Nexus of Housing and Labour Markets

Mozambican Labour Market – what do we know

Maputo, May 15th 2018
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1. Mozambique – Urban or Rural?
2. Statistical Weaknesses
3. Still, what do we know?
Mozambique is still a Rural Country

Mozambican Population

Source: INE, Population Projections 2007-2040
Work Force in Mozambique is also mostly Rural

Population of economic active age

<table>
<thead>
<tr>
<th>% 15-64</th>
<th>% Ec. Active</th>
</tr>
</thead>
<tbody>
<tr>
<td>64%</td>
<td>69%</td>
</tr>
<tr>
<td>36%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Source: INE - Population Projections 2007-2040; Household Survey 2014-15 (May to Aug15); calculations by author
Rates of Employment are Significantly Different between Rural and Urban Areas

Employment and Unemployment

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>F</td>
<td>65.7%</td>
<td>17.3%</td>
<td>15.8%</td>
<td>14.0%</td>
</tr>
<tr>
<td>M</td>
<td>69.7%</td>
<td>14.0%</td>
<td>11.3%</td>
<td>7.7%</td>
</tr>
<tr>
<td>M/F</td>
<td>67.5%</td>
<td>15.8%</td>
<td>11.3%</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Urban</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>F</td>
<td>51.0%</td>
<td>12.3%</td>
<td>9.4%</td>
<td>9.0%</td>
</tr>
<tr>
<td>M</td>
<td>60.9%</td>
<td>11.3%</td>
<td>8.6%</td>
<td>7.7%</td>
</tr>
<tr>
<td>M/F</td>
<td>55.7%</td>
<td>11.8%</td>
<td>8.6%</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Rural</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>F</td>
<td>74.3%</td>
<td>19.5%</td>
<td>11.8%</td>
<td>9.4%</td>
</tr>
<tr>
<td>M</td>
<td>74.6%</td>
<td>15.3%</td>
<td>9.0%</td>
<td>7.0%</td>
</tr>
<tr>
<td>M/F</td>
<td>74.0%</td>
<td>17.6%</td>
<td>8.6%</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

Employed | With fragile employment | Actively Looking | Not Actively Looking

Source: INE - Household Survey 2014-15 (May to Aug15)
Statistical weaknesses and lack of information

• According to INE’s population projections, the active age population in Mozambique (i.e. aged 15-64) should be counted in 14.2 million (7.5 million women and 6.7 million men).

• Using the statistics generated by INE’s Household Survey, the estimates of employed Mozambicans in 2015 would be 9.6 million (4.4 million women and 4.4 million men).

• The Ministry of Labour statistics, as they are officially reported in the Statistic Bulletin are much lower:

<table>
<thead>
<tr>
<th>Registerd Jobs in Mozambique and South Africa</th>
<th>Total</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less that 85 thousand</td>
<td>Less then 20 thousand</td>
<td>Less than 65 thousand</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employees</th>
<th>Self-employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total (IV Trim.)</td>
<td>Active (IV Trim.)</td>
</tr>
<tr>
<td>1.2 million</td>
<td>486.7 thousand</td>
</tr>
</tbody>
</table>
Most of the Mozambican Workforce is employed in informal activities

- The estimates of employed Mozambicans, contrast with the numbers reported by INE regarding the formal sectors.

- The Public Sector is, notably the most significant formal employer in the country. A total of 357,430 were registered in the country’s electronic registry system (CEDSIF) in 2017.

- According to INE’s Census of Firms, in 2014/15, Firms and Non-Profit Organizations employed, together, short of 750 thousand people:

<table>
<thead>
<tr>
<th></th>
<th>Units</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firms</td>
<td>51,237</td>
<td>582,783</td>
</tr>
<tr>
<td>Non-Profit</td>
<td>10,630</td>
<td>157,519</td>
</tr>
</tbody>
</table>

- This would mean that out of the 9.6 million estimated workers in Mozambique, only close to 1.1 million work for a formal employer.
By far, Mozambicans are still working in Agriculture

Source: INE - Household Survey 2014-15 (May to Aug15)
Structural Transformation?

Sectorial Contribution to PIB

- Agriculture, value added (% of GDP)
- Services, etc., value added (% of GDP)
- Industry, value added (% of GDP)

2000: 23.1, 53.9, 23.6
2001: 24.4, 54.3, 21.4
2002: 18.9, 55.1, 22.3
2003: 21.3, 52.6, 20.9
2004: 22.3, 52.2, 22.1
2005: 20.9, 53.5, 21.7
2006: 22.1, 51.2, 19.5
2007: 21.7, 51.6, 19.0
2008: 19.5, 50.9, 18.9
2009: 19.0, 51.5, 19.3
2010: 18.9, 52.2, 19.1
2011: 19.3, 53.3, 18.7
2012: 19.1, 54.7, 20.7
2013: 18.7, 54.3, 21.6
2014: 20.7, 21.6, 20.0
2015: 21.6, 21.6, 20.0
2016: 21.6, 21.6, 20.0
The Mozambican Labour Market shows Gender Segmentation

Source: INE - Household Survey 2014-15 (May to Aug15)
Two Very Different Labour Markets

Source: INE - Household Survey 2014-15 (May to Aug 15)
Youth and Urban Women face more difficulties

Employment by Age

Source: INE - Household Survey 2014-15 (May to Aug15)
Key insights

• Mozambique is still, mostly, a rural country.

• Most employment is:
  – Rural
  – In agriculture
  – Outside of the formal labour market

• Urban Labour Market presents clear challenges:
  – Much wider sectorial scope – much different skill set asked?
  – Higher unemployment
  – Particular difficulties for youth and women.
What we are researching

• Poverty and Inequality in Mozambique – with a sample of more than 11,000 people (IOF).
• The Mozambican Manufacturing Sector – with a sample of more than 500 firms.
• The transition from Higher Education to the Labour Market – with a sample of more than 2000 university finalists.

• Can these resources assist in the research of the linkages between housing and the labour market?
  – The IOF Household Survey dataset allows for statistical inference using the Urban subsample.
    • Can we start by correlating employment status and housing conditions?
  – The Survey of Mozambican Manufacturing Sector indicates low economic integration of internal trade.
  – Reduced mobility of University Students – what does this tell us about the links between housing and labour market?