



# feminist dialogue series

#5

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## **Beyond cash transfers: Social Protection, Social Services and the Socialisation of Care Work in Mozambique**

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*Last year my grandfather, a man in his late 80s, tumbled down the stairs of his apartment. A free spirit, he refuses to succumb to the limitations that age has placed on his mind and body, preferring to spend his days (and sometimes nights) traversing the city of Maputo. But on that day, his adventures ended in the orthopaedic ward of the Maputo Central Hospital. Though worried, I also felt relieved that he had been hospitalized; relieved because it lifted the burden of care off my shoulders. Yet it soon became apparent that the responsibility for his care—for feeding him, changing him, washing him, cleaning his mess—was in fact the family's. I spent the next days fighting for his release, before we hired a domestic worker to nurse him to health.*

In Mozambique, social service provisioning relies heavily on women's unpaid care work. So essential is our contribution, that the Labour Law of 2007 provides salaried women workers with 30 days of leave a year to take care of sick children. The limitation of this right to women however, sharpens the sexual division of labour, placing the burden of care squarely on women's shoulders. This has constrained women's opportunities in the labour market, as we struggle to juggle competing priorities, amidst employment discrimination and a generalised perception of our participation in wage-earning

activities as complementary rather than essential to the household. While most Mozambicans—women and men alike—rely primarily on the informal economy to survive, employment statistics show that male heads of households are disproportionately employed in higher-wage occupations.

Social protection has the potential to contribute to the reversal of patterns of subordination and discrimination in the labour market. In the last two decades, there has been a global resurgence of interest in the developmental role of social protection



among policy makers and international development institutions. In 2015, the International Labour Organization (ILO) issued a joint statement with the World Bank in support of universal social protection, marking a shift away from safety-nets, and towards universality. Yet social protection interventions have largely focused on the expansion of cash transfers. While cash transfers can contribute to the socialization of care if appropriately designed, we should not forget the provision of quality, affordable, social services as core component of a sustainable and just social protection provisioning.

### **The dilemma of paid domestic work**

Much has been written on the double burden of “reproductive” and “productive” labour faced by working women. Middle- and upper-class women have to some extent been able to reconcile competing pressures by outsourcing care responsibilities to domestic workers. Paid domestic work has thus facilitated women’s entry into the labour market by reducing the burden of care for some, and creating employment opportunities for others. However, in doing so, it has facilitated the individualisation of socialised forms of care, often on the backs of working class women. Regarded as something other than employment-- an extension of women’s unpaid care responsibilities-- paid domestic work has been historically excluded from labour and social protections, posing a dilemma for feminists.

In Mozambique, domestic work is characterized by low wages, no benefits, long working hours, humiliating tasks, unhealthy working conditions and vulnerability to emotional and physical abuse. A study by Chipenembe (2010) found that domestic workers work between 12 and 16 hours a day; and in the absence of de facto labour protections, earn so little that most cannot afford to hire trained carers to perform their care responsibilities. Unlike middle and upper class employers, they face the often-painful choice between earning an income and taking care of children and dependents:

She [employer] always checks the clock in the morning, but in the evening, she looks to the sun. If you’re fifteen minutes late, she threatens

to fire you; when it’s time to leave, she says the sun has not set yet. They pretend that they don’t know that there’s a transportation problem ...My children, they think they don’t have a mother, and I have no one that can look after them. My son now beats his sisters, I can’t control him, all I can think is to take him to the police so they can whip some sense into him. (Interview with a domestic worker, 16 June 2012).

The resurgence of interest among feminist scholars in the formalisation of paid domestic work stems from the need to reconcile this dilemma.

Importantly, following independence, the Mozambican government did make a conscious effort to introduce socialised forms of care, such as crèches in formal workplaces. At the time, paid domestic work was perceived as a remnant of the colonial period to be eradicated, rather than promoted. With the introduction of structural adjustment programmes in the late 1980s however, the institutions of socialised care were dismantled. At the same time, the number of unemployed women in urban centres mushroomed, as refugees fleeing the war streamed into the cities, and employment opportunities declined following the privatisation of public enterprises. Today, paid domestic work has become the most important source of employment for urban Mozambican women (Castel-Branco 2013).

### **The formalisation of paid domestic work**

In 2008, in response to pressure from the Association of Women Domestic Workers (AMUEDO), the Council of Ministers approved the Regulation on Domestic Work. However, the decree has had little impact on working conditions. On one hand, it provides far fewer protections than the Labour Law of 2007. First, domestic workers are excluded from minimum wage coverage. The Council of Ministers argued that given employers’ varied incomes, a minimum wage would undermine their ability to secure care

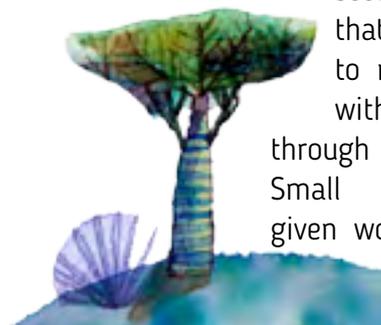




for the young and elderly, and trigger retrenchments. Second, the Regulation mandates longer workdays, fewer breaks and shorter weekends than other workers. Third, for the purposes of registration with the National Institute for Social Security (INSS) domestic workers are designated as own-account workers, absolving employers of the responsibility to contribute to domestic workers' social security funds (Castel-Branco 2013). This is puzzling given that they clearly fit the definition of worker established by the Labour Law of 2007, and clearly do not fit the definition of own-account work. Finally, disciplinary procedures largely favour employers, and workers are only eligible for severance pay if they quit with just cause.

It took seven years between the passage of the Regulation on Domestic Work and the adoption of a mechanism for the incorporation of own-account workers that would functionally allow domestic workers to register with the INSS. Concerned about the fiscal sustainability of the system, the INSS initially proposed a contribution rate for own-account workers in the double digits. In comparison, salaried workers in other sectors contribute 3% of their monthly income, and employers 4%. It was only with the publication of the ILO actuarial study, which found a contribution rate of 7% to be sustainable, that this impasse was overcome.

Once the level of the contribution had been agreed upon, the next challenge was to determine what the basis of calculation would be. In the formal sector, contributions are based on workers' monthly salaries, as reported by employers. The solution was to allow own-account workers to self-report –which not only reduces administrative costs but gives workers the flexibility to determine the level of their contribution—but to do so according to the minimum wage for their respective sector. The expectation was that they would first have to register their enterprise with the Tax Authority through the Simplified Tax for Small Enterprises. However, given workers' reluctance to do this, this condition was waived and there



is now a minimum contribution of 7% of the lowest sectoral minimum wage, which roughly corresponds to the minimum pension (for 2016/2017 the minimum contribution is Mts 230 or USD 3).

Today, registered own-account workers receive precisely the same benefits as salaried workers in the private sector. These include the old age pension, a disability pension, a survivors' pension for the spouse and children in case of death, a temporary disability benefit, a maternity benefit, an illness and hospitalization benefit, and a once off benefit to cover funeral costs in the case of death. Contributions must be paid monthly, on the 10th of every month. If their contributory histories are not up to date, they are not eligible for social security benefits.

Notably, negotiations took place behind the closed doors of the tripartite Labour Consultative Commission (CCT), between: the Ministry of Labour, Employment and Social Security (MITESS); the Organization of Mozambican Workers (OTM) and the Confederation of Free and Independent Trade Unions (CONSILMO); and the Confederation of Economic Associations of Mozambique (CTA). Organisations representing own-account workers were not directly involved in defining the terms of their incorporation, which may explain why, for instance, the question of cross-subsidization of workers' contributions by the State never featured prominently in negotiations. Rather, own-account workers' organisations were engaged post-facto as partners – or intermediary service providers– to facilitate INSS recruitment.

It is still too early to tell what the impact of the incorporation of own-account workers into the INSS will be. The announcement was welcomed by the Mozambican Association of the Informal Economy (AEIMO):

For years, the informal sector has been waiting to be included. There are formal sector workers who, having lost their jobs, found in the informal sector their only form of subsistence. With the integration of these workers in Mandatory Social Security scheme, we are certain that they will be better protected against social risks. (Executive



Director of the Associação da Economia Informal de Moçambique. 2016. AEIMO).

Initial uptake has been limited. In the first month, only 27 workers registered. Following substantial outreach, the INSS managed to register 8000 workers by the end of 2016, and has a target of 13 000 for 2017. In a universe of nearly 10 million, however, this is a small fraction.

Several factors seem to have contributed to low uptake, including a lack of trust in the INSS, rooted on one hand in workers' limited experience with social security systems, and on the other, high profile financial scandals associated with the institution; a cumbersome process requiring the production of numerous documents; and the time-consuming nature of registration. As one informal worker remarked:

I'm not going to sign up. The state takes too much money. They want the market tax, they want the "Início de Actividade Simplified" [Tax for Small Enterprises] and now they want the INSS. What do we get? And we must go there to deposit the contribution. But the way the queues are, you can spend the whole day there, and we don't have the whole day. Every moment when we are not at our stall is a moment lost. And you know how we are. All you need is for one person to go and have a bad experience and no one will want to go again. (Interview with a market vendor, 12 February 2016).

However, one critical obstacle is that many own-account workers earn well below the minimum wage for agricultural work. Given the minimum contribution requirements, they would ultimately have to pay far more than 7% of their monthly income. A survey conducted by Chipenembe (2010), for instance, found that a quarter of domestic workers in the city of Maputo received between 500Mts and 1000Mts; half between 1200Mts and 2000Mts; and a quarter between 2500Mts and 4500Mts. While wages have undoubtedly risen since the survey was conducted, it points to the inadequacy of the current scheme for many paid domestic workers. For now, the only form of income security available to own-account workers,

including domestic workers, earning below the minimum wage, are non-contributory cash transfers.

### **Non-contributory cash transfers as an alternative?**

Non-contributory cash transfers, or social grants, are another policy tool which can reduce the burden of unpaid care. By delinking income security from labour market participation, it can provide a form of compensation for un-commoditised activities. Cash transfers were first introduced in Mozambique in 1988, with the abolition of the subsidised food distribution system in urban centres, but had very limited coverage. In 2007, the Government approved the Social Security Law, which established social protection as a right and defined the components of non-contributory social protection for individuals living in absolute poverty. The consolidation of the legal framework raised the profile of and strengthened support for cash transfer programmes both domestically, and among international development partners, creating the political space for increased budget allocations to the sector. As a result, coverage increased from 183 000 households in 2008 to 498 866 in 2016 (ILO et al. 2016). The Basic Social Subsidy Program (PSSB), which provides an unconditional cash transfer for permanently labour-constrained households is the largest programme; followed the by Productive Social Action Programme (PASP), which provides cash transfers for households with labour capacity conditioned on participation in public works; and Direct Social Action (PASD), which provides temporary in-kind transfers to malnourished, vulnerable groups.

Despite the gradual expansion of non-contributory cash transfers, only an estimated 15% of poor and vulnerable households are currently covered due to strict eligibility criteria (Cunha et al. 2015). Cash transfers are means-tested, with beneficiaries selected based on household, rather than individual, characteristics. However, in Mozambique approximately two thirds of poor households have at least one member who is an able-bodied adult of working-age,





rendering labour-constrained individuals living in these households ineligible for the PSSB. The strict selection criteria are a pragmatic response to budget constraints. Despite a gradual increase in budget allocations to INAS programmes, these still only account for 1.25% of the state budget – a reflection of an ideologically-rooted resistance to providing universal coverage for fear of promoting dependency among the poor. Given the strict selection mechanisms – which Lavinás (2013) convincingly argues make the poor “co-responsible” for their wellbeing in a process of privatization and commodification – it is difficult to fathom that non-contributory cash transfers in Mozambique could contribute meaningfully to the socialisation of care work, at least in the short term.

In 2016, the Council of Ministers approved the National Basic Social Security Strategy 2016-2024 (ENSSB II), which seeks to expand non-contributory social transfers to an estimated 3.3 million people. The ENSSB II proposes a series of important changes to the non-contributory social protection system. The first is a shift of the unit of eligibility from the household to the individual. Once implemented this will allow labour-constrained individuals – including the elderly and people with disabilities – living in poor households, to access cash transfers. The second, is a quasi-universal selection mechanism for the PSSB, which seeks to exclude the richest households rather than include only the poorest. In the medium term, this could be transformed into a universal pension by introducing a bureaucratic selection mechanism in which anyone who does not receive a pension from the contributory social security scheme, is eligible for a cash transfer. The third is the introduction of an infant grant for children between 0 and 2 years.

The operational manuals for the non-contributory cash transfers outlined in the ENSSB II have yet to

be developed. However, if conditional, they are likely to add an additional burden to women’s unpaid care work. Child grants elsewhere have generally imposed conditions on recipients such as participating in trainings on health-related topics, or making use of public social services. Highly rationalised, residual and conditional cash transfers can in fact individualise care work. If cash transfers are to contribute to the socialisation of care work they therefore must be wide in scope, and unconditional.

### **Social services as integral part of universal social protection**

Social protection is a powerful policy instrument for the socialisation of care work. However, drawing on the case of Mozambique, there are some challenges and limitations of current interventions. While there has been an expansion of the contributory social security system, coverage remains limited. Given that most Mozambicans, and women especially, earn a living from largely survivalist activities in the informal economy, a social protection system designed to cater to workers in an employment relationship is inadequate. While non-contributory cash transfers may provide an alternative, a residual and conditional system may in fact individualise rather than socialise the burden of care work. Finally, cash transfers are only one element of a universal social protection system. As the story of my grandfather’s hospital stay illustrates, the provision of quality, affordable, social services is another essential – though frequently overlooked – component. The provision of care facilities not only can contribute to a reduction of the burden of unpaid care work, thereby facilitating women’s participation in wage-earning activities, but generate formal employment opportunities for professional carers rather than relying on informally employed domestic workers. ●





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## About the Author

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## The Feminist Dialogue Series

The Idea of the Feminist Dialogue Series was born during an International Workshop on Political Feminism in Africa organized by the Mozambican Feminist Platform Forum Mulher and the Friedrich-Ebert-Stiftung (FES) in October 2016 in Maputo. The gathering brought together over 50 feminist activists and scholars from all over the continent. Inspired by the stimulating discussions and interventions at the workshop, this series is intended as a platform to share important feminist reflections. In this way the series wants to contribute to the development and spreading of African feminist knowledge to transform political and economic conditions on the continent towards social and gender justice.

The Feminist Dialogue Series proudly counts on the artistic contribution of Ruth Bañón (art header) and the design of Sebastião Montalvão (Lateral Multimedia).

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