

Einar Braathen and Austin Muneku

# Strengthening Trade Unions

Evaluation of LO's Co-operation  
with OTM-CS in Mozambique



**NIBR**

Norwegian Institute for Urban and Regional Research

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co-operation so far, the political and  
socio-economic contexts of Mozambique  
indicate that there is a large need for a  
stronger trade union movement.  
Henceforth, a continuation of the co-  
operation recommended based on a deep-  
going redesign of the programme.

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# Preface

This report presents the results of an evaluation carried out for the Norwegian Confederation of Trade Unions (LO-Norway). It analyses LO's programme cooperation with the Organização dos Trabalhadores de Moçambique – Central Sindical (OTM-CS) for the period 2006 through 2008. OTM-CS is the major confederation of trade unions in Mozambique. The team leader has been Einar Braathen, NIBR. Austin Muneku, Zambia, has been the co-evaluator and co-author of the report.

The team is very grateful to Nina Mjørud and Camilla Houeland (of LO's International Department) and Robinson Sikazwe (LO's consultant for Southern Africa) for their facilitation of the evaluation and detailed comments to draft versions of the report.

David Lier, NIBR, provided constructive ideas and comments. The team visited Mozambique in February 2009 for interviews and data collection. Thanks are owed to OTM-CS' general secretary, Alexandre Munguambe, and his staff for excellent assistance to the evaluation team. In particular the team wants to express its appreciation to Boaventura Mondlane, Rafael Dava and Rofino Ngulela for their valuable assistance. The team is immensely grateful to all informants who were involved in Maputo and Beira.

The team has tried to accommodate all relevant comments from OTM-CS and LO into the final version of the report. Nonetheless, the authors alone bear the responsibility for the report, its recommendations and conclusions.

Oslo, September 2009

Marit Haug  
Research Director

# Table of Contents

Preface.....	1
Tables .....	4
Summary .....	5
1 Introduction .....	9
1.1 Mandate .....	9
1.2 Methodology and limitations.....	10
1.3 Structure of the report.....	11
2 The challenges of the Labour Movement in Mozambique ....	12
2.1 Legacy of the past .....	12
2.2 Socio-Economic Environment: Growth in the Formal Economy Employment .....	14
2.3 Political environment: - A pro-business Patrimonial State.....	17
3 The design of the Programme Cooperation.....	21
3.1 The Programme 2006-2009 .....	21
3.2 The ‘programme theory’ of the LO/OTM-CS cooperation .....	22
3.3 OTM-CS’s other international partners.....	28
4 Assessment of activities and results.....	29
4.1 “Financially viable” .....	29
4.2 “Democratic” .....	32
4.3 “Effective” .....	33
4.4 “Influential” .....	37
4.5 “Independent” .....	38
4.6 “Strong” .....	40
5 Assessment of the key project issues.....	41
5.1 Relevance.....	41
5.2 Efficiency .....	42
5.3 External impact .....	43
5.4 Sustainability .....	44

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5.5	Management.....	46
6	Conclusions and recommendations.....	48
6.1	Reach a shared understanding of the basic strategic issues.....	50
6.2	Consider a bottom-up strategy with focus on results .....	51
6.3	Redesign the modality of cooperation .....	54
	References.....	56
	Appendix 1 OTM-CS Affiliates Trade Union Membership 2008.....	58
	Appendix 2 List of persons interviewed during the evaluation .....	60
	Appendix 3 Terms of Reference .....	63



# Tables

Table 3.1	Overarching Objective (i): financially viable .....	24
Table 3.2	Overarching Objective (ii): (internally) democratic....	25
Table 3.3	Overarching Objective (iii): effective .....	26
Table 3.4	Overarching Objective (iv): influential .....	27
Table 3.5	Overarching Objective (v): independent .....	28
Table 5.1	OTM Income and expenditure 2006-2008 (Meticais) .....	45

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# Summary

*Einar Braathen and Austin Muneku*

## **Strengthening Trade Unions.**

Evaluation of LO's Co-operation with OTM in Mozambique  
NIBR Report: 2009:27

*The objectives* of the evaluation. The Norwegian Confederation of Trade Unions (LO) has since the 1990s supported Organização dos Trabalhadores de Moçambique – Central Sindical (OTM-CS) and its work to strengthen the trade union movement in Mozambique. This study evaluates the programme-cooperation in 2006, 2007 and 2008. The objectives of the evaluation team were:

- To assess the results of the support provided to OTM-CS by LO to strengthen the capacity of the organisation
- To assess the modality of cooperation with the OTM-CS and provide recommendations on areas for improvement, in particular related to monitoring and reporting on performance by OTM-CS.

*The challenges of the Labour Movement in Mozambique.* The historical, economic and political contexts pose serious challenges for the labour movement in Mozambique. The legacy of the past includes the fact that OTM was created under a socialist one-party state. In the 1980s and 1990s the country undertook a drastic shift from a command to a market economy resulting in privatisation, factory closures, mass unemployment and erosion of the trade union member bases. The Mozambican paradox is that in spite of more than a decade of high economic growth rates, substantial foreign investments, and rapid expansion of education, poverty is increasing and the employment situation is worsening. Income disparities increased amongst a vulnerable population hit by

natural disasters, irregular harvests, malaria and HIV-AIDS. Ninety per cent of the labour force are either employed (or self-employed) in the informal economy (mainly self-subsistence agriculture) or are unemployed. Like most countries in sub-Saharan Africa, Mozambique has been forced by the international financial institutions (IMF and the World Bank) to adopt neo-liberal pro-business policies. Mozambique has for some time seen collective bargaining rights flouted, unionists in export-processing zones discriminated against and workers unduly fired. The government has been complicit since it did not take legal action against the employers, and because its labour legislation was not compliant with ILO's international standards. However, that situation changed in 2007 when a new labour law was adopted that improved the conditions for organising trade unions.

*The design of the programme co-operation.* The modality of co-operation has been inconsistent. On the one hand, much of the LO support can be categorised as core funding or direct budget support. Donor agencies who practise this type of support usually emphasise participatory planning and ownership on the recipient side, clear targets and performance indicators, as well as robust mechanisms of democratic accountability. These are not the conditions for the cooperation between OTM-CS and LO. On the other hand, LO provides project-like support to specific organisational development. In this area, no baseline study was made prior to the 2006-2009 agreement between LO and OTM-CS, although the partners shared a clear picture of the situation and problems for the Mozambican trade union movement. The goal of the programme cooperation has been to make OTM-CS “*strong, independent, viable, effective, democratic and influential*”. The LO/OTM-CS agreement does not suggest any conflicts between these overarching objectives. For instance, ‘influence’ might be obtained only at the expense of ‘independence’, and visa versa, particularly in their relationship with the state and government. Unfortunately, the agreement does not specify how both independence and influence can be achieved. The evaluators found that the task of monitoring and reporting on performance by OTM-CS could have been easier if the objectives of the programme had been more consistent and better specified. The linkages between long-term objectives, immediate objectives and activities/project inputs should have been better elaborated.

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## Assessment of activities and results.

### Main findings:

1. OTM-CS has, according to its own figures, increased its membership by almost exactly 10% annually. This is a significant achievement given the economic realities marked by a pro-business government, continued privatisation, company closures, casualisation of work, increase of the informal sector and hostility of employers.
2. The claim of increased membership, conversely, is not backed by a sustainable increase in membership dues. It remains a regrettable fact that the members' dues account for only about 2% of total income. OTM-CS is a weak trade union organisation. There have been several shortcomings when it concerns the efficiency, effectiveness, external impacts and sustainability of the programme. There has been little or no progress towards becoming a stronger, more financially viable and more effective workers' movement.
3. While there has been some progress in the area of organisational development, in particular related to the organisation of female workers and gender equality, several other donors have executed more direct support to this development. It is difficult to establish the impact of LO's support. However, it is likely that LO's support has made OTM-CS administratively more capable to receive aid from other sources, serving as a catalyst for other external support to OTM-CS. There is, nevertheless, a danger that this will make OTM-CS a typically donor-dependent 'NGO' rather than a self-reliant and member-based union movement.
4. OTM-CS has some influence in national affairs, mainly in labour policy issues and setting of minimum wages. However, it has not been capable of flexing its muscles in the wider social, economic and industrial policy-making of the country. Its legacy as a trade union confederation organised from above by a one-party state constrains its capabilities to become as independent and free as the current political-economic development of Mozambique demands

*Conclusions and recommendations.* Notwithstanding the shortcomings of the programme co-operation so far, the political and socio-

economic contexts of Mozambique indicate that there is considerable need for a stronger trade union movement. Henceforth, the evaluation team will recommend a continuation of the co-operation between the two partners, but only if it is based on a radical redesign of the programme/project:

First, the partners should reach a shared understanding of the basic strategic issues. Should the aim be to develop a service-delivering NGO ('benefit unionism') or a 'shop-floor unionism' characterised by rank-and-file based activities, collective bargaining and solidarity?

Second, the partners should consider a bottom-up strategy with focus on results. Operational goals should be formulated at the company level, in sector-specific trade union development, and in national policy-making.

Third, the partners should redesign their modality of cooperation accordingly.

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# 1 Introduction

The Norwegian Confederation of Trade Unions (LO) under a programme cooperation since the 1990s has supported the work of Organização dos Trabalhadores de Moçambique – Central Sindical (OTM-CS) to strengthen the trade union movement in Mozambique in general and the capacity of the OTM-CS in particular. The programme is aimed at support activities under a programme known as “Organizational Development”. It intends to address the above challenges facing trade unions in Mozambique with the principle objective to build a strong, effective, democratic and financially viable trade union movement in Mozambique. The programme cooperation evaluated in this study was to operate from January 2006 to December 2009, receiving approximately NOK 1,000,000 per year.<sup>1</sup>

## 1.1 Mandate

LO appointed two consultants to evaluate the programme cooperation with OTM-CS in the beginning of the year 2009. The objectives of the evaluation team were:

- To assess the results of the support provided to OTM-CS by LO to strengthen the capacity of the organisation;
- To assess the modality of cooperation with the OTM-CS and provide recommendations on areas for improvement, in particular related to monitoring and reporting on performance by OTM-CS<sup>2</sup>.

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<sup>1</sup> Corresponds to approximately 180,000 USD annually with the exchange rate that prevailed in 2006-2008

<sup>2</sup> See Terms of Reference, Appendix 3

Furthermore, the evaluation of the programme cooperation was intended to form a basis for decisions in LO regarding possible finalisation or continuation of the programme. The evaluation covers the period 2006-2008. In this respect this report evaluates the progress and results of the programme cooperation for organisational development over the period from 01 January 2006 to 31 December 2008 and makes recommendations towards improving the scope of current cooperation. The report serves as input into LO's decision-making process regarding the future cooperation with OTM-CS and will hopefully also serve as a basis for future strategy-making in OTM-CS.

## 1.2 Methodology and limitations

The report is based on intensive fieldwork from February 19 to 26, 2009.<sup>3</sup> Several visits were made to the OTM-CS headquarters as well as relevant national trade unions and organisations in Maputo. Interviews with all the elected executive leaders and key staff of OTM-CS were conducted, as well as with the leaders of the other trade union confederation, CONSILMO, and a majority of the OTM-CS affiliates, civil society, government and the employers' federation – just to mention a few. One visit was made to the provincial level, to the second largest city of Mozambique, Beira.

Unfortunately, only one visit was carried out to interview shop stewards – at the Cerveja de Moçambique, a privately owned subsidiary of South African Breweries (SAB), in Maputo. The trip to Beira was supposed to include a call with the shop stewards of the dock workers, but this visit only produced a meeting with a management representative of the private port operator. Another limit to the team's information base is that it did not have the time or opportunity to interview rank and file members of the OTM-CS. A third shortcoming is that the time did not allow more interviews with independent observers of the Mozambican trade union movement.

However, the team managed to see the residential representatives of all the other foreign partners of OTM-CS. A meeting with the external auditor was organised. The team also interviewed the permanent secretary of the Ministry of Labour, although the

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<sup>3</sup> See List of persons interviews during the evaluation, Appendix 2.

mission had hoped to meet the minister of labour. Due to logistical problems the visit to the employers' association CTA, represented by its entire presidency team and executive staff, was shorter than scheduled. Further information was sought through written material, which interviewees generously handed out to the mission. The mission also observed the national media coverage of labour issues. Last but not least, the report builds on desk studies of a huge pile of relevant project documents provided by LO, complemented by interviews with the relevant programme officers and consultants of LO.

The evaluation has been difficult to implement since there was no baseline or logical framework set prior to the 2006-2009 agreement.<sup>4</sup> There was no clear indication as to which activities were supposed to lead to the achievement of which goals. There were no clearly defined indicators, baseline data or sources of verification attached to each objective. Hence, assessment of progress in the organisational development depended much on numbers, statistics and judgements provided by the interviewees themselves. The team could not verify the validity of all the sources. Nevertheless, the 'general indicators' outlined in the Appendix to the Co-operation Agreement serve as benchmarks for success. The team has made efforts to triangulate and interpret available information so that its conclusions and recommendations are reliable.

### 1.3 Structure of the report

Chapter 2 tries to depict the background and economic and political contexts that frame the current challenges of the labour movement in Mozambique. Chapter 3 provides a brief presentation of the programme cooperation with LO as well as with OTM's other international partners. Chapter 4 examines in detail the programme performance to make an assessment of the programme results. This includes gender issues and external impact. Chapter 5 discusses other key evaluation issues, such as relevance, efficiency and sustainability. Chapter 6 presents conclusions and recommendations.

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<sup>4</sup> However, in many cases the previous evaluation of the LO-OTM cooperation by Torres et al. (1997) served as a substitute for a baseline study.



## 2 The challenges of the Labour Movement in Mozambique

The challenges facing the labour movement in Mozambique, like in most African countries, are enormous. The evaluators have tried to tease out some of these challenges. Below are the main challenges as viewed by the evaluators. In addition the evaluators have taken into account common knowledge among observers of development in Mozambique in arriving at these challenges.

### 2.1 Legacy of the past

Mozambique became a sovereign People's Republic on June 25, 1975, when power was handed over from the Portuguese colonial administration to FRELIMO. Mozambique entered the 1980s as a one-party state, firmly under the control of a Marxist-Leninist vanguard party (FRELIMO), and with the declared vision of becoming a socialist industrialised country within 10 years. External support from the Soviet Union and allied countries was instrumental. This brave socialist project, guided by the charismatic head of the Party State, Samora Machel, failed for several reasons. First, Stalinist notions of socialism dominated, leaving little space for political pluralism and democratic decision-making. Second, internal opponents to the FRELIMO rule won strong military support from external enemies of the new People's Republic, in particular the racist Smith-regime in Rhodesia and the apartheid-regime in South Africa. Consequently, RENAMO managed to rally a civil war that devastated Mozambique's economy. Third, the external supporters of this state socialist project, namely the Soviet Union, disintegrated into several states with the main player a new Russia emerging that was more pro-capitalism. As early as the mid-1980s it was clear that the 'Soviet camp' did not have the

economic capacity or the political will to support its poorest friendly countries to become industrialised countries. Instead, the near-bankrupt state of Mozambique had to ask for emergency aid from the main international financial institutions of the capitalist system, namely IMF and the World Bank. These institutions required the borrowing country to adopt new policies to pave the way for a liberalised market economy.

Under these circumstances OTM<sup>5</sup> was born. It emerged from the Production Councils created in 1976 in order to “fight against sabotage and to organise workers in collective moulds conducive to increased production and productivity”.<sup>6</sup> OTM was founded in October 1983 under strict supervision by the ruling party and as a component of a state socialist project.

“(OTM) ... was created by, and continued to operate as, an initiative from the top and then diffused downwards. The FRELIMO created the OTM, the OTM created the sectoral syndicates, and the sectoral syndicates established the shop-floor committees” (Tórres et al., 1997).

FRELIMO has put a clear mark on the labour movement, as conveyed by the opening statement in the preface of the OTM-CS’s new statutes from 2007: “After the national independence of Mozambique, fruit of the national liberation struggle (...) directed by FRELIMO, whose common objective was freedom and social justice, the Mozambican workers initiated the organisation of its trade union movement”.<sup>7</sup> From its first formative years OTM faced a number of challenges, both internal and external, largely precipitated by the processes of economic and political liberalisation. The economic liberalisation started in 1987 with the IMF/WB-funded Programme for Economic Recovery’ (‘Programa

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<sup>5</sup> The ‘CS’ (Central Sindical) was added to OTM’s name at a later stage

<sup>6</sup> OTM-CS, the cabinet of the General Secretary, in written comments on the first draft of this report, May 12, 2009.

<sup>7</sup> OTM-CS 2008a, “Estatutos da OTM-Central Sindical”. Translated to English from its preface (“Preâmbulo”). While this document refers to the historical ‘Front for the Liberation of Mozambique’, with the acronym FRELIMO, and the current political party is called ‘Frelimo’ (without capital letters), few people would perceive any difference, particularly not when this historical connection is conveyed to the workers in oral discourses.

de Reabilitação Económica', PRE). The political liberalisation started with the adoption of a new national constitution in 1990, which guaranteed the rights of free association, of strike action and other freedoms for the workers. However, these developments were long seen as threats rather than opportunities for the trade union movement.

The shift from a command to a market economy as well as the introduction of political pluralism entailed a major transformation in both the economy and polity of Mozambique. The labour movement was not spared from the consequences that followed this transformation. The formal separation between the state and the party, imposed by the new constitution, resulted in a shift from the party to the state as the main financer of OTM-CS. Although ideological and informal linkages to the Frelimo party remained, a financial dependence on the state was institutionalised. During this same period of transformation three national unions affiliated to OTM-CS broke away to establish the second trade union federation CONSILMO. This split in the trade union movement is still present.

One consequence of economic transformation that impacted adversely on the labour movement was the privatisation of state enterprises. Not only were jobs lost but a number of enterprises closed down or scaled down production soon after privatisation. The sectors most affected by closures were in cashew production and textile industries, where women were in the majority. Sectors most affected by privatisation and restructuring were beverages, railway and ports, civil aviation and telecommunications. This development has reduced the membership base, mainly among women and young workers, and weakened the trade union movement not only financially but also morally and politically.

## 2.2 Socio-Economic Environment: Growth in the Formal Economy Employment

The first socio-economic challenge of the labour movement is to influence the economic policies in order to enhance labour-intensive growth in the private sector and stimulate more employment in the public sector. Mozambique is reputed to be a success story in economic transformation and progress. During the

period under review (2006-2009) Mozambique recorded successive years of robust economic growth averaging 7% per annum (CPI 2007). However, despite this impressive economic growth over half of the population remains poor with 54% of the population below the national poverty line. The per capita GNI (Gross National Income) was US\$330, listing Mozambique among the poorest low-income countries. The life expectancy is estimated at 42 years.<sup>8</sup> Mozambique is often billed by donors as a development success. The Mozambique paradox is that in spite of 7% a year growth, substantial foreign investment, and rapid expansion of education, poverty is increasing and the employment situation is worsening. Income disparities increased amongst a population that was again hit by natural disasters (flooding of the Zambezi and cyclone Favio in early 2007), irregular harvests, malaria and HIV-AIDS (Hanlon and Smart, 2009).<sup>9</sup>

Mozambique is like most economies in Sub-Saharan Africa characterised by dualism with a shrinking or stagnant formal economy and an expanding informal economy. Formal sector employment increased from 645,953 in 2006 to 689,953 in 2007.<sup>10</sup> However, this is a marginal increase of 6% given a labour force estimated at 7.2 million (45% male and 54.1% female). Ninety per cent of the labour force are employed (or self-employed) in the informal economy or are unemployed. Persons deemed to be unemployed were estimated at 1.65 million or 22% of the labour force while 6.1 million persons were employed of which 11% were employed in the formal economy in 2007 and the rest (89%) were employed in the informal economy, mainly in agriculture.<sup>11</sup> In addition it is estimated that 47,832 persons were employed in South Africa of which only 7,134 had legalised contracts.<sup>12</sup> To make the picture even gloomier, the increase of the GDP in recent years may fade out because the foreign investments dropped

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<sup>8</sup> Instituto Nacional De Estatística, [www.ine.gov.mz](http://www.ine.gov.mz)

<sup>9</sup> Since Mozambique's independence, Joe Hanlon has followed its development closely. In his new book (with Teresa Smart) he argues that Mozambique is a development model based on neo-liberalism and the Millennium Development Goals have failed.

<sup>10</sup> Government of Mozambique, *Bulletin of Statistics on Employment 2007*, Ministry of Labour, Directorate of National Planning and Labour Statistics, Maputo, p.12

<sup>11</sup> *Ibid.*, p.12

<sup>12</sup> *Ibid.*, p.15

significantly in 2008.<sup>13</sup> In addition the uncertainty and implications of the global financial crisis further aggravate the situation.

The second socio-economic challenge of the labour movement is the low unionisation rate in the labour market. OTM-CS has to recruit new members, even in the informal economy. The traditional membership of the labour movement including OTM-CS is derived from the formal economy and the limited ability of the formal economy to absorb more persons in the labour force poses a threat to labour movement's future membership prospects. To address this challenge the labour movement, in particular OTM-CS, has put in place strategies to mobilise and organise the informal economy since not only is it absorbing more from the labour force, but a good number of former union members who have lost jobs through retrenchments are increasingly seeking refuge in the informal economy.

Notwithstanding the above, the labour movement in Mozambique still faces a big challenge to organise the unorganised within the formal economy. Out of the 689,953 employed in the formal economy in 2007 the labour movement only managed to organise about 227,468 workers (OTM-CS 102,468,<sup>14</sup> down from 136,023 ten years earlier;<sup>15</sup> CONSILMO 108,000, up from 48,000 ten years earlier; Teachers Union 17,000).<sup>16</sup>

The third socio-economic challenge facing the workers, and thus the labour movement, is the extremely low wages obtained in Mozambique. In 2007 the minimum wage in the agriculture sector was MT 1,126.50 (US\$ 43) per month while the minimum wage in

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<sup>13</sup> The total investments were 8,061 million USD in 2007, which saw an exceptional investment boom particularly in the mining sector. They dropped to 1,080 million USD in 2008, back to the level of 2006. Anyhow, these foreign investments did not create a lot of jobs: 2006, 19,372 jobs; 2007, 27,469 jobs; 2008, 20,485 jobs. Source: Centro de Promoção de Investimentos (CPI) / the daily newspaper "O País", February 25, 2009.

<sup>14</sup> OTM-CS, 2008a, (Self-Evaluation Report 2006-2008),

<sup>15</sup> The numbers from 1997 ("ten years earlier") are taken from Torres et al., 1997.

<sup>16</sup> Interview with CONSILMO and the Teachers Union. The number of members given by CONSILMO is probably highly inflated (see below), and the evaluators also have doubts about the number of members supplied by OTM-CS (see below). Hence, the real number of organised workers is very likely much less than 227,468.

the industrial and service sector was MT 1,645.50 (US\$ 63).<sup>17</sup> Ninety per cent of the employees in the formal sector earn a minimum salary only. The average monthly wage in 2007 was MT 1,386.00. At the same time, the official basket of very basic products for five persons for one month (the “cabáz de produtos básicos”) had the price tag of MT 3,762.50.<sup>18</sup> In spite of considerable increases in the minimum salary the last years, the minimum salary cannot feed even a small family. Such low wages have implications for the amounts trade unions can levy members as membership subscriptions which currently is at rate of 1% of the wage of each member. For the average worker, every ‘metical’ (MT) earned is needed for his/her self-subsistence. Even a one per cent deduction to a trade union may be a luxury s/he cannot afford. In this situation, ‘free riding’ might be a preferred option. With a system where every worker benefits from the minimum salary in the sector or collective agreement in the enterprise, regardless of being a member of the union or not, the incentive to become a paid-up member of the trade union is weak.

### 2.3 Political environment: - A pro-business Patrimonial State

Since the peace accord between the Frelimo government and Renamo in 1992, Mozambique has experienced relative political stability based on regular multiparty elections. In the consecutive elections that have been held under political pluralism Frelimo has continued to emerge victorious. However, over the years the Frelimo government has shifted from being pro left and socialist to becoming an increasingly neo-liberal free market regime. Like most countries in sub-Saharan Africa, Mozambique became financially more indebted, and the international financial institutions (IMF and the World Bank) have forced their debtors to adopt neo-liberal pro-business policies. At the same time, and in

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<sup>17</sup> Government of Mozambique, op. cit., p. 21. In 1997 the minimum salary in agriculture was as low as 24 USD; in the industrial and service sector, 27 USD (Tórres et al., 1997). The nominal increase from 1997 to 2007 was in other words 79 % and 133 %, respectively. The real increase was much less due to the depreciation of the US dollar.

<sup>18</sup> OTM-CS, 2008b, “Cenários para a Determinação de salários Mínimos Sectorais para 2008”.

spite of economic and political liberalisation, the states continued to be neopatrimonial. Neopatrimonialism can be described by the following three features:

1. *Personalist* rule and politics centred around ‘big men’. Before the ‘big men’ were dictators; with the coming of democracy the ‘big men’ were elected, usually as presidents with unchecked and almost unlimited power.
2. *Lack of distinction between the public and private domains.* Although ‘modern’ legal and administrative systems are in place, they are invaded by the private interests of the ‘big men’ and their clients. Politics becomes business, because it is political resources that give access to economic resources (wealth). In times of elections, the incumbent president/party abuses state resources (like public vehicles and state media) to become re-elected.
3. *Patronage/Clientelism* – the ‘big men’ (patrons) exchange some of their wealth with support from selected clients. The clients are placed strategically in order to control the country and secure re-election. More often than not, the notion of ‘familyism’ (or nationalism or corporatism) is employed to integrate the patron and his clients.<sup>19</sup>

Long-time observers of Mozambique agree that these features have been strengthened with Armando Guebuza as president of Mozambique since 2005 (Hanlon & Smart, 2009).<sup>20</sup> Patrimonialism has been mixed with the pro-business ideology of neo-liberalism. The links between the state and the party have been strengthened, and this may enhance the conflation of public and private interests of the political-economic elite. At the same time there have been efforts to revive the old ‘Frelimo family’ of organisations and networks created by the party, for clientelist and electoral reasons. The first political challenge for OTM-CS, as an old member of the

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<sup>19</sup> For an overview of the literature on patrimonialism and how it is practised in Mozambique, see Braathen & Orre (2001).

<sup>20</sup> See for example Hanlon and Smart, 2009. Joseph Hanlon has published several books with considerable sympathy for the Frelimo state and Frelimo party .

‘family’, is to strengthen its independence vis-à-vis the ruling party and avoid becoming its client.<sup>21</sup>

The Frelimo government has been characterised by a foreign-investor-friendly climate, removal of regulations, sales of national assets and land, and promotion of a ‘Pro-rich growth’ that has instead increased the income gaps between the rich and poor.<sup>22</sup> Furthermore, the ICFTU/ITUC’s annual surveys of violations of trade union rights since 2002 portray Mozambique very negatively: Mozambique is a country where collective bargaining rights are flouted, unionists in export-processing zones are discriminated against and workers unduly fired. The government is complicit since it does not take legal action against the employers, and because its labour legislation is not compliant with ILO’s international standards. The new Labour Law recognises the right of public servants and state officials in the public administration to organise and covers the central institutions of the public administration, local state bodies and authorities, public institutions and other subordinate or dependent institutions. However, regulations for the public sector to legalise trade unions and facilitate collective bargaining did not follow suit.<sup>23</sup> Moreover, the new law excluded fire fighters, members of the judicial authorities and prison guards from the right to establish and join organisations. The ILO’s Committee of Experts on the Application of Conventions and Recommendations (CEACR) observed that the draft Code in its Section 189 provided for

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<sup>21</sup> This challenge will be accentuated before the general elections to be held by the end of 2009.

<sup>22</sup> “The gap between rich and poor is widening”, according to the Mozambique self-evaluation submitted on 12 February to the African Peer Review Mechanism team visiting Maputo. “There is a perception that the growing differences between social classes and the increasing distance between rich and poor is putting the country into the club of unjust countries, and the growing understanding of social exclusion and maldistribution of wealth could constitute a space for conflict,” warned Lourenço do Rosario, president of the National Peer Review Forum; do Rosario is rector of the Universidade Politécnica. In interviews he underlined the point, saying that the issue had been raised in all provinces during preparation of the report. He cited the lack of a strategy to solve the problem, and warned that without action “our future will be less rosy.” (Sources: Notícias 12 Feb 2009, Savana 19 Feb 2009)

<sup>23</sup> The bill containing the regulations was finally passed on to the national assembly in February 2009. It was expected that the assembly would adopt the bill by mid-2009.



compulsory arbitration in case of essential services; however, this included services not essential in the strict sense of the term, such as postal services, the petroleum sector, meteorological services, and loading and unloading of cattle and perishable goods. The provisions in the code concerning the right to strike also need to be amended to bring it up to ILO standards, removing the time limit on the right to strike and ensuring that responsibility for declaring a strike illegal lies with an independent authority (ITUC 2008). Nevertheless, in its latest survey ITUC expresses satisfaction with Mozambique. It is one of very few countries with “new legislation recognising and enabling trade union organising” (ITUC 2009).

This may be a result of lobbying from OTM-CS and external pressure from ILO, ITUC and other organisations.<sup>24</sup> It is likely that the Ministry of Labour gained the upper hand on the final draft of the labour law thanks to these pressures. The Ministry of Labour is commonly regarded as an institutionalised (but weak) defender of the workers’ rights. Nevertheless, other parts of the government keep promoting a free market-driven policy backed by the donor community. They produce a flow of reforms and restructuring of national and public institutions including the review of a number of legislations. The second political challenge of the Mozambican labour movement is to strategically intensify the pressure on the government for equity and social progress for the citizenry of Mozambique.

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<sup>24</sup> However, we have not seen documented any such OTM initiatives that were independent from the employers, the CTA.

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## 3 The design of the Programme Cooperation

The cooperation between LO-Norway and OTM-CS has been going on since the early 1990s. The co-operation and dialogue between LO and its partner in Mozambique is built on mutual respect for the organisations' right to develop their own policies, accountability and full transparency. The modality of co-operation has been evolving from ad hoc support to specific activities with no written agreement to a quite extensive formal agreement between the partners. There has been a gradual increase in the emphasis on reporting and accounting. Although no baseline study was made prior to the 2006-2009 agreement, the partners shared a clear picture of the situation and problems for the Mozambican trade union movement.<sup>25</sup>

### 3.1 The Programme 2006-2009

The current programme on “Organizational Development” commenced upon signing of the agreement between OTM-CS and LO and became effective from 1 January 2006 and runs through to the end of 2009. The principal objective of the programme cooperation is to build a strong, effective, democratic and financially viable trade union movement in Mozambique. The programme cooperation also commits OTM-CS to mainstreaming gender equality into the programme. The bedrock of this programme is “organising” in order to increase membership and income from membership dues. The agreement clearly outlined the responsibilities and obligations of the parties to the agreement.

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<sup>25</sup> Ms. Nina Mjøberg, LO's International Department. Written communication, May 7, 2009.

Important to note is the submission by OTM-CS of yearly activity plans covered by the programme cooperation to LO for approval. When such activity plans are approved by LO, they become part of this agreement.

The agreement also outlines when such activity plans and budget proposal(s) have to be submitted to LO in accordance with standard procedures established by LO. In addition OTM-CS is required to submit quarterly accounts and half yearly progress reports within the stipulated time framework. Annual audited accounts shall be submitted to LO by March 15 the following year, together with progress reports. LO shall approve an authorised external auditor. It is the responsibility of the two parties to ensure that activities are carried out with due diligence and efficiency.

### 3.2 The ‘programme theory’ of the LO/OTM-CS cooperation

In evaluations it is useful to apply programme theory to structure the analysis. Normally, a measure or an intervention is based on an assumed causal chain leading from the interventions (inputs) through outputs to outcomes, and finally to the solution of the problems that the intervention seeks to reduce or solve (impact). This is the programme theory. Looking at the programme theory is a useful analytical tool for identifying strengths and weaknesses as well as inconsistencies within a programme. The programme theory is not always explicitly stated, and this has definitely been the case of the LO-OTM cooperation.

According to LO, the organisational development programme started up because all other donors supported specific activities like training, while nobody supported the administrative core functions of OTM-CS. As a consequence, the national trade union centre ‘borrowed’ money from project activities to finance salaries for the permanent staff. It became clear to LO that without a well-functioning core staff, the national affiliate unions could not be effective.<sup>26</sup> In a way the 2006-2009 cooperation represents a form of ‘core funding’ of the recipient with conditions specified in the agreement. However, these conditions have been formulated as

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<sup>26</sup> Ms. Nina Mjøberg, *ibid.*

objectives, and the assessment of achievement of these objectives are left to much discretion and interpretation. In addition, these objectives are so numerous and cover such a wide range that they have been difficult for the partners to monitor.

The LO-OTM agreement (including its appendix) contains formulations of (i) overarching objectives, (ii) medium and long-term objectives, (iii) immediate objectives, and (iv) activities (linked to needs and priority areas). It is not obvious that ‘activities’ can be interpreted as interventions/project inputs. Outputs are not specified. ‘Immediate objectives’ might be interpreted as outcomes. ‘Medium and long-term objectives’ do sometimes look more like outcomes than impacts. ‘Overarching’ objectives might be understood as impacts. Nevertheless, the main weakness of the agreement is that these elements are not explicitly linked to a causal chain.

The overarching objectives are “a *financially viable, effective, democratic and influential* trade union movement in Mozambique”. In another goal (or vision) formulation, “strong” and “independent” are added: “The OTM-CS becomes a *strong, independent, viable, effective, democratic and influential* trade union movement in Mozambique”.<sup>27</sup> The LO-OTM agreement does not suggest any conflicts between these overarching objectives. However, many civil society organisations have experienced that ‘influence’ can be obtained only at the expense of ‘independence’, and visa versa, particularly in their relationship with the state and government. Unfortunately, the agreement does not specify how both independence and influence can be achieved. Moreover, some of these objectives could have been defined as more ‘overarching’ than others. There is a reason to believe that financial viability and effectiveness must be in place before the organisation can be strong.

In the tables below we group the medium and long-term objectives, immediate objectives, and activities according to overarching objective: financially viable, democratic, effective, influential, and independent.<sup>28</sup> Under each overarching objective

<sup>27</sup> “Appendix to the co-operation agreement between OTM-CS, Mozambique and LO (2006-2009)”. Both formulations are found on p.1.

<sup>28</sup> The overarching objective ‘strong’ is saved for the discussion in Section 4 below.

we briefly assess the configuration. The programme also sets out some quantitative and qualitative indicators for evaluating the results. In the tables below we will place them in cells we find adequate. The question is then whether (or not) *the programme is well-structured and consistent*. Well structured – do they have many aspects (many immediate objectives) that are well defined and concretised? Consistent – is there a logical (causal) link between the levels (long-term objectives, immediate objectives and activities/project inputs)?

Table 3.1 *Overarching Objective (i): financially viable*

<b>Medium and long-term objective</b>	<b>Immediate objective</b>	<b>Project inputs/activities (for behavioural change)</b>
To achieve economic self-reliance by increasing revenues especially through membership subscriptions	To increase income from dues by at least 10% annually over the 2005 figure (leading to budget financing of 25% minimum)	Regular payment of dues by all affiliates
	To achieve proper financial management	Strict adherence to budgets & financial rules and timely financial reporting
		Continuous upgrading of the accounting system
		Proper valuation and management of all assets; elimination of debt
		Advanced ad hoc education & training in financial management
To create fewer but bigger and stronger unions through mergers and/or amalgamations	To achieve efficiency in administration by restructuring operations and reducing staff to economic levels	Advanced ad hoc education & training in leadership

Comment: This part of the programme is well structured and consistent.

Table 3.2 *Overarching Objective (ii): (internally) democratic*

<b>Medium and long-term objective</b>	<b>Immediate objective</b>	<b>Project inputs/ activities (for behavioural change)</b>
Greater participation of members in their organisations.	To achieve internal union democracy through strict adherence to the constitution of OTM-CS and its member unions	Holding of the 5 <sup>th</sup> Congress
More women members.	30% women's participation at all levels and in all activities	10% of LO funds to women's programmes
Gender equality	Gender policy fully implemented	

Comment: This part of the programme is not consistent and not well structured. There are too few concretisations in terms of activities and immediate objectives for each long-term objective. We suggest bringing in the gender issue under this umbrella in order to give it more substance.

Table 3.3 *Overarching Objective (iii): effective structures*

<b>Medium and long-term objective</b>	<b>Immediate objective</b>	<b>Project inputs/ activities (for behavioural change)</b>
Effective structures at all levels with emphasis on the local/workplace committees. Improvement in the quality and quantity of Collective Agreements	To enable OTM-CS to develop capacity to organise	Promote mergers – create fewer but bigger and stronger unions.
		Speedy operationalisation of Public Services Workers Union (SNAFP)
To build trade union strength and capacity for effective service delivery	To build the necessary capacity and structures for effective service delivery	Advanced ad hoc education & training in skills development
To obtain at least 60% unionisation in the formal sector in Mozambique represented by OTM-CS affiliates, including public services	To increase membership by at least 10% annually over the 2005 figure (of 98,490)	Maintain reliable membership registers/statistics
	Increase in women and youth membership by at least 15% over the 2005 figure)	Semester reports on membership recruitment

Comment: This part of the programme is not well structured, and it is not consistent. The long-term objective aspect of ‘effective structures at all levels’ consists of sub-objectives that are not manifest in the agreement (they are just defined as indicators), and they are not well specified. The logical link between the elements is not good. The objectives of ‘necessary capacity and structures for effective service delivery’ are virtually the same for immediate and

medium- and long-term levels. They are not clearly operationalised and not supported by concrete activity specifications. An advanced training course in ‘skills development’ may, or may not, fill in here. We suggest making membership recruitment an indicator of effectiveness. This aspect has well-specified objectives, but the inputs/concrete activities defined in the agreement are few.

Table 3.4 *Overarching Objective (iv): influential*

<b>Medium and long-term objective</b>	<b>Immediate objective</b>	<b>Project inputs/ activities (for behavioural change)</b>
To build trade union strength and capacity for effective influence in society	To build the necessary capacity and structures for participation in national affairs	Document policies on economic, social and political issues
To protect and promote good governance, human and trade union rights	New and favourable labour laws & enabling law for the public service	Advanced ad hoc education & training in social dialogue. Promote social dialogue with other CSOs - promote democratic practices in all government institutions
Total implementation of ILO’s HIV/AIDS Code of Conduct at the workplaces	Linkages and collaboration with the civil society to fight the pandemic	Promote favourable HIV/AIDS policies at national and workplace levels
Child labour eliminated		Continue and intensify the work to eliminate child labour in Mozambique

Comment: This overarching objective is fairly well structured and quite consistent. There are many aspects, and for each aspect the elements fit into a logical chain. However, the objectives are not very concretely defined, and many elements are not equally manifest in the agreement.



Table 3.5 *Overarching Objective (v): independent*

<b>Medium and long-term objective</b>	<b>Immediate objective</b>	<b>Project inputs/ activities (for behavioural change)</b>
	To enable OTM-CS adapt to the free and independent trade union mode	

Comment: This part of the programme is badly structured – it is hardly structured at all.

By way of a conclusion, only two of the overarching objectives (‘financially viable’, ‘influential’) are consistently defined and well structured in the agreement documents. The other three objectives are not consistently defined and badly structured (‘internal-democratic’, ‘independent’, ‘effective’).

### 3.3 OTM-CS’s other international partners

Within the confines of the agreement, OTM-CS is encouraged to seek assistance from other cooperating partners, in particular for education and training. In this regard OTM-CS received assistance on an ad hoc and project basis from a number of partners during the period under review. These partners include the LO-FTF of Denmark, United Federation of Danish Workers (3F), FOS of Belgium, Friedrich Ebert Stiftung (FES), UGT/CEFOSAP (Portugal), UNDP and the International Labour Organization (ILO). In 2008, the direct support to OTM-CS from all the other international partners corresponded to almost 70% of LO-Norway’s support. However, the Danish organisations LO-FTF and 3F provide indirect support (to the training centre CONEFS and to affiliate unions) which by far exceeds the direct support from LO-Norway.<sup>29</sup>

<sup>29</sup> LO-FTF provides an annual support of 180,000 USD, plus Danish staff support, to CONEFS; LO-FTF also offers a three-year-programme worth 1.26 million USD to the civil service union SNAFP. The 3F supports OTM-CS affiliated unions (SINTIA, SINTAF and SINTIAP) and one CONSILMO-affiliated union (SINTISIM). In addition, they fund the Women Workers’ Committee (COMUTRA) of OTM-CS, with support to HIV/AIDS activists and a survey, among other things, worth 213,500 USD per year.

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## 4 Assessment of activities and results

We here structure the discussion around OTM-CS' performance to achieve the "Immediate Objectives",<sup>30</sup> since it is fair to expect that these goals have been achieved within the end of the four-year programme period. We assess the achievement of these goals of the cooperation programmes under the overarching objectives mentioned: financially viable, democratic, effective, influential, independent – and 'strong' for an overall assessment.

### 4.1 "Financially viable"

Immediate objective: "*Achieve efficiency in administration by restructuring operations and reducing staff to economic levels*" (including mergers). The evidence at hand indicates some, but not much progress.

*Union structure:* although the national unions are not overstaffed according to the organisational tasks demanded, most of them spend too much of their revenues on staff salaries. Hence, it was a very positive step when the chemical, paper and textile unions merged to form SINTIQUIAF in 2007.<sup>31</sup> Unfortunately, there has been no visible drive towards further mergers and other measures at the union level to restructure operations and reduce staff to economic levels.

*Staffing:* OTM-CS was reported to have a staff of 700 persons ten years ago. By the end of 2008, the number of the staff was 153.

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<sup>30</sup> The 'immediate objectives' mentioned on p.1 in the Appendix to the Agreement.

<sup>31</sup> This merger was very much incentivised by financial support from the Danish sister organisation 3F. After the merger, SINTIQUIAF has been short of money.

However, since 2006 there has been an increase of staff, not a reduction. OTM-CS has a legitimate need for recruitment of new and more competent staff. Therefore downsizing is a major challenge that faces several problems: 1) staff who have reached the age of retirement cannot be retired due to bureaucratic problems with the pension funds; 2) staff who would not mind looking for alternative jobs do not resign as OTM-CS claims it cannot afford the severance packages (which according to OTM-CS employment conditions is three months' salary for every two years of service – adapted from the previous labour law requirement); 3) some elected leaders are, after ending their term in office, 'transferred' to the ordinary staff salary payroll. The solution to all three problems should have been within reach for the OTM-CS leadership, given its bargaining position with the government (regarding pensions), financial resources provided by LO (regarding severance packages),<sup>32</sup> and expressed will to end previous practices (extraordinary 'pension scheme' to former leaders). The evaluators observed that the rival federation CONSILMO's staff at its headquarters is extremely lean compared to OTM-CS.<sup>33</sup>

*Remuneration:* Almost 50% of the wage bill is payment of allowances to the elected secretariats and leaders. Besides, many elected persons in OTM-CS hold an office in one of the unions, at the national or provincial levels. This problem has not been addressed by the OTM-CS leadership.

*Headquarter functions:* There is a duplication of functions. For example, some elected secretaries have responsibility for the same area as technical/professional employees who head OTM-CS departments. This problem has not been addressed by the OTM-CS leadership.

*Province and district functions:* There is an 'emptiness' of functions since roles of a number of functionaries are not well and clearly elaborated. While provincial OTM-CS structures are overstaffed, this does not compare well to what it has to offer (service delivery) to its members at local levels. Another observation was that the staff often did not have the type of skills and resources to meet the

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<sup>32</sup> Although LO does not support severance packages, the LO support may enable OTM-CS to allocate some of its own revenues for such packages.

<sup>33</sup> CONSILMO only has three employees in its headquarters; OTM-CS has 44.

demands of the members. The staff members distributed to the provinces do not seem to be in proportion to the number of members, or with potential members, in the province. Why OTM-CS can afford to have delegations in certain districts, and why it has a secretary in one district and not in another, and why OTM-CS chooses to have permanent delegates at the district level instead of a more ambulant and flexible presence, lack rational explanation.

*“Increase income from dues by at least 10% annually over the 2005 figure”.* There was a remarkable increase of 18% from 2006 to 2007.<sup>34</sup> The affiliated unions reported more members before the 2007 Congress, probably to secure optimal representation and influence at the Congress, and they consequently paid more dues. However, to judge on the basis of the information we received, the contributions have been reduced from 2007 to 2008. This is in spite of the number of reported, if not paid-up, members having actually continued to increase in 2008. (The information of how many workers are actually paid-up members, not only ‘registered workers’, depends on the unions’ self-reporting.)

The reduced income from dues in 2008 stems from the rejection by the union representatives in OTM’s national council to increase the fees. The evaluators acknowledge the challenges posed by the financial hardship of the affiliate unions, with most unions struggling to pay salaries and manage educational activities, among other things. However, payment of subscriptions is generally an important sign of ownership, interest and participation by the affiliate unions. Furthermore, the low wages in almost all sectors makes it difficult to increase union membership fees as this is a strain on the already meagre wages workers take home. Hence, with the equally low rates of union fees and with the majority of unions levying 1% (few unions levy 2%) of member wages, increased income from subscriptions without concerted actions towards recruitment of new members is unlikely.

Thus, it remains a regrettable fact that the dues account for only about 2% of the total income, still falling far below the objective of 25%.

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<sup>34</sup> See the Table 5.1. “OTM Income and expenditure 2006-2008” in Ch. 5.4 below.

*“Achieve proper financial management”*. Financial management is first and foremost to manage the above-mentioned issues of increasing income from member dues and to restructure staff to economic levels.

The financial reporting system, both to OTM-CS elected bodies and to external donors like LO, seems to be satisfactory in terms of regularity and honesty. However, at the end of the day the reporting system depends on the quality of the numbers – the transparency of each single financial operation. The external auditor has pointed at several problems in the accounting system of OTM-CS, such as lack of a proper financial management system, technical capacity of accounting staff as well as lack of internal controls. For example, they have stated that the documentation of much of the expenses consists of photocopies of receipts,<sup>35</sup> and that there is no external confirmation of the amounts transferred from external donors to OTM-CS.<sup>36</sup> The auditors did advise OTM-CS to acquire a prescribed computer accounting package and offered to train the accounting staff on operating this package. Unfortunately, the OTM-CS leadership has not responded adequately to the external auditors’ advice and comments.

## 4.2 “Democratic”

Immediate objective: *“Achieve internal democracy through strict adherence to the Constitutions of OTM-CS and its member unions”*. Indeed, in 2007 OTM-CS organised its Congress strictly according to its constitution, which was refurbished in a more modern and democratic direction.<sup>37</sup>

However, internal democracy should above all be assessed by the extent of actively informing and involving the grass-roots membership. The merged new union SINTIQUIAF has, for example, no means to inform their members about the decisions of the founding congress. OTM-CS has no regular bulletin or other communication channels for their members to convey their

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<sup>35</sup> ‘Independent auditor’s report’ for 2007.

<sup>36</sup> ‘Independent auditor’s report’ for 2008.

<sup>37</sup> See OTM-CS, “Estatutos”, Maputo, 30 de novembro de 2007.

achievements, demands, lessons learnt and concerns. Although the agreement between LO and OTM-CS does not explicitly mention such communication activities, it should be self-evident for any modern member-based organisation with ambitions to influence the nation to prioritise such work. We saw no proof that OTM-CS allocates adequate resources to this area, which is very critical for enhancing internal democracy.

However, women's participation is well provided for in both union constitutions and programmes. At OTM-CS and its affiliates it is a requirement that women constitute at least 30% of total participants in all activities including constitutional meetings. There is evidence of a steady increase in women holding leadership positions. The OTM-CS women's committee was identified as one of the driving forces behind this success. Currently all OTM-CS affiliates have established functioning women's committee structures – a factor that can be associated with improved internal union democracy in predominately patriarchal societies. Although the main direct contributor to this achievement is the Danish 3F (and one of its predecessors), which has provided massive support to the women's committees (COMUTRA) of OTM-CS, LO-Norway has created an enabling environment. LO-Norway has supported the core administrative functions of OTM-CS and thereby served as a 'catalyst' for all other external support rendered to OTM-CS. Furthermore, LO-Norway has constantly raised the gender issues in its dialogue with OTM-CS.

### 4.3 “Effective”

Immediate objective: *“Enable OTM-CS to develop the capacity to organise”*. There are four relevant activities we want to comment on:

1. OTM-CS and its affiliates seem to be able to maintain reliable statistics (registers) regarding membership in the union as well as the national centre, although the problem mentioned of clearly indicating the accurate figure of paid-up members persists.
2. OTM-CS seems to have put some efforts into the “speedy operationalisation of the Public Services Workers’ Union (SNAFP)”. However, most of the resources for this work come from other sources than the Norwegian LO. In particular, the

Danish LO-FTF has been active in this field. Moreover, very few outcomes of the inputs into SNAFP have been observed. SNAFP is considered as lacking the dynamics and force to take initiatives. The absence of collective bargaining in the public service seems to have been an excuse to be passive rather than pro-active. SNAFP has been seated waiting for regulations to be put in place for the legalisation of collective bargaining in the public sector.

3. Also in the issue of promoting ‘fewer but bigger and stronger unions’ limited progress has been observed, and the only move that was taken – the merger of the textile and chemical workers into SINTIQUIAF – seems again to be a fruit of the cooperation with the Danish, not the Norwegian, trade union movement. The role of OTM-CS is difficult to establish, apart from subsidising the expenses of the merger congress.

4. Finally – the cooperation should “ensure effective structures at all levels with emphasis on the local/workplace committees”. The quantity and the quality of the workplace/shop-floor committees – the *comité sindical* network – pointed to an urgent need for improvement. Here, the available statistics point in the wrong direction. The number of workplace committees has actually decreased.<sup>38</sup> This is particularly worrying, as the real collective bargaining for wages above the sector minimum wages must be made by the workplace committees. The basic indicator for the quality of the workplace committee is, arguably, that it has managed to get a collective agreement for its workers.

*“Increase membership by at least 10% annually over the 2005 figure”*. This is perhaps the most important indicator in the programme cooperation. Relative to the 2005 figures (OTM-CS’s own statistics), the membership has been increasing almost exactly 10% annually. However, it is not clear whether this increase is due to ‘better’ reporting and statistical work in the trade union movement, or if it is a real increase on the ground. The latter demands an indicator that is not fully used in the cooperation between OTM-CS and LO: the number of paid-up membership. As noted above, we think this number has either been reduced, or many unions are

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<sup>38</sup> Source: ‘Estadística 2006-2008’ in OTM-CS, 2008a. There were 1230 registered committees in 2006, and 1183 committees in 2008 (if it is taken for granted that one of the national affiliates, SINTAF, who did not provide information for 2008, had the same number of committees that year as in 2006).

deliberately keeping certain paid-up members to themselves, in secrecy. If so, the statistical work and incentives for true reporting have to be reassessed.

Anyway, the evaluators think the OTM-CS and its affiliates should have made far bigger advances in organising and recruiting new members. The combined membership of OTM-C from its 16 affiliates stood at 102,468 in 2008.<sup>39</sup> The rates of unionisation across sectors speak for themselves. In the commercial and services sectors out of the approximately 20,000 workers only about 8,000, or 40%, are union members. In the public service only 8,000 are union members out of a potential of 180,000, giving a union density of less than 2%.<sup>40</sup> The rival federation CONSILMO claims to have 108,000 members from 4 affiliates.<sup>41</sup>

We tend to conclude that the capacity to organise new members has not been improved since 2005.

*“Build the necessary capacity and structures for effective service delivery.”* We found very little service delivery to OTM-CS’s members. In a few cases we were told that the members were offered free medical assistance (the dock workers in Beira and the insurance employees belonging to the union SINECOSSE). We could not check the extent of this being a service guaranteed for all the paid-up members, or just for certain categories of members (e.g. elected representatives, union staff, members living in the larger cities). Medical assistance seemed to be a function of the size of the membership dues (e.g. 2% of the salary, compared to 1% which is more usual).

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<sup>39</sup> These are figures from tables handed over to us by the Organisational Department of OTM-CS. However, the General Secretary claims a much higher number of members – 182,188. (OTM-CS, the cabinet of the General Secretary, in written comments on the first draft of this report May 12, 2009.)

<sup>40</sup> We have not accessed public figures of the number of employees in the public sector. The Teachers’ Union informed us that there are approximately 120,000 in the education sector (most of it public sector), and 180,000 is an estimate from a well-positioned observer. Although the Public Workers’ Union (SNAFP) has not yet been granted formal bargaining rights, it has been allowed to recruit members, and it has received much capacity-building support from the Danish LO-FRP s mentioned above. Hence, its membership figures are disappointing.

<sup>41</sup> We think this figure is highly exaggerated. Just a few years ago CONSILMO told LO-Norway that it had 60,000 paid-up members.



For all the unions, even those with a low level of membership dues, the main service provided was “legal aid”. We did not acquire any statistics of the extent of legal services provided. However, none of the unions had their own lawyers. OTM-CS has only one lawyer, and he was recruited last year. It is not likely that the unions can meet the enormous demand for legal aid, particularly created by the high number of dismissals in the working life of Mozambique, day in and day out. At the company level, the ‘comité sindical’ seemed not to have the legal, organisational or technical resources to negotiate dismissals. Even at the huge and well-organised multinational flagship in the Mozambican manufacturing fleet, Mozal, the management fired workers without adequate notice given.<sup>42</sup> At the Cerveja de Moçambique, the Comité Sindical told us that the number of union members was quickly decreasing mainly because of dismissals. A symptom of a trade union movement not being capable of meeting the legal aid demand was the huge number of workers seeking assistance from the Human Rights League. From January 2009 to date the Human Rights League has received over 3,000 complaints, half of which are labour-related.

In Maputo alone the Human Rights League is attending to about 100,000 court cases, again of which half are labour-related. The common labour-related cases are dismissals or termination of employment without compensation. The court system in Mozambique is immensely overloaded. The backlog of court cases is significant. At the start of the year 2008 there were 147,527 cases pending in all courts. During 2008, 111,766 new cases entered, while 136,683 were dealt with. Thus 2009 started with 120,764 pending cases.<sup>43</sup> Although the new labour law stipulates forums for mediation in order to solve disputes before they enter the court system, it is a big challenge for the trade union movement in Mozambique to strengthen the collective negotiation system as a more worker-friendly, effective and cost-efficient way of handling dismissals and other labour disputes.

One of the under-served areas mentioned above is that of providing workers with useful information. The OTN-CS lacks effective communication structures that can inform the workers

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<sup>42</sup> Source: Labour Minister Helena Taipo to the newspaper O Pais, 23 Feb 2009.

<sup>43</sup> *Mozambique* no.147, 10 March 2009.. <http://www.tinyurl.com/mozamb>

about their rights, about good and bad employers, about trade union strategies and actions including the need to join trade unions to solve their problems and guarantee their rights.

Another under-served area is that of offering basic education to the wider trade union membership as well as securing vocational training for ordinary union membership. OTM-CS runs a Vocational Training Institute in Maputo that is open to the public, but it cannot meet the national demand.<sup>44</sup> As mentioned above, the Committee for Trade Union Education and Training (CONEFS), mainly funded by the Danish LO, does address training needs for shop stewards, but with constraints and limitations.

#### 4.4 “Influential”

Immediate objective: *“Build the necessary capacity and structures for (...) influence in national affairs”*.

OTM-CS has shown some muscles in advancing the legalisation of unions and collective bargaining in the public sector.. It has also, according to its own statements, managed to influence the outcome of the legislation process of the new labour law, without presenting documents or other proof that could substantiate this claim. The employers wanted in principle to do away with most of the old labour law(s) and provisions that defended workers’ rights. The trade union movement managed to maintain most of the rights, although the employer’s prerogatives in dismissing workers were expanded. Nevertheless, the ‘influence ambitions’ of OTM-CS seem to have been confined to the field of industrial relations and labour law. The legitimate priority of fighting for the radical uplift of the sectoral minimum wage together with the very corporatist framing of minimum wage-setting in Mozambique has made the Tripartite Forum the most important arena for OTM-CS.

It is difficult to measure ‘influence in society’ and ‘participation in national affairs’ mentioned in the Co-operation Agreement. However, OTM-CS is not very visible in most national policy

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<sup>44</sup> The other trade union confederation, CONSILMO, claimed that they prioritised organisation of the vocational training for their members (who are mainly in the construction, hotel and catering industries).

processes. Their participation in the national policy arena on social and economic issues has been weak, except perhaps for their involvement in the Action Plan for the Reduction of Absolute Poverty (“PARPA”, 2001-2005) which was adopted by the Government. It was observed that OTM-CS did not have a strategy to claim spaces and engage in a national socio-economic policy dialogue. Even the current Strategic Plan (OTM-CS 2007b) does not explicitly mention this important area. It was also observed that OTM-CS did not have the capacity internally and had to rely on contracting external consultants to deal with such issues even when resources were available.

It is perhaps time for OTM-CS to address more systematically the foundations of working life and the well-being of workers. Consequently economic, industrial, trade, tax and other national and international policies relevant for the creation and distribution of wealth need to be looked at. Likewise, the conditions for the reproduction of labour, such as the education and vocational training system, and the systems for social protection need to be looked deeper into. Issues such as gender equality, child labour (particularly in the agricultural family sector) and HIV/AIDS should continue to be focal points, but these issues should not stop OTM-CS from being more concerned with macro political-economic issues. Much of this depends on access to expert groups that can side with the workers. Experts need to be part and parcel of the labour movement. OTM-CS claims they have good working relations with some national academics. Nonetheless, the Evaluation Team thinks OTM-CS must face up to the huge challenges in this respect.

#### 4.5 “Independent”

Immediate objective: *“Enable OTM-CS to adapt to the free and independent trade union mode”.*

The independence of OTM-CS can be assessed through its relations with powerful ‘other’ entities, on the one side, and by its understanding of shared versus antagonistic interests in relation to these entities, on the other. The evaluation team did not have time to carry out an adequate analysis of these relations. As such, the independence of OTM-CS cannot be ascertained with finality.

Nevertheless, it is our impression that the workers' representatives in Mozambique still feel they are part of a 'family', where they grow up with the party in power as the 'father' and the employers as the 'cousins'. However, in most countries the emergence of an independent labour movement is born in struggles where paternalism and 'family-ism' disappear.

As to the relationship with the party in power, Frelimo, OTM-CS was formally separated from the party in 1990 but personal and informal links have remained strong. However, the OTM-CS maintains a policy of non-partisanship allowing its members and leadership to belong to parties of their own choice. It was even claimed that most of the political parties in Mozambique had their followers in the leadership of OTM-CS, without this situation creating political cleavages. Still, the evaluation mission has not come across any manifest critique of the party in power or the government on any policy issue. The most important link to the Frelimo party is financial; the parliament, where Frelimo is in majority, has since 1990 voted for a subsidy from the state budget to OTM-CS. This subsidy provides more than 30% of the OTM-CS income.<sup>45</sup> This financial dependence may explain its prudence towards the party and state leadership.

The relationship with the Ministry of Labour is cordial. However, there are several weaknesses in the functioning of the Ministry of Labour. The Ministry's oversight of the INSS, the pension fund of the workers in the private sector, is particularly weak. There have been numerous scandals surrounding the management of INSS, with large amounts of workers' pensions being looted.<sup>46</sup> Although the Ministry of Labour is widely seen as being pro-worker, the neutrality of the Ministry should never be taken for granted in the tri-partite negotiations on minimum wages and other issues. Yet,

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<sup>45</sup> According to the 'Independent Auditor's Report' for 2008, the support to OTM-CS from the state and other entities constituted 32.6 per cent of the total revenues in 2008, up from 27.9 per cent in 2007. Also the other union centres (CONSILMO, Teachers Union) receive a public subsidy, with OTM-CS as the agent of disbursement. However, the auditor's report does not indicate that these disbursements are reflected in OTM-CS's expenditure accounts..

<sup>46</sup> The previous general director has been suspended since last year, but that did not have any preventive effect on officers in INSS's provincial office in Tete. They had cashed out almost 100,000 USD before they were discovered by a local bank clerk. Source: the daily *O País*, 25 Feb 2009.

the evaluation mission has not witnessed any pronouncements from OTM-CS to keep a critical watch on the Ministry and its various sub-divisions.

Finally, the relationship with the employers' association CTA also seems to be very good. The CTA itself claims, and at least one observer we interviewed agreed, that the new labour law was shaped in harmony with the trade unions. They lobbied together and convinced the political parties, even the opposition Renamo-UE, that they should not 'politicise' the issue of the new labour law. Consequently the bill was adopted unanimously and became law number 23/2007 enacted in August 2007. The collective bargaining in 2008, the first year with the new labour law in place, was completed without any conflict or strike.

#### 4.6 "Strong"

As suggested above, building a *strong* trade union movement is perhaps the 'most overarching' goal of the cooperation between LO and OTM-CS. We think it is logical to view the 'strength' of a trade union movement as a product of internal-organisational objectives: financial viability, effective internal democracy and capacity to organise and defend the interests of the workers. The strength is also witnessed by the policy influence and independence of the organisation.

From the evaluators' assessment, OTM-CS remains a weak rather than a strong trade union organisation. It has been particularly feeble in its efforts to become more viable financially and more effective. It performs better, but has still a long way to go regarding internal democracy, independence and influence.

Whether OTM-CS is less weak today than four years ago, when the current programme objectives were formulated, is difficult for us to assess since there was no proper baseline study and much of the statistics and facts from 2005-2006 are of dubious validity and hence not reliable. However, our judgement is also based on the impression of progress made in the previous years.

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## 5 Assessment of the key project issues

The key evaluation criteria are spelt out in the Terms of Reference (Appendix 3).

### 5.1 Relevance

When it comes to the relevance of the programme, the priorities of activities under the co-operation programme are selected by the OTM-CS leadership. What is observed is that OTM-CS affiliates have little influence in setting up the agenda for the co-operation programme (see Ch. 5.5 management). Nonetheless most of OTM-CS affiliates interviewed felt strongly that the co-operation programme was relevant. The affiliates further stated that OTM-CS has been more stable and democratic (responsive to affiliates' demands) since the inception of the co-operation programme even though a lot needs to be done on the part of OTM-CS.

OTM-CS has also been active in engaging other social partners and stakeholders on a number of key issues, notably the labour law review, sectoral tripartite minimum wage-setting negotiations, and on policies in the area of child labour, HIV/AIDS and gender equality.

In Chapter 2 we formulated some of the external challenges we think the trade union movement has faced during the last years: first, the legacy of the one-party state system and the challenge of becoming more independent from the party and the state. One of the overarching objectives of the programme is for OTM-CS to become 'independent', and it aims at increasing its financial self-reliance. Although we have pointed out serious weaknesses in

these parts of the programme, their relevance remains immense. Secondly, there are the socio-economic challenges. The programme has emphasised the challenges of recruiting more members, even in the informal economy, and to raise the extremely low wages. However, it has been less eloquent in the challenge of influencing the economic policies in order to enhance redistribution of wealth, labour-intensive growth and more employment in the public sector.

Nevertheless, OTM-CS has made itself more relevant in the Mozambican society, and the objectives of the co-operation programme are relevant for the international trade union movement.

## 5.2 Efficiency

How efficient have LO-Norway, OTM and its affiliated trade union organisations been in the implementation of the project, i.e. has the work been carried out, and the financial and human resources been used in an appropriate and cost-efficient manner?

There is no doubt that the two partners communicate well and have a shared understanding of the programme as reflected in the annual applications and programme documents. The cooperation has been smooth, and in this regard efficient.

However, as we argued in Section 4.1., about efficiency and financial viability, limited progress has been made in these areas. OTM-CS has not made the administration more efficient by reducing staff levels to economic levels and by increasing the revenues from membership dues. Furthermore, efficiency can be inferred from an assessment of the ratio between money spent and goals achieved. Section 4.3 about effectiveness stated that a key indicator of the programme was *increased membership*, and that the results here were dubious and inconclusive. Given the considerable amounts set aside by OTM-CS for activities to achieve these goals in successive budgets during the period under review, we must hold that the efficiency of the programme has been low.

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## 5.3 External impact

The OTM-CS is a more visible actor in the labour and industrial relations arena. This assertion was confirmed by the Ministry of Labour, the federation of employers (CTA) and other co-operating partners, in particular the Friedrich Ebert Stiftung (FES). It has made good progress in sector wage negotiations and defended worker rights during the labour law review. However, there are no statistics concerning the total increase of wages in the country or in single sectors, and OTM-CS's economic impacts are therefore difficult to assess. Moreover, it is not possible to state to what extent the programme has contributed to social and eventually economic impacts.

OTM-CS has pursued a social dialogue with other civil society forces, with largest impacts on trade union unity. The evaluators observe that there are no rifts between OTM-CS, CONSILMO or indeed the other two independent unions of teachers and journalists, respectively. In fact these unions in 1995 established the Forum for Trade Unions (Fórum de Concertação Sindical – FCS) aimed at ensuring labour unity and to project a common trade union vision in tripartite and related forums of policy discourse. OTM-CS claims it has applied some of the LO assistance towards preparatory meetings for the Forum which is a positive outcome and a potential vehicle for merging of federations. Still, FES and FOS Belgium are probably more important than LO in contributing to this unity since they directly support OTM's Forum activities.<sup>47</sup>

However, OTM-CS has not put up a good fight to defend workers' funds in the National Social Security Fund which is ridden with deficiencies and irregularities and vulnerable to abuse and corruption. OTM-CS has not made a noticeable impact on influencing socio-economic policy discourse which remains largely pro-business driven.

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<sup>47</sup> This said, LO's assistance to OTM-CS helps make the latter more functional and 'attractive' to donors like FES and FOS Belgium.



## 5.4 Sustainability

Goals of sustainability should be assessed on the basis of progress made, in particular when it comes to the top priorities of increasing membership and consequently income from subscriptions by the affiliates to OTM-CS.

When it comes to organisation, there is no way that the OTM-CS goal of reaching 60 per cent unionisation of potential members in the formal sector is feasible without a clear, practical and workable strategy. Increased payment of subscriptions is likewise hardly likely to happen within the current economic environment and level of organisation. The successive income and expenditure statements of OTM-CS give a very gloomy picture in this regard as income from union dues account for only about 2% of the total income falling far below the target of 25% contribution from union dues envisaged by the programme cooperation. It is also worth noting that LO funds constitute a significant portion of OTM-CS income, and LO is admittedly the largest donor. LO contributed 44%, 38% and 32% respectively to OTM-CS's income for the periods 2006, 2007 and 2008. This is a positive trend as long as other foreign donors do not increase their contributions.

Table 5.1 OTM Income and expenditure 2006-2008 (Meticals)

	2006	2007	2008
<i>INCOME</i>			
Union Dues	168,600	199,200	48
Rents Receivable <sup>49</sup>	227,866	193,394	
Other	1,078,327	3,954,251	1,022,129
<i>Sub-total, own revenues</i>	<i>1,474,793</i>	<i>4,296,844</i>	<i>1,022,129</i>
Government Subsidy	2,878,457	2,283,659	3,579,686
Total Donations/Grants	5,412,259	5,192,879	7,365,407
Of which LO	(4,341,847)	(4,440,429)	(4,409,645)
<i>Total</i>	<i>9,765,509</i>	<i>11,823,383</i>	<i>11,067,222</i>
<i>EXPENDITURE</i>			
Staff costs & Administrative expenses	7,061,257	7,184,667	50
Organising Activities	323,865	809,066	
Education and Training	109,196	455,734	
Gender Activities			
Constitutional Meetings	782,364	2,525,920	
Travel	109,926	555,712	
Depreciation	492,145	2,386,506	
Bank Charges	159,852	163,763	
Other/Miscellaneous	114,856	1,009,940	
<i>Total</i>	<i>9,153,461</i>	<i>15,091,311</i>	<i>15,015,403</i>
Surplus/Deficit	612,048	(3,267,928)	(3,048,181)

Source: OTM-CS Audited Accounts 2006 and 2007, and Independent Auditor's Report' 2008

While the membership dues from 2006 to the congress year of 2007 increased, the indications are that they have dropped significantly in 2008. The table above shows that the revenues from OTM-CS (revenues from their own members and activities) in 2008 were lower than those in 2006 (while in 2007 there were extraordinary contributions from the affiliate unions because of the Congress).

<sup>48</sup> Unfortunately, the independent auditor's report for 2008 does not specify the amount of union membership dues. OTM-CS has budgeted these dues to amount to MT 308,550, an increase by 83 per cent from year 2007. Instead of an increase, the reports we have received indicate a reduction in membership dues.

<sup>49</sup> Rentals from OTM-CS properties and Hotel Kassuende. Not specified for 2008.

<sup>50</sup> The expenditures for 2008 are posted in categories very different from those for 2006 and 2007.

While it is highly unlikely that present short-term goals will be reached by the end of another three-year agreement period, increased membership is feasible once targeted efforts are in place through an organising strategy and more realistic goals. An organising plan should highlight priority sectors, companies to be targeted for a membership drive, formulation of a strategy towards employers. The plan should include international involvement to put pressure on foreign investors and traders. Furthermore, it is critical that OTM-CS has systems in place for gathering regular statistics of paid-up memberships in order to realistically evaluate progress on the membership drives.

In the area of subscription dues, goals are feasible only provided that membership grows and a clear commitment is expressed by affiliates. OTM-CS must provide tangible incentives to sustain this commitment. Unless affiliates pay their dues, there will be no federation in the long term and a clear understanding has to emerge about that. However, it must also be clear to state here that attaining goals of financial self-reliance are totally unfeasible in the short and medium term. However, the objectives of creating effective structures for service delivery can be reached at both the federation and affiliate levels, and will in turn provide one pillar to attain organisational and financial targets in the long term as well.

Even the structure of the national affiliates is probably not sustainable. As shown in Appendix 1, seven of the 16 affiliates have less than 5,000 members, and only three have more than 10,000 members.

## 5.5 Management

The management of the programme cooperation is critical to ensure attainment of programme objectives and goals. At OTM-CS it was clear there were some limitations in the management of the programme. The co-operation programme is administered by the OTM-CS Executive Secretariat, mainly by the Secretary General and the four secretaries responsible for Finance and Administration, Social Affairs, Organisation and International Relations respectively, with limited involvement of the technical staff, in particular the heads of department. For instance, the director responsible for organisation and educational activities

could not state their role under the co-operation programme. The departmental heads are seldom involved in the administration of the activities of the co-operation programme, reflecting a weakness that could affect the programme effectiveness. The OTM-CS Executive Secretariat reports the programme activities to the constitutional structures of OTM-CS. However, the goals and attendant activities have remained a privy of the OTM-CS leadership, in particular the executive secretariat. The value of this cooperation has not been disseminated to the lower structures of the unions, particularly the rank and file membership. On the other hand the evaluators observe that OTM-CS has largely failed to fully comply with the requirements of the programme cooperation agreement, for instance apportioning LO funds to areas such as organisation and gender activities. The failures in the accounting functions as observed in the comment on accounts from LO and the external auditors hint that there is a general incompetence.

The LO consultant based in Zambia pays regular monitoring visits to Mozambique to ensure that co-operation programme activities are running smoothly noting the progress and addressing any shortcomings. The international department of LO-Norway has also visited OTM-CS and Mozambique during the period under review. The reporting by OTM-CS has improved over the period of the co-operation programme as per agreement and can be said to be satisfactory. However, the narrative reports are too general and do not categorically highlight the activities and outcomes that are directly linked to the support under the co-operation programme. For instance, the reports do not state how many unionists have benefited from specific activities. At the same time the proposal submitted to LO cannot be matched to activities reported in the narrative report. This makes it difficult to assess the impact of the co-operation programme on the basis of activities undertaken and as reported in the narrative reports. It should be mentioned that LO has not specifically requested such detailed information, and it may be good in the future to request detailed reports about sponsored programmes in terms of both narrative and impact reports. Use of more qualified translators (Portuguese-English) may also increase the utility of visits from LO in the future.

## 6 Conclusions and recommendations

OTM-CS has, according to its own figures, increased its membership by almost exactly 10% annually. This is a big achievement given the economic realities marked by a pro-business government, continued privatisation, company closures, casualisation of work, increase of the informal sector and hostility of employers.

However, the claim of increased membership is not backed by a sustainable increase in membership dues. OTM-CS is a weak trade union organisation. While the relevance of the programme co-operation is overwhelming, there have been several shortcomings when it comes to the efficiency, effectiveness, external impacts and sustainability of the programme. The evaluation team thinks there has been little or no progress towards becoming a stronger, financially more viable and more effective workers' movement. OTM-CS has some influence in national affairs, mainly in labour policy issues and setting of minimum wages. However, it has not been capable of flexing its muscles in the wider social, economic and industrial policy-making of the country. Its legacy as a trade union confederation organised from above by a one-party state constrains its capabilities to become an independent and free trade union as the current political-economic development of Mozambique demands..

The lack of achievement of the objectives stated in the Co-operation Agreement cannot be explained by the *external* economic, social and political conditions. The economic realities mentioned have existed since the early 1990s. During the four years of this co-operation agreement formal employment in the country has expanded and minimum salaries have been increased. Combined with a Ministry of Labour led by pro-trade union

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persons, and a new labour legislation that is relatively trade union friendly, the conditions for increased recruitment and strengthening of the trade unions have thus far been fair.

LO-Norway is much to blame for the design of an agreement (with the appendix) which has far too many focal points, lacks a proper baseline and lacks the operational clarity required to be a useful guide for the day-to-day programme co-operation. The gap between the performance of OTM-CS and the programme ambitions has simply been too great.

The modality of co-operation has been inconsistent. On the one hand, much of the LO-support can be categorised as core funding or direct budget support. Donor agencies who practise this type of support usually emphasise participatory planning and ownership on the recipient side, clear targets and performance indicators, as well as robust mechanisms of democratic accountability. These are not the conditions for the cooperation between OTM-CS and LO. On the other hand, LO provides more project-like support to specific organisational development. While there has been some progress in this area, in particular related to the organisation of female workers and gender equality, there have been several other donors who have executed more direct support to this development. It is difficult to establish the impacts of LO's support. Perhaps LO's support has made OTM-CS administratively more capable to receive aid from other sources, serving as a catalyst for other external support to OTM-CS. There is a danger that this can make OTM-CS a typically donor-dependent 'NGO' rather than a self-reliant and member-based union movement. At any rate, the co-operation agreement has not been structured well enough or sufficiently consistent to evaluate clearly the role of LO-Norway and its support to OTM-CS.

Still, the political and socio-economic contexts of Mozambique indicate that there is a large need for a stronger trade union movement. A survey among Mozambican workers could reveal how deep the need is. A thorough and critical self-assessment by OTM-CS might underscore the potential for a radical change of the organisation in order to meet the demands of the workers of Mozambique.

Henceforth, the Evaluation Team will recommend a continuation of the co-operation between the two partners, but only if it is based on a radical redesign of the programme/project.

## 6.1 Reach a shared understanding of the basic strategic issues

The evaluation team agrees profoundly with the number one recommendation from the previous team:

“[T]asks and issues for future co-operation should be given priority in the following order: a) organising new members and building the organisation at the shop-floor” (Tørres et al., 1997:5).

As explained in 1997: “[P]rinciples of shop-floor unionism, strong local structures, democratic unionism, etc., form the platform for LO’s *own* structures and will also lead its priorities and focus in solidarity work” (op. cit.: 21). At that time, the dominant perception of trade unionism in Mozambique was one of ‘benefit unionism’, e.g. the unions should offer tangible services to workers as individuals, “while there was relatively little understanding for ‘workers unionism’, collectivism and trade union consciousness confronted with employment problems, wage bargaining and solidarity issues” (op. cit.: 16). With the above discussion on the financial sustainability of OTM-CS in mind, the viability of ‘benefit unionism’ should be questioned. As there is a new generation of trade union leaders emerging in Mozambique, it is necessary for LO and OTM-CS to discuss these immensely strategic issues anew and reach a common understanding of the shared goals.

At the same time we think the overall objective of the cooperation is still highly relevant and valid: to build a *strong, financially viable, effective, democratic, influential and independent* trade union movement in Mozambique. However, each of these goals (or aspects) need to be made operational and logically defined, both in relation to each other and in relation to the inputs and activities that are needed to achieve each goal. Perhaps they do not need to be given equal priority, and one goal may serve as a stepping stone to reach another goal. In other words, the programme cooperation needs to elaborate its own ‘programme theory’. In Chapter 3 we provided

an example of what this proposal could look like based on the current programme components. The strategic plan adopted by OTM-CS in 2007 provides a good point of departure.

## 6.2 Consider a bottom-up strategy with focus on results

Notwithstanding due respect for the partners' capability to redesign the programme cooperation, the team would like to recommend a fundamental turnaround in the programme cooperation:

- From 'ownership' by a top-level executive secretariat to a broader and more inclusive sense of ownership of the project within OTM-CS
- From activities that imply emphasis on the central headquarters level to activities that are mainly carried out at province, city/district and shop-floor levels
- From a top-down and departmental type of providing organisational development to a more bottom-up and inter-departmental type approach.

Furthermore, we would like to recommend more emphasis on *results* than on structural (institutional) support and activities (see below). We suggest that the partners discuss the challenges linked to the following 'bottom-up' approach to results:

1. Company level results
2. Sector specific trade union development results
3. National policy results.

### **Challenge 1: Company level results**

At the company level the operational goals could be linked to:

- Effective shop-floor committees (committee established; collective agreement made; committee trained according to agreed minimum standards)



- Paid-up membership (check-off system part of collective agreement)
- Local salary increase (the main ‘service’ to be offered to workers who know that unity makes strong)
- Security of employment (protection against illegal dismissals as another main ‘service’; information to all workers about their legal rights; procedures for negotiating and solving individual labour contracts at the shop-floor level in the collective agreement).

The two first goals represent a direct continuation of the current programme cooperation. Paid-up membership is probably the best indicator of the strength of the union among the workers. The two latter goals may represent new issues in the LO/OTM-CS cooperation, but respond directly to the issue of improved capacity for ‘service delivery’ to the workers. Ensuring total implementation of the ILO HIV/AIDS Code of Conduct at the workplace is another ‘service’ that is in line with earlier work.

### **Challenge 2: Sector-specific trade union development results**

At the sector level the operational goals could be linked to:

- The unionisation rate (paid-up members) in a priority sector (e.g. the public sector, linked to objectives mentioned under company level results)
- Establishment of sector-based ‘trade union forums’ (as a first step towards merger)
- Mergers between unions (e.g. the unions related to agriculture, food and beverage production)
- Strike capacity (e.g. related to the sector-based minimum salary bargaining; formulation of internal standard procedures)

To make integration and mergers more voluntary and at the same time attractive, funds could be earmarked to support the process before and not least after a merger congress. The funds should be used to set up new and higher standards for shop-floor-based unions, including the set-up of a good information and communication system with printed and electronic media.

### Challenge 3: National policy results.

At the national level the operational goals could be linked to:

- Setting ‘redistribution of wealth’ on the public agenda (with a prerequisite of a research-based policy document and well-reasoned demands from the trade unions)
- Promoting proposals for a new economic-industrial policy (from capital-intensive to labour-intensive growth; growth in employment rate more important than growth in the GDP rate; increasing the employment rate by raising domestic demand through higher wages)
- Campaigning for extension of women workers’ rights (cfr. OTM-CS gender policy)
- Proposing measures to protect workers in the informal economy (rights, infrastructure and other support systems)
- Establishing new arenas for social dialogues (e.g. linked to labour rights as human rights, child labour).

However, national policy-making is an area where participants must make clear priorities of issues. The OTM-CS should consider how much emphasis should be put on the Trade Union Forum and the tripartite commission in the work to achieve policy changes. Alternative arenas more independent from the government and the employers should be explored. Regarding the issue of illegal dismissals, for instance the Human Rights League (Liga dos Direitos Humanos), which obtains much support from the Norwegian Embassy, should be considered a potential partner. As to the informal sector, a strategic issue is how much resources should be invested in organising workers (which might end up in clientelism) compared to initiating public policies. Child labour is an issue that typically combines many policy areas (e.g. sexual abuse and human trafficking, the majority of the victims being the HIV/AIDS orphans), and OTM-CS should consequently work with other organisations with more capacity available for the issue.

## 6.3 Redesign the modality of cooperation

If the emphasis shifts from structural support and activities to *results*, the modality of project planning, implementation and reporting needs to change. This shift requires the establishment of a relatively precise baseline built into a nicely elaborated ‘logical framework’ (quadro lógico) with general objectives, specific objectives, even more specific goals, expected results, indicators and sources of verification, etc.

### **Consequences for LO’s project inputs**

First, LO’s consultants provide an excellent resource for support in areas of project design to identify specific and attainable targets and objectives, devising collaborative links regionally, assisting with monitoring, and providing other forms of strategic assistance. Greater use of this human resource needs to be made by OTM-CS. However, it would be prudent for LO to seek assistance during its visits to Mozambique from a local, professional and independent interpreter with hands-on knowledge of Mozambican contexts and organisations.

Second, LO should “assist the unions and the OTM in developing policy-relevant information and research through legal and economic advisers as well as regional co-operation and exchange programmes” (Tórres et al., 1997). This is particularly important to produce results at the national policy level.

Thirdly, earmarking of the financial support from LO-Norway should be confined to objective-driven campaigns of limited duration. General provisions like the current one, 10% of LO funds allocated to “women’s programmes aimed at enhancing their participation at all levels and in all activities”, is too general. It ties up resources and induces little dynamism within OTM-CS. Nevertheless, clear gender equality targets and mainstreaming of gender issues should continue to be part of the programme cooperation. Some funds could also be earmarked for ‘miscellaneous problem-solving activities’ linked to bottlenecks in the organisational development programme. One example is the reduction of excess staff. The bottleneck is that OTM-CS cannot afford to pay severance or pension packages for staff reduction.

On the Mozambican side, the shift to objective-driven campaigns requires more flexible organisation of staff and office holders. In particular, OTM-CS's staff must be retrained and rejuvenated. It needs to reallocate its resources and employ people with key qualifications to support the achievement of objectives. The employment of a legal expert at OTM-CS is a step in the right direction. It would be appropriate for OTM-CS to engage an expert on economics and social issues to strengthen and build capacity in policy and advocacy. In addition, a journalist is important to help reporting from the workplaces and informing the workers and the public about the concerns and actions of the trade union movement. The campaigns should be organised by task forces recruited for a limited time from various departments, unions and shop-floor levels. The general turnaround towards a bottom-up strategy with focus on results implies a shift from 'ownership' by a top-level executive secretariat to a broader and more inclusive sense of ownership of the project within OTM-CS (see above). Again, there is a need for more interaction between various levels and union structures in the implementation of the project with LO. In the current situation of OTM-CS, financial management should not be managerial or administrative exercise. Instead it should be a main strategic and political priority of the whole leadership of OTM-CS.

In conclusion the evaluators agree that the cooperation programme between LO-Norway and OTM-CS remains relevant in the light of the above recommendations. The cooperation must continue once it has been refocused taking into consideration some of the recommendations above. However, OTM-CS whatever its potential still faces the huge challenge of transforming itself into a formidable and strong actor in the polity and economy of Mozambique. Hopefully, international solidarity may help it to represent its members more effectively in the medium and long term as well as become the voice of the poor majority.

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# Appendix 1

## OTM-CS Affiliates Trade Union Membership 2008

National Union	Book membership assessed by OTM-CS December 2008	Paid up membership assessed by evaluators December 2008 <sup>51</sup>	Comments
Sindicato Nacional dos Trabalhadores dos Portos e caminhos de Ferro (SINPOCAF)	2,579		
Sindicato Nacional dos Trabalhadores da Industria Quimica e Afins (SINTIQUIAF) <sup>52</sup>	6,941	4,000	
Sindicato Nacional dos Trabalhadores da Industria Alimentar e Bebidas (SINTIAB)	4,566		
Sindicato Nacional dos Trabalhadores da Aviacao Civil, Correios e Comunicacoes (SINTAC)	5,676		
Sindicato Nacional dos Trabalhadores Agro Pecuario e Florestas (SINTAF)	23,178	8,112	Unions claimed only 35% were paid up members; less than half of declared members pay union dues

<sup>51</sup> Derived on the basis of affiliate information (from affiliate general secretaries) during field visit to Mozambique, February 2009.

<sup>52</sup> New national union from the merger of Sindicato Nacional dos Trabalhadores da Industria Textil, Vestuario, Couro e Calcado (SINTEVEC) and Sindicato Nacional dos Trabalhadores da Industria Quimica, Papel e Grafica.

National Union	Book membership assessed by OTM-CS December 2008	Paid up membership assessed by evaluators December 2008 <sup>51</sup>	Comments
Sindicato Nacional dos Trabalhadores da Industria Metalurgica e Metal Mecanica (SINTIME)	8,466		
Sindicato Nacional dos Trabalhadores da Marinha Mercante e Pescas (SINTMAP)	8,236		
Sindicato Nacional dos Empregados do Comercio, Seguros e Servicos (SINECOSSE)	8,497	6,000	
Sindicato Nacional dos Trabalhadores da Industria de Caju (SINTIC)	2,196		
Sindicato Nacional dos Trabalhadores da Industria do Acucar (SINTIA)	12,077		
Sindicato Nacional dos Empregados Bancarios (SNEB)	3,541		
Sindicato Nacional dos Profissionais da Estiva e Oficinas Correlativas (SINPEOC)	4,496		
Sindicato Nacional dos Trabalhadores das Empresas de Seguranca Privada e Guards de Mozambique (SINTESPGM)	12,019		
Sindicato Nacional dos Trabalhadores da Funcao Publica (SINAFP)	8,200		
Sindicato Nacional dos Trabalhadores das Telecomunicacoes (SINTELMO)			
Sindicato Nacional dos Empregados Domesticos (SINED)			
Total	102,468		

Source: OTM Secretariat membership statistics 2008.



## Appendix 2

### List of persons interviewed during the evaluation

Date	Place	Person(s)	Position/Organisation
19-02	Maputo	Alexandre Munguambe (General Secretary) Boaventura Mondlane (Secretary Administration and Finance), Amelia da Santa Bibiana (International Secretary), Francisco Feliciano Mazoio (Secretary Leaga, Labour and Social Relations)	The Executive Secretariat, OTM-CS
“	“	Candido Mathe + Heads Organizing, Statistics, Information and Propaganda	The Organisation Department, OTM-CS
“	“	Mario Raimundo Sitoi	Executive Member The National Committee for Trade Union Training (CONEFS)
“	“	Cesta Chiteleca (Coordinator Women Worker Committee), Clara Manguambe (Secretary), Maria Gertrudes Tembe (Member)	Committee of Women Workers – COMUTRA, OTM-CS
“	“	Abdul Satar Hamid  Mutchine Eduardo Nhanzimo	OTM External auditor, BDO Partner Auditor/Consultant
20-02	“	M. E.Momade (G.S.), C.Matchaie, R. Ceunica	SINAPP
“	“	R. Sengo (G.S.), P. Ussivane, S.A.Chissano, H.E.Cuna	SINPOCAF
“	“	O.Simango, F. Langa	SINPEOC
“	“	A.F. Mazoio (G.S.)	SINTAC
“	“	M.D. Mende (G.S.) , A.A.	SINTMAP

Date	Place	Person(s)	Position/Organisation
		Jolavie	
“	“	P. Pacheco	SINTELMO
“	Beira	Jordão Macheque (executive secr.), José Masive, Domingos Zielo	The Sofala Provincial Executive Secretariat, OTM-CS
“	“	Felix Macado	Marketing Manager, Cornelder (the private operator of the Beira port)
21-02	“	Clara Francesca Songe	Sofala provincial coordinator COMUTRA and secretary SINECOSSE
“	“	José Vasco	SINPOCAF, Sofala Provincial Secretary
“	“	Pascual Lourenço	SINPEOC, Sofala Provincial Secretary
“	“	José Maria Gonçalves	SINTAC, Sofala Provincial Secretary
“	“	Domingos Zielo	SINTMAP, Sofala Provincial Secretary
23-02	Maputo	Manfred Öhm (Resident Representative)	Friedrich Ebert Stiftung (Germany)
“	“	Danny Wijnhoud	FOS, Belgium
“	“	Simõe Simbine	SASK Finland
“	“	Steven Vallik	3F, Denmark
“	“	Jens Kaspersen + Eva Johnsen	LO/FTF, Denmark
“	“	Tomas Bernardino (Dr.)	Permanent Secretary, Ministry of Labour
“	“	Salim Abdula (President), Rogerio Manuel, Antonio Pereira Momad, Armando Cardoso (CTA-Board Members)	The Employers Association (CTA)
“	“	R.Massengula, M.N. Silva, J.B. Malande	ASSOTSI
24-02	“	J.C. Gune (G.S.) , M.R. Siteo, A.M. Langa, A.J. Mondlane, B. Passado	SINTIQUIAF
“	“	R.J.Manjate, A.L. Mans	SINTAF
“	“	A.J. Matsinhe (G.S.), L.S. Mangasse	SINECOSSE
“	“	David Chival, Maria Paula da Vera Cruz	ONP/SNP
“	“	Celina Una	ASSOTSI, Chikeleni Market Place

Date	Place	Person(s)	Position/Organisation
25-02	“	Jeremias Istamane ,General Secretary	CONSILMO and SINTICIM
“	“	Luis Macuacua	SINTHOTS
“	“	Francisco Gove	SINTRAT (Transport Workers Union)
“	“	Isabel Macuacua	SINTRAVEST
“	“	Paulo Nahancale (Legal Department)	League of Human Rights (Liga dos Direitos Humanos)
“	“	Mette Masst and Nina Strøm	Royal Norwegian Embassy, Maputo
26-02	“	Boaventura Mondlane	Secretary for Finance and Administration, OTM-CS
“	“	Marcos Joao Langa, Horacio Xavier Uamusse	Cerveja de Moçambique (Brewery)
“	“	Alexandre Munguambe (General Secretary) Boaventura Mondlane, Amelia da Santa Bibiana, Candido Mathe	The Executive Secretariat, OTM-CS
“	“	Carlos Mucareia	President of OTM-CS
“	“	Amos Junior Matsinhe	Vice-president of OTM-CS

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# Appendix 3

## Terms of Reference

### **Background**

The Norwegian Confederation of Trade Unions (LO-Norway) has since 1990 supported the work of Organização dos Trabalhadores de Moçambique (OTM) to strengthen the trade union movement in Mozambique in general and the capacity of the OTM in particular.

Through negotiating, organising, training and education the OTM and its affiliated unions should be able to develop strategies on how to improve labour rights through negotiating collective agreements benefiting its members as well as strengthening the total capacity of the trade union movement in Mozambique. Thus the influence of the trade unions in Mozambique may be enhanced.

The programme has mainly involved the OTM's central organisation. Target groups have elected national and local leaders of the OTM and the affiliated national unions. Workers' safety, health and environment as well as gender issues have also been important elements of the project.

LO-Norway wants to evaluate the programme co-operation with OTM in the beginning of the year 2009, in order to assess the performance and progress, and to see if the results or objectives are being met. An evaluation of the projects is also required in order to form a basis for decisions in LO-Norway regarding possible finalisation or continuation of the projects. The evaluation will cover the period 2006-2008.

The co-operation and dialogue between LO-Norway and its partner in Mozambique is built on mutual respect for the organisations' right to develop their own policies, accountability and full transparency.

The four-year agreements between OTM and LO-Norway outline further objectives, expected results and indicators as reference for the evaluation.

### **Objective of evaluation**

- To assess the results of the support provided to OTM by LO to strengthen the capacity of the organisation
- To assess the modality of cooperation with the OTM and provide recommendations on areas for improvement, in particular related to monitoring and reporting on performance by OTM

### **Scope of work:**

The evaluation should include, but not necessarily be limited to, an assessment of the following issues:

1. Has LO's support been relevant, i.e. has the project targeted the needs of the organisations and their affiliates, and if the project has been changed during its implementation, has it been modified in accordance with any changing needs of the partners?
2. The efficiency in implementation of the project. The principal parties involved in the project are LO-Norway, OTM and its affiliated trade union organisations. How efficient have these organisations been in the implementation of the project, i.e. has the work been carried out, and the financial and human resources been used in an appropriate and cost-efficient manner?
3. What are the results of the project so far? Is it likely that the objectives will be met, and that all the expected results of the project will be produced by the end of 2009? If not, why (i.e. have the objectives been unclear and/or unrealistic or is it due to other internal and/or external factors?) Have recommendations of the member organisations, LO-Norway and internal reviews, been followed up in an appropriate manner?

4. Sustainability. Is OTM able to continue the project activities when the support from LO-Norway ends? Has the capacity of the organisations been permanently improved? If so, what are the indicators of this?
5. External impact. Has OTM been able to improve their performance towards the governments, employers and the general public of their countries as a result of the project? Has there been an impact of political influence in the society, improved trade union rights, better labour legislation, etc., that may be directly or indirectly linked to the project?
6. Gender issues. LO-Norway has a gender mainstreaming policy, meaning that all its activities and projects must be considered from a gender perspective. There should be a specific analysis of the gender dimensions of the project, i.e. has gender been mainstreamed in the project? Are the numbers of male and female beneficiaries equal? Has the project improved women's situations?
7. Other findings. In addition to the above, the evaluation team may include what it considers relevant.

The Consultants should review any strengths or weaknesses of the programme and their partner(s), and if appropriate, make recommendations for a possible continuation or termination of the programme after 2009.

### **Implementation**

Two external consultants will be contracted to conduct the evaluation of the OTM Organisational Development Programme. The evaluation will take place in February/March 2009. The cost of the evaluation will be covered by the LO-Norway's global evaluation project 2009NEVA1.

A field visit will be undertaken to Mozambique visiting the OTM Headquarters as well as relevant national trade unions and organisations. Interviews with the elected leaders and staff of OTM and some of the national unions will be of great importance. Further information should be sought through written material and interviews with shop stewards and rank and file members of the OTM and the national unions. Other relevant research

institutions, employers' organisations, government authorities and the auditor of the projects may be interviewed as found necessary.

The evaluation report should be limited to approximately 20 pages in addition to an executive summary.

In total 20 working days are calculated for this consultancy. This includes a visit to Mozambique, review of documentation as well as preparations and reporting to LO. The consultants should complete a draft report in English to LO by the 20th of March 2009. Based on comments to the draft report the consultants will submit a final report within three weeks after the comments have been received.

Oslo, 13<sup>th</sup> January 2009

LO-Norway – International Department

Nina Mjøberg

Head of Division for International Trade Union Solidarity