

**International Homogenization or the Persistence of
National Practices?: The Remaking of Industrial Relations
in Mozambique**

Eddie Webster, Geoffrey Wood and Mick Brookes

Abstract

This paper is the first systematic attempt to gauge the impact of liberalisation on industrial relations practices at firm level in Mozambique. Through a survey of firms, the paper assesses the extent to which specific sets of practices are associated with particular regions, and/or sectors, and explores the relationship between IR practice and national institutional configurations. The survey revealed that informalism and autocratic managerialism characterize the practice of employment relations and that there is little evidence of the penetration of advanced Human Resource Management practices in specific sectors, firm types or locales. But it would be mistaken to assume a convergence towards a global systematic archetype of low wage/low skill/low security of tenure set of practices. Instead, the authors conclude, contemporary Mozambique employment relations are an example of external market pressures being channelled and moulded by the persistence of national level realities that stretch back to the colonial era. In the absence of effective institutional mechanisms, familiar conventions are likely to persist because people know how they work in practice. The instrument developed in this study could be used to monitor institutional reform as well as used in a comparative context.

A central concern of the contemporary literature on industrial relations in Africa is the consequences of intensified global competition and the espousal of neo-liberal policies by national governments. In most cases, it is assumed that this has exacerbated existing institutional weaknesses, resulting in the proliferation of labor repressive policies (Frynas and Wood 2003; Moody 1997; c.f. Hanlon 1996). However, there is some evidence to suggest that, in certain cases, these pressures have been counterbalanced through the development of more pluralist and inclusivist practices at firm-level (Wood and Els 2000; Wood and Sela 2000). This paper evaluates the present state of labor relations in Mozambique, assesses the extent to which specific sets of practices are associated with particular regions and/or sectors, and explores the relationship between IR practice and national institutional configurations. Finally, it seeks to highlight the lessons that can be drawn from the Mozambican experience for the analysis and practice of labor relations in other developing societies.

Institutional Realities and Labor Repression

Institutions represent mechanisms that reduce uncertainty, establishing a stable structure that enables continuity in human relations (Marsden 1999:5). They operate through overcoding and diffusing basic "rules of the game" that both constrains and enable. Rules make basic organizational continuity possible, and minimize the transaction costs in any exchange relationship (c.f. Marsden 1999: 5-7). Specific types of employment relationship may not be optimal for all firms within an economy, but a dominant mode of employment relations will nonetheless be widely adopted "as everybody knows how it

works, and is confident it provides a stable framework for their collaboration" (Marsden 1999: 5).

Within tropical African employment systems, the institutional framework is relatively fragile, making it difficult to implement systematic employment relations policies (c.f. Phelps Brown 1983). *Global governance* perspectives have argued that the growing reach of international organizations has meant that certain issues are governed across national boundaries (Haworth and Hughes 2003: 669). However, it can be argued that global policy setting has been predominantly neo-liberal in flavor, reflecting the hegemonic influence of the United States (ibid.: 670). Whilst in some cases the latter has been checked by powerful regional blocs such as the EU (Haworth and Hughes 2003: 670), tropical African nations lack the capacity and resources to defy the prescriptions of global financial institutions such as the World Bank and - above all - the IMF (Hanlon 1996). Such prescriptions center on the opening of markets, reduced state interventionism, privatization, and radical labor market deregulation. Whilst the operations of other transnational bodies - such as the ILO - may have more pluralist effects (c.f. Haworth and Hughes 2003), their operations are to a very much greater extent based around voluntarism and consent. Hence, they are likely to have more limited effect in those contexts where enforcement of even national laws remains weak.

Theories of national institutional failure argue that the problems associated with an adverse positioning in the global economy can be greatly exacerbated through the limitations of domestic institutional formations. The state of the latter reflect not only external pressures, but also quasi-independent action by indigenous elites, and the effects of durable pre-capitalist networks (Hyden

1983; Hyden 1998). In much of tropical Africa, local firms lack access to a range of sources of capital, forcing a reliance on reinvestment and personal networks (Kimemia 2000). Meanwhile, extended peasant-based networks of support permeate employment practices, allowing for a certain continuity, but limiting recruitment options and constraining innovation (c.f. Hyden 1983). Finally, given that such networks extend into state structures, as well as endemic capacity problems, enforcement of legislation governing labor relations is likely to be weak and uneven (Harvey 2002; Hyden 1983; c.f. Pitcher 2002).

A reliance on personal networks is not unique to tropical Africa; it is, for example, also a characteristic of the *guanxi* system found in a number of successful far Eastern economies (Mellahi and Wood 2003: 378; Xin and Pearce 1996). However, in much of tropical Africa, the chronic weakness of the state and associated regulatory institutions makes firms particularly vulnerable both to the vicissitudes of global markets and domestic socio-political instability. This has the effect of distorting, constraining and further localising such networks, accelerating tendencies towards greater informalization (Frynas and Wood 2003; Mellahi and Wood 2003). Whilst the undeniably centrifugal tendencies inherent in such networks may in be partially counterbalanced by the persistence of autocratic and patriarchal authority at firm level, the latter is again likely to stifle innovation, and make for exchange relations that are arbitrary, personal, and lacking in bureaucratic consistency.

In the state and export sectors, a combination of external regulatory weakness and patriarchal authority may contribute to the reconstitution of essentially

Taylorist work systems. The latter are characterized by rigidly hierarchical lines of authority, fixed divisions of labor, limited on the job training, low levels of employee participation and involvement, and limited job security (Frynas and Wood 2003). Within the indigenous small business and informal sector, control is exercised on personal-despotic lines, again characterized by a low security of tenure (ibid; Kamoche 2002: 993-5). In both cases, little room is accorded to unions; at best, they are firmly subordinated to management. Within successful Asian economies, it has been possible to tailor make employment relations systems best suited to support the favorable integration of countries into the global economy (Haworth and Hughes 2003: 667). In contrast, in much of tropical Africa, institutional weaknesses have resulted in national employment relations systems seeking at best to find a rough *modus vivendi* with an open and increasingly integrated global economy (c.f. ibid.). Invariably, reactive "coping" practices mitigate against the development of a supportive regulatory and human resource development infrastructure (Mellahi and Wood 2003).

Diverse Responses to a Cold Climate

Alternatively, it could be argued that, despite undeniable pressures towards a strengthening of the managerial prerogative and a reduction in security of tenure as a result of heightened global competition, and reduced state intervention, in certain instances, many firms have sought to adopt more inclusivist policies in their relations with their employees. The latter may reflect a desire to develop a firm's human capital, to enhance competitiveness through the espousal of

functionally flexible forms of work organization and/or owing to a need to reach an accommodation with an effective and representative trade union. As Storey (2001: 366) notes, in specific national employment systems, there is considerable evidence of diversity in practice. Whilst there is considerable evidence of low wage/low skill policies by many firms, others have founded competitiveness on policies aimed at promoting organizational learning and the development of core competencies (ibid.: 366).

Again, the real strategic choices made by firms may be framed by the uneven consequences of interventions by transnational bodies (see Haworth and Hughes 2003: 673). Whilst the IMF remains firmly neo-liberal, certain World Bank interventions have accorded a great weight to human capacity development (Pitcher 2002: 214), whilst the ILO has tended to promote inclusivist and pluralist IR policies (ibid.: 674); even voluntary guidelines may have some impact in fluid socio-political environments.

Functional flexibility can represent a durable basis of competitiveness, and is founded on higher levels of interdependence between employers and employees (Whitley 1999; Schuman 1998: 21). Central features of the latter would include the presence of structures for employee involvement and/or co-determination, stable collective bargaining arrangements, effective vocational training systems and an emphasis on maintaining long term relations between employers and employees (ibid.).

Even more than firms, unions have faced particularly serious challenge as a result of the unfavorable global climate of the 1980s and 1990s. However, whilst in large areas of the world union membership has continued to decline, the fortunes of individual unions has been mixed. The latter would reflect issues such as trade

union identity and real strategic choices (Hyman 1997). Where unions remain robust, it may not be possible for firms to found their competitiveness on high levels of numerical flexibility and/or a reversion to autocratic managerial strategies (Moody 1997: 303); this may impel them towards higher valued added approaches, centering on functional flexibility.

Indeed, numerous case studies on manufacturing firms in South Africa have indicated that a significant number have adopted this particular path (Smith and Wood 1998; Wood and Sela 2000; Wood and Els 2000). Such an approach is characterized by the use of structured workplace training, a specialized people management function, coherent HR planning, with employment relations centering on a recognition agreement with a representative trade union (Wood and Els 2000). The use of such strategies has, in the South African context, provided an alternative - and more durable - basis of competitiveness, to the super-numerical-flexibility/autocratic management paradigm (ibid; Wood and Sela 2000). Rather less clear is the degree to which such "high road" labor relations and Human Resource Management (HRM) policies have been adopted in more peripheral neighboring economies such as Mozambique.

The Mozambican Context

Throughout the colonial era, the export of labor power - successively slaves, indentured and migrant labor - provided a major source of revenue (Hanlon 1996; Newitt 1996). Rather less attention was accorded to domestic development until the late nineteenth century. However, by the late 1960s, the country attracted significant foreign investment, centering on transport and related

services, with Maputo serving as a major outlet for South Africa's former Transvaal province, and Beira for the then Rhodesia (Hanlon 1996; Newitt 1996; BIP n.d.). These developments were paralleled by limited industrial development, most notably in the areas of food processing, beverages, motor parts and textiles (ibid.).

The winning of independence in 1975 saw the Frelimo national liberation movement attaining power; this was followed by the flight of most of the white settlers, and the adoption of state socialism. Whilst, given that most enterprises had been abandoned by their owners, comprehensive state intervention was necessary, the policies chosen were particularly rigid, particularly in the case of agriculture and the northern regions (Pitcher 2002: 73-5). The then Rhodesian, and later the apartheid South African governments were able to harness the discontent of segments of the peasantry, and above all, traditional leaders through the establishment of the Mozambican National Resistance (Renamo). This led to a bloody civil war.

The cessation of hostilities between the ruling party, Frelimo and the rebel movement, Renamo, in 1992, and the subsequent democratic elections opened the way for Mozambique's economic reconstruction. During the closing stages of the civil war, the end of Soviet financial aid - and looming economic collapse - forced Frelimo to abandon its socialist experiment, and turn to the IMF and the World Bank for financial support (Pitcher 2002). This, however, expectedly came with stringent conditions attached, centering on the reduction in state expenditure, the phasing out of protective tariffs and privatization, and a relaxation of minimum labor standards (Economist Intelligence Unit 1995; Hanlon 1996). These policies had particularly adverse

consequences for industry, education and health care (*Metical* 1 August 1997; Hanlon 1996); it is estimated that liberalization led to some 116,000 redundancies over the years 1987 to 1999 (*Mozambiquefile* June 1999).

Nonetheless, a revival of the transport and service sectors led to the country recording significant economic growth by the close of the 1990s (Wood 1999). However, most foreign investment was directed towards the capital, heightening existing regional disparities and the gap between town and country. Again, there was considerable evidence of a proliferation in corruption (Hanlon 1996).

There are currently 21 unions in Mozambique, grouped into two federations, the OTM and CONSILMO (Rebelo et al 2002). In the 1970s, the Frelimo government established production councils in all workplaces; in 1983, these were united into unions under the umbrella of the *Organicao dos Trabalhadores de Mozambique* ('OTM', the Organization of Mozambican Workers), but remaining firmly under control of the ruling party. In 1990, OTM began to loosen its links with Frelimo, and has since become a persistent critic of the government's economic policies (Hanlon 1996: 78; Nhaca 1997). This was made possible through the government's acceding to a more pluralistic approach to employment relations and triggered by the latter's conversion to neo-liberalism (Pitcher 2002: 116; Gumende 1999: 39). Currently, OTM has an estimated 90 000 members. In 1998, the Confederation of Free and Independent Trade Unions of Mozambique (CONSILMO) was formed by three trade unions that had broken away from the OTM, representing workers in the hotel, construction and transport industries (World Bank 2003).

Mozambican labor law centers on the *1998 Labor Law*, which accords workers a degree of job security and collective bargaining rights; however, casual workers are

not included under its provisions. This has led to many Mozambican firms categorizing their workers as casuals in order to escape the law (Levy 2003). Again, whilst a tripartite negotiating forum, the Consultative Labor Commission (established in 1994) brings together representatives of the state, employers and unions, its principal area of business is the setting of a minimum wage, with enforcement being lax.

Key Characteristics of National Employment Systems

Whitley (1999: 42) argues that the defining features of national employment systems center on the degree of *employer-employee interdependence*, and the amount of *delegation to employees and associated trust*. The former encompasses the degree to which firms rely on external labor markets in managing their labor forces - and on attaining a high degree of numerical flexibility - as adverse to encouraging positive organizational commitment and mutual investment in developing organizational capabilities (Whitley 1999: 38; Storey 2001: 366; Marsden 1999: 219). In other words, employee-employer interdependence is about security of tenure, and the willingness of firms to invest in their people (Whitley 1999: 38; Storey 2001: 366; Marsden 1999: 219). The shocks associated with the implementation of structural adjustment in the 1990s led to wholesale job shedding by Mozambican firms (Hanlon 1996; Pitcher 2002). Rather less clear is the extent to which firms continue to engage in downsizing in the post-adjustment period; in other words, the extent to which firms have become locked into practices associated with numerical flexibility. Given this, in evaluating the extent of employee-employee interdependence in Mozambique, we look at the proportion

of firms that have made use of redundancies within the past year, and the use of structured training and development by firms.

The amount of input accorded to employees concerns issues such as the degree to which managers are willing to allow employees greater discretion in the performance of tasks, the extent to which employers enter into and keep to agreements with employee representatives, and mechanisms for involvement and feedback (c.f. Whitely 1999: 39). Marchington et al (1992: 13) argue that there are four types of employee involvement: structured downward communication, upward problem solving, financial participation and representative participation including collective bargaining. Hence, in evaluating employee input, we look at the extent of financial participation, upward problem solving, downward communication, and the prevalence of union recognition and whether employers keep to the resultant collective agreements.

Finally, we assess the extent to which a coherent national employment system exists at all, or whether specific sets of practices are confined to firms of a particular size (Marginson et al 1993), sector (Hirst and Zeitlin 1997), or those in found in a specific locale (Collinge 1999).

Statement of Hypothesis

Domestic institutional weakness and an unfavorable external environment has led to the Mozambican employment relations system being predominantly characterized by authoritarianism, a lack of attention to HR development and planning, union weakness and low security of tenure.

Method

This paper is based on a survey of Mozambican firms, the sampling frame being compiled from the listings of

commercial firms in the official telephone directoryⁱ; in all some 177 firms were surveyed. Stratified sampling was employed, strata being defined by geographic locale, and within each geographic locale, by sector; this ensured representation of both key areas of industrial concentration and sector. The survey covered greater Maputo, and the other principal concentration of industrial and commercial activity in Mozambique, greater Beira. The fieldworkers were Mozambican postgraduate students from Eduardo Mondlane University and the University of Witwatersrandⁱⁱ; training was provided in the form of a workshop, which equipped the interviewers with applied skills for conducting fieldwork in Mozambiqueⁱⁱⁱ.

From this data analysis is carried out, initially by simple observation of the distribution of various outcomes, then by estimating a number of probit models seeking to explain differences in employment relations behavior. The probit models are estimated by maximum likelihood and have just two outcomes 0 and 1. Based on the normal distribution the probit model is represented by,

$$\text{Prob}(Y=1) = \Phi(\beta'x). \quad (\text{Greene 1993 p637})$$

Where Φ is the standardised normal distribution, β is the vector of estimated coefficients from the model and x is the vector of explanatory variables. Hence the probability of each firm having a value of 1 for the dependent variable is estimated as a non-linear function of the explanatory variables and their estimated coefficients.

Findings

A National Employment System?

The initial findings were able to establish the extent of national practices within Mozambican industrial relations. Table 1 summarizes the degree to which specific sets of practices are associated with particular firms. This reveals that most firms are wedded to conservative employment progression; there is little to indicate the presence of islands of progressive employers consistently engaging in "high value added" employment relations policies.

In isolation each of the categories show a tendency towards low-grade strategies amongst nearly all of the firms. Of the 101 firms responding to all 4 questions in the survey there are only 22 with formal training, 33 using formal information systems and 38 being accepted as mostly abiding by agreements. Redundancies are less damning with only 27 firms having made people redundant in the last 2 years, however this is still a significant minority at over $\frac{1}{4}$ of the total. Furthermore redundancies, to a certain extent, reflect external factors, i.e. the current operating environment faced by the firm. Hence a firm pursuing "low value added" strategies may be able to expand and avoid redundancies during a period of favorable conditions in its specific market. With the reverse being possible for "high value added" firms.

Consequently by focusing upon the other 3 categories, i.e. those over which firms have much greater control, a clearer picture can be built up of the general view of employment relations policies held by firms in Mozambique. Collective analysis of these 3 areas is no less critical than on a selective basis, simple

observation of Table 1 reveals that the majority of firms are collected within a small number of predominantly low-grade combinations. More precisely over 1/3rd of firms have no formal training, no formal information systems and do not honor agreements, with over 75% of the firms choosing the “low road” strategy in at least 2 of the 3 categories. Overall emphasizing that “high value added” employment relations policies are very much the exception in Mozambique.

Table 1: Specific Practices and Firms

Formal, Certified Work-based Training	No Redundancies in Last 2 Years	Formal Information Dissemination Systems	Abide by Agreements	Number of Firms
Yes	Yes	Yes	Yes	2
Yes	Yes	Yes	No	6
Yes	Yes	No	Yes	2
Yes	Yes	No	No	5
Yes	No	Yes	Yes	1
Yes	No	Yes	No	2
Yes	No	No	Yes	2
Yes	No	No	No	2
No	Yes	Yes	Yes	6
No	Yes	Yes	No	9
No	Yes	No	Yes	17
No	Yes	No	No	27
No	No	Yes	Yes	4
No	No	Yes	No	3
No	No	No	Yes	3
No	No	No	No	10
Total				101

Overall the initial finding from this section is that there is a clear tendency towards low-grade policies amongst Mozambican firms, however it is possible that this simply reflects the environment in which the individual firms operate **(refs)**. As a result the subsequent analysis seeks to explain different aspects of firms’ behavior by their size, location and industry. **(refs)**

Employer-Employee Interdependence

Over a quarter (28%) of firms had made employees redundant in the past year. The mode of firms (69%) employed informal workplace based training, commonly the "sitting with Nellie" model, whereby a new worker is placed alongside a more experienced colleague. Less than a fifth of firms (19%) had certified in-firm training programs.

Table 2 depicts the findings of a binomial probit model, with redundancies as the dependent variable (1 if redundancies have taken place in the last 2 years and 0 otherwise). The explanatory variables, in this and the subsequent models, are the size of the firm (no. of employees), regional dummies (Maputo and Beira, with Maputo city as the base group) and a number of sectoral dummies (with manufacturing other than metal as the base group).

The probit model is estimated by maximum likelihood and has just two outcomes 0 and 1, representing no redundancies and redundancies in this analysis. Hence the probability of each firm having made people redundant in the last 2 years is estimated as a non-linear function of the explanatory variables and their estimated coefficients. Table 2 records the estimated coefficient, standard error, t-ratio and mean for each explanatory variable. An absolute t-ratio value above 1.6 is required for that variable to achieve significance at the 10% level. All of the potential explanatory variables are insignificant with the exception of size. Larger firms were more likely to have made people redundant in the last 2 years, with region and sector being irrelevant; this would underscore the extent to which intensified global competition and reduced levels of state protection

has had particularly adverse consequences for larger firms.

Table 2: Binomial Probit Model: Redundancies as the Dependant Variable.

Variable	Coefficient	Standard Error	t-ratio	Mean
Constant	-1.11*	0.27	-4.11	1.00
Size (no. of employees)	0.0004*	0.0002	1.94	267.11
Maputo	0.04	0.32	0.14	0.41
Beira	-0.04	0.35	-0.10	0.34
Agriculture	-1.43	1.38	-1.04	0.03
Chemical Products	-0.62	0.97	-0.64	0.03
Metal Manufacturing	0.09	0.47	0.20	0.08
Construction	0.40	0.32	1.27	0.20
Transport	0.31	0.36	0.86	0.15
Services	0.02	0.62	0.03	0.05
Dependent variable		Redundancy		
Number of observations		152		
Iterations		6		
Log likelihood function		-69.6		
Restricted log likelihood		-74.1		
Chi-squared		8.9		
Degrees of freedom		9		
Significance level		0.45		

*denotes significance at the 10% level.

Based on a similar probit model, table 3 uses certified workplace based training as the dependent variable (1 if certified workplace based training takes place and 0 otherwise). Again most of the variables are insignificant except people working in Beira are less likely to have certified training and people in agriculture are more likely. This would reflect the use of certified training by a number of large agricultural enterprises in the region; however, as will become apparent, these enterprises are no more enlightened than their peers in other sectors and regions in a range of other areas.

Table 3: Binomial Probit Model: Certified Workplace-Based Training as the Dependant Variable.

Variable	Coefficient	Standard Error	t-ratio	Mean
Constant	-0.69*	0.24	-2.87	1.00
Size (no. of employees)	0.0003	0.0002	1.50	267.11
Maputo	-0.22	0.29	-0.77	0.41
Beira	-0.98*	0.38	-2.59	0.34
Agriculture	1.26*	0.73	1.72	0.03
Chemical Products	0.49	0.67	0.74	0.03
Metal Manufacturing	0.33	0.45	0.74	0.08
Construction	0.01	0.36	0.02	0.20
Transport	-0.07	0.43	-0.18	0.15
Services	0.21	0.53	0.39	0.05
Dependent variable		Training		
Number of observations		152		
Iterations		6		
Log likelihood function		-64.1		
Restricted log likelihood		-75.5		
Chi-squared		22.8		
Degrees of freedom		9		
Significance level		0.007		

*denotes significance at the 10% level.

Delegation to Employees

The preferred method of information dissemination in the case of 77% of firms was through ad hoc mechanisms, such as verbal communications from managers at irregularly general meetings. Few firms (15%) made use of mechanisms such as cascade briefings that allowed for the structured flow information from top to bottom, with some room for feedback from below.

Whilst 22% made use of shopsteward or worker representative briefings, in many cases, this was the same firms that made use of cascade briefings. Again, few firms made use of systemic forms of employee consultation: only 6% made use of suggestion boxes, 4% workplace surveys and 15% team briefings. The survey similarly revealed little in the way of financial

participation, other than practices associated with traditional piecework or jobbing systems.

Table 4 depicts the findings of a binomial probit model with information sharing as the dependent variable. Beira-based firms were less likely to have formal information sharing systems in place; despite the higher incidence of certified training, Beira does not seem to be a locale especially associated with progressive employment relations policies in other areas. Again, transport firms were less likely to have structured information-sharing systems in place, reflecting the spatially dispersed nature of the industry. A similar pattern was apparent when it came to consultation: Beira firms were somewhat less likely to have formal mechanisms for employee consultation or participation in place. However, there was no association between firm size or sector on the one hand, and employee consultation on the other hand.

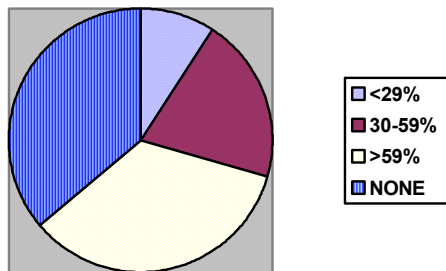
Table 4: Binomial Probit Model: Information Sharing as the Dependant Variable.

Variable	Coefficient	Standard Error	t-ratio	Mean
Constant	1.81	0.40	4.56	1.00
Size (no. of employees)	0.0001	0.0001	0.67	268.32
Maputo	-0.72	0.42	-1.71	0.41
Beira	-0.95	0.44	-2.16	0.34
Agriculture	-0.49	0.76	-0.64	0.03
Chemical Products	-0.31	0.73	-0.42	0.03
Metal Manufacturing	-0.15	0.49	-0.31	0.08
Construction	0.28	0.38	0.74	0.21
Transport	-1.10	0.34	-3.20	0.15
Services	-0.53	0.65	-0.82	0.05
Dependent variable		Information Sharing		
Number of observations		150		
Iterations		5		
Log likelihood function		-60.7		
Restricted log likelihood		-72.2		
Chi-squared		22.9		
Degrees of freedom		9		
Significance level		0.006		

*denotes significance at the 10% level.

The mode of firms surveyed (36%) had no union presence whatsoever. However, 34% of firms had a relatively high rate of unionization, with more than 59% of the workforce belonging to a union. 20% of firms had a union presence of between 30% and 59%, whilst 10% had 29% or less (figure 1).

Figure 1: Union Penetration Rates



However, in covering formal sector employers, the survey encompassed what remains a diminishing area of employment. Again, Mozambican unions had little independence in their formative years, being firmly tied to the ruling party and, hence, bound to the managerial agenda of what were then almost exclusively state owned enterprises; independent action by unions is a relatively recent phenomenon.

Furthermore, Mozambican unions seem to have had little success in reaching out to more marginal categories of labor. The survey revealed that, in only 20% of unionized workplaces, short term contract/casual workers belonged to a union; as noted earlier, many employers classify a large proportion of their workforce as casuals, in order to escape the provisions of the *Labor Law*. Unionization amongst part time workers was

even lower; in only 4% of unionized workplaces did any part-timers belong to a union.

In 64% of firms, bargaining was confined to individual workplace, and in 22% at enterprise level. The highly decentralized nature of bargaining makes unions dependent on the goodwill of local managers, and on their capacity to weather the adverse consequences of redundancies, changes in recruitment and retention practices or similar managerial actions, and, indeed, the targeted victimization of employees who are active in the union.

In 46% of workplaces a collective agreement was in force. However, only 39% of managers surveyed believed that their firm actually abided by the agreement. This would underscore the highly decentralized nature of Mozambican industrial relations, and the absence of effective institutional restraints on managerial actions.

A final probit model had the same explanatory variables, but with bargaining effectiveness as the dependent variable (1 if there is recognition and the employer satisfactorily abides by collective agreements and 0 otherwise). In this case all of the variables are insignificant; in other words, the behavior of firms is unaffected by size, locale or sector.

In summary, the various probit models reveal that there are very few significant relationships between the extent of employer-employee interdependence or delegation to employees and the explanatory variables. With a small number of exceptions firms' employment relations policies are shown to be independent of size, sector and locale. Consequently it is clear that the predominance of low quality strategies in this area result from national practices rather than any other factors.

Mozambique in Comparative Perspective: Continuity or Change?

As Ludlam et al (2003: 612) note, a central issue is the extent to which supranational forces and institutions have reduced the scope for setting independent labor market policies at national levels, making the need for diverse models of capitalism - and in firm practices - redundant. In the case of Mozambique, there is little doubt that the pressures of transnational financial institutions and the weakness of national ones has contributed to a situation where a relatively large number of firms have become locked into superflexibility (c.f. Wood, Harcourt and Harcourt 2004). There is little evidence of clusters of more progressive practices in particular sectors or locales, or in firms of a specific size. There is similarly little evidence that the activities of the ILO have encouraged better practices; most firms ignore or avoid large bodies of Mozambican labor law (Levy 2003), irrespective of whether or not the latter has been framed in accordance with ILO guidelines.

However, it would be mistaken to assume that Mozambican employment relations simply reflect part of a possible global convergence towards low wage/low skill/low security of tenure policies and practices. Rather, as suggested by *theories of state failure*, they reflect not only international pressures, but also the persistence of domestic institutional configurations and distortions. Contemporary Mozambican employment relations is at least partially path dependent, with external market pressures being channeled and molded by national level institutional realities (c.f. Traxler et al 2001); clearly identifiable continuities stretch back to the colonial era (Pitcher 2002; c.f. Newitt 1996). A central aspect of the latter is a durable informalism: management

tends to be on personal, albeit autocratic and patriarchal, lines, in contrast to the rational-bureaucratic procedures dominant in the advanced societies. Whilst on one hand, this informalism is dysfunctional, making for weak and unstable rules governing social interactionism within and between firms (c.f. Marsden 1999; Phelps Brown 1983). On the other hand, it has made for an inherent dynamism, enabling many firms - and cohorts of managers - to survive external shocks including rapid decolonization, a state socialist experiment, civil war, and neo-liberalism.

Conclusion

The survey revealed that informalism and autocratic managerialism characterize the practice of employment relations in Mozambique, characteristics that cut across sectors, regions and firm sizes. On the one hand, there is little doubt that the practice of Mozambican employment relations has been greatly affected by external shocks; most recently, the implementation of structural adjustment policies has had the effect of greatly reducing security of tenure (Hanlon 1996; Pitcher 2002). Again, privatization has strengthened managerial autonomy^{iv}, whilst within newly privatized firms, there has been a growing tendency to opt out of the *Labor Law* by categorizing employees as casuals (Levy 2003).

On the other hand, the ad hoc patriarchal authoritarianism that permeates managerial practice represents a continuity stretching back to the colonial era, the socialist experiment of the 1970s notwithstanding (Pitcher 2002). There is some evidence to suggest that similar practices represent the norm in many eastern and northern African states (Harvey 2002; Frynas

and Wood 2003; Mellahi and Wood 2003; Kamoche 2002), underscoring the extent to which specific historical legacies shape the practice of industrial relations (c.f. Phelps Brown 1983). It would be mistaken to assume a convergence towards a global systematic archetype of low wage/low skill/low security of tenure set of practices. Instead, contemporary Mozambique employment relations are an example of external market pressures being channelled and moulded by the persistence of national level realities that stretch back to the colonial era. As Marsden (2001) notes, any innovations will spread slowly in the absence of effective institutional means, with familiar conventions being likely to persist because people know how they work in practice, and what outcomes to expect.

Further Research

Whilst there is an extensive body of research dealing with the nature and consequences of labor regulation in colonial era Mozambique (see Newitt 1996; Pitcher 1993; Saul 1985), the survey represents the first systematic attempt to gauge the nature of contemporary labor relations practices at firm level. Hence, whilst it is possible to identify key continuities stretching back to the colonial era, it is not possible to accurately gauge the manner in which IR practices are replicated or abandoned, and the extent to which they may be converging across firms. A series of follow-up surveys conducted at regular intervals would be valuable in this regard. This would shed further light on whether the practices encountered in Mozambique constitute a definable systemic archetype (Katz and Darbishire 2000), or simply represent a "default" cluster of incoherent reactions to persistent

institutional and regulatory failures. Again, comparative studies employing a similar measuring instrument in different national contexts would shed further light on the nature of, and degree of uniformity in, IR practices across tropical Africa, and tendencies towards convergence or difference within and between nations, regions and continents (c.f. Katz and Darbishire 2000).

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Endnotes

ⁱ The high exit rate of firms within Mozambique - and a limited number of new entrants - resulted in listing not being totally comprehensive or accurate. Extensive local enquiries eliminated those firms who ceased operations. The listing was supplemented in consultation with employer associations and the labour movement in order to ensure that newly established workplaces were encompassed. Excluded were very small enterprises that lacked a telephone and who are unlikely to be affiliated to an established employer association; whilst limiting the scope of the study, it is unlikely that such enterprises have defined industrial relations policy.

ⁱⁱ Denise Malauene, Elize Muianga, Filipe Martins, Rachel Matavele, Crimildo Jose, and Eva Magumane.

ⁱⁱⁱ The principal research assistant, Beata Mtyingizana, on a twice-weekly basis closely monitored the progress of the fieldworkers.

^{iv} Whilst the reforms of the late 1980s and early 1990s also led to unions gaining autonomy from the ruling party, they have generally failed to capitalise on these gains owing to a lack of effective legal protection and a shrinking employment base.