

# **LABOUR RIGHTS**

**Prepared by: Emídio Ricardo Nhamissitane**

**MAPUTO, SEPTEMBER 2007**

## GLOSSARY

- EP1 – First Level Primary Education
- EP2 – Second Level Primary Education
- EPC – Comprehensive Primary School
- ESG – General Secondary Education
- ESDEM – Social and Demographic Statistics of Mozambique
- ETP – Vocational Education
- IAF – Household Survey on Living Conditions
- INE – National Statistics Institute
- INEFP – National Institute for Employment and Vocational Training
- OPP – Provincial Poverty Observatory
- PARPA – Action Plan for the Reduction of Absolute Poverty
- PAV – Enlarged Vaccination Programme
- PEP – Provincial Strategic Plan
- PES – Social and Economic Plan
- PQG – Government's Five-Year Plan
- QUIBB – Questionnaire on Basic Well-Being Indicators
- SMI – Mother and Child Health

## **1. OVERVIEW OF THE NATURE OF LEGAL EXCLUSION AND ASSESSMENT OF THE PROBLEM**

Before the objectives and strategies have been defined, there is only a basic definition of Poverty. If there is no clear concept of what needs to be reduced, then one cannot know how to reduce it. Before embarking on the analysis of the definition of poverty in PARPA, it is necessary to go into more detail on how the exclusion is created, a concept that has been prioritised in the origin of poverty in our analysis model.

Exclusion begins in dominant power relationships that take measures to ensure that, using economic growth, the main beneficiaries are the financial capitals which drive the market and investment rules, sacrificing the social sectors, public services and employment. In this model, it appears to be most logical not to invest where profits are not produced.

It is important at the time to examine the analysis of the structure of the exclusion of economic opportunities in poor countries, while at the same time attempting to understand why these countries join in a game that benefits few and marginalises the majority.

One of the pillars of the model is free trade, which facilitates imports and prohibits the protectionism of national production; this prejudices mainly poor countries that have to resort to loans with high interest rates in order to promote their national industry and products which, rendered more expensive due to the payment of the debt, lose competitiveness when faced with the inexorable law of supply and demand.

Poor countries are compelled to export their natural and renewable resources, most of the time in an unsustainable manner. These countries are unable to process the raw materials through their national industries, for the reasons stated above, with the raw materials then being processed by trans-national

companies that, supported by the model's promotion of the importance of foreign investment to development, set up their industries in poor countries. These trans-national companies use cheap labour, thereby gaining a competitive edge for their products and greater profits on investments, with very little comparative return for the country they work out of.

In this process, the model owners establish power relationships with the political powers of the poor countries to facilitate the processes, at the same time providing economic opportunities for those participating in the decision-making. Many are then excluded from the benefits and opportunities and end up with unequal rights, even though they contribute to the success of the model with their work, which is very often intensive. Even if earning low salaries, they are induced to consumption.

For others, those excluded from employment and that the model tends to rationalise to achieve its objectives, the way of life is dictated by their levels of livelihood and for this they depend on their knowledge, skills and solidarity networks. They do not have purchasing power, not even to consume public or social services which are no longer rights, but rather commodities. These people are classified as either poor or less poor according to their purchasing power, with women being sacrificed the most from among those excluded.

Within the different types of families that are formed in the fight for survival, it is the women, with their multiple activities, that proceed to solve the problem, without acknowledging the model since it is not convenient. They are considered only as dependants and subordinate to the "head of the family", who controls the access to the scarce resources and controls the meagre income generated by women, either from underemployment or through surplus unpaid subsistence produce.

For poor countries, failure to accept the conditions of the model means to be vetoed by the powerful, with the imposition of economic sanctions and decentralisation wars plunging them into poverty.

Going back to what needs to be analysed, according to PARPA, poverty is the *“incapacity of an individual or household to ensure a set of minimum basic conditions for their livelihoods and well-being, according to society’s standards”*.

It is not by chance that the difficulty faced in reaching this definition is reflected in PARPA. In a first appraisal, and after performing the analysis, the poor appear as being responsible for their own poverty, as a result of their incapacity for work. In order to safeguard its responsibility, the model on the one hand used the escape route of the “vicious cycle of poverty”, sufficiently refuted by the gender analysis, when a different study pointed to environmental degradation as the cause of poverty, and on the other hand, it used “women, victims of their own actions”, attempting to escape its responsibility for the situation of exclusion and subordination, created by the model and responsible for poverty.

Even so it is unfair to qualify the poor as incapable, when applied to Mozambique. We would have to acknowledge 70% of the population as being incapable. Perhaps by changing this to “people deprived of the necessary means” would provide a margin of analysis to obtain more appropriate determining factors of poverty and open up greater possibilities for strategic actions to reduce it.

## **2. NATURE AND DIMENSION OF LEGAL EXCLUSION AND ASSESSMENT OF THE PROBLEM.**

A gender analysis of the term “dependants” would be enough for an entire treaty: dependant on whom and on what? It appears to be obvious that for the model, dependence is on money and whoever controls it. The per capita consumption index is a monetary value that excludes or makes invisible the

contributions by women and other family members, necessary for their livelihoods.

The large numbers of dependants, as well as the different forms of extended family, polygamy among them, are converted into survival strategies to overcome the weaknesses of the models that exclude access to resources and equal rights and opportunities. What this means is that instead of being a determining factor of poverty, it is just another consequence of the conditions created by the dominant model.

This aspect does not only refer to the market economy, the last model conceived by the dominators. Neither does it refer only to colonisation, which was another model, also justified at the time, creating wealth for those countries that were able to effectively exercise their domination. It also refers to those that were able to maintain their economic power, acquired using a career in weapons, a component which is achieving significant importance in the present day. Some analysts, critical of the current system, call it neo-colonialism.

All of this just to say that “well-being, according to society’s standards” has changed according to the models in force. In a consumer society “well-being” presupposes very high and sophisticated parameters of consumption, which become indispensable in order not to be marginalised from the labour market. In rich countries, people earning salaries considered high in our midst are not able to acquire the necessary goods to be considered economically and socially competent, leading them to navigate in a sea of debt which takes them far away from well-being, but contributes substantially to the consumer index which is what is important to the model.

PARPA demonstrates concern for what it could mean to be considered poor in Mozambique. It mentions various studies on the perception of poverty, indicating the discussion stirred up on this topic; it even identifies the concepts of power of exclusion as some of the trends in recent years. However, it

appears to engage with the consumer index, which increasingly globalises well-being with the parameters of a consumer society where basic social services are commodities. Having access to these services means having the capacity to pay for something which one needs and to which one has a fundamental right. The State no longer assumes its responsibilities.

As resource privatisation, including land, goods and services, speeds up in the country the demands of this accelerated growth will increase the incidence of actual poverty, and not just as an indicator, given that the subsistence strategies used by women, and invisible to the model, will disappear totally and in so doing, will plunge the populations into poverty and create an environment which leads to wrong choices such as crime and corruption. This phenomenon, which is common in most of the Latin-American countries exposed to the demands of an accelerated economic growth over several decades, has begun to appear in Maputo.

In general, all of the determining factors of poverty appearing in PARPA, more than their cause, are the result of the application of dominant models that seek their own advantage. The strategies attempt to eliminate the causes, so as to minimise the effects. If these are considered the cause, then there can be no real change.

### **3. ANALYSIS OF THE KEY FACTORS THAT CONTRIBUTE TO LEGAL EXCLUSION**

Poverty relief is one of the Government of Mozambique's most urgent objectives at all levels.

Mozambique suffered all of the effects of war during decades, both before and after independence. The war and the lack of resources for human and economic development left the country in a state of extreme and generalised poverty, particularly in the rural areas. With a GDP per capita of 986 American

Dollars per year, much lower than other countries in Sub-Saharan Africa (1377 Dollars), Mozambique is included in the group of the most underdeveloped countries and is very often referred to as the poorest country in the world, judging by its economic indicators<sup>1</sup>. Mozambique is also among the countries with the lowest human development indicators, according to UNDP: life expectancy is 46 years of age; adult literacy rate is 39%, and 116 in every 1000 babies die at birth<sup>2</sup>. The peace agreement signed in 1992 opened up new possibilities to deal with poverty-related problems and to promote socioeconomic development. In fact, generally speaking and despite the indicators, Mozambique had one of the fastest growing economies in Sub-Saharan Africa during the 1990s<sup>3</sup>. The annual GDP growth rate for the 1991-1997 period was 6.7%<sup>4</sup>. The economic reforms increased rapidly during the 1990s and received substantial external financial support. The privatisation programme led to a marked increase of foreign investors' interest in the country.

On the other hand, Mozambique's increasing dependence on external financial flows, the growing trade deficit and the significant weight of the external debt are a source of grave concern. It must be noted that, despite Mozambique's impressive growth rate over the last couple of years, this has been artificially maintained through external aid flows that, from a GDP point of view, are higher than development. Mozambique is currently facing a situation where its trade deficit is a quarter of the GDP, external aid is almost equal to the calculated national income, and imports correspond to more than two thirds of the cereal production. The debt service, which is on the increase, corresponds to one third of exports, and economic growth has been unstable. In other words, despite the growth, Mozambique is living far beyond its means. It is, therefore,

---

<sup>1</sup> PNUD, Human Development Report 1997. The per capita GDP is based on the purchase power parity

<sup>2</sup> For countries in Sub-Saharan Africa, life expectancy is 50 years, adult literacy rate is 55.9% and infant mortality at birth is 97 in every 1000 births; on average, the data from the less developed (countries) are, respectively, 50.4 years, 48.1% and 103 deaths per every 1000 births. The data for 1995 from the Mozambique Poverty Relief Unit are slightly worse, with life expectancy estimated at 47 years, adult literacy rate of 33% and infant mortality at death of 150 per every 1000 births (Republic of Mozambique, 1995)

<sup>3</sup> Cramer and Pontara, 1998

<sup>4</sup> Weeks and Cramer, 1998

obvious that there is a need to face these external and internal macroeconomic imbalances by implementing tax adjustments in order to meet the demands of the enormous trade deficit, and develop the domestic capital market as a substitute for external aid flows, thereby encouraging savings and increasing internal revenue.

### **3.1. Status of the Activities Carried out in the Target Provinces**

#### **A) Province of Zambézia**

##### **Social Area**

#### **1. Labour and Employment Promotion**

The Government's challenge for 2007 for the employment area is to carry out activities that contribute to:

- 1) Updating the Information on the employment register;
- 2) Promoting first-job opportunities through:
  - Training 90 candidates in small business management;
  - Promoting employment and self-employment initiatives by providing support to 100 candidates;
  - Promoting professional internships for 70 beneficiaries from Schools, Vocational Education Institutes and Private Vocational Training centres; and
  - Supervising the works at the Vocational Training Centre in Quelimane.
- 3) Ensuring compliance with the legality of Labour in the workplace, by intensifying educational and inspection activities in the companies, and holding regular meetings with Partners in the area;

- 4) Increasing social dialogue and employment stability in the Employment Centres by disseminating the labour standards, providing technical assistance to companies in collective labour negotiations, signing 25 agreements/year, strengthening social consensus by consulting with the partners in the area, and preventing and/or conciliating labour conflicts;
- 5) Increasing the number of workers covered by the Social Security System.

### **Information on the Employment Register**

#### **a) Record of companies and Employees**

The Employment Centres in Quelimane and Mocuba focused on a total of 215 Employee Registers, corresponding to an equal number of companies, with a total of 2592 employees, of which 719 were women.

## Employee Register

E. C.	Checked	Employees	
		Men	Women
Employment Centre in Quelimane	143	1319	678
Employment Centre in Mocuba	72	554	41
Sub- Total	<b>215</b>	<b>1.873</b>	<b>719</b>
Data collected from District Governments			
Total	<b>215</b>	<b>2.592</b>	

Data on the number of companies, workers and associations in the District were collected from the District Governments, resulting in the identification of 560 companies / services with approximately 5971 workers. Also worth mentioning are the 119 Associations which benefit 15213 people. At District Government level, 337 new jobs, which employ 13 461 beneficiaries, were created over the semester (see Table below).

### Data collected from District Governments

District	Record of Companies and Services		Jobs created		Existing Associations	
	Companies/ Services	No. Employ.	No. Posts	No. Benefic.	No. Assoc.	No. Benefic.
Gurue	89	901	98	8.005	8	95
Inhassunge	9	931	1	110	3	26
Gilé	45	1.350	45	1.350	6	30
Mag. Da Costa	146	589	89	2.099	11	298
Ile	98	607	3	N/A*	2 <sup>a)</sup>	12..918
Milange	155	477	5	51		
Nicoadala	15	196	91	1.846	91	1.846
Mopeia	3	920	5	b)		
<b>Total</b>	<b>560</b>	<b>5.971</b>	<b>337</b>	<b>13.461</b>	<b>119</b>	<b>15.213</b>

**\*Mechanical work.**

a) ORAM and HOPE, Families, beneficiary Cooperatives and Participants in AIDS education activities.

b) Populace

c) In the cases of Quelimane and City of Mocuba, the data have been included in the Employee Register table.

## B) Record of Employment and Vocational Training

- Registration with the Employment Centre

<b>Movements during and at the end of the 1<sup>st</sup> semester</b>					
<b>Indicator</b>	<b>Real/Quarter Year</b>			<b>Growth</b>	
	<b>Year-2</b>	<b>Year -1</b>	<b>Year</b>	<b>Year 2- Year 1</b>	<b>Year 1/ Year</b>
Registered Unemployment, of which	9.287	9.388	12.329	33%	31%
Women	1.197	1.195	1.555	30%	30%
Unemployed registered, of which	981	131	275	-83%	109%
Women	415	16	47	-96%	13%
Job offers received, of which	1.382	248	33	-82%	-86.6%
Women	309	9	6	-97%	-33.3,%
Placements made, of which	1.382	248	192	-91%	-22.5%
Women	309	9	31	-97%	244%

Registered unemployment rose to 12,329 people of which 1,555 were women, against 9,388 for the same period in 2006, representing a growth in the order of

31%. Of this number, 8,326 were seeking first employment, while the remaining 4,003 were seeking a new job.

A total of 275 new candidates were registered with the two Employment Centres in Mocuba and Quelimane during the first semester, against 131 in 2005, representing a growth of 109%. Of the 275 new candidates registered, 142 were seeking first employment, while the remaining 133 were seeking new employment.

During the semester 33 employment offers were received and 159 new admissions reported by the companies were recorded.

A total of 192 candidates were placed, surpassing by far the 90 placements foreseen for the present year. Placements dropped -22.5% when compared to the 248 candidates placed in 2005. The placements have resulted in social benefits for approximately 900 people.

#### **4. INVENTORY OF THE INSTITUTIONS/ PLATFORMS**

PARPA's (2001-2005) poverty reduction strategy has been based on six priority areas considered "fundamental action areas", with the objective of ensuring rapid, inclusive and widespread growth:

- i) Education
- ii) Health
- iii) Agriculture
- iv) Basic Infrastructures
- v) Good governance
- vi) Macroeconomic and financial management

Although this analysis agrees with the selection of the priorities, the definition of the strategy in each of the fundamental areas does not present a cross-cutting government strategy for the inclusion of a gender perspective that will ensure the strategic participation of women as expressed in the “Action Plan for the Advancement of Women (2002-2006), prepared by the Ministry for Women and which, given its characteristics, should be considered in the future of PARPA”.

The Beijing declaration states that the advancement of women to conquer equal rights and opportunities for men and women is a matter of human rights and a condition for social justice, and should not be seen only as an issue relating to women, since they are the only way to build a developed, fair and sustainable society. Their participation in decision-making is a prerequisite for achieving political, social, economic, cultural and environmental security between people.

The National Action Plan for the Advancement of Women, based on the Government’s Five-Year Plan for 2000-2004, defines the need to introduce the gender perspective in the design and analysis of national development policies and programmes, with one of its priorities being to coordinate, guarantee and encourage a gender approach in the definition, planning and implementation of sector development programmes.

In this context, Beijing states that the critical areas, highlighted as priority areas for the advancement of women are unavoidably interlinked, interdependent and cross-cutting over all development sectors.

As previously mentioned, PARPA is integrated with the harmonisation of the sector strategic plans. To be able to achieve a gender-sensitive PARPA, it is first necessary to include this awareness in the sector strategic plans. Some of these plans contain a greater awareness of the gender issue, while others contain none whatsoever. Some activities are currently being carried out to this end, and in future they will have to be consulted in an on-going

analysis process. Below are some partial analyses based on the information available and on the previously defined analysis model.

We will attempt to suggest, based on the Beijing platform and in accordance with the order of the fundamental areas of action defined in PARPA, some strategic objectives that, in future, could be presented for inclusion in the PARPA. At present only those sectors which are considered more relevant in terms of gender will be analysed. The macroeconomic component, with the power relations inherent thereto, was already analysed in brief, when reaching a definition of poverty and its determining factors.

## **5. PROMOTION OF FIRST-JOB OPPORTUNITIES THROUGH VOCATIONAL TRAINING**

### **a) Training candidates for self-employment and business management**

There are already 16 candidates enrolled for the secretarial course, which is expected to commence in July.

Some of the activities aimed at promoting Vocational Training at the private Training Centres in the Province were carried out by collecting data from these Centres, resulting in the following information:

**Promoting first-job opportunities through Vocational Training**

PROGRAMME / INDICATOR	Plan 2007	Real semester 2006			% Real Year	% Growth	
		Year -2	Year - 1	Year		Year 2- 1	Year 1- Year
		No. Benef. Vocational Training Centres )	90	8		66	191
Of which Women	-	3	37	-	0	-66%	-
Benef. of Professional Internships	70	0	0	0	0	-	-
Of which Women	-	0	0	0	0	-	-
No. of micro-businessmen(women) trained	-	0	0	0	0	-	-
Of which Women	-	0	0	0	0	-	-

**PROMOTION OF SELF-EMPLOYMENT**

No. Benef. of Tools Kits	-	0	0	0	0	-	-
Of which Women	-	0	0	0	0	-	-
No. of Micro-Business credits	-	0	0	0	0	-	-
Of which Women	-	0	0	0	0	-	-
No. Positions/ Jobs created in Micro- Businesses	100	0	0	0	0	-	-

The Private Training Centres trained 191 people against 66 in the same period of 2005, corresponding to a growth of 189%. Training was carried out in the following Centres:

- 111 people received training in Computing (Information Technology) at the ICS Training Centre in the City of Quelimane;
- 30 people received training at the Padre Ussera-Mocuba Training Centre, with 19 of the candidates studying Computing (Information Technology) and 11 studying English.
- 50 people received training in Computing (Information Technology) at the K.S.M.D. Training Centre in the District of Mocuba.

#### **b) Support for candidates and trainees undertaking vocational training**

With regard to the support offered to candidates and trainees undertaking vocational training, a training needs assessment is performed at District Government level. The reasons for this task taking so long are a lack of transport to be able to work directly in the districts and the limited local budget.

Two saw mills, two farmers associations in the District of Mocuba and Ile, and one vocational training centre working with PIREP funds in the District of Nicoadala were visited in order to identify groups providing employment and self-employment initiatives.

In short, the movement of candidates during the semester showed the following:

**Summary Table of the movement of enrolled candidates, job offers received, placements made and vocational training for the 1<sup>st</sup> semester of 2007.**

<b>SITUATION IN THE 1<sup>st</sup> SEMESTER OF 2007</b>															
<b>EC*</b>	<b>Registered Unemployment</b>	<b>Unemployed Registered</b>	<b>Job offers Received</b>	<b>Placements made</b>						<b>Candidates trained at the E.C.s</b>					
				<b>Employment Centre</b>			<b>Private</b>			<b>Employment Centre</b>			<b>Private</b>		
				<b>H</b>	<b>M</b>	<b>T</b>	<b>H</b>	<b>M</b>	<b>T</b>	<b>H</b>	<b>M</b>	<b>T</b>	<b>H</b>	<b>M</b>	<b>T</b>
<b>E.C.Q*</b>	<b>9.923</b>	<b>169</b>	<b>18</b>	<b>101</b>	<b>26</b>	<b>127</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83</b>	<b>28</b>	<b>111</b>
<b>E.C.M*</b>	<b>2.406</b>	<b>106</b>	<b>15</b>	<b>60</b>	<b>5</b>	<b>65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>32</b>	<b>62</b>
<b>Total</b>	<b>12.329</b>	<b>275</b>	<b>33</b>	<b>162</b>	<b>31</b>	<b>192</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113</b>	<b>60</b>	<b>173</b>

TOTAL- Provincial Register

\* E.C. Employment Centre

\*ECQ- Employment Centre in Quelimane

\*EM- Employment Centre in Mocuba

➤ **Impact of actions promoting first-job opportunities through vocational training**

The impact of the activities on the beneficiaries in this area has yet to be measured, since this activity is still being carried out. However, the vocational training provided by the private training centres is affording both youth and women the opportunity to compete in the employment market.

**6. INVENTORY OF THE RELEVANT INSTITUTIONS/ PLATFORMS / PEOPLE, RESOURCE**

• **Table 2**

**Supervision, Labour Inspection**

INDICATOR/ PROGRAMME	Plan	Real 1 <sup>st</sup> Semester			% Real	% of Growth	
	Year 2007	Year -2 (2005)	Year -1 (2006)	Year 2007	Plano 2007	Year 1/ Year 2	Year/ Year -1
No. of establishments visited	350	42	82	234	67%	95%	186%
No. of workers reached	N/A	663	910	2.756	N/A	37.3%	203
Infractions detected	N/A	28	147	395	N/A	-	169%
Infractions fined / reported on	N/A	4	59	99	N/A	-	68%
No. of warnings	N/A	24	88	296	N/A	-	237
No. of advisors	N/A	68	114	156	N/A	67,6%	37%
No. of cases / advisor		41	46	—	N/A	12%	n/a

A total of 234 visits were carried out in the first half of 2007, out of the 350 planned for the year, representing a 67% fulfilment of the plan. When compared to the first half of 2006, the upshot of the campaigns targeting the different areas of activity was an increase of 186%, relating to the visits carried out.

A total of 2,756 workers were reached, as against 910 workers for the same period of the previous year.

### **6.1. Advisory Visits to Companies**

Visits aimed at conciliating and mediating conflicts were carried out in 11 companies, reaching a total of 1,496 workers.

The year Plan is to sign 25 company agreements. During this period a total of 10 company agreements were signed with the same number of companies, which represents a 40% fulfilment of the plan. Agreements were entered into with the following companies:

- 1 each with the enterprises HAMC in Marropino, Madeiras ALMAN, Madeiras da Zambézia, Entrepосто Comercial, Toyota de Moçambique, Aguas de Quelimane, EFRIPEL, Doca Seca, J. D. Marques, TDM and EDM.

During the first half of the year 973 employees were dismissed from their jobs, most of whom from private security firms.

Mediation and conciliation actions were able to prevent 3 strikes from taking place at the enterprises HAMC-Marropino, Madeiras ALMAN and EFRIPEL in the City of Quelimane.

## **6.2. Creation of the Consultation Mechanism with Social Partners**

Following this activity 4 meetings were held and contacts established with Employer Associations and workers with a view to identifying ways to establish the Forum and to include in the mechanism other Civil Society forces in the Province with an interest in developing social dialogue.

The Establishment Committee for the Consultation Mechanism and Social Consensus in the Province was created, made up by 3 representatives from the Unions, 2 representatives from the Zambézia-ACIZA Trade and Industry Association and 3 representatives from Youth Associations, under the coordination of the Provincial Directorate of Labour.

## **B) PROVINCE OF INHAMBANE**

### **1. Relevant Coordinates**

The Province of Inhambane is located in the Southern Part of Mozambique, covering an area of approximately 68,615 km<sup>2</sup>. According to the statistical data from the 1997 population census, the Province had a population of approximately 1,123,079 inhabitants, with 491,242 men and 631,837 women. The population is predominantly young, in other words, approximately 342,881 individuals, corresponding to approximately 30% of the total number of inhabitants, were individuals in the 15 to 34 years of age group. Annual population projections point to a population of approximately 1,401,216 inhabitants in 2004, with 629,083 men and 772,133 women.

It is made up of 12 districts and 3 municipalities (City of Inhambane, City of Maxixe and Town of Vilankulo), 26 administrative posts and 75 localities. Due to their geographic location, the districts of Zavala, Inharrime, Jangamo, Morrumbene, Massinga, Vilankulo, Inhassoro, Govuro and the Municipality of Inhambane border on the coastline bathed by the Indian

Ocean, creating significant potential for tourism on the beautiful beaches from the north to the south of the Province.

With a mostly peasant population, its main sources of income are agricultural production of food and cash crops (cassava, peanut, maize, beans, coconut, citrus and cashew), mining work in South Africa, fisheries, bee-keeping and handicrafts (sculptures).

## **2. Context**

The creation of the Provincial Poverty Observatory (PPO) coincides with the review of PARPA, which is why its role has been defined in accordance with this demand. Thus, the Province is called on to give its contribution and the PPO is the “main forum” where experiences with the current PARPA are exchanged and discussed, and recommendations for PARPA II (A2006-2010) are made. These contributions should be of use in the provincial poverty reduction strategy, and should be integrated during the revision of the Provincial Strategic Plan (PSP), taking into consideration the main planning instruments currently in use in Mozambique, particularly the Government’s 2005-2009 Five-Year Plan.

The context in which this event is outlined is fundamental since, with the end of PARPA I, the Province must carry out an assessment of the progresses or failures within the scope of the fight against poverty. This is a critical assessment that must take into consideration the populations’ living conditions and contribute to the continuity of this fight. This event is part of the processes recently begun within the scope of improving the PARPA Monitoring and Evaluation systems and all other Provincial Planning instruments.

### **3. Assessing Poverty in the Province of Inhambane 1997/2003**

#### **a) *Analysis of Poverty Factors***

The Province of Inhambane is the poorest in the Country, with a poverty index calculated at approximately 80.7% according to the 2002/03 Household Survey on Living Conditions (IAF 2002/03). Compared to the previous situation (IAF 1997), it indicates a reduction of only 1.9%, which means that PARPA's goal of a poverty index below 60.0% for 2005 may not be achieved this year.

This is the reality that will be presented from the analysis of the progress made and constraints faced in the fight against poverty in the Province.

The table below presents the poverty indexes in Mozambique according to the 1996/7 IAF, as compared with the 2002/3 IAF. At national level, the data show satisfactory results, with poverty indexes in Mozambique being reduced globally from 70.0% in 1997 to 54.1%, in other words, below the 60.0% target defined for 2005.

**Table 1. Poverty Estimates**

	1996-97	2002-03	Difference
<b>National</b>	<b>69,4</b>	<b>54,1</b>	<b>-15,3</b>
<b>Urban</b>	<b>62,0</b>	<b>51,5</b>	<b>-10,5</b>
<b>Rural</b>	<b>71,3</b>	<b>55,5</b>	<b>-16,8</b>
<b>Niassa</b>	<b>70,6</b>	<b>52,1</b>	<b>-18,5</b>
<b>Cabo de Delegado</b>	<b>57,4</b>	<b>63,2</b>	<b>5,8</b>
<b>Nampula</b>	<b>68,9</b>	<b>52,6</b>	<b>-16,3</b>
<b>Zambézia</b>	<b>68,1</b>	<b>44,6</b>	<b>-23,5</b>
<b>Tete</b>	<b>82,3</b>	<b>59,8</b>	<b>-22,5</b>
<b>Manica</b>	<b>62,6</b>	<b>43,6</b>	<b>-19,0</b>
<b>Sofala</b>	<b>87,9</b>	<b>36,1</b>	<b>-51,8</b>
<b>Inhambane</b>	<b>82,6</b>	<b>80,7</b>	<b>-1,9</b>
<b>Gaza</b>	<b>64,6</b>	<b>60,1</b>	<b>-4,5</b>
<b>Maputo Province</b>	<b>65,6</b>	<b>69,3</b>	<b>3,7</b>
<b>Maputo City</b>	<b>47,8</b>	<b>53,6</b>	<b>5,8</b>

MPF/IFIPRI,

Source: 2004

	<b>Regions with increased poverty</b>
	<b>Regions with reduced poverty</b>

According to the table, the Province of Inhambane presents the highest levels of poverty, having dropped by only 1.9% between 2000 and 2005. This situation is even more critical when compared to the situation in Provinces like Cabo Delgado, Province and City of Maputo, that even with a recorded increase in poverty, had indexes in 2003 that were still below those recorded in the Province

of Inhambane.

In interpreting the efforts made by the Provincial Government in the fight against poverty in Inhambane, ***there are several factors that could have had a negative influence on the static development*** observed over the last years. In the present assessment we shall take into consideration the influence of natural disasters, demographic effects and programme monitoring processes, economic activity and employment, establishing a correlation with the indicators of well-being:

- ***Natural disasters:*** between 2000 and 2006 the Province of Inhambane was cyclically ravaged by drought and floods, accompanied by devastating cyclones, plagues and erosion. Of the Province's total population, 51.1% were affected by the floods in 2000, 56.2% were affected by cyclones and, in 2001, 13% were affected by drought. In the same period 44.4% were affected by disastrous pest infestation.

According to the QUIBB, approximately 38.3% of the population lost their houses as a result of the floods, 37.8% lost clothing and 33.2% lost kitchen utensils. The extent of the damage in these three indicators is closely linked to the type of dwellings most common in the Province (reed-grass, mud-plastered sticks, woven coconut leaves, others), in some areas with soil types susceptible to erosion.

- ***Demographic Effects:*** population growth has extremely strong effects and has a negative impact on development efforts when not accompanied by growth in the different facets of society.

Without the possible impact of the HIV/AIDS epidemic, the population of the Province of Inhambane presents a growth tendency: while the 1997 Census referred to a total of approximately 1,123,079 inhabitants, annual population projections indicate approximately 1,401,216 inhabitants for 2004, with it

being estimated that this number will increase to approximately 1,645,120 inhabitants by 2010.

According to the 2000/1 QUIBB the Demographic Dependency Rate is 86.3% while the average number of people per household is among the highest in the country, approximately 4.8 people per household (which corresponds, simultaneously, to the national average). Clearly “the demographic dependency rate indicates the relationship between the potentially dependant population (0 to 4 years of age and over 65 years of age) and the working age population (15 to 64 years of age). The potentially dependant population is considered a net consumer and, as a result, is not included in the group of working age people. The higher the rate, the greater the burden on the producers...” INE, 2001.

In these circumstances, the overburden placed on working age people could force them to direct their efforts to meeting their immediate needs, like food, making it impossible for them to acquire durable goods such as radios and bicycles and building better dwellings.

- ***Economic Activity, Labour Force and Employment***

The availability of an Economically Active Population is fundamental for providing labour capable of producing goods and services. According to the data from the 2001/06 QUIBB, approximately 76.8% of the population was economically active. In the same year, 10.6% of the labour force was gainfully employed, distributed in the following manner: Government (2.4%), Public Sector (0.4%) and Private Sector (7.8%). A large part of the labour force is made up of self-employed workers and unpaid family workers (85.5%).

With regard to the occupation of the labour force per field of activity, approximately 77.9% work in agriculture, silviculture and fisheries, followed by trade (7.6%).

According to the 2003 IAF, the employed labour force is currently approximately 7.5%, with a steep decrease in the private sector (4.4%): authorised private investment projects dropped from 8 in 2000 to 7 in 2002.

This decrease, allied to population growth, resulted in an increase in the self-employed labour force and unpaid family workers (91.1%). Similarly, the total labour force involved in agriculture, silviculture and fisheries increased to 82.9% (INE, 2003).

One of the immediate consequences of this situation can be assessed through the information on job offers in the Province over the last three years:

**Table 2: Employment**

Designation /year	2004	2005	2006	Growth 2004/06
<b>Candidates enrolled</b>	<b>2,986</b>	<b>1,629</b>	<b>1,588</b>	<b>-2.5</b>
Men	2,590	1,117	1,360	21.8
Women	396	512	228	-55.5
<b>Employment offers</b>	<b>634</b>	<b>266</b>	<b>179</b>	<b>-32.7</b>
Men	557	233	149	-36.1
Women	77	33	30	-9.1
<b>Placements made</b>	<b>465</b>	<b>157</b>	<b>98</b>	<b>-37.6</b>
Men	434	131	86	-34.4
Women	31	26	12	-53.8
<b>Available candidates</b>	<b>7,286</b>	<b>6,564</b>	<b>7,772</b>	<b>18.4</b>
Men	5,071	5,567	6,745	21.2
Women	2,215	997	1,027	3.0
Source: INEFP				

As can be seen, over the last three years job offers and available placements have tended to decrease. The situation relating to the placement of candidates is of great concern, since the 465 cases recorded in 2002, dropped to only 98 candidates placed in 2004 (BaIPES2004). Meanwhile, the number of available candidates is increasing.

• **Monitoring Processes:** PARPA's monitoring system is basically quantitative and statistical, and does not allow for a qualitative and systematic evaluation of the impact of the programmes implemented among

beneficiaries. This weakness complicates the possibility of planners and political decision-makers to design poverty reduction strategies based on a real assessment of the dimensions of poverty in the Province. The qualitative studies that would be able to close this gap are expensive, imply the involvement of significant material and human resources, including experts (which the Province does not have), and are therefore not carried out on an annual basis.

**Table 3: Possession of Durable Goods**

Province	Bicycle		Radio		1997 Index	Poverty 2003	Diff.
	IAF96	IAF02	IAF96	IAF02			
Inhambane	7,8	11,8	38,1	32,9	82,6	80,7	-1,9
Gaza	14,4	16,7	42,7	34,1	64,6	60,1	-4,5
Maputo Prov.	9,4	10,2	46,7	53,4	65,6	69,3	3,7
Maputo City	2,6	7,8	77,2	61,8	47,8	53,6	5,8
Sofala	11,9	35,5	25,1	52,3	87,9	36,1	-51,8
Niassa	24,1	56,9	27,3	43,0	70,6	52,1	-18,5

Source: GMD, 2004

## **6. STRATEGY TO INVERT THE SITUATION OF LEGAL EMPOWERMENT BASED ON REAL RESOURCES AND GOODS**

### **6.1. Law 23/2007, of the 1<sup>st</sup> of August**

As far as alterations are concerned, some flexibility was introduced in certain areas. In fact, in several matters, namely work duration, place of service/ work, duties performed – the Code establishes an adaptation of the workers' service provision to the needs of the company. However, it does not forget or ignore the employees' legal position; on the contrary, it grants employees certain rights, namely making the resource depend on specific measures of an adapted procedure.

Thus, it is not a case of a lack of rules: the issue here is simply to allow for an adaptation of the labour system to the realities of the working world and, in this way, achieve greater effectiveness of the Labour Law; the closer this is to reality, anticipating needs and regulating them in an accurate and proper manner, the greater the guarantees for workers by this area of the Law.

Furthermore, greater accountability by the parties involved with regard to compliance with the Law, both in terms of work contracts as well as collective labour regulation instruments was ensured. This accountability involves expanding disciplinary measures, by increasing fines and by relaxing the civil liability rules.

It must also be noted that the Labour Law has currently been internationalised, not only through the conventions and recommendations made by the International Labour Organisation, but also by not forgetting the inevitable effects of internationalising the economy. Meanwhile, the legal systems of our community partners were not simply "imported"; rather, attempts were made to find solutions which would allow our economy to be competitive without, however, losing sight of the national socioeconomic reality.

In addition to resolving several problems that needed normative solutions, proceeding to eliminate antinomies between standards and the clarification of ambiguous situations, with an example being the duration of work regime, it is important to consider some of the alterations, presented in brief.

### **I. Jurisdiction of the Employee's Personal Situation**

- a) Express consecration of the rules on the right to personality in the workplace;
- b) Implementation of a unitary system with regard to equality and non-discrimination, which is not limited to the traditional prohibition of gender discrimination;
- c) Qualification of any form of harassment as discriminatory, and consequently illicit, behaviour;
- d) Recognition (express) of the right to compensation for non-pecuniary damages in cases of discrimination;
- e) Extending paternity leave upon the death of the mother;
- f) Increase the period during which the mother or father are entitled to the right to work part-time, as well as the age of the child during which time the female worker is exempted from the obligation to work overtime;
- g) Establishment of general principles regarding employees with limited capabilities or handicaps.

### **II. Adaptation to current situations:**

- a) Provision for employees' guarantees in that which relates to the use of new technologies;
- b) Introduction of standards relating to the telework system;

- c) Establishment of rules applicable to the work to be performed in the scope of company groups;
- d) Creation of rules that separate the legal regime in function of the size of the company – micro-business, small, medium or large business – in different matters;
- e) Special regime for micro-businesses, namely with regard to overtime, application for leave, termination of contract due to close of business, the disciplinary procedure and reintegration of wrongfully dismissed employees.

### **III. Special characteristics in the employment relationship**

- a) Consecration of reciprocal obligations imposed on each of the parties to inform the other party of their respective legal position and any alterations relevant to the compliance of the work contract;
- b) Express imposition on the parties of the duty to act, during the probationary period, in such a manner as enable an evaluation of the interest in maintaining the contract;
- c) Establishment of the rule for determining the probationary period during which, for example, days of absence or of suspension of the contract are excluded;
- d) Suppression of the different durations of probationary periods in function of the number of company employees;
- e) Establishment of a notice period, during the probationary period, after a contract duration of more than sixty days;
- f) The provision of duties on matters relating to safety, hygiene and occupational health for working individuals is reiterated;

- g) Introduction of a general obligation to provide training, bearing in mind that it is in the interests of both parties.

#### **IV. Fixed-Term Contract**

- a) Establish a general criterion for the admissibility of fixed-term employment (contracting);
- b) Establish a general limit for the duration of fixed-term contracts;
- c) Clarify the rules regarding the prohibition of back-to-back contracts;
- d) Establish a general rule, with regard to leave during the first year of employment, according to which after six full months of effective service, the worker shall be entitled to two working days leave for each month, up to a maximum of twenty days;
- e) Limit the payment of justified absences from work of candidates in elections for public positions;
- f) Institutionalise the possibility of the employer altering some of the rules on closing down the business or establishment for employees' holidays;
- g) Possibility of the employer certifying, in cases of sick leave, the truth of the situations indicated by the employee.

#### **V. Remuneration**

- a) Review of the concept of basic remuneration;
- b) Clarify some doubts on remuneration, namely with regard to the scope of holiday allowances and benefits included in the concept of benefits owed to the employee;

- c) Reduce the limits to the possibility of the employer invoking benefits, namely in cases of allowances or advances on account of the employee's remuneration;
- d) Express provision of the duty to pay interest in arrears in cases of failure to pay remuneration on time;
- e) Establish a special regime for exceptions to the non-compliance of the contract to be invoked by the employee in the event of failure to pay remuneration;
- f) Provision, with regard to the employment credits of an employee as a result of the work contract, its violation or termination, for joint and several liability system binding on the companies or group of companies, as well as the partners with dominant influence on the company, or their managers, administrators or directors;
- g) Reference to cash benefits, to be regulated by a collective regulation instrument, in accordance with criteria such as merit, productivity and assiduousness (frequency);
- h) Establish the concept of salary raises.

The employer must post the information regarding the rights and obligations of employees as well as equality and non-discrimination, in an appropriate location.

The following is considered:

- **Direct discrimination is** whenever, due to one of the above-listed discrimination factors, a person is subject to less favourable treatment than that which is, has been, or will be afforded to another person in a comparable situation.

- **Indirect discrimination is** whenever a provision, criterion or apparently neutral practice is susceptible of placing people included in one of the above-indicated characteristic factors, in a position of disadvantage compared to others, unless that provision, criterion or practice is objectively justified by a legitimate purpose and that the means to achieve the said purpose are appropriate and necessary;
- **Equal employment is** where the functions performed for the same employer are equal or objectively similar in nature, quality and quantity;
- **Work of equal value is** where the work corresponds to a set of duties, performed for the same employer, considered to be equivalent taking into consideration the qualifications or experience required, responsibilities awarded, physical and mental effort and the conditions in which the work is carried out.

Equal remuneration implies that for equal work, or work of equal value:

- Any variable remuneration method, namely that paid for the task, be established based on the same unit of measurement;
- Remuneration calculated in function of the time of service must be the same.

Differences in the remuneration paid cannot be justified by leave, absences and dispensation in relation to the protection of maternity and paternity.

It is deemed that the professional category has equal functional content or equivalent when the respective job description corresponds, respectively, to equal work or work of equal value.

The last PARPA presents some interesting links between economic growth and poverty reduction, but in general it considers it to be logical

that greater economic development contributes, in itself, to the reduction of poverty without a detailed justification of how this will be achieved during the plan.

Although PARPA acknowledges the political imperative of the participation of the poor in the benefits of economic growth, gender analysis is practically excluded from the poverty diagnosis and, consequently, from strategies, resulting in an absence of activities to eliminate discrimination in gender relations throughout the plan. Political will is important for these issues to be included in the strategies and in the action plan, as well to execute them in budget management. This should be included in the plan's revision and assessment cycle.

## **7. INFORMAL BUSINESS – RELEVANT PARTNER OF FORMAL ACTORS IN MOZAMBIQUE**

The subject of Labour Rights and the Empowerment of Informal Business/Sector raises two relevant issues, in other words, it involves social dialogue and understanding its unavoidability.

The partnership between Business and the other formal actors involves verifying the existence of concerted governance or dialogue in governance. Partnerships in socioeconomic, technological, environmental and cultural spheres translate the right of Informal Business to participate in social structuring and intermediation between the State and society.

There is innate dialogue in this participation of simultaneously collective and individual dimensions. More than asking whether it is inevitable, it must be said that it is the expression of a democracy extended to exercising full human rights and the rights of free structures to come together and be represented. It is in this context that I presume I am permitted, due to its practical uselessness, to dispense with certifying whether conscious social dialogue is, in fact, unavoidable. The term social dialogue is nothing new, since it stems from the International Labour Organisation and tripartitism, on which its creation is based and reflected at national level.

I would just like to remind, in this regard, that the Philadelphia Declaration, which is an integral part of the ILO itself, undertook this obligation to “support the execution of programmes suitable to promoting collaboration between workers and employers in the preparation and application of the economic and social policy”.

Therefore, the Commission Secretariat will be responsible for encouraging consultations with the social partners and adopting the provisions or mechanisms required for the facilitation of the respective dialogue.

The new challenges of Labour Rights continue to lie in regulating the relationships between employee and employer, with a view to favouring the weaker party deprived of power, but coming back to the issues of employment and generating income. Basically, it consists in ensuring protection and decent employment of formal and informal actors.

### **7.1. Contextualisation: Informal Business – A Changing Phenomenon**

Political, economic and social evolution in Mozambique over the last twenty years clearly demonstrates and elucidates that the phenomenon of Informal Business emerged from the ambiguous multiform modern day reality, thanks to its malleability and multiplying factor, through the capacity to reproduce and propagate the plasticity of the notion to which it is associated – while always attempting to find ways or mechanisms of reducing poverty.

The starting point and the issue should be found in the manner in which it is equated. How many actors are involved? What is its dimension and impact on the Mozambican economic life?

There are many cases of informal trade, for example, timber felling in Zambézia for delivery to licensed or unlicensed timber dealers, rice crops and jetropha cultivation, artisanal shrimp fishing in Zambézia and Inhambane, renting rooms along the roads passing through these two provinces, the production and commercialisation of tangerine and pineapple in the two provinces mentioned above, maize production, its processing and cross-border trading in Mlinange/Malawi. Here, traders sometimes fill up 10-ton trucks on the Malawi side of the border.

We know, and increasingly feel, that the formal sector and the authorities' strategy requires policies for inclusion and not hostility, investing in quality and other methodologies that, together, aim at integrating the informal sector/business in generating sales, increasing competitiveness and, possibly, the market share.

It is within the framework of these demands that the tax authorities in Zambia demanded that many informal operators adopt the category of taxpayer, thereby awarding them the status to be able to gain access to local credit initiatives and local investment funds (7 thousand Meticals).

The regulation of Labour Rights is a necessary condition, but it is not enough to ensure employment and dignity for the Informal Business.

However, social, economic and legal asymmetries still have to be overcome. With regard to this issue, the different outlooks in respect of the role reserved for Labour Rights are particularly important, as is the greater or lesser extent of its protectionist function, with undeniable implications on Informal Business.

Given the nature of Informal Business, in many cases diffuse, uncertain, unstable or less permanent, precarious and sometimes disguised, it becomes difficult to define a model to deal with and protect the Business and informal operators/ agents.

Our labour system has significant differences its labour relationship models. For example, we privilege individual relations to the detriment of collective relations, where it is the responsibility of the collective labour instrument to regulate the basic relationships between employee and employer.

In this context of asymmetries, there are also significant difficulties in that which refers to health and safety issues, where the relevant aspect is the awareness that the employee has of his/her health and not the number of laws. In short, there are fundamental difficulties weighing on the implementation of our Labour Rights, resulting from the stand to be taken with regard to certain issues such as qualifying the Right to Employment in order to establish consensus regarding a sustainable social protection of Informal Business. The new, recently approved Social Protection law does not effectively meet the needs of this matter.

It must also be mentioned that Informal Business has already recorded a cross-border trade of undeniable proportions, as I mentioned before, making it necessary for consideration to be given to aspects such as the movement of workers, informal sector employment policies, equal treatment within the SADC area, and information, consultation and participation by workers in Informal Business. In other words, it is necessary to minimize the asymmetries that exist between the States by means of effective cooperation for the social and economic development of the countries, doing away with the application of labour standards for commercial protectionism by means of the so-called social clauses.

## **7.2. Mechanisms for Empowering Informal Business**

Informal Employment and Business present a configuration that reflects the profound structural changes that have influenced the Mozambican economic life. We are faced with a new situation, where 30% of national wealth is produced by Informal Business, characterised by total nationwide deregulation and by the formation of authentic “clusters”. These “clusters”, driven by financial logic and easy profit, seek the highest possible profitability and have a global influence on the life of the Mozambican population. Furthermore, the high prices in the formal labour market, particularly over the last decade, have also brought about significant change in the social fabric.

The tendency is for the traditional formal economy productive sectors to attempt to reduce their costs in view of the competition from the Informal Business with very low prices and with limited or no social protection.

It is acknowledged that the Mozambican society has been marked by rapid development, thereby subjecting it to conditions relating to the ways of life and work. As stated by an academic, the current economic situation is not linked to the emergence of a single labour relations model, but rather to multiple “production worlds”.

The structural changes to be made in the Country should be *fast* and self-regulating in the chain of transformations, and should be reflected in the Informal Business. Thus, it is important to rethink the long-term objectives, supporting a stronger economy within the framework of regional competition.

As a matter of fact, Labour Rights have always had to be adapted to a changing reality and have demonstrated sufficient flexibility to survive. However, we feel that it should be acknowledged that this capacity to adapt does not depend only and exclusively on its doctrine or its set of conceptual instruments, but on prior decisions in the area of rights policies. In a last analysis, Labour Rights should be what the commitment and conflict between the political and social forces allow it to be.

Since work is fundamental to the development of an individual's life, engaging in a gainful activity is also a *sine qua non* condition for economic security which will, in turn, allow for personal fulfilment outside of the professional field. As a matter of fact, as Freire commented "by the variety of forms it assumes, the diversity of understandings it gives rise to (...) imagining a world without work sounds somewhat absurd (...). Although the evolution of work has been accompanied by more or less noticeable forms of social inequalities, globalisation and the resulting socioeconomic policies tend to emphasize them associated with social exclusion.

Now, therefore:

- The promotion of technological change should to be acknowledged as the key source of economic growth;
- Speeding up the regulations for the domestic worker activity, currently underway, was pointed out as being relevant;
- Maximising the instruments to empower the Informal Sector, reducing the deficit of its intervention through instruments such as:

- Greater dissemination and efficacy of Decree Law 2/2006 of the 3<sup>rd</sup> of May
  - which establishes the terms and procedures for the establishment, recognition and registration of farmers associations;
- Greater efficacy of and fight against the violation of the Labour Rights of Informal Sector workers, namely the practice of below-minimum wages, lack of social protection and other related rights;
- Strengthening the district forums (government, private sector, NGOs and communities) for adoption of the informal sector regulation mechanisms;
- Adoption of forms of regulation for legal diplomas in order to make them executable;
- Better insertion of Informal Business in the PARPA and establishment of Labour Rights that favour a change and adoption by the Informal Sector of mechanisms that increasingly integrate it in the Mozambican economy;
- Favour the support for initiatives that create jobs and savings, through NGOs (training and microfinance) adapting their activities to the district plan and to the communities' needs.

In the case of timber-merchants, for example, who are prohibited from exporting raw wood, avoiding the export of commodities, there should be Government/ NGO support for training in converting them and others into cabinet-makers, bringing both sides together with a view to creating greater internal capacity.

It was concluded that the impact indicators defined in PARPA were defined to be used at household level, as if these were homogeneous units in terms of equal rights and opportunities, ignoring the different types of family nuclei, different types of access by these family members to work and employment, resources, their control and distribution of benefits.

The impact of poverty reduction in Mozambique will have to be measured equally using different indicators that take into account the Labour Rights of Mozambican workers and their expansion.

Finally, with regard to the inflexibility of work in Mozambique's Labour Rights, it was found that the problem is "up to what point the protection of stability/ security at work should be ensured", since for some (namely for the employers' associations) excessive protection of stability has two counterproductive effects: on the one hand, it leads to employing admissions to the companies, promoting the recourse to alternative forms of employment not submitted to employment legislation and, on the other hand, it prevents companies from adapting to the economic and technological changes, reducing their capacity for competitiveness and risking their continuation. It is in this sense that the companies' soundness is also a factor of employment security, since we cannot forget that the general condition required for employment to exist is the existence of employers.