

LO's trade union cooperation with OTM – CS lasted for 28 years representing its strongest external support, not only financing the activities foreseen in the cooperation projects but also other institutional expenses. However, in 2010 and again in 2015, a more highlighted focus was agreed to enforce OTM – CS's financial and political sustainability through initiatives adopted in the two projects.

The relevance and efficiency of the projects are expressed by their content and results as pointed out through the summary of the assessment of each block of initiatives, comparing the achievements with the goals agreed between LO and OTM – CS, as summarized through the following.

a) To increase the union membership in general and particularly the trade union engagement of young workers and women through membership recruitment and enforcement of their presence in the governing bodies of the OTM – CS and its unions.

The general goal was a 10% growth of the trade union membership a year but the figures between 2013 and 2015 presented by OTM – CS only show an average increase of 3.6% a year. To achieve 80% female unionization among the workers represented at the present until 2018, would require an increase of almost 16% of women workers' recruitment a year in 2017 and 2018 which is not realistic according the historical statistics. To achieve at least 30% women's participation in OTM – CSs governing bodies, there are positive results at the CCS composed by 67 members where 33% of them are women, at its supervisory board where one of three members is a woman (33%), among the ten Provincial Executive Secretaries where 40% are women and at the CCT where 33% of its six effective members are women. Nevertheless, in the CCSs

¹ RENAMO started a civil war with South-African support in 1976 that lasted for 16 years. The peace agreement turned it to a legal political party.

Executive Committee composed by 22 members the female participation is just 25%, there is only one woman (25%) among the four members of the OTM – CS Executive Secretariat and only three Secretary Generals of the 16 OTM – CSs' affiliated unions are women (19%). There is no special position for the youth as such in the governing bodies.

b) Consolidation of the financial sustainability of the OTM – CS by increasing trade union dues, rationalization of its internal expenditure and mergers of smaller unions into bigger ones.

The goal of raising the trade union dues to cover at least 10% of the expenditure until 2018 was already achieved in 2016. The plan to rationalize the dimension of the personal was implemented with financial support of LO Norway. In 2016, OTM – CS ended up with 25 elected officials and 56 staff members, a total of 81 people, 32% women and 68% men, paid by it. The distribution of human resources between OTM – CS National Headquarters and the Provinces is the ratio of 21 staff members and 6 elected officials at the headquarters and 35 staff members and 19 elected officials distributed across the ten provinces. Regarding mergers of smaller and weaker unions into bigger ones, the nearest possibility is of three agriculture workers' unions and maybe of the SNED with the AEDOM.

c) To increase the number of collective agreements and trade union committees at company levels as well as to raise the number of companies with initiatives facing the HIV / AIDS epidemic.

According the 2015 report from the CCS there are 5.440 collective agreements within a universe of 15.234 companies where the affiliated unions are engaged, the so called “controlled companies”, representing 32% of them and so achieving the agreed goal. There are 1.565 CSEs, roughly 10% of the shop floors, but to achieve the agreed goal of 20% in two years is not realistic as well as the target of increasing the number of companies actively engaged in facing the HIV/AIDS epidemic. According the 2015 CCS report, there were 686 companies doing that and just 414 of them were effectively assisting HIV – positive people.

d) Promotion of regular meetings of the OTM – CS leadership and strengthening of the OTM – CS external influence particularly through its performance at the CCT.

The OTM – CS approved several measures at its VI Congress in 2012 to rationalize internal structures and procedures which could contribute to a more effective and democratic organization. However, despite less bureaucracy, some meetings of different governing bodies haven't happened due the lack of financial resources and thus delegating the decisions to smaller bodies at the top of the political structure.

Specific bodies such as COMUTRA and CNJT have participation in OTM – CS meetings at the level of the Executive Secretariat and other important bodies as well as having specific programs sponsored by foreign cooperation. However, means to really overcome the barriers against gender and age equity in a patriarchal society like the Mozambican one has not fully been implemented yet.

By the other hand, the external influence of OTM – CS through different tripartite institutions, such as the CCT and in face of governmental and employers' organizations, has significantly strengthened regarding the defense of workers interests on issues like minimum wages, social security, employment policies, professional training, among others.

e) Strengthening of the struggle against child labor in Mozambique.

On this topic, the efforts have been rather to develop researches on the dimension and characteristics of the problem in Mozambique and demand the government to accomplish ILO standards without implementing specific actions to tackle this issue.

4) Sustainability of LO Norway's support to OTM – CS

LO supports OTM – CS through the financing of advocacy, training of trade union negotiators and members of the CSEs, training and other activities of COMUTRA and the CNJT as well as the recruitment and organization of new trade union affiliates. However, considering some of the agreed targets on the training issues, such as the one supposed to involve all members of the CSEs

until 2018 and the annual results of 500 trainees, it's clear that this particular goal is not realistic.

In fact, assessing the accomplishment of the projects and their performance levels, it's also clear that the OTM – CSs entire international cooperation still sponsors at least 50% of its institutional costs and in the case of LO, at least 50% of its annual contributions also cover institutional expenses not related to the trade union activities provided in the projects.

Even so, there is a positive improvement regarding the achievement of important parts of the mentioned items, showing that the cooperation is politically sustainable, perhaps rather than financially. Moreover, there are difficulties to assess the efficiency of the activities foreseen in the projects due to lack of clarity of the reports issued by OTM – CS between 2010 and 2015. They are mostly generic on the description of the achieved results, including the positive aspects.

5) Identification of strengths, weaknesses and risks of the projects and participants.

a) Strengths

- 1) The initiative adopted by LO to introduce the concept of sustainability and specific targets in the projects with OTM – CS since 2010.
- 2) OTM – CS achieved a strong external influence in Mozambique through its capacity of advocacy and lobbying.
- 3) The capacity of OTM – CS and its unions to articulate alliances with other social organizations.
- 4) The OTM – CS accumulated experience in trade union training along several years and its advisors and technicians from the trade union school of Matola are capable to develop the courses.
- 5) The dues collection by OTM – CS from its affiliated unions doubled at the end of 2016 achieving the goal of 10% as agreed with LO two years in advance.
- 6) The target of at least 30% of collective agreements in the controlled companies was also achieved according OTM – CS information.
- 7) Gender issues and youth is part of OTM – CS agenda.

8) FDI and the inauguration of new economic sectors in Mozambique offer possibilities for trade union organization in new economically strategic areas.

b) Weaknesses

- 1) Several goals agreed between LO and OTM – CS on different issues were not entirely achieved.
- 2) There is progress in obtaining at least 30% of female participation in different trade union bodies, but not in the most powerful and politically influential.
- 3) The weakest results of the LO projects are the programs to combat HIV / AIDS, promotion of Health and Safety at work and elimination of Child Labor, at least in its worst forms.
- 4) Some legislative decisions, like the creation of a Labor Court, have not been implemented by the government impeding unions and workers to have their rights enforced through juridical measures.
- 5) Some reports issued by OTM – CS are quite generic and not clear enough in terms of information.

c) Risks

- 1) LO is giving support to OTM – CS in trade union administration. It involves certain risks to the good LO and OTM – CS relationship by dealing with the autonomy of the latter.
- 2) The OTM – CS dependency on international cooperation to cover 50% of its expenses and the possibility of reduction or elimination of foreign cooperation.
- 3) The same concerns the governmental subsidy.
- 4) It is necessary to count on the gradual reduction of the rent contribution from the OTM - CS assets.
- 5) An economic recession hitting Mozambique in a short term and destroying what has been recently achieved in terms of labor benefits.
- 6) The anti-union behavior of many Mozambican employers, delays in wage payments and violation of labor rights.
- 7) OTM – CS has some highly-qualified advisors specialized in trade union education. Despite their political commitments to the trade union work, those advisors could sooner or later be hired to work elsewhere for higher wages.

6) Suggestions for the future cooperation between LO and OTM – CS.

We evaluate that the cooperation of LO with OTM – CS should continue, particularly with focus on its sustainability and it's time to end OTM – CSs institutional dependence on LOs cooperation for expenses that are not related directly to trade union activities. The present situation is causing a paradox, where half of the cooperation is spent on the strengthening of OTM – CSs sustainability and the other half plays against it. That's a challenge that takes some time to fulfil without provoking a rupture and therefore the adoption of a process would be wise. A period to reduce the institutional support from 50% to 0%, should be defined.

The logical mark – proposals, activities and results – should be maintained, but including a more efficient monitoring process on the financial expenditure. This could enforce OTM – CSs management of the goals and results and at the same time give more clarity to the cooperation partner about the achievement of the agreements made.

7) Recommendations for OTM – CS

The specific recommendations that we make to OTM – CS are as follows:

- To propose a new share of the trade union dues for the OTM – CS structure composed by 3,5% for the national headquarters, 2,5% for the provincial councils and 94% for the national unions.
- To set up a reliable electronic membership system to keep the OTM – CS updated about the trade union affiliates and subscriptions.
- To seek affiliation of new unions to OTM – CS discussing this possibility with the already mentioned extractive workers and with those independent ones (teachers, journalists and liberal professionals).
- To promote a campaign of the affiliated unions to increase the number of affiliated workers, particularly of the SINAFP where the potential is high.
- To advocate for the ratification of conventions 151 and 154 of ILO.
- To persist on the policies of trade union mergers.
- To promote a permanent national campaign to increase the number of collective agreements with mobilization and training of union leaders and members of CSEs.

- Complete the staff reform as soon as possible and think of mechanisms to value existing political advisors and hire an advisor on economic and social issues.
- Rethink the role of the real estate assets in financing OTM – CS due their depreciation, particularly the Kassaunde Hotel, because it also spends resources with salaries and is now facing deficit.
- Create a policy to combat child labor defining the priority list of unacceptable activities and creating a Child Labor Eradication Committee.
- Training of OTM – CS staff in report writing, results-based management (RBM), monitoring, assessment and learning (MEL) to improve their abilities.
- To organize a data bank on training activities with information about the number of annual courses, themes, number of participants and sex division, if national or regional activities, participant's positions, cost of each one and identification of the cooperation partner.