# Gender and Women's Rights Analysis of Economic Partnership Agreements: the implementation of trade liberalisation

## Mozambique

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May 2009

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# Accronyms

| | | |
|---|---|---|
| ACP | - | Africa, Caribbean and Pacific Countries |
| CGE | - | Computable General Equilibrium |
| CRER | - | Credit for Rural Entrepreneurs |
| CSO | - | Civil Society Organisation |
| EPAs | - | Economic Partnership Agreements |
| EU | - | European Union |
| DFI | - | Direct Foreign Investment |
| GATT | - | General Agreement on Tariffs and Trade |
| GDP | - | Gross Domestic Product |
| GRESCE | - | Sustainable Credit Program for Entrepreneurial Growth |
| IEPA | - | Interim Economic Partnership Agreement |
| INE | - | National Institute of Statistics Mozambique |
| MFI | - | Microfinance Institution |
| MPD | - | Ministry of Planning and Development |
| ODI | - | Overseas Development Institute |
| PIAB | - | Presidential Initiative to Growth |
| SACU | - | South African Custom Union |
| SADC | - | Southern Africa Development Community |
| TIA | - | Agricultural Survey for Simplicity |
| UNDP | - | United Nation Development Programme |
| VAT | - | Value Added Tax |
| WTO | - | World Trade Organisation |
| TDCA | - | Trade, Development and Cooperation Agreements |

# 1. Introduction

In June 2000, a new partnership agreement, known as the Cotonou Partnership Agreement, was signed in Benin between the Africa, Caribbean and Pacific (ACP) group and the European Union (EU). This Agreement did foresee setting up Economic Partnership Agreements (EPAs) that are compatible with the WTO rules of reciprocity where each party should liberalize its trade with the other in a manner that the final agreement is in accordance with the Article 24 of GATT (Thorp, 2003).

Different from past conventions such as the 1975 Lomé Convention which set unilateral trade preferences, in the sense that ACP countries were not required to eliminate customs duties on their imports from the EU, the EPAs do foresee reciprocal trade opening of "substantially all" imports between the EU and the ACPs and covers goods and services. However, as demanded by the ACPs, a trade development cooperation component is part of the agreement.

The first stage of the EPA consists on the Interim Economic Partnership Agreement (IEPA) which focus mostly on removing barriers to trade on goods and has entered into force in 2008. The framework under which the agreement is supposed to operate consists of: (i) the trade defense instruments including the antidumping measures; (ii) the non-tariff measures including the prohibition of quantitative restrictions, and non taxation discrimination between imported and internally produced goods; (iii) customs and trade facilitation; (iv) the removal of technical barriers to trade; and (v) the sanitary and phyto sanitary measures.

The EPA, and consequently the IEPA components, is additionally recommended to take into account the gender dimension in its design. Section 4 of the 2002 Cotonou Agreement[1] on cross cutting issues, for instance, states that cooperation shall create appropriate framework to integrate a gender sensitive approach and concerns at every

[1] This document serves as the legal basis for the EU-ACP EPA negotiations.

level of development cooperation, and to encourage the adoption of specific measures in favor of women. Among these measures is the participation in national and local planning and decision-making processes, and the increased access to productive resources, and to the labor market.

The fundaments for this approach falls within the gender equality and women empowerment framework which recognizes that, more than men, women's production capability is constrained by their weak accumulation of human capital, by their limited access to improved productive means and to markets, and by their overburdened work schedule as they also perform reproductive and community work [2].

Mozambique initialed in November 2007 the Interim Economic Partnership Agreement (IEPA) with the European Union (EU), in conjunction to the SADC countries of Botswana, Lesotho, Namibia and Swaziland. Following this commitment, the country defined its trade positioning by listing the items that will be liberalized in two major periods: 2008 and 2018. What is not in the list will not be liberalized.

The extent to which this liberalization program has been able to reflect the recommendations of the 2002 Cotonou Agreement above in relation to gender has not been given considered. Other effects of this liberalization in the country's economic and social well-being also need to be explored. The present paper tries to cover this analytical gap mostly from a gender perspective .The major questions it will try to answer are:

- How does the Mozambican IEPA affect differentially local female and male producers?
- Can the IEPA related cheaper imports of consumer goods contribute to more equitable patterns of consumption between women and men, and to improvements in their well being and in that of their dependants?

[2] See, for instance, Elson (1998), Ulmer (2007), and Çagatay et al. (1995).

- As tariff removal implies public revenue losses, what is the magnitude of these losses, and how can they impact on public expenditure on gender sensitive social sectors?

Information at international level tends to indicate dissatisfaction with the almost complete absence of any recognition in any of the EPAs of their potential differential gender impact or any provisions in them in relation to gender. The report of the Eighth Session of the EU's Human Rights Council on the implementation of the right to development, for instance, affirm that EPAs seem to operate independently of the general human rights provisions in the Cotonou Agreement. It argues additionally that while the EU claims that human rights and gender equality are mainstreamed in their development activities and civil society organizations (CSOs), evidences of this need to be found. Progress in access to resources by women has been negligible and the concept of a gender dimension has been largely absent from the negotiations (Human Rights Council, 2008).

Country case studies in other parts of Africa also tend to point to a negative picture of the gender effects of trade liberalization which may equally result from EPAs when they are implemented. Pheko (2006) illustrates the case of the South African[3] female labor intensive leather sector, where rapid tariff removal (from 41.2% in 1995 to 28.9% in 1999) has resulted in entrenchments and drastic changes in production processes in local factories. Retrenched workers joined the informal sector were factories subcontracted them in order to cut labor costs. The size of the informal sector grew by 771,000 in only 2 years.

Ulmer (2008), points to the case of Cameroon on chicken poultry where sudden liberalization increased imports of poultry from 60,000 tones in 1994 to 221,000 tones in 2003. Government owned companies for rural development had defined programs to finance poultry producers whose majority are women. The programs lost over 60 million CFA of African Development Bank credits and grants from the European Development

[3] South Africa signed a Trade, Development and Cooperation Agreement (TDCA) in March 1999 which opened South Africa's markets to 86.0% of EU goods over 12 years period, while opening the 15 EU economies to 95.0% of South African goods over a 10 year period (Africa Recovery, 1999)

Fund with the result of government support structures having to close down. Private investors lost over 14 million CFA in the Chicken production Government Investment. At the end trade liberalization only did offset Government essays to improve welfare of it population, and left the thousands of women who have asked for credit in debt to the banks.

What is the case of Mozambique? We try to answer this question by structuring the paper in 6 main chapters that also consist on the steps for an economy-wide impact assessment of the gender effects of the EPA, based on the November's 2007 IEPA. The methodological framework is described in section 2. Section 3 provides a general background on the gendered structure of the Mozambican economy in relation to:

- the gender composition of the labor force;
- the working conditions, earnings and the labor market segmentation;
- the women's household burden;
- the gendered consumption pattern, and
- the public provision of social services.

Sections 4 and 5 refer to the IEPA as such. It starts by providing a background on Mozambique's international trade and the role of the EU, and a general overview of the IEPA including the process and content of liberalization. Later it refers to the impact that the IEPA may have for specific goods. It asks:

- What is the gendered impact of the goods that are supposed to be liberalized in 2008 and in 2018, both in terms of production, consumption and revenues?
- What gendered impact could be expected if the goods under the exclusion list were to be liberalized?

Sections 6 addresses to data gaps and highlights the need to increase data available for a gendered trade analysis. Section 7 refers to the conclusions of the paper.

## 2. Methodology

Robinson et al (2007) have contextualized the EPAs within a theoretical framework that integrates the concepts of shallow or negative integration, and deep or positive integration. Accordingly, shallow integration implies that ACPs should remove border barriers to trade to "substantially all" imports from the EU (that is, apply a zero tariff rate or quota).

Deep integration, however, involves policies and institutions that facilitate trade by reducing or eliminating regulatory and behind-the-border impediments to trade including non discrimination between foreign and national goods or services suppliers[4]. Deep integration may compensate for the efficiency losses above as it increases the likelihood of welfare gains by permitting both more niche market specialization, and the creation of stable value chains. The possible range of further gains include technological transfer and diffusion both through trade and Direct Foreign investment (DFI); pro-competitive gains from increasing import competition in an environment of imperfect competition, which may also permit further exploitation of economies of scale in production and greater use of intermediate inputs; the increased geographical dispersion of production through trade that supports the exploitation of different factor proportions for various parts of the production process, and/or local economies of scale through finer specialization and division in production; and externalities arising from institutional changes that lead to wide increases in productivity.

Standard methodologies used to assess the impact of changes in trade policy consist on computable general equilibrium (CGE) models, partial equilibrium models market simulations, and econometric analysis. These methodologies have also been used to analyze the gendered impact of trade policies[5]. While comprehensive and trying to capture most of the structural factors underlying economic performance within and

[4] Deep integration can also include issues such as customs procedures; product standards that differ from international norms, or where testing and certification of foreign goods is complex and perhaps exclusionary; regulation of inwards investments; competition policy; intellectual policy protection, and rules surrounding access to government procurement.
[5] See for instance, Fontana (2007)

among countries, one of the characteristics of the models above is that they fail to capture the social dynamics that at micro level lie behind that performance. Gender related issues are among these dynamics.

Our paper tries to cover this gap by assuming first that as part of macroeconomic policies trade liberalization is not gender neutral. Women and men occupy different positions in the society. Social relations have determined a differentiated degree of formation on their human capital, access and control to productive resources, and they are socially overburdened.

Cheaper imports due to liberalization will therefore impact differently on women and men as it follows:

- Trade liberalization leads to some sectors expanding and some other sectors contracting. Therefore, we try to know if the expanding/contracting sectors are female-intensive.
- Other than the quantity of jobs created/destroyed, there are questions about the quality of such jobs. In particular, we ask about how easily can people who lose their job shift to other (decent) employment.
- The availability of cheaper goods should induce their higher consumption. Will the availability of cheaper equipment and machineries contributed to a reduction in the women's unpaid work burden (say, by using more electronic household tools such as washing machines, electrical stoves and milling machines) in such a way that their ability to respond to new economic incentives is higher, and will they contribute for an increased production and productivity? Will the food related cheaper goods contribute for a better household consumption? If so, does it justify losses of production of locally produced goods?
- Tariff rates are important source of public revenues. To what extent will their reduction imply cuts in public expenditures which can be detrimental for women?

In order to answer these questions, the following procedures are undertaken in relation to the IEPA:

- We start by classifying the liberalized products by their sector: are they agricultural or manufactured goods?
- Associated with the above, goods are classified by their use: final or intermediate consumption. These two steps help to discriminate the IEPA impact on producers and consumers.
- The next step consists on identifying the users of the classified goods according to their sex, their social characteristics (residence, household headship, and income)

In the next step a deeper analysis is undertaken in order to discern on:

- the likely existence of competition between cheaper imported goods, and the locally produced ones through direct price competition and through a substitution effect;
- The implications of such competition to producers and employment;
- The distributional pattern of the benefits in consumption due the availability of cheaper goods;
- The implications to the public budget of the liberalization.

# 3. The Gender Structure of the Mozambican Economy

## a) The Sector of Employment

Estimations based on the 2007 population census data made available to the consultant indicate that women constitute 52.3% of the Mozambican population and 23.0% of the heads of households. Of the labor force, Table 1 indicates that 55.0% is composed by women. By sector, Table 1 also shows that the agricultural sector provides employment to 78.0% of the labor force but it contributes to only 22.9% of the GDP. Suggesting that this is a very low productive sector, this sector is mostly female intensive. 60.1% of the total labor force in the sector is female. When we focus on the female labor force only, the figure is self evident: 90.9% of the female labor force is in the sector. This is the same as saying that women in Mozambique are essentially agricultural. There is a variation in

the gender division of labor for specific crops and this will be highlighted in a later section.

The sector of the economy with highest productivity consists of services (45.3% of GDP derives from this sector) with emphasis on commerce (10.0%), transportation (9.6%), and "other services" (23.8%). The manufacturing is the following sector contributing with 24.2% of GDP. These two broad sectors are predominantly male-intensive. Women's presence in services comprehend only 7.8% of their total labor force and is only high among vendors (3.7% of women's employment) and in "other services" (3.2% of women's employment) that consist on activities such as housekeeping, cleaning, hairdressing, and NGOs. In the manufacturing sector they only comprehend 0.8% of women's employment.

Overall, the information above is saying that women mostly work in the least productive sectors of the economy and that they are heavily concentrated in agriculture, while male employment is relatively more evenly distributed across sectors. What will the role of the IEPA be given this gendered structure of the labor force? We analyze this issue in the next section by specific sectors.

**Table 1: GDP Structure and The Labor Shares, 2006**

| | Male | Female | Male | Female | Total | GDP Share |
|---|---|---|---|---|---|---|
| | Row Share | | Column Share | | | |
| Agriculture | 39.9 | 60.1 | 64.3 | 90.9 | 78.0 | 22.9 |
| livestock | 82.6 | 17.4 | 0.5 | 0.1 | 0.3 | |
| Forestry | 87.8 | 12.2 | 1.0 | 0.2 | 0.6 | 1.8 |
| Fishery | 92.6 | 7.4 | 0.1 | 0.0 | 0.1 | |
| Mining | 94.3 | 5.7 | 4.2 | 0.2 | 2.1 | 0.8 |
| FoodInd | 82.7 | 17.3 | 1.1 | 0.2 | 0.6 | |
| Tobacco | 84.2 | 15.8 | 0.0 | 0.0 | 0.0 | |
| Textiles | 77.2 | 22.8 | 0.7 | 0.2 | 0.5 | |
| leather | 90.6 | 9.4 | 0.1 | 0.0 | 0.0 | 14.5 |
| Woodworking | 90.3 | 9.7 | 1.0 | 0.1 | 0.5 | |
| Other Manufured | 88.4 | 11.6 | 1.8 | 0.2 | 1.0 | |
| Metals | 96.3 | 3.7 | 0.6 | 0.0 | 0.3 | |
| Utilities | 87.1 | 12.9 | 0.4 | 0.1 | 0.2 | 5.5 |
| Construction | 93.3 | 6.7 | 3.9 | 0.3 | 2.0 | 3.4 |
| Commerce | 93.6 | 6.4 | 3.0 | 0.4 | 1.6 | 10.0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Vendors | 60.9 | 39.1 | 6.2 | 3.7 | 4.9 | n.d |
| Repairs | 97.7 | 2.3 | 0.2 | 0.0 | 0.1 | 0.4 |
| Hotel Rest | 71.0 | 29.0 | 0.3 | 0.1 | 0.2 | 1.5 |
| Transport | 95.5 | 4.5 | 2.1 | 0.1 | 1.1 | 9.6 |
| Other Services | 71.2 | 28.8 | 8.4 | 3.2 | 5.7 | 23.8 |
| Others | | | | | | 5.8 |
| Total | 45.0 | 55.0 | 100.0 | 100.0 | 0.0 | 100.0 |

Source: Estimations based on www.ine.gov.mz, GDP at 2003 prices

### i.) The Agriculture Sector

Information from the Ministry of Agriculture (2007), based on the results of the 2006 agricultural survey indicates that almost all (99.0%) of the agricultural enterprises are small subsistence household based. The tiny 1.0% is medium or large enterprises. Since the small subsistence agricultural enterprises constitute the majority of the farming system, we concentrate our analysis on these small farms. 23.3% of the small farms belong to female headed households, and the remaining is owned by male headed households. A maximum is observed in Gaza Province where female owned farms increase to 38.0%. In terms of labor force, however, women constitute 55.0% of the agricultural labor force. This is because most of the small scale farming within the male headed households is made by women[6].

Table 2 shows that in Mozambique women are found in the production of roughly all local crops. Their share, measured as participation in the production of a certain good, is however, relatively smaller in the production of cash crops such as cotton, tobacco, paprika, sisal, sun flower, and pepper, and in food crops such as eggplants and fruits that are not specified. This relatively smaller female labor share in cultivation of cash crops is mostly determined by gender norms and social relations as, like in the majority of the Sub-Saharan Africa context, Mozambican women's household care activities are expanded to the provision of basic food stuff for household consumption. Extreme cases of women's responsibility in household consumption may be centered among households

[6] This is a contrast with the medium and large enterprises where the share of women is relatively smaller. In one of the few large enterprises, the sugar sector for instance, women constitute just above 16.0% of the total employees (See Khan 2007)

where there is no presence of adult men (female headed households with no adult males, or when the husband has migrated) as they may lack alternative sources of income other than the returns to their own labor. Boughton et al (2006) paper on the changes in rural income's pattern indicates that, in 2002, 24.3% of the rural households were female headed and another 9.0% were widow headed.

**Table 2: Women Share in Total Producers of Specific Crops 2003**

| | Women Share | | Women Share |
|---|---|---|---|
| Corn | 51.5 | Pumpkin | 52.3 |
| Rice | 52.4 | Lettuce | 51.3 |
| Sorgum | 50.8 | Garlic | 55.9 |
| Millet | 55.3 | Egg Plant | 31.5 |
| Goundnut (big) | 49.8 | Onion | 53.9 |
| Groundnut (small) | 51.6 | Carrot | 66.9 |
| Common Beans | 55.6 | Cauliflower | 51.3 |
| Cowpea | 52.5 | Peas | 45.6 |
| Earth Peas | 52.4 | Water Melon | 52.8 |
| Pigeon Peas | 51.6 | Cucumber | 51.2 |
| Irish Potatoes | 48.8 | Pepper | 40.9 |
| Cassava | 51.9 | Chilli | 53.7 |
| Sweet Potatoes | 53.4 | Okra | 54.8 |
| Cotton | 49.8 | Cabbage | 58.1 |
| Tobacco | 47.3 | Tomatoes | 53.2 |
| Sisal | 26.1 | Other Vegetables | 54.8 |
| Tea | 55.7 | Avocado | 50.5 |
| Sunflower | 40.7 | Pineaple | 53.2 |
| Sesame | 55.1 | Sugar Apple | 54.1 |
| Soy | 72.0 | Banana | 51.2 |
| Paprica | 48.0 | Guava | 54.8 |
| Ginger | 61.1 | Orange | 53.7 |
| Inhame or Madumbe | 53.1 | Lemon | 52.8 |
| Cashew nut | 51.9 | Little Apple | 56.4 |
| Cashew Kernels | 61.5 | Mafura | 56.7 |
| Cashew Juice | 51.7 | Mangoes | 54.2 |
| Cashew Liquor | 51.9 | Pawpaw | 52.5 |
| Coconut (fresh) | 54.9 | Pears | 61.8 |
| Coconut (dry) | 54.7 | Peach | 50.2 |
| Sugar Cane | 51.0 | Mandarin | 55.0 |
| | | Grapefriut | 48.9 |
| | | Passionfruit | 66.2 |
| | | Other fruit | 43.4 |
| **Total** | | | **53.0** |

Source: Estimations based on TIA, 2003

**Table 3: Crops and Prices by Gender 2003**

| | Mean Share of sold output | | Mean Price/kg | | |
|---|---|---|---|---|---|
| Crop | Men | Women | Men | Women | M-W |
| Maize | 31.9 | 29.8 | 2.477 | 2.555 | -0.079 |
| Rice | 37.9 | 35.2 | 5.239 | 5.135 | 0.104 |
| **Sorgum** | **45.4** | **35.0** | 2.623 | 2.402 | 0.221 |
| Millet | 53.2 | 0.0 | 1.401 | | 1.401 |
| **Groundnut (Big)** | **45.2** | **38.7** | 6.448 | 6.519 | -0.072 |
| Groundnut (small) | 44.4 | 41.4 | 5.939 | 5.774 | 0.165 |
| Common Beans | 48.2 | 47.7 | 6.448 | 6.090 | 0.358 |
| Cowpea | 44.3 | 41.2 | 3.935 | 4.466 | -0.532 |
| Earth Peas | 30.7 | 29.0 | 3.792 | 4.988 | -1.196 |
| Pigeon Peas | 41.9 | 44.5 | 2.472 | 1.768 | 0.704 |
| Irish Potatoes | 59.7 | 61.9 | 5.246 | 4.576 | 0.670 |
| **Cassava** | **28.8** | **22.4** | 1.359 | 1.187 | 0.172 |
| Sweet Potatoes | 19.1 | 21.5 | 2.058 | 2.121 | -0.062 |
| Cotton | 98.4 | 96.5 | 2.912 | 3.119 | -0.207 |
| Tobacco | 95.6 | 97.1 | 12.472 | 9.837 | 2.636 |
| Sunflower | 89.6 | 90.3 | 6.635 | 1.993 | 4.641 |
| **Sesame** | **56.7** | **73.0** | 5.997 | 5.292 | 0.705 |
| Soy | 69.6 | 69.7 | 4.840 | 4.121 | 0.719 |
| Paprica | 100.0 | 100.0 | 0.628 | 3.487 | -2.859 |
| **Ginger** | **26.9** | **2.5** | 2.753 | | 2.753 |
| Cashew nut | 75.4 | 77.3 | 4.784 | 4.710 | 0.074 |
| **Coconut (fresh)** | **68.1** | **64.9** | 1.325 | 1.393 | -0.068 |
| Coconut (dry) | 96.6 | 93.2 | 1.309 | 1.423 | -0.115 |
| | | | | | |
| Total | 56.9 | 52.7 | 4.047 | 3.950 | -0.1 |
| Cash Crops | 78.8 | 77.7 | 4.703 | 4.248 | -0.5 |
| Non Cash crops | 42.8 | 36.7 | 3.626 | 3.767 | 0.1 |

Source: Estimations based on Agricultural Survey, 2003

Additional information on women's production orientation to household consumption is provided in Table 3 which shows that men sell 6.1 percentage points (pp) more non cash crops and 1.1pp more cash crops than women also at higher prices: men derive 46 cents higher prices from selling cash crops than women. Prices are higher for women in only 9 crops which, except for cotton, paprika, and dry coconut, they consist on non cash crops.

An incentive to a more participation in production of cash crops that offer higher market prices could be women's education. However, Table 4 shows that 92.4% of rural women

in the agricultural sector have no (formal) education. This is the highest share of uneducated women after the rural women in the manufacturing and construction sectors.

**Table 4: Rural Women Educational Attainment**

| | None | Primary | Secondary 1 | Secondary 2 | Tertiary | Total |
|---|---|---|---|---|---|---|
| Agriculture | 92.4 | 7.5 | 0.1 | | | 100.0 |
| Indust Extract | 76.6 | 23.4 | | | | 100.0 |
| Manufacturing | 100.0 | | | | | 100.0 |
| Construction | 100.0 | | | | | 100.0 |
| Commerce | 67.7 | 32.3 | | | | 100.0 |
| Services | 64.5 | 23.1 | 12.4 | | | 100.0 |
| Education | 0.0 | 62.0 | 13.9 | 6.0 | 18.1 | 100.0 |
| Health | 89.2 | 10.8 | | | | 100.0 |
| Public Administration | 0.0 | 100.0 | | | | 100.0 |
| Total | 91.8 | 8.0 | 0.2 | 0.0 | 0.1 | 100.0 |

Source: Estimations based on the 2003 Household Survey

Other constraints are presented in Table 5 which shows how women are overburdened in their production, and how they are the least adopters of technological means:

- Both women and men present lower level of utilization of means to increase crop's productivity. Less than 10% of both of them utilized fertilizers, pesticides or manure. However, less women than men do use these agricultural inputs. Factors determining such low levels of utilization of above agricultural inputs by are not comprehensively explored in the agricultural survey. However, as it is explored bellow, issues such as availability, lack of access to financial means and poverty, education both in terms of school attainment and exposure these improved production inputs, can be considered important in explaining this gender gap.

- Women tend to use more animal traction than men, while this mean of production demands high consumption of human energy. Would there be availability and more than that, would there be accessibility to mechanized tools they could own them and hire labor to use them in their fields (as fewer women may be able to

handle such tools). Otherwise, they could hire the services from those who have the mechanized tools. Men are physically stronger, but they use more mechanized tools in production. We could not have access to each specific mechanized tools, but in general the Agricultural survey referred to tools such as tractors, tracks, and irrigation mechanisms.

**Table 5: Use of Agricultural Inputs by sex of the Peasant, 2003**

| (% of total by sex) | Men | Women |
|---|---|---|
| Fertilizers | 4.7 | 4.6 |
| Manure | 7.9 | 7.7 |
| Pesticides | 8.5 | 7.3 |
| Animal Traction | 15.7 | 16.1 |
| Mechanized Tools | 31.0 | 28.2 |

Source: Estimations based on Agricultural Survey (2003)

The information by the Ministry of Agriculture (2007) indicates that among female peasants only 23% receive any type of information concerning extension services using radio, neighbors, relatives, and so on. Among men this percentage is roughly the double. From the household who receive information on prices, 51% do not use it for decisions on area for cultivation, and 55% do not use it for crop cultivation selection.

Security in land use consists in another constraint to women production and increased productivity. From the legal point of view, the Land Law does not discriminate between female or male ownership of land. However, while there are strong indications of conflicts in land ownership mostly between communities and private institutions (Chilundo et al, 2005), for women the challenges for their access and control to land and other assets, falls first within the household context, mostly in the majority patrilineal societies.

Traditionally, Mozambican women have been divided in two groups according to their social status that also have implications in social power they detain. Women in the north of the country belong to matrilineal societies where inheritance is transmitted through the women's lineage. As such marriage implies that men moves to the women's lineage and the couple's accumulated assets belong to the women's side. Women in most of the

central provinces and in the south belong to patrilineal societies. Here inheritance is transmitted through the men's lineage, and it is the women who move to the men's house and all the couple's assets belong to the men's family (Van den Bergh-Collier, 2007).

While in both societal arrangements women could be expected to be in disadvantage since even in the matrilineal societies, the real power falls over men (the older uncle), the analysis by Kanji et al (2004) on the liberalization of the cashew nuts sector in the context of the economic adjustment program analyzed the factors affecting women's production of cashew nuts. Among these factors women's social status in relation to access to land and security in land use were among the most important factors. The major conclusion of the analysis was women in matrilineal societies have more land security. From the 45 interviewed women, most of them inherited or were allocated pieces of land from their own families. In the patrilineal societies (the case of the Gaza Province), however, women are restricted in the use of land. Access to land is mostly secured through marriage as while married women are entitled to a plot where they can work. In case of death of the husband, land may be secured as long as the women don't abandon the family. But in case of divorce women are forced to abandon the plot they have been planting as they return to their parents or they go to another marital arrangement. This insecurity in access and control to land as serve as a disincentive to women's increased production.

Multiplicity of responsibilities also constitutes a limitation to improved agricultural production. Unfortunately, a comprehensive survey on time allocation for the country, with disaggregation by residence areas, poverty status and gender is not available. The World Bank team on gender has undertaken a survey that tried to capture these features in some rural districts of 4 provinces of the countries. Based on this survey our estimates indicated that the results can only be used at an aggregated level, but they still provide some directions on differences of time allocation among the various household responsibilities.

Table 6 estimates the average daily hours spend of different activities both productive and reproductive. It shows that women are in general overburdened as compared to men. The time they allocate to all household responsibilities is roughly double of men's time. While they roughly allocate the same time in the agricultural activities[7], women have to perform other (reproductive and social) activities than men. They spend their time 4 times more than men in washing clothes, fetching water, preparing food and cooking[8]. Additionally, more than men, they have to take care of the elders and the sick people. Contrasting with international standards, women do more house maintenance than men[9].

**Table 6: Hours Allocated to Economic & Social Activities, 2006**

| | Women | Men | W/M |
|---|---|---|---|
| Cook | 2.3 | 0.6 | 4.0 |
| Wash the Clothes | 2.4 | 0.6 | 4.0 |
| Clean the House | 1.7 | 1.6 | 1.1 |
| Shopping | 0.8 | 0.9 | 0.9 |
| Care of the Elders | 0.5 | 0.4 | 1.1 |
| Care of the Sick | 0.0 | 0.0 | 1.9 |
| Care of the Animals | 0.1 | 0.1 | 1.7 |
| Agriculture | 1.2 | 1.1 | 1.1 |
| Pick Firewood | 1.0 | 1.0 | 1.0 |
| Fetch Water | 1.8 | 0.4 | 4.0 |
| Community Work | 0.0 | 0.0 | 0.8 |
| House Maintenance | 0.1 | 0.0 | 1.8 |
| Preparing Food | 0.9 | 0.2 | 4.0 |
| Total Worked Hours | 12.8 | 7.0 | 1.8 |

Source: Estimations based on the 2006 World Bank Survey

Access to credit for production purposes has been another constraint for women. The liberalization program under the 1987 economic adjustment program implied the growth of financial institutions from the fewer state owned banks to a large number of privately owned banks. In parallel to this growth a number of institutions dedicated to micro finances has emerged to become credit cooperatives, micro finance banks, or simply

[7] Time spent on agricultural plots may vary considerable with the season.
[8] There are differences between preparing and cooking food. Taking the case of maize, for instance, preparing food would mean cleaning and pounding the grain, while cooking would refer to the preparation of the maize porridge.
[9] By house maintenance activities it is referred the repairing of damages in the building infrastructure. In rural areas of Mozambique standard houses are made of pole, cane, grass and clay. Therefore, it is common to find women closing holes in the walls using fresh clay, adding grass to the roof, and so on.

NGOs providing credit to its associates. The 2006 survey by the Mozambican Association of Banker indicate, among others, the existence of 12 large banks of which 10 are purely commercial and 2 dedicate themselves to microfinance activities, 2 micro banks, 5 credit cooperatives, and 57 NGOs providing credit (Associação Bancária de Moçambique, 2006).

The constraints for better access to credit from commercial banks by women have been related to the level of collateral demanded by the banks and, for the married women to the conditionality that she presents a letter of consent from the husband. Microfinance institutions, therefore, appear to be the alternative source of financing for small income groups and for women in particular. de Vletter (2006) mentions that in only 20 biggest microfinance institutions (MFIs) the number of clients grew by 40.0% between 2001 and 2003, thus totalizing around 50 thousands active individuals. Of those, 58% were women. The loan sizes, in general, varied from €16 to €2,389.

The role of the MFIs in increasing access to finances by rural female producers and promote their well being, is however questioned. de Vletter (2006), for instance, indicates that most of the credit users are urban women who are mostly linked to trade (57% of the credit portfolio is dedicated to commerce. It is only in this area that women constitute the majority of the clients. The agriculture sector, however, absorbs only 18.0% of the credit portfolio (the remaining goes to industry 15.0% and services 10.0%). Even when MFIs are settled in the rural areas they hardly concentrate their activities at the production level. When they do, the majority of them only do it by promoting trade of the agricultural output[10]. By 2005 only 3 MFIs (9.0% of total) dedicated their credit services exclusively to agriculture, other 14 MFIs (44.0%, and shrinking from 68% in 1997) both financed micro enterprise's development projects and agriculture, and 2 offered employer guarantees programs. But the agricultural fraction of the loans was small, and only 2

[10] This is the case of MFIs such as CARE International through its Sustainable Credit Program for Entrepreneurial Growth (CRESCE) working in rural areas of Manica Provinces and the World Vision in Tete, Nampula and Zambézia.

MFIs could be said to provide agricultural loans largely. This trend is also followed even when the MFI is exclusively directed to women[11].

Daude's (2006) analysis of the two enterprises offering credit related to agricultural production also appeared disappointing when women are concerned. The CCCP_CCOM project operating in the northern province of Cabo Delgado, has 4100 clients and offered two major products, the commercial to small traders, and agricultural loans, aimed at peasant farmers who require longer duration loans with no interim requirements as their cash flow is limited during the crop growing season and who are only able to make repayments in the sale period after harvest. In some villages the MFI created producers associations to whom it provided access to credit in form of input such as seed and pesticide. Despite the positive signs that the old clients (working with the MFI for more than 3 years) presented an increase in the crop area from an average 3.1 to 3.4 hectare in only 1 year, and an increase or expansion of household activities to cope with "hunger period", CCCP_COM only managed a 28.0% of female participation. This is contrasted by the 73.5% share of female clients in the suburbs of the southern urban areas of Maputo. This is so despite concerted efforts to promote greater female participation. Similar MFI, the FCC, only managed 15% of female participation. Cultural and religious factors are pointed to limit women's use of the available opportunities.

Our analysis here is showing that women and men are strongly involved in the agricultural sector, but women have the largest participation. Their production is however directed to household consumption with a little output directed to the domestic market as compared to men. Factors underlying such production orientation are essentially cultural, where the household care is the center of their attention, and are reflected in term of their human capital development, access to technology, land, and credit.

[11] This the case of MFIs such as the the Nampula's women financing NGO, the "Caixa das Mulheres de Nampula", and the Women development Fund in Mozambique operating in Gaza Province where the sex ratio is one of lowest in the country: for each 100 women there are only 80 men; and more than 70.0% of women are employed in the agricultural sector. See: www.fdm-mz.org.

The IEPA or trade liberalization in general challenges local producers through direct price competition or indirect price competition through substitution effect. The production characteristics above presented mean that there are more limits to women than to men in their capability to compete with cheaper imports or to shift to production of goods where they could have comparative advantages, also in a short period of time.

If the cheaper imported EU goods are equal or substitute to those locally produced we should expect a negative impact on domestic producers. So far, it is worth to mention that the EU does not produce tropical goods to produce a direct price competition effect. However, a substitution effect can be expected either through imports of similar agricultural crops or through imports of manufactured food items that being cheaper or implying time and energy savings (including human physical energy) induce their higher consumption by the local households. These can be items such as the cereals and the farinaceous products like pastas and bakeries, raw or processed vegetables and fruit. In later section we analyze the liberalization content and we explore in detail the mechanisms through which the likely impact ca be felt at product level.

### ii.) The Manufacturing Sector

The manufacturing sector is the least employer of the major economic sectors in the country. It contributes with 24.2% to the GDP, but it only absorbs 7.3.0% of the total labor force, being essentially male intensive. Women's average share in the sector is of only 11.6% or just 1.3% of the total female labor force. Among men, the last share rises to 7.4%.

An analysis at sector level in Table 7 indicates that women are more represented in the fabrication of non metallic mineral based products (35.3% of the total labour force in such sector) in which the ceramics sector[12] have a larger representation of 54.6%, and producing goods such as clay mortars, flower pots, common pots for water storage, and

[12] Not shown in Table 7.

traditional sauce pans. The following sector is the production of office machinery (30.9% of the labour force is female), but the absolute data indicates the existence of only 29 women and 65 men, and the INE's Enterprise Survey does not show any item concerning this industry. Next is the food industry, mostly, the production of wheat flour based products (26.0%) and beverages (24.6%), the cloth manufacturing (24.1%), and the paper related industry (23.4%).

**Table 7: Women Share in Different Manufacturing Occupations**

| | Employees | Own Account | Unpaid Female Workers | Coperative | Owner | Total |
|---|---|---|---|---|---|---|
| Coal Mineration | 4.9 | - | - | - | - | 5.8 |
| Petroleum Extraction | 13.5 | - | - | - | - | 15.1 |
| Uranium Extraction | 0.0 | - | - | - | - | 0.0 |
| Metal Extraction | 1.3 | 11.2 | 25.4 | 0.0 | 2.4 | 3.0 |
| Other Metal Extraction | 4.9 | 8.1 | 9.6 | 22.5 | 4.6 | 5.2 |
| Meat, Seafood & Fruit processing | 14.2 | 46.8 | 42.6 | 80.0 | 9.1 | 17.6 |
| Cereal Processing | 6.1 | 20.4 | 29.6 | 14.3 | 3.3 | 8.5 |
| Bread Production | 6.1 | 20.4 | 29.6 | 14.3 | 3.3 | 8.5 |
| Animal food, Sugar & Chocolate processing | 9.7 | 32.2 | 29.7 | 0.0 | 6.7 | 12.7 |
| Pasta, Couscous & Other Farinaceous Processing | 25.4 | 40.0 | - | - | 0.0 | 26.0 |
| Beverages | 28.8 | 18.0 | 28.0 | 100.0 | 18.5 | 24.6 |
| Tobacco Processing | 15.0 | 50.0 | 50.0 | 0.0 | 12.5 | 15.7 |
| Textiles Processing | 15.2 | 36.4 | 41.5 | 42.9 | 20.3 | 18.8 |
| Clothes Manufacturing | 37.1 | 17.2 | 26.7 | 42.9 | 33.1 | 24.1 |
| Leather processing | 21.3 | 0.9 | 1.9 | 0.0 | 10.3 | 9.5 |
| Wood processing | 2.9 | 9.3 | 14.4 | 5.9 | 2.2 | 8.1 |
| Paper Fabrication & Paper Products | 24.6 | 4.8 | 100.0 | 50.0 | 0.0 | 23.4 |
| Publicity, impression, info reproduction | 23.3 | 8.1 | 50.0 | 0.0 | 10.5 | 22.7 |
| Processing of Petrol Derivatives | 15.6 | 0.0 | 100.0 | - | 0.0 | 15.1 |
| Chemical Industry | 12.5 | 11.2 | 66.7 | - | 12.9 | 12.5 |
| Rubber Products Production | 10.5 | 3.8 | 0.0 | 50.0 | 5.0 | 10.2 |
| Non Metallic Mineral Production | 9.7 | 43.6 | 43.5 | 26.7 | 8.2 | 35.3 |
| Basic Metal Industry | 6.2 | 1.8 | 10.5 | 0.0 | 3.4 | 5.3 |
| Metallic Product Industry except machinery & Equipment | 2.4 | 2.1 | 5.6 | 14.3 | 2.1 | 2.4 |
| Machinery & Equipment Ind | 8.4 | 4.7 | 0.0 | - | 0.0 | 7.4 |
| Office Machinery Fabrication | 24.7 | 60.0 | 100.0 | - | 0.0 | 30.9 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Machinery & Electronic Appliance Fabrication | 13.7 | 1.4 | - | - | 11.1 | 12.2 |
| Radio, TV, Communication Equipment Fabrication | 10.5 | 8.6 | 0.0 | - | 0.0 | 9.8 |
| Medical & Precision Instruments Fabrication | 18.2 | 3.6 | 15.5 | - | 0.0 | 12.6 |
| Motorized Vehicles Fabrication | 6.0 | 0.0 | - | - | 11.1 | 5.8 |
| Other Transportation Equipment fabrication | 5.5 | 1.2 | 5.0 | - | 0.0 | 4.5 |
| Unspecified Production of Furniture | 2.4 | 0.7 | 2.9 | 2.4 | 2.0 | 1.5 |
| Recycling | 5.0 | 0.0 | - | - | 0.0 | 4.2 |
| Total Women Share by Occupation | 10.5 | 13.1 | 23.9 | 20.6 | 7.3 | 12.1 |
| Total Women (only) distribution | 44.7 | 43.1 | 9.5 | 0.2 | 1.2 | 100.0 |
| Total Men (only) distribution | 52.5 | 39.5 | 4.2 | 0.1 | 2.1 | 100.0 |

Source: Estimations based in the 2007 Population Census preliminary data

Note: The numbers in italic refer to cases where there are less than 10 persons in the sector

On the occupational categories, both women and men tend to be employed either as wage workers or as self employed, but women have a higher share than men among the self employed. The presence of the unpaid workers (where women constitute around 24.0% of them) is a sign of the existence of an important share of informal enterprises. Available estimations based on the 2004 informal sector survey show that in fact more than half (57.9%) of the labor force in the manufacturing sector is informal, including relevant part of the wage workers and the self employed[13].

Taking the share of women from the total number of workers in each specific industry, Table 7 also indicates that:

- Among employees, women are better represented within the production of cloth, beverages, wheat related food items, and paper industry;

[13] There are different approaches to the definition of the informal sector in Mozambique. The main criterion has however been the lack of registration. But there are 2 major levels of registration: at the local city council, and at the Ministries/finance departments. We consider these last as the only formal enterprises, since the taxation is incident them (They pay corporate tax and income tax). The other only pay a tax for the occupation of the space.

- Among the self employed better representation is found in tobacco processing, meat & fruit processing, mineral (no metal) based goods, wheat based products;
- Female unpaid workers are mostly in meat and fruit processing, mineral (no metal) cereal processing and animal food production[14];
- Women owners are more represented among cloth manufacturers (33.1%), textile processing, and in the beverages industry. Since there is strong representation of women wage workers and owners in the cloth manufacturing, and we have relatively more data, we dedicate a little background on the textile and clothing manufacturing in Box 1.

The most male intensive sectors are essentially the extraction and the metal based industries, the fabrication of transportation items, furniture and recycling.

On the earnings within the manufacturing sector, a report by the World Bank (2007) indicates that just after the agricultural sector where poverty incidence is estimated at 58.2%, the manufacturing sector has also more than half (54.0%) of its labor force belong to poor households. The service sector concentrates less poverty (private, 44.4%, and public 32.9%).

**Box 1: The Textile and the clothing sector in Mozambique.**

On the cloth and textile manufacturing Lee (2003) indicates that until the 1987 economic reform were felt, the country had around 7 textile industries, and roughly the same number of garment industries, and a large number of self employed informal tailors.

Textile production has already been bellow production capacity mostly due to lack of raw materials given the war environment. Liberalization implied subsidy's cuts to these enterprises and their privatization only managed to secure the functioning of only 2 enterprises by the middle 2000s. Currently 2 enterprises may be reopened, but the major issue here is that closing these enterprises implied the losses of jobs that women

[14] We are not mentioning the cases where the women share in the industries is high but their absolute value is very small (all with less than 5 women).

had. We do not have the exact figure of the gendered labor distribution in the textile industries, but the fact that the one of enterprise that will be reopening in 2008 or 2009[15] will be employing around 600 persons all of them women is an indication on how female intensive were these factories.

Women's tailoring activities are essentially micro home based and may include additional small number of wage workers. At the beginning of the liberalization process their production was negatively impacted by liberalization through imports of cheaper second hand cloth (see http://www.afrol.com/articles/10712). However, as they continued producing cloth on demand mostly for the lower middle class to the highest class at lower prices as compared to cloth in stands their enterprises have managed to survive. We do not have access to information on profits for these specific enterprises. However, the paper by Byers (2006) indicates that in 2005 the profit rate (out of total revenues) in the garment sector where at the 5th place among the 6 considered enterprises but it was positive at (13.8%). Higher profits were in the textile enterprises (22.7%), and the lowest in the metal based industries (5.4%). Micro enterprises earned the lowest earnings (12.3%) as compared to the small (14.2%), medium (20.0%) and large enterprises (26.4%).

Roughly all of their inputs consist on imported of fabrics, lines, and swing machines. On the formal garment industry all of them are export oriented except one producing uniforms. We could not have access to information on the labor absorption in these specific industries.

The paper on the formal manufacturing sector by the World Bank (1999) does not provide a gendered analysis of the sector. However, it shows that monthly wages of 1999 were the lowest (€39.8) for the employees in the production and service related occupations. Technicians and foreman earn the highest wages (€130 and €114, respectively). Within the sector, wages of the non-skilled workers in the food (€39) and textile industries (€37) are the lowest. The metal (€52) and the wood (€42) industries pay the higher wages. We saw above that it is exactly in the textile and the food industries where female labor force incidence is higher. And since more than two thirds of the female labor force (67.8%) in the manufacturing have no education or have attained only primary education (Table 8), we can conclude that employment in the formal manufacturing sector does bring higher gains to men than to women.

[15] Texlom is a cloth factory in Matola City that was closed in 1999 (Coughlyn, 2001) Not in the bibliography. And according to the National Director of Industry as quoted by the www.allafrica.com: Mozambique, it was sold to the Aga Khan Foundation and may restart its operation in 2008.

**Table 8: Urban Female Labor by educational attainment**

| | None | Primary | ESG1 | ESG2 | Tertiary | Total |
|---|---|---|---|---|---|---|
| Agriculture | 80.5 | 18.7 | 0.6 | 0.0 | 0.2 | 100.0 |
| Industrial Extract | 61.3 | 28.3 | | 10.4 | 0.0 | 100.0 |
| Manufacturing | 18.4 | 49.4 | 4.3 | 8.6 | 19.3 | 100.0 |
| Construction | 17.5 | 58.4 | | 7.0 | 17.1 | 100.0 |
| Transport | 9.3 | 39.1 | 26.1 | 25.5 | 0.0 | 100.0 |
| Commerce | 50.7 | 45.8 | 2.2 | 0.7 | 0.6 | 100.0 |
| Services | 36.1 | 50.8 | 6.4 | 5.1 | 1.6 | 100.0 |
| Education | 0.5 | 36.7 | 32.4 | 14.6 | 15.9 | 100.0 |
| Health | 9.4 | 37.7 | 19.2 | 29.1 | 4.6 | 100.0 |
| Public administration | 9.7 | 35.8 | 10.6 | 24.5 | 19.4 | 100.0 |
| Total | 64.9 | 28.9 | 2.9 | 2.1 | 1.3 | 100.0 |

Source: Estimations based on the 2003 Household Survey

On the informal manufacturing sector, the analysis of the 2004 informal sector survey data by INE (2006) does not disaggregate ownership, production, wages and revenues by gender and its results are presented at aggregated level. However, the data gives an indication that the informal manufacturing sector pays the least wages per hour as compared to services and tourism. Accordingly, while the manufacturing paid around 12.9 Metical per hour (a little above $0.50 in current dollars or $15.4 per month), the services and tourism were paying around 2.0 more metical. In the rural areas the manufacturing wages can be less than half (6.0 Metical) of the sector's average.

The additional available information by the UNESCO is old (1997), but it indicates that by that time the self employed are better off: artisans working as tailors, carpenters, builders tinsmith, and bicycle's repairers earned net incomes ranging from €18 to €71 per month. However, producers of goods of low investment demands such as charcoal, firewood, alcoholic drinks, handicrafts, ceramics pots, and dried fish were earning only €9 to €27.

We said above that the self employed women are also represented in the production of mineral (no metals) based products such as ceramics, tailoring, and bakeries and beverages. From these activities only tailoring seems to bring higher revenues. It is however important to consider that economic environment has changed to higher

dynamics, and this may have changed the earnings levels especially in the ceramics, handicrafts, charcoal and firewood. Currently, we can observe in the streets changes in the quality of the ceramics and handicraft products. The increased marketing also due to the elimination of export control on these products has induced increased demand especially by tourists. The high income population is also important consumer of these products. But we would need to know how prices are transmitted from the producers to the retailers in order to know how higher prices and sells are reflected in the producer's living standards.

In summary it can be said that wage working in the manufacturing sector does not ensure well being of the employees, and this is worst for women in the production section of the textile and food industries. In general, men derive higher return to labor as more than women they are educated and/or employed in the sectors of higher wages. But since men are the majority of the wage workers in productive areas it can be said that they also do face lower wages. Revenues are higher for the self employed in areas demanding skills and certain levels of investment. Women derive better earnings as self employed or employers in the cloth manufacturing where the profit margin is higher.

The IEPA impact on the manufacturing sector will depend on the content of the liberalization. A sign has already been shown for the case of the textile/cloth industries which has to be closed also due to liberalization. Imports of cheaper manufactured goods may offset the little existing infant industries. The smaller ones producing ceramics, beverages, food and textiles are easily replaceable since they operate at small scale and have a very small profit margin. Mortars can be substituted by electronic grinding machines, tailoring by cheaper cloth, and food by cheaper prepared food items. Despite higher wages in the male dominated metal industry its survival will depend on the price of the imported metallic goods (if they are liberalized).

### iii.) Women in the Service Sector

As it was mentioned above, the service sector is the major contributor to the national income. 45.3% of the country's GDP derives from this sector and is the second employer. It absorbs 20.3% of the male labor force and 7.5% of the female one.

Table 9, however, indicates that their share within the sector is quite disproportionate. Their presence is much higher among "other services" (52.6%) that concern civil society organizations (such as unions, religious groups), cleaning and hairdressing services, and housekeeping. Next is the health sector where women consist on around half of the workers (48.6%), and retail sellers except vehicles (43.4%), research & development (33.3%), air transportation (33.3%), and education (32.6%).

Taking the occupational categories, the majority of women are found among the self employed and the wage workers. The trend is the same for men, excepting the fact that more than half of men in the service sector are wage workers while this is a third among women.

**Table 9: Female Labor Share by Occupation in the Service Sector**

| | Employees | Own Account | Unpaid Female Workers | Coperative | Owner | Total |
|---|---|---|---|---|---|---|
| Water & Electricity Production & Supply | 6.9 | 3.6 | 18.8 | - | 0.0 | 7.0 |
| Water storage & Cleaning | 10.6 | 5.1 | 27.3 | 100.0 | 18.2 | 9.4 |
| Construction | 3.4 | 7.8 | 17.4 | 10.7 | 2.1 | 8.5 |
| Vehicle Commerce | 3.8 | 3.7 | 5.9 | 6.7 | 3.0 | 4.8 |
| Wholesales Commerce Except Vehicles | 16.5 | 39.3 | 38.5 | 40.0 | 16.6 | 27.0 |
| Retail Commerce except Vehicles | 15.1 | 39.9 | 40.7 | 21.6 | 27.8 | 43.4 |
| Hotels & Restaurants | 27.7 | 40.8 | 66.4 | 20.0 | 32.9 | 29.9 |
| Road Transportation | 2.5 | 1.7 | 3.4 | 8.3 | 1.2 | 2.8 |
| Water Transportation | 4.3 | 2.4 | 6.7 | 0.0 | 1.5 | 2.0 |
| Air Transportation | 19.3 | 51.9 | 62.8 | 50.0 | 16.7 | 33.3 |
| Transportation Support Services | 5.6 | 5.9 | 22.1 | 0.0 | 3.6 | 5.8 |
| Mail & Telecommunication | 21.9 | 5.6 | 0.0 | - | 10.0 | 24.4 |
| Financial Intermediation | 34.0 | 10.2 | 22.2 | 0.0 | 18.8 | 30.2 |
| Insurance & Pensions Except compulsory | 24.5 | 0.0 | - | - | 0.0 | 14.3 |
| Financial Intermediation Support Services | 17.7 | 9.1 | - | - | 17.4 | 11.1 |
| House Rental Services | 6.9 | 5.9 | 14.1 | 0.0 | 0.0 | 8.3 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Machinery Rental | 11.1 | 3.0 | 5.6 | - | 0.0 | 12.5 |
| Informatics and similar | 28.2 | 17.1 | 47.6 | 0.0 | 7.1 | 30.6 |
| Research & Development | 25.5 | 14.3 | - | - | 0.0 | 33.3 |
| Other research activities (legal, etc.) | 10.7 | 10.4 | 14.0 | 21.4 | 6.5 | 11.9 |
| Public Administration & Defense | 14.3 | 15.3 | 29.8 | 8.3 | 5.2 | 19.1 |
| Education | 26.6 | 18.1 | 35.8 | 75.0 | 33.3 | 32.6 |
| Health | 40.7 | 39.2 | 54.3 | 38.5 | 35.4 | 48.6 |
| Other Services | 29.1 | 40.5 | 61.5 | 36.1 | 43.9 | 52.6 |
| Total Women Share by Occupation | 16.4 | 33.6 | 41.4 | 27.2 | 23.8 | 25.4 |
| Total Women (only) distribution | 33.7 | 48.8 | 9.7 | 0.1 | 1.7 | 100.0 |
| Total Men (only) distribution | 58.2 | 32.7 | 4.7 | 0.1 | 1.8 | 100.0 |

Source: Estimations based in the 2007 Population Census preliminary data

Women larger concentration in the care services can be linked to low levels of educational attainment and to gender norms. As it is shown in Tables 4 and 8, much more than three quarters of the urban female labor force and 90.0% of the rural one in the service sector have no more than primary education. The skills they use in the "care economy" are essentially those acquired at home through transmission from mothers to child.

In the retail services, Table 7 have shown that 4.1% of the overall female labor force is employed in this sector, but they are centered among small vendors (3.7%), some of them being licensed. They may own their business either as self employed, cooperative members or employers, but important share of them are unpaid workers or employees.

Women's engagement in small vending activities have been linked to the simplicity of entry mechanisms as they demand smaller amount of capital to start the business, and be based on personal and simple negotiation skills but not requiring basic knowledge concerning accounting and book keeping mostly for taxation purposes. Flexibility in time allocation consists in an additional advantage for business women, as time can still be shared between household care and business[16]. Being mostly of short term business cycle, the urban self employed or employers have been taking advantage of the presence of

[16] See, for instance, De Vletter (1996), The Informal Sector in Mozambique.

micro financial services to grow their business, selling all sorts of food and cloth items both produced locally or imported. There are however, dissimilarities among the small vendors, with some of them selling large amounts of merchandise and some selling small amounts of goods like vegetables, cigarettes by units, matches, and so on, sometimes just at their home entrances. The UNESCO (1997) paper refers to net incomes of bellow €13.4 per months that contrast with large incomes varying from €446 to €890, for the small licensed vendors. De Vletter (2003), in his analysis of the CRER (Credit for Rural entrepreneurs) describes the female rural trade business as:

- combining household and entrepreneurial activities and therefore have a lower continuous flow of cash to repay loans;
- being mainly home-based, and managed by women with less education;
- being less profitable than those owned by men;
- not having enough wealth/goods that can be used as collateral;
- self exclusive in the sense that women, particularly poor women, may consider themselves "unqualified" to receive loans unless efforts are made to reach and inform them, hence the need to more actively seek them out in their homes.
- Devaluated by societal norms and attitudes which serves as disincentives to work and increased productivity; and,
- being among the smallest.

Employment in areas such as education, health, research, and in most of bureaucratic work is skills demanding. This increased share of women in the research sectors is recent and has resulted from the intense efforts of the government to expand the access to education, thus increasing the stock of the skilled labor in the country. From roughly no skilled labor by the period of national independence in 1975, the size of the skilled labor has increased to around 5.0% of the total labor force. Women consist on 1.1% of this skilled labor.

On the wage working conditions it is important to mention that the majority of the care and small vending services are informal, and they may not be different from the labor

force in the informal manufacturing sector. Informal working arrangements mean that working relations (rights and duties) are at most settled verbally. The absence of a contract, therefore, opens space for discretional behavior between the parties as there is no a documental basis from which disputes can be settled legally. Solutions to conflicts depend on part's agreements. Situations of lack of fulfillment of contracts are reported to be common, and this related to abuses and harassments, lack of payments, work overload both in terms of working hours and intensity of work (De Vletter, 1996).

For the household wage workers (or housekeepers), the report by Oya et al (2006) refers to cases of female housekeepers who worked for just around €8 a month, and facing delayed payments for long periods of time. The housekeepers perform all the household tasks for more than 10 hours a day, thus lacking time for their own household and family members care. We recall from the section on agriculture that most of the work is done manually as access to electricity is mostly limited to larger urban areas, and not all households have pumped water inside the house.

This is different from the workers in the health, education, and public administration sector who in one side are formal and their contract settlements are enforceable, and the majority of them have attained secondary to tertiary education. Wages in the formal sector are annually indexed to offset the effects of inflation, and to reflect the economic growth in each sector. Additionally, the labor law protects women by enforcing gender equality on payment for the same category of work, maternity leave with no risk of losing the job, and its Article 11 specifies that any act that attempts against women dignity at work is punishable by Law, and to the employer it is forbidden to fire, sanction or harm a woman because she has claimed against discrimination or exclusion (Republic of Mozambique, 2007).

In general, the service sector has been of intense consumption of imports, while also being of larger contribution to the GDP. Table 10 shows that from the 14.8% of domestic absorption of manufactured imports, 5.6pp are service related infrastructure such as equipments, vehicles, and furniture that we will explore in the next section the extent to which they can work for the betterment of the poor women's working conditions while

increasing their productivity and well being. So far, we would like to mention that since the service sector employs more men than women these imports are of male's benefit. Among these, the professionally qualified to use them and the wealthier enough to be able to buy them should be the most benefited. The little share of skilled women working in education, health, public administration, research and development, air transportation and financial intermediation should also benefit. The chapter bellow will analyze consumption by poverty levels in order to provide a clearer view on the consumption pattern in country.

**Table 10: Imports of Service Related Infrastructure**

| | Output/GDP | I/D. Absorp | Exports/Output |
|---|---|---|---|
| Non Agricultural Machinery | 0.2 | 1.1 | 0.3 |
| Office Machinery & Equipment | 0.0 | 0.4 | 0.0 |
| Electronic Machinery & Appliances | 0.0 | 0.7 | 0.0 |
| Equipment & Radio, TV & Communication Appliance | 0.0 | 0.5 | 0.0 |
| Other Machinery & Equipment | 0.0 | 0.4 | 0.0 |
| Passengers Automobiles | 0.0 | 0.5 | 0.1 |
| Other Automobiles | 0.0 | 1.2 | 0.1 |
| Spare parts of automobiles | 0.0 | 0.2 | 0.0 |
| Other Transportation Material | 0.1 | 0.4 | 0.1 |
| Furnisher | 2.3 | 0.1 | 0.0 |
| Other unspecified manufactures | 0.2 | 0.1 | 0.0 |
| Sub-Total | 2.7 | 5.6 | 0.6 |
| Total Manufacturing | 42.8 | 14.8 | 11.0 |

Source: estimations based on the INE's Equilibrium map, 2006

## b) The Household Consumption

Available household budget surveys have been failing to address the intra-household dimension to consumption. We also could not have access to publications which eventually could have done some analysis at individual level and with a gender approach. This situation prevents us from analyzing the gendered consumption pattern at individual level. However, since the 2002/3 identified the sex of head of the households, we take advantage of this desegregation to compare households headed by men from those headed by women.

In general, the paper by Chiconela (2004) indicates that in 2003 female headed households had higher poverty incidence than the male headed ones. In urban areas this incidence was of 62.6% and in rural areas 61.8%. This was against 53.5% and 48.4% respectively for the male headed households. Additional estimations by Boughton (2006) indicate that the share of female/widowed households in different income groups declines with the increase in the level of income. While in the first quintile they female/widow heads comprehended 34.3 and 13.4% of the households, their share in the fifth quintile declined to 15.7% and 4.0%, respectively.

Our estimations based on the same survey in Table 11 seem to support the information above; female headed households have lower consumption levels than their regional male counterparts. The situation is worst among the urban households of the north where female headed household's consumption is roughly a quarter of the male's consumption. Only the female headed households of the urban south try to reach male's consumption, but they still at 12.7pp below.

**Table 11: Ratio of Female to Male HH Consumption, 2003**

| | North | Center | South |
|---|---|---|---|
| Female/male heads | | | |
| Urban | 25.8 | 34.8 | 87.3 |
| Rural | 45.5 | 50.8 | 57.8 |

Source: Estimations based on the 2003 HH Survey

Table 12 shows how consumption is distributed between households by poverty, residence, and gender. It refers to the major expenditures by households, but the Table also includes some items of least consumption that will be used later in the analysis of the impact of an IEPA. From the Table it is visible that there is a differentiated regional, income and gendered pattern of consumption with rural households spending more on essential goods and services than the urban ones, particularly, the non poor male headed households.

The rural poor female headed households are the ones spending more on essential items than any other household. Between 48.9 and 54.4% of their income is spent on food items which in the south of the country they consist mostly on green leaves, some fish and rice (or maize in the north and the center of the country). Their consumption of manufactured food items is the least as compared to other households of the same region, and instead of spending on non food manufactured goods such as cloth and shoes they rather allocate important part of their budget in education and health. Their weak access to modern sources of energy such as electricity, gas and paraffin is reflected by their higher expenditure in firewood or charcoal. As mentioned above, these sources of energy demand higher use of time and human energy.

The consumption patterns improve when non poor female headed households are concerned, as not only the diet is more diversified but also they can afford to consume manufactured goods (food and non food). However, when compared to non poor male headed households, women seem to lag behind: Male headed household's budget share in essential items is relatively smaller as compared to the households of the same region. They spend less on food and on health and education, and they consume more manufactured food while using more modern sources energy and water. In terms of time and human energy consumption this trend mean that non poor male headed household have additional human resources that not only imply better health, but also more availability to spend on other areas that may include human capital development, increased production and productivity.

Theoretically, women belonging to non poor male headed households should also benefit from these type of expenditures, specially because women are the responsible for the household care (washing, cleaning, caring for the children, shopping and so on) even among non poor households. It should help female service providers to these households, as the length and weight of the activities are immense. However, looking at the expenditures on household electronic devices such as washing machines, thermo accumulators, microwaves and other similar household electronic equipment, it is visible that no such type of expenditures are considerable. In fact, from a sample of 8,700

households in the 2003 household survey, only three households had expenditures on washing machines, and only one and a microwave. We develop the washing machine case in later section.

Under such circumstances, trade liberalization would mostly benefit the non poor male headed households, essentially the upper income group. The middle and low income groups are still striving to meet the basic living conditions. Advantages may only come through availability of equipment for the growth of the service sector and the upper income class.

### c) The Public Budget

The major aspect of the debates on the impact of tight macroeconomic policies on gender is related to the evidences showing that budget contraction tend to sacrifice exactly those areas that affect women such as health and water, by transferring public responsibilities to the domestic sphere, by limiting the possibilities of women's empowerment as subsidies to producers and to basic social services are cut, and by limiting investments in economic and social services that not only build their human capital, reduce women's time and energy burden, but also increase their productivity. When analyzing the impact of trade liberalization on women the same aspects of debate return in the sense that tariff reductions also reduce available resources needed to finance women related needs as when budgets are smaller the areas that are first sacrificed are those concerning women.

# Table 12: The Real Consumption Pattern of the Households by Poverty and Residence, 2003

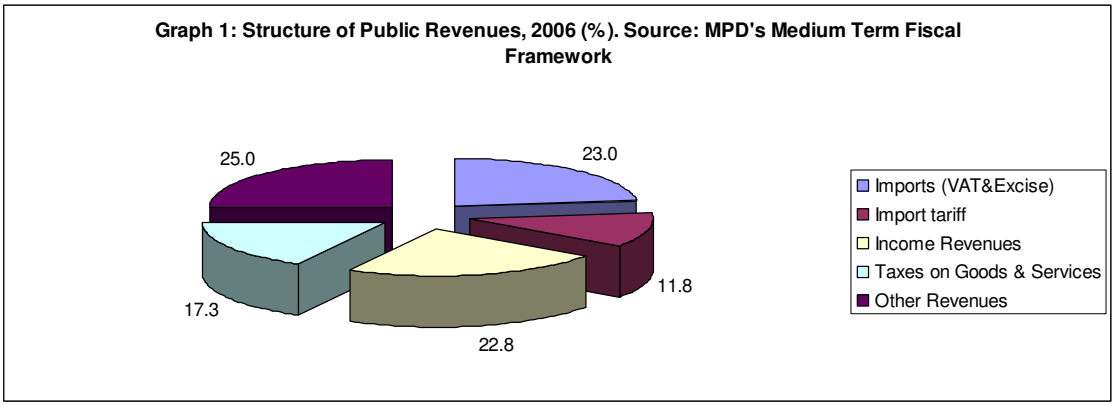
| | Male Headed Household | | | | | | | | | | | | Female Headed Households | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Urban Poor | | | Urban Non Poor | | | Rural Poor | | | Rural Non Poor | | | Urban Poor | | | Urban Non Poor | | | Rural Poor | | | Rural Non Poor | | | |
| Product | North | Center | South | North | Center | South | North | Center | South | North | Center | South | North | Center | South | North | Center | South | North | Center | South | North | Center | South | **Total** |
| ***3 major cereals*** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rice | 2.3 | 1.6 | 1.6 | 2.0 | 1.5 | 0.9 | 1.6 | 1.0 | 2.5 | 1.9 | 1.6 | 2.2 | 2.7 | 1.9 | 2.0 | 2.5 | 1.7 | 1.1 | 1.8 | 0.9 | 2.6 | 1.5 | 1.3 | 2.1 | 1.5 |
| Maize Grain | 0.4 | 0.4 | 0.2 | 0.4 | 0.3 | 0.1 | 0.8 | 0.9 | 1.5 | 0.5 | 0.5 | 1.4 | 0.2 | 0.4 | 0.2 | 0.3 | 0.3 | 0.2 | 0.7 | 0.9 | 1.9 | 0.6 | 0.2 | 1.7 | 0.4 |
| Maize Meal | 3.5 | 2.1 | 0.6 | 2.1 | 1.5 | 0.5 | 3.6 | 3.5 | 0.6 | 3.5 | 3.3 | 0.6 | 3.3 | 2.7 | 0.6 | 3.2 | 1.3 | 0.5 | 4.1 | 3.8 | 0.5 | 4.2 | 3.8 | 0.8 | 1.7 |
| ***2 Major Manufactured Farines*** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pastas | 0.2 | 0.2 | 0.6 | 1.0 | 0.4 | 0.6 | 0.1 | 0.0 | 0.2 | 0.1 | 0.2 | 0.5 | 0.2 | 0.0 | 0.5 | 0.3 | 0.3 | 0.7 | 0.0 | 0.0 | 0.1 | 0.0 | 0.1 | 0.4 | 0.5 |
| Bread | 1.9 | 2.0 | 2.9 | 2.2 | 2.2 | 2.6 | 0.5 | 0.4 | 1.7 | 0.9 | 1.0 | 2.3 | 1.9 | 1.5 | 2.7 | 2.4 | 2.4 | 2.8 | 0.4 | 0.5 | 1.8 | 0.7 | 0.8 | 2.4 | 2.0 |
| **2 Major Meats** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Chicken | 0.4 | 0.3 | 0.7 | 1.2 | 1.0 | 1.4 | 0.6 | 0.8 | 0.6 | 1.1 | 1.2 | 1.2 | 0.3 | 0.1 | 0.4 | 0.8 | 1.0 | 1.5 | 0.6 | 0.7 | 0.6 | 0.8 | 1.1 | 0.8 | 1.1 |
| Fish | 5.3 | 5.7 | 2.9 | 3.7 | 3.4 | 1.9 | 4.9 | 3.8 | 2.8 | 4.3 | 4.1 | 2.7 | 5.4 | 5.1 | 2.6 | 5.1 | 3.4 | 1.9 | 4.3 | 4.5 | 2.4 | 3.4 | 3.6 | 1.9 | 3.2 |
| ***Fruit*** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Local Fruit | 1.2 | 1.7 | 0.3 | 1.4 | 1.8 | 1.0 | 2.0 | 3.4 | 1.6 | 1.8 | 2.8 | 1.7 | 1.6 | 2.2 | 0.8 | 1.0 | 2.5 | 1.5 | 2.1 | 3.2 | 1.5 | 2.2 | 3.0 | 2.5 | 1.7 |
| Imported Fruit | 2.8 | 2.2 | 5.3 | 2.2 | 2.3 | 0.3 | 0.0 | 0.0 | 0.6 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.4 | 0.0 | 0.0 | 0.5 | 0.0 | 0.4 | 0.5 | 1.0 |
| Green Leaves | 11.0 | 10.6 | 14.1 | 8.5 | 7.3 | 7.5 | 9.5 | 13.5 | 16.5 | 7.8 | 9.7 | 11.4 | 8.5 | 9.3 | 12.6 | 5.3 | 6.3 | 8.8 | 10.9 | 14.7 | 17.6 | 11.3 | 11.9 | 15.7 | 9.3 |
| Beans | 5.2 | 3.0 | 1.6 | 3.9 | 2.1 | 1.1 | 6.7 | 3.6 | 1.2 | 5.6 | 3.3 | 1.5 | 5.9 | 3.3 | 1.6 | 3.7 | 2.5 | 1.2 | 7.3 | 4.0 | 1.2 | 7.1 | 4.2 | 1.2 | 2.5 |
| Peas | 0.4 | 0.0 | 0.0 | 0.5 | 0.0 | 0.0 | 0.9 | 0.1 | 0.0 | 0.3 | 0.1 | 0.0 | 0.3 | 0.0 | 0.0 | 0.4 | 0.0 | 0.0 | 0.8 | 0.0 | 0.0 | 0.5 | 0.1 | 0.0 | 0.1 |
| Tomatoes | 0.0 | 0.5 | 0.0 | 0.0 | 0.2 | 2.4 | 1.9 | 1.9 | 2.3 | 1.9 | 2.0 | 2.2 | 3.9 | 3.2 | 3.1 | 3.1 | 2.6 | 2.4 | 2.3 | 2.0 | 2.6 | 2.4 | 2.1 | 2.4 | 1.6 |
| Potatoes | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.9 | 0.0 | 0.1 | 0.0 | 0.1 | 0.1 | 0.4 | 0.5 | 0.0 | 0.0 | 0.7 | 0.6 | 0.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 | 0.3 |
| Sweet Potatoes | 0.2 | 0.1 | 0.3 | 0.7 | 0.0 | 0.2 | 0.5 | 1.0 | 0.6 | 0.6 | 1.1 | 0.4 | 0.7 | 1.3 | 0.4 | 1.0 | 0.8 | 0.2 | 1.0 | 1.6 | 0.6 | 0.3 | 1.6 | 0.5 | 0.5 |
| Cassava | 0.8 | 1.0 | 0.4 | 0.5 | 0.8 | 0.3 | 2.3 | 1.4 | 2.3 | 1.8 | 1.3 | 1.6 | 1.3 | 0.6 | 0.8 | 1.1 | 0.6 | 0.5 | 2.5 | 1.6 | 2.4 | 2.3 | 1.1 | 2.1 | 0.9 |
| Cassava Dried | 1.4 | 0.8 | 0.8 | 0.9 | 0.6 | 0.0 | 1.0 | 0.1 | 0.2 | 0.7 | 0.1 | 0.0 | 0.7 | 0.0 | 0.1 | 0.1 | 0.0 | 0.0 | 1.0 | 0.4 | 0.2 | 0.9 | 0.1 | 0.1 | 0.4 |
| Sugar | 2.1 | 2.3 | 2.0 | 2.0 | 1.9 | 1.0 | 0.5 | 0.9 | 1.4 | 1.0 | 1.5 | 1.7 | 1.2 | 2.0 | 1.8 | 1.8 | 2.1 | 1.4 | 0.6 | 0.9 | 1.0 | 0.9 | 1.4 | 1.2 | 1.5 |
| Tea/Coffe/Choco | 0.2 | 0.4 | 0.9 | 0.6 | 0.7 | 0.4 | 0.0 | 0.1 | 0.3 | 0.1 | 0.2 | 0.4 | 0.3 | 0.4 | 0.8 | 0.1 | 0.9 | 0.5 | 0.0 | 0.1 | 0.3 | 0.0 | 0.4 | 0.4 | 0.4 |
| Cold Drink | 0.1 | 0.0 | 0.2 | 0.1 | 0.0 | 0.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | 0.7 | 0.1 | 0.0 | 0.2 | 0.1 | 0.8 | 0.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 | 0.5 | 0.4 |
| Juice | 0.0 | 0.1 | 0.1 | 0.2 | 0.3 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | 0.1 | 0.0 | 0.0 | 0.1 | 0.1 | 0.2 | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.7 | 0.1 | 0.2 |
| Alcoholic Drinks | 0.8 | 1.2 | 2.7 | 0.8 | 1.1 | 3.1 | 1.2 | 1.3 | 1.9 | 0.7 | 2.7 | 4.0 | 0.0 | 1.3 | 2.4 | 0.6 | 1.1 | 2.8 | 1.3 | 1.0 | 1.2 | 1.0 | 0.9 | 3.9 | 2.0 |
| Wisky | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cloth & Shoes | 5.2 | 5.0 | 4.2 | 8.9 | 7.8 | 6.1 | 7.0 | 4.0 | 4.0 | 11.4 | 6.9 | 6.3 | 5.2 | 4.6 | 4.3 | 7.8 | 5.6 | 6.1 | 7.0 | 2.5 | 3.7 | 7.0 | 5.5 | 6.5 | 6.7 |
| Housing, water, electricity | 12.6 | 12.1 | 11.9 | 8.3 | 9.0 | 11.1 | 13.2 | 12.6 | 13.9 | 11.4 | 10.1 | 9.9 | 12.3 | 12.9 | 12.5 | 12.0 | 10.5 | 11.3 | 12.7 | 12.7 | 11.3 | 11.6 | 10.9 | 12.1 | 10.7 |
| Pumped Water | 0.4 | 0.8 | 1.9 | 0.6 | 1.1 | 2.2 | 0.1 | 0.0 | 0.3 | 0.1 | 0.0 | 0.1 | 0.8 | 0.8 | 1.9 | 0.3 | 1.4 | 2.0 | 0.1 | 0.0 | 0.3 | 0.1 | 0.0 | 0.3 | 1.0 |
| Water other sources | 0.2 | 0.7 | 0.2 | 0.1 | 0.3 | 0.1 | 0.0 | 0.3 | 0.9 | 0.0 | 0.0 | 0.6 | 0.1 | 0.6 | 0.3 | 0.7 | 0.5 | 0.3 | 0.0 | 0.2 | 1.2 | 0.1 | 0.3 | 0.7 | 0.2 |
| Electricity | 0.4 | 0.3 | 0.8 | 1.6 | 1.2 | 2.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.4 | 0.2 | 0.7 | 0.6 | 1.4 | 1.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | 1.0 |
| Gas | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Parafin | 3.2 | 2.5 | 2.0 | 0.9 | 1.1 | 0.6 | 1.9 | 1.2 | 3.6 | 2.5 | 1.5 | 2.2 | 2.9 | 2.8 | 2.1 | 2.6 | 0.9 | 0.8 | 1.1 | 1.4 | 0.0 | 0.0 | 1.7 | 2.6 | 1.3 |
| Firewood/charcoal/wood/mineral charcoal | 4.2 | 3.6 | 3.4 | 2.4 | 2.1 | 1.8 | 5.5 | 4.9 | 4.3 | 4.3 | 3.7 | 3.2 | 3.9 | 4.4 | 3.6 | 3.6 | 2.3 | 2.2 | 5.5 | 4.9 | 4.7 | 5.6 | 3.9 | 3.8 | 2.9 |
| Furniture & hh Equipment | 5.8 | 6.3 | 4.8 | 6.7 | 6.3 | 4.5 | 7.3 | 7.3 | 6.2 | 7.6 | 7.4 | 6.2 | 4.8 | 5.9 | 4.7 | 7.0 | 5.6 | 4.6 | 7.1 | 7.2 | 6.2 | 7.2 | 6.7 | 6.0 | 6.0 |
| Furniture | 5.8 | 6.3 | 4.8 | 6.7 | 6.3 | 4.5 | 7.3 | 7.3 | 6.2 | 7.6 | 7.4 | 6.2 | 4.8 | 5.9 | 4.7 | 7.0 | 5.6 | 4.6 | 7.1 | 7.2 | 6.2 | 7.2 | 6.7 | 6.0 | 6.0 |
| Washing machines | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other big electronics | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Small electronics | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cleaning Products | 4.5 | 4.5 | 5.2 | 3.6 | 4.4 | 4.9 | 5.1 | 5.1 | 4.8 | 4.4 | 4.3 | 3.8 | 5.0 | 4.8 | 5.0 | 4.8 | 4.7 | 5.0 | 4.4 | 5.2 | 4.3 | 5.0 | 4.6 | 3.9 | 4.5 |
| Medicines & Health | 2.4 | 3.3 | 3.1 | 1.7 | 2.7 | 2.6 | 2.1 | 3.9 | 3.4 | 2.1 | 3.3 | 3.6 | 2.1 | 3.8 | 3.1 | 1.8 | 2.8 | 2.6 | 2.8 | 3.9 | 3.1 | 1.9 | 3.0 | 2.8 | 2.7 |
| Education | 8.6 | 8.1 | 8.3 | 6.3 | 6.5 | 7.6 | 6.4 | 7.1 | 7.7 | 4.2 | 4.9 | 5.2 | 9.1 | 8.4 | 8.7 | 6.8 | 6.3 | 6.7 | 7.3 | 7.9 | 9.1 | 4.2 | 4.5 | 4.7 | 6.6 |
| Total Food | 50.4 | 47.1 | 45.7 | 45.8 | 40.8 | 36.8 | 52.2 | 48.2 | 48.2 | 46.5 | 45.3 | 45.0 | 52.2 | 47.4 | 46.7 | 45.6 | 43.6 | 40.8 | 54.4 | 50.9 | 48.9 | 55.1 | 49.2 | 49.9 | 43.3 |
| Total Manufactured Food | 24.4 | 24.3 | 21.3 | 25.6 | 26.0 | 22.3 | 19.0 | 18.1 | 12.6 | 20.5 | 20.8 | 18.9 | 20.5 | 21.5 | 18.9 | 22.8 | 24.0 | 22.5 | 18.9 | 18.5 | 11.4 | 19.3 | 21.5 | 15.5 | 22.2 |
| Total no Food | 49.6 | 52.9 | 54.3 | 54.2 | 59.2 | 63.2 | 47.8 | 51.8 | 51.8 | 53.5 | 54.7 | 55.0 | 47.8 | 52.6 | 53.3 | 54.4 | 56.4 | 59.2 | 45.6 | 49.1 | 51.1 | 44.9 | 50.8 | 50.1 | 56.7 |
| Total Manufactured Goods | 21.8 | 23.0 | 21.4 | 27.0 | 26.4 | 23.7 | 24.3 | 25.3 | 22.2 | 30.3 | 28.5 | 26.4 | 20.3 | 22.0 | 20.6 | 26.0 | 22.4 | 22.7 | 22.3 | 22.3 | 20.6 | 23.4 | 25.0 | 22.5 | 25.1 |
| Grand Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Estimations based on the 2003 HH Survey

The 2006 fiscal map of the Ministry of Planning and Development indicates that the Mozambican budget runs a strong deficit. Despite an improving trend since the starting of the economic rehabilitation programs, and the end of the civil war in 1992, only 48.1% of the public expenditures are financed through domestic revenues. Import related taxation constitute the major source of these domestic revenues. Graphic 1 indicates that by 2006 they constituted more than a third (35.0%) of these revenues, being 12.0% related to import tariffs. The remaining revenues derive from income taxations, from taxes on goods and services (including VAT on internal trade), and from "other revenues".

**Graph 1: Structure of Public Revenues, 2006 (%). Source: MPD's Medium Term Fiscal Framework**




Together with the external financial assistance public revenues have been strongly to poverty reduction. Table 13 shows that expenditures on priority areas reached 65.0% of the total budget in 2003. And, it can be said that women have benefit from these expenditures. Some examples from the author's data collection show that for instance, adult illiteracy was lowered from 60.5% in 1997 to 54% in 2003, and among women it was lowered from 87.6% in 1980 to 68% in 2003. General public education managed to increase girl's net primary enrollment from 49.1% in 2000 to 90.9% in 2007. Infant mortality rates were also lowered from 147 per each 100.000 live born children in 1997 to 124 in 2003. Coverage of institutional births increased from 30% in 1997 to 50% in 2003.

**Table 13: The Public Budget Allocation, 2006**

| | (%) |
|---|---|
| Priority Sectors | 64.7 |
| Education | 20.3 |
| Health | 13.9 |
| Infrastructure | 16.8 |
| Agriculture & Rural Development | 4.6 |
| Good Governance & Judicial System | 8.1 |
| Other priority Sectors | 0.9 |

Source: Ministry of Planning & Development (2008), Balanco do PES 2007

However, Mozambique is still in a long way to self sustainability, and women are the group of the population lagging further behind. Improvements in education are mostly concentrated in the primary level, needing to expand this performance to upper levels. Health improvements still be challenged by increased coverage and enhanced quality. On production, we have seen above that there is large share of the population (and women) yet concentrated in productive areas with lower earnings. And, public actions are heavily dependent on external finances. Losses in production due to the EPA will imply that the potential of having more people (and women) contributing to increased public revenues through growth of small enterprises will be lost.

# 4. The Trade Structure of the Mozambican Economy

## a) The General Trade Structure of the Country

Mozambique is far from having an equilibrated trade account. Table 14 shows that by 2006, imports constituted around 40.0% of the GDP while exports has a lower GDP share of 33.0%. For a low income country that Mozambique is, this gap of 6.0% is quite significant.

Larger import values concerning machineries (13.9%), fuel (8.1%), vehicles (7.3%), cereals (6.3%) and electricity (2.9%) suggest that the country is striving at building the

basis of its economy, through imports of equipment and capital goods, however addressing the issue of limited supply even of basic consumer goods. The import dependency and the need to build the production capacity are reflected by the level of exports. They are dominated by a single product, the aluminum, at an extreme level of 58.9%. Primary exports consisting of cashew sector, seafood (prawn and lobsters), and wood comprehended only 8.6% of all exports while electricity and gas comprehended 7.5% and 4.6%, respectively.

**Table 14: Major Imports & Exports, Mozambique, 2006**

| | **Imports** | | | **Exports** | |
|---|---|---|---|---|---|
| Product | Values ($1,000) | (%) | Product | Values ($1,000) | (%) |
| Fuel | 233,767 | 8.1 | Cashew Kernels | 13,010 | 0.5 |
| Electricity | 83,718 | 2.9 | Cashew Nuts (raw) | 23,678 | 1.0 |
| Vehicles | 208,113 | 7.3 | Prawn | 86,676 | 3.6 |
| Cereals | 179,540 | 6.3 | Cotton | 45,691 | 1.9 |
| Medicines | 39,265 | 1.4 | Wood | 35,593 | 1.5 |
| Sugar | 4,773 | 0.2 | Lobster | 1,172 | 0.0 |
| Petrol | 54,922 | 1.9 | Electricity | 177,820 | 7.5 |
| Machinery | 397,681 | 13.9 | Natural Gas | 109,606 | 4.6 |
| Beer | 1,337 | 0.0 | Alluminum | 1,401,315 | 58.9 |
| Total | 2,869,327 | 100.0 | | 2,381,132 | 100.0 |
| Imports/GDP | | 39.8 | | | |
| Exports/GDP | | 33.0 | | | |
| GDP (10^3 USD) | | 7,209,666.3 | | | |

Table 15 indicates that the output-GDP ratio is of 162.3%. As the service sector absorbs small quantities of imports (6.8% of total domestic absorption) but has a higher share in the GDP (99.2%), then it can be said that most of the country's value is produced by this

sector. The manufacturing is the most export oriented sector but the second contributor to the national income. However, the fact that it is dominated by a single product (the aluminum) then the country is before a situation where the export basis is weak. The lower share of the agricultural sector in the GDP contrasted with larger concentration of the population indicates that this is also a weak sector.

On this gender impact of EPA analysis we try to relate this skewed structure of the economy to the women's position in the economy, and we try to verify the extent to which the IEPA can improve or exacerbate the current structure of the economy.

**Table 15: The Trade Structure of the Economy, 2006**

| Sector | Output/GDP | M/D. Consp | Exports/Output |
|---|---|---|---|
| Column Share (%) | | | |
| Primary | 20.3 | 2.1 | 2.4 |
| Manufacturing | 42.8 | 14.8 | 11.0 |
| Services | 99.2 | 6.8 | 4.3 |
| Total | 162.3 | 23.7 | 17.7 |
| | | | |
| Row Share (%) | | | |
| Primary | | 14.1 | 26.9 |
| Manufacturing | | 36.0 | 142.3 |
| Services | | 7.5 | 11.2 |
| Total | | 23.5 | 75.4 |

Source: Estimations based on Eq. Map, 2006

## b) Trading with the EU

The role of the European Union in Mozambique's trade is important. Table 16 indicates that despite losing its place in favor of countries like South Africa, India, Emirates, and United States of America, roughly one thirds of the Mozambican imports originate from the EU as a block, and its value have roughly tripled from €186.1 million in 1995 to around €540.4 million in 2006.

To what concerns exports the EU block constitutes the major destination of the Mozambican merchandise. While by 1995 the EU was the destination of only 0.3% of

Mozambican exports, this share increased so significantly to become the major absorber of the Mozambican exports. By 2006, 66.3% of the Mozambican exports had the EU as the place of destination. As from 1995 to 2006 Mozambican exports grew by more than 13 times, it can be said that this growth was supported by the EU absorption of the Mozambican products.

**Table 16: Major Trade Partners of Mozambique, 1995 and 2006**

| | 1995 | | | 2006 | |
|---|---|---|---|---|---|
| | Values ($1,000) | (%) | | Values ($1,000) | (%) |
| Imports | | | | | |
| South Africa | 188,159 | 25.9 | South Africa | 947,936 | 33.0 |
| Portugal | 65,725 | 9.0 | The Netherlands | 371,111 | 12.9 |
| United States of America | 49,897 | 6.9 | India | 136,842 | 4.8 |
| Japan | 36,790 | 5.1 | United Arab Emirates | 114,184 | 4.0 |
| Zimbabwe | 30,705 | 4.2 | United States of America | 101,587 | 3.5 |
| EU | 233,777 | 32.2 | EU | 678,932 | 23.7 |
| Total | 726,986 | 100.0 | Total | 2,869,327 | 100.0 |
| Exports | | | | | |
| South Africa | 41,057 | 23.6 | The Netherlands | 1,422,155 | 59.7 |
| Marian Islands | 36,373 | 20.9 | South Africa | 361,707 | 15.2 |
| Burundi | 24,820 | 14.2 | Zimbabwe | 76,128 | 3.2 |
| Kazahkstan | 14,575 | 8.4 | Switzerland | 52,636 | 2.2 |
| Albania | 9,526 | 5.5 | Spain | 43,495 | 1.8 |
| EU | 455 | 0.3 | EU | 1,578,871 | 66.3 |
| Total | 174,303 | 100.0 | Total | 2,381,132 | 100.0 |

Source: Estimations based on www.ine.gov.mz

Table 17 indicates that the major imports from the EU has consisted on books, machineries and equipment, intermediate inputs such as fertilizers, and essential goods such as wheat and medicine.

**Table 17: Major Imports from the EU, 2005**

| Code | Product | Value (in Euros) | Tariff Rate (2005) | Liberalization Status |
|---|---|---|---|---|
| 49019900 | Books, Panflets & Similar Printings | 10,519,047.00 | 0 | |
| 85299010 | Parts of Communication Equipment | 8,395,543.00 | 7.5 | 0 at entry into force |

| | | | | |
|---|---|---|---|---|
| 31052000 | Fertilizers | 7,950,242.00 | 2.5 | 0 at entry into force |
| 85252090 | Broadcasting Equipment | 7,135,632.00 | 7.5 | 0 at entry into force |
| 89020000 | Fishing Boats | 6,480,384.00 | 5 | 0 at entry into force |
| 84733000 | Data processing Equipment: Parts | 5,896,719.00 | 7.5 | 0 at entry into force |
| 10019010 | Wheat | 5,232,288.00 | | Not listed |
| 27101111 | Light oils from Petroleum | 4,976,966.00 | | Not listed |
| 85175000 | Telephone Equipment | 3,547,436.00 | 7.5 | 0 at entry into force |
| 31055900 | Nitrogenous Fertilizers | 3,354,770.00 | 2.5 | 0 at entry into force |
| 85451900 | Graphit and Carbon Electrode | 3,312,142.00 | 7.5 | 0 at entry into force |
| 30049000 | Medicines | 3,310,815.00 | 0 | |

Source: Compilation based on the ODI Data Set

However, there is some degree of diversification of imports. The available data sources indicate different degrees at 4 digit level of classification. For 2004 the data compiled by the National Statistics Office (INE) based on customs declaration indicate 393 products, and additional products falling on the "Others" category. The ODI database indicates more than double the INE products. For 2006, the differences between the data sources prevailed, but both of the data sources indicate a declining trend with the INE data mentioning around 116 products. The causes of such difference do not constitute the objective of this paper, but the content of the list will be relevant when analyzing the potential gendered impact of the IEPA on production, consumption and welfare, in general.

Despite this data differences, and the overall declining trend in the trade share, it can be argued that there is intense diversification of imports from the EU, and this reveals the existence of a potential for even larger diversification as free agreements progressively predominates trade relations.

The Tariff Codebook classifies imports from the EU under the general tariff rates context. Under this tariff the maximum applicable rate is 20% (from January 2007) down from 30.0% until 2002, and 25% from there until December 2006. Taking the 2005 Mozambique tariff structure, an applying the EU structure and values of exports to Mozambique, the estimations on Table 18 indicate that 9.5% of imports paid a zero tariff.

14.6% paid 2.5%, 25.0% paid 5.0%, and 36.1% paid 7.5%. The maximum tariff was applied to 14.9% of the imports. On the average the weighted tariff is estimated at 13.6%.

**Table 18: The Tariff Impact on an EPA**

| | Base Year (2005) | | | |
|---|---|---|---|---|
| Tariff Rate | Tariff Lines | Imports EU | Tariff Share (%) | Tariff Revenue |
| 0 | 48 | 20,565,473 | 9.5 | 0 |
| 2.5 | 173 | 31,627,870 | 14.6 | 790,697 |
| 5 | 355 | 54,250,269 | 25.0 | 2,712,513 |
| 7.5 | 674 | 78,288,127 | 36.1 | 5,871,610 |
| 25 | 855 | 32,368,886 | 14.9 | 8,092,222 |
| | 2,105 | 217,100,625 | 100.0 | 17,467,041 |
| Weighted Tariff | 13.6 | | | |
| Unweighted Tariff | 8.0 | | | |

Source: Author's Estimation based on ODI Data Compilation

The evolution of the EU/ACP trade arrangements implied the EPAs where, the involved countries are expected to bilaterally open their borders to trade. Mozambique has initialed the Interim Agreement within the context of the SADC in conjunction with other countries like Botswana, Lesotho, Namibia, and Swaziland. South Africa has already a trade protocol (the Trade, Development, and Cooperation Agreement – TDCA) that refers only to trade on goods, and has not been initialed the IEPA contrary to Lesotho and Swaziland, countries that together with Namibia belong to the SACU sub region of the SADC.

In this context, Mozambique offered to the EU a list of products it considered to be liberalized however with little coherence towards regional integration process. Fontana's (2008) estimates on exclusions indicate that comparing Mozambique's schedule with those jointly agreed by Botswana, Lesotho, Namibia and Swaziland, only one fifth of the items are excluded by both parties.

Mozambique offered a liberalization schedule that consists in two major stages: the first, in the first year of the implementation of the IEPA in 2008, and the second in the year 2018, implying that what was not mentioned in the list is to be considered as part of exclusion. Applying such list to the trade structure of 2005, implies that 59.7% of the

current goods being exported from the EU to Mozambique will be liberalized in 2008. This comprehends 36.5% of the tariff lines. 1.8% of the exports will be liberalized in 2018, or 1.2% of tariff lines. The exclusion level is of 29.0% of the export values or 60.7% of tariff lines. See Table 19.

**Table 19: The Liberalization Schedule Under EPA**

| | Tariff Lines | Import Value (2005) | Share (%) |
|---|---|---|---|
| 4. Total already liberalised | 85 | 20,555,912 | 9 |
| 3. Total liberalization on EIF (2008) | 1,966 | 129,561,251 | 60 |
| 2. Total liberalization by 2018 | 65 | 3,929,688 | 2 |
| 1. Total exclusions | 3,268 | 63,053,774 | 29 |
| Total | 5,384 | 217,100,625 | 100 |

Source: Author's Estimation based on ODI Data Compilation

ODI-ECDPM (2008) considers that, despite the large share of excluded products, this liberalization content is very fast and heavily front loaded as compared to other countries. East African countries, for instance, are supposed to liberalize from 2010 in three stages until 2023, or 15 years, against 10 years for Mozambique and the signatory SADC countries. Additionally, only the products with a common external tariff of 0 percent will be liberalized in the first year in their first year, while in Mozambique goods in all tariff rates are included in the first year of liberalization.

On the content of the liberalized goods Table 20 indicates that not only the bulk of traded goods consist on manufactured goods but also that the content of liberalization is essentially about these manufactured goods. Accordingly, 95.6% of the traded goods are manufactured, and by 2008, 97.3% of the products to be liberalized are manufactured. By 2018, the share of manufactures drops slightly to 88.0%.

**Table 20: Liberalization Schedule and Product Chatacteristics**

| | **Number** | **Percentage** |
|---|---|---|
| *Totally Excluded* | | |

| | | |
|---|---|---|
| Manufactured | 872 | 93.8 |
| Agricultural | 58 | 6.2 |
| Total | 930 | |
| *Liberalization in 2008* | | |
| Manufactured | 1058 | 97.3 |
| Agricultural | 29 | 2.7 |
| Total | 1087 | |
| *Liberalization in 2018* | | |
| Manufactured | 37 | 88.1 |
| Agricultural | 5 | 11.9 |
| Total | 42 | |
| *Already Liberalized* | | |
| Manufactured | 45 | 97.8 |
| Agricultural | 1 | 2.2 |
| Total | 46 | |
| Manufactured | 2012 | 95.6 |
| Agricultural | 93 | 4.4 |
| Grand Total | 2105 | |

Source: Estimations based on ODI data

In order to analyze the gendered impact of an IEPA we select the major liberalized imports from the EU, that is, those with import value equal or larger than €10,000, assuming that because of their size they can affect the country's economy. This means that our selection criteria is not taking into account price elasticities, as increased demand of cheaper imports may induce increases in their supply. We will be adding to the impact analysis an exploration on what would happen if some specific products chosen from the list of exempted goods would have been liberalized.

We end up with 541 products of which 455 are intermediate goods and 86 are consumer goods. Of these, only 6 products are agricultural goods and the majority is manufactures. According to the data set on formal enterprises provided by INE (2008), 64 of the imported products are also produced in Mozambique. Only two of these are agricultural products: the potato's seeds and the horticulture's seeds. (See Table 21).

**Table 21: Product of major Impact in the Economy**

| | Manufactured | Agricultural | Total |
|---|---|---|---|
| Consumer | 85 | 1 | 86 |
| Intermediate | 450 | 5 | 455 |
| Total | 535 | 6 | 541 |

| | | | |
|---|---|---|---|
| Locally Produced | 62 | 2 | 64 |
| Not Produced | 473 | 4 | 477 |
| Total | 535 | 6 | 541 |

Source: ODI data, 2003 HH Survey, and 2007 Enterprise Survey

On trying to scrutinize the gendered consumption of the liberalized products we face the major constraint that the available household budget survey presents the information at household level with the only possibility of discriminating expenditures by the sex of the head of the household. This turns difficult the task of discriminating products that are of major consumption by women and by men as individual, a situation worsened by the observation that when we take the sex of the head of the household as the reference, many items (particularly the manufactured) that could be considered "female" are mostly consumed by (women in) male headed households.

To identify women's consumption, we consider the products that, by tradition, are likely to be used by women either as consumers, household care providers or producers. Some of the products were found to be of major consumption by female headed households. The selected products consist on agricultural goods such as seeds, and agricultural machinery (as the majority of women are in the agricultural sector), small household articles and utensils including washing machines, hair and body care, and other similar goods. Table 22 indicates that only 75 products out of the selected 541 products are likely to be mostly consumed by women. Of these, 62 are to be liberalized in 2008, and 13 in 2018. From those to be liberalized in 2008, 41 are consumer goods and 21 are intermediate goods. We only found 3 agricultural goods. All products to be liberalized in 2018 are consumer manufactured goods (Please, see Annex 1).

In the next section we analyze in detail some of the products in relation to their gender impact.

**Table 22: Products of Potential Consumption by Women**

| | Consumer | Intermediate | Total |
|---|---|---|---|
| ***Liberalization in 2008*** | | | |
| Manufactured | 40 | 19 | 59 |
| Agricultural | 1 | 2 | 3 |

| | | | |
|---|---|---|---|
| Total | 41 | 21 | 62 |
| | | | |
| ***Liberalization in 2018*** | | | |
| Manufactured | 13 | | 13 |
| Agricultural | | | 0 |
| Total | 13 | 0 | 13 |

Source: ODI data, 2003 HH Survey, and 2007 Enterprise Survey

# 5. A Detailed Analysis of the Gendered Impact of the IEPA

## a) The impact of the cheaper imports of agricultural goods

As indicated by the Table 21 above, there are only 6 agricultural goods of large import of which only one is a consumer good and 5 intermediate goods. The only consumer good consist on fresh almonds, and the intermediate goods consist of potatoes and horticultures seeds, an input for agricultural production, and 3 types of malts which are used to produce (industrial) beer.

On the almonds, Table 23 indicates that this is a product that households spend on average 0.4% of their total budget. The major consumers of this product are essentially the non poor male headed households of the center of the country (46.7% of the total consumption) which spend for it around 1.3% of their budget. Being almonds a non staple food item, it is difficult to understand why these households have such high share of their budget in this item especially because we do not have empirical analysis on the matter. However, as de Vletter (1996) have identified home-based informal activities (particularly in urban areas) that also consist of producing bakeries and confectionaries to be sold right at their doors or on demand (the "encomendas") we are tempted to assume the hypothesis that almonds are being used to prepare cakes or candies to be sold. Almonds are not produced locally, and their imports to the country are subject to an import tariff of 25.0%. Trade liberalization of this food item therefore imply losses of tariff revenues while at the same time being of major benefit to wealthier households, and within them, the women producers of confectioneries/pastries.

**Table 23: The Almond's Consumption**

| | |
|---|---|
| Total HH Expenditure | 0.4% of total HH's Budget |
| Major Consumer | Non Poor male headed HHs Center (46.7%) |
| Major Consumer's budget Share | 1.3% of total budget |
| Impact on Women (?) | Womn belonging to non poor male headed households |
| Locally Produced (?) | No |
| EU Export to Mozambique | 12,110 Euros |
| Tariff Rate | 25.00% |
| Liberalization Schedule | 0%, 2008 |

Source: estimations based on the 2003 HH Survey, and ODI data compilation

Potatoes and horticulture seeds are agricultural inputs, and its production has large female labor input: they constitute roughly half of the potatoes producers and more than 52.0% of horticultures producers. Available information concerning the gendered use of seeds users is scattered, but there are indications of its use in the production of horticultures along shallow areas of urban peripheries. The case of the 21 "Green Zones" project where 500 or 95.0% of the members are women using horticulture seeds is an example of this production (Ayisi, 1995). This case should be similar to other horticulture producers since seeds cannot be collect from the plant itself.

When general coverage of seeds is concerned, the evaluation by ICRISAT (2008) indicates low access by both female and male small-scale farmers due to the prevalence of high costs of distribution that derive from their dispersion, and companies staying away from these areas and crops.

Currently there are 2 major private enterprises supplying seeds, in addition to the Government's efforts to expand agriculture extension services through the Ministry of Agriculture. The major adopted strategy has been to concentrate on creating initial seeds of a new variety, while devolving the mass distribution to other agencies such as farmer-entrepreneurs, small scale seed companies and NGOs. In order to ensure larger impact a "voucher" system is used. In this system investors provide farmers with vouchers they can use to buy seeds from local or commercial seed sellers at "seed fairs" organized by NGOs who in turn redeem the vouchers for cash from the aid agencies.

Somehow the private enterprises are managing to survive the local market conditions and in 2008 one of them has ascended to the position among the 100 largest enterprises of the country and has received international prizes on quality excellence.

Despite these essays, we recall from section 3.a.i of the limited participation of women in the organizations supplying production inputs. Therefore, in general it can be said that liberalization of seed's imports may come as an additional challenge to the existing enterprises as it is visible, the marketing constraints are immense, with little impact on women, except for those producing horticultures and the fewer involved in cooperatives.

In summary, we are finding that there are five major agricultural goods which may be liberalized under the IEPA. Of these products direct price competition with negative impact on producers is present when seeds are concerned. When almonds are concerned we find little impact on poverty reduction.

Next we ask ourselves what would happen to the economy if additional agricultural goods were liberalized. For this purpose we take two case studies to illustrate: the beans and the tomatoes. These goods are taken from the list of currently exempted goods.

### i.) The Imported Beans

In Mozambique, 55.6% of those producing common beans are women, and according to Tschirley & Abdula (2007) the north and the center of the country are net producers of beans and the south runs deficit. From those who produce, 71.9% is directed to own household consumption and 28.1% is directed to the market. 1.4% of beans production is exported mostly to the neighboring countries of Malawi, and Zimbabwe.

Table 24 shows the relevance of this good in the household's diet is quite visible. National average consumption of beans is estimated at around 1.6% of the total household consumption. In female headed household, however, beans are even more important as source of proteins as its consumption can reach up to 6.1% in the rural areas

of the north of the country. Lowest consumption is observed among the male headed households of the southern urban areas.

**Table 24: Common Beans Production and Consumption (%)**

| | | | |
|---|---|---|---|
| Female Producers (2003) | 55.6 | Total HH consumption - 2003 | 1.6 |
| Female sellers/female producers | 28.1 | Urban Females | |
| | | North | 3.5 |
| (% all goods & services - 2006) | | Centre | 2.2 |
| Output/GDP | 1.3 | South | 0 |
| Imports/D. Consumption | 0 | Urban Males | |
| Exports/Output | 0 | North | 2.1 |
| | | Centre | 1.8 |
| (Beans only - 2006) | | South | 3.8 |
| Imports/D. Consumption | 1.2 | Rural females | |
| Exports/Output | 1.4 | North | 6.1 |
| Import duties (1,000 metical) | 3,907 | Centre | 3.8 |
| VAT (1,000 metical) | 31,254 | South | 1.8 |
| Total Revenues (1,000 metical) | 35,161 | Rural Males | |
| | | North | 4.9 |
| Own Price Elasticity | -1 | Centre | 2.5 |
| Cross Price Elasticity | -0.17(Maize) | South | 1.5 |
| | 0.17(Fish) | | |
| | 0.05(Meat) | | |
| | 0.11(oil&fats) | | |

Source: Estimations based on the INE's 2006 Equilibrium Map, MINAG (2003) Agricultural Survey, and Barslund (2007)

Being a good of national production, imports of beans constitute an addition to the economy. The ODI data compilation indicates that in 2005 1,877 Euros worth this product were imported from the EU to Mozambique. According to the Tariff Codebook, beans imported from the EU (and other regions outside SADC) respect a 25.0% tariff rate[17], plus 17.0% of VA tax on imports.

To analyze the likely IEPA impact of these imports on women's production we took beans producer prices at 6 selected major markets in the country: 2 in the North of the country (Montepuez and Cuamba), 3 in the center (Gorongoza, Manica, and Chimoio), and 1, Maputo City[18]. To these prices we deducted 25.0%, the import tariff applied to this

[17] Only bean's seeds pay 7.5% according to the tariff code book. The beans we are considering here are eatable (code 071331)
[18] This is the information on producer prices we could get in such a short time.

good, and assuming that tariff removal would fully be transmitted to all local market prices[19].

**Table 25: Impact of an IEPA on Beans (prices in Euros)**

| | Production Price | Decline Rate (%) | Retail Price | Impact. Retail Price | Prod- new retail price |
|---|---|---|---|---|---|
| Gorongosa | 15.06 | 0.25 | 23.09 | 17.3175 | 2.2575 |
| Manica | 17.32 | 0.25 | 24.31 | 18.2325 | 0.9125 |
| Chimoio | 20.79 | 0.25 | 34.64 | 25.98 | 5.19 |
| Montepuez | | 0.25 | 28.87 | 21.6525 | 21.6525 |
| Cuamba | 17.32 | 0.25 | 38.49 | 28.8675 | 11.5475 |
| Maputo | | 0.25 | 25.66 | 19.245 | |

Source: Author's estimations based on prices by Quente-Quente Magazine of the Ministry of Agriculture and Cirera's et a (2006) Estimations
Note: Producers prices of February 2007

Our results in Table 25 indicate small and positive margins between producers and retailers of the same market area as a result of an IEPA. In the case of Manica and Chimoio in the central part of the country the price differences are of only 0.03 Euros per kilogram. This means that with liberalization of beans under the IEPA, women producers would only be able to have their output sold in their local markets, as distance to deficit areas such as the South of the country would turn trade of this good unprofitable.

Cuamba and Gorongosa producers would have a larger margin between local producers and retailer's prices of around 0.33 and 0.06 Euro per kilogram, respectively. This could apparently mean that these two markets could be able to compete with cheaper imports at least in the local markets. However, despite its distance to the major urban market of Nampula, Cuamba has been supplying its beans to this market by train. Gorongoza's nearest large city is Beira, but this city has a large sea port that serves as point of entry of imports. Therefore, depending on how prices are transmitted from Gorongoza and Cuamba to their larger markets cheaper imports of beans due to liberalization under the IEPA could also turn their production uncompetitive.

[19] This may not be completely real, especially because of the distances between markets and major points of entry of goods (the sea ports).

From the consumption point of view, however, it is known that beans are price elastic and a percent decline in its price may induce a 1.22% increase in its demand, while reducing demand for goods such as fish, different types of meat, and oils and fats[20]. These are goods the production of which is male intensive that are essentially of male production, and include pork products (the code 02064900, eatable pork spares) that despite being of small import quantity will also be liberalized in 2008.

### ii.) The Processed Tomatoes (excluding whole and pieces)

Concentrated tomato is generally consumed in the country for cooking purposes and since economic collapse of the 1980's dictated the failure of this type of food industry, there have not been notices of a tomato's processing factory in the country whatever the type. It is a product of limited consumption. In a sample of around 8,700 households, only one household (a poor male headed household on the urban central part of the country) did expenditures on this product what implied an average budget share of only 0.1%. See Table 26. Concentrated tomato's lower consumption level may be due to tastes and preferences. However, there is a likely substitution effect[21] with fresh tomatoes, especially during the winter time when fresh tomatoes are scarce and its price rises significantly. Our estimations based on the INE's market price's survey indicate, for instance, that from November 2006 to April 2007, fresh tomato's prices increased by 2.6 times. It is this likely substitution effect that concerns us in this case.

**Table 26: Tomatoes' Production and Consumption**

| | |
|---|---|
| *Processed Tomatoes (concentrated)* | |
| Share of Total Budget | 0.00% |
| Major Consumer | Urban North Poor Male Headed HH (only 1 case) |
| Budget share | 0.10% |
| Imports from the EU (2005) | 696,101 Euros |
| Import Tariff | 25.00% |
| Liberalization | Excluded |
| | |
| *Processed Tomatoes (whole or pieces)* | |
| Share of Total Budget | 0.10% |

[20] Please, read cross price elasticity in Table 24.
[21] We do not have access to analysis concerning different tomatoes' cross elasticity.

| | |
|---|---|
| Major Consumer | Urban Center Non Poor Male Headed HHs |
| Budget Share | 0.50% |
| | |
| *Fresh Tomatoes* | |
| Share of Total Budget | 1.60% |
| Major Consumer | Urban North Poor Female Headed HHs |
| Budget Share | 3.90% |
| Locally produced (?) | Yes |
| Female Labour Share | 53.20% |

Source: Estimations based on 2003 Household Survey, ODI data Compilation and 2003 Agricultural survey

According to Table 26, fresh tomato's consumption averages around 1.6% of the total household budgets, and is mostly consumed by poor female headed household of the urban north. Changes in economic environment were more favorable to fresh tomatoes production as removal of price controls since the adjustment program of 1987 did serve as an incentive to its increased production. And when trade liberalization was negotiated within the SADC context, producer's claims against tariff removal on imports of concentrated and fresh tomatoes were taken into consideration. In fact, in January 2008[22], a high tariff was applied to imports from South Africa, the major regional supplier.

Fresh tomatoes production is of female intensity. Around 53.0% of the producers are women either as small peasants or as wage workers. And among small peasants, more women than men sell their output (18.4% against 15.9%, according to the 2003 agricultural survey), thus having larger scope to take advantage of the above mentioned high market price of this product.

Liberalization of concentrated tomatoes under IEPA would bring back the same challenge as before mostly because the observed price increases do not reflect yet increased supply (to the level of feeding the tomatoes processing factories). Rather they reflect speculation (due to increased demand during festivity's season) or scarcity as during the winters.

### b) The impact of cheaper imported manufactured intermediate goods

[22] The date of enforcement of the SADC regional integration protocol.

As mentioned above, our analysis found 450 liberalized intermediate manufactured goods of larger value. They consist of equipment and machineries that are used in production of both goods and services. A comparison with the list of goods in the 2007 Enterprise Survey[23] shows that only 19 of the nationally produced goods are similar to those liberalized the IEPA. They consist of agro processing machines, manual irrigation pumps, wooden products used for construction and for production of articles like shoes, brushes, cargo platforms, plastic articles, and electricity transmission devices.

Robinson et al (2007) mentions that imports of cheaper intermediate inputs can fuel growth and poverty reduction if these inputs are used to change the production structure in such a way that they contribute to increased production and productivity, and shifts to production of goods where there is comparative advantages. Following this view, it could be said that women's access to such type of imports could imply not only increased production but also a reduction in the burden they carry as producers, major responsible for the household task and care, and community collaborators.

There are however issues to be considered in relation to the likely positive impact of cheaper imports of intermediate goods on women. And this relates mostly to women's possibilities to make use of the available opportunities. Looking at the structure of intermediate manufactured imports it is visible that they are likely to benefit male-intensive production more than female-intensive production. From the total number of the manufactured intermediate goods only 20 products are mostly applicable to women related production and they consist essentially on agricultural inputs such as fertilizers, herbicides, insecticides, machineries for different agricultural purpose, and their respective spare parts and inputs for cloth production.

For the relatively better off sector of manufacturing, the evaluation by Byiers (2006) does not indicate a promising feature for the micro formal manufacturing enterprises (employing 10 or less workers). From 2002 to 2006 (4 years) 46% of these enterprises did undertake certain type of capital investment. However, they used their own financial

[23] INE (2008), *Anuário Estatístico – 2007*, INE: Maputo.

means for investment purposes. More than halve of the undertaken investments was dedicated to construction of their facilities (in the food industry, only 9.0% of the investment was in equipment and machineries). None of the enterprises did introduce new products, and only 14.3% introduced new technologies. Further, 41.0% of the enterprise's equipment was more than 20 years old. Only large enterprises did invest in equipment by more than 30% (see Byiers, 2006).

If this is the situation of the manufacturing sector, then what is to be said of women in the agricultural sector? Section 3 above have showed that poverty levels are higher for the majority of the agricultural women, thus limiting their consumption to basic agricultural food items, and essential services such as education and health. It has also referred to the limitations women face in accessing to credit especially for agricultural production purposes. Every thing seem to point to the direction where imports of cheaper intermediate goods under the IEPA will not improve women's agricultural production and productivity.

### c) The imports of cheaper consumer goods

There are 85 manufactured consumer goods of which 65 are supposed to be liberalized in 2008 and 20 in 2018. The 65 products do not consist of food items. They are mostly differentiated durable consumer goods that include: (i) plastic bags and pots, (ii) rubbers such as tyres, bed matrixes and containers, (iii) paper products such as toilet papers, towels, boxes, and stationery, (iv) domestic apparels such as washing machines, iron, and stoves, (v) sound related items, and (vi) other products such as ornaments, watches and bulbs. The 23 items to be liberalized in 2018 consist mostly of food items like confectioneries, pastas, pastries and beverages (beers, whisky, rum, and liquors), vinegar and paint.

In this section we question about if there are gains deriving from the liberalization of the products above. When comparing the concerned products to the INE's (2008) list of goods produced locally, the first visible aspect is that more than a third (34 products) of

the products are locally produced, thus imports being a source of competition. They consist on paper and plastic products (to be liberalized in 2008), and on food items such as sugar and chocolate based confectioneries, pastas, and on soaps and paintings (to be liberalized in 2018).

The second aspect is that most of them (48 of the products to be liberalized in 2008 and 13 of those to be liberalized in 2018) are identifiable with a potential for women consumption, but either they are non poor heads of households or women belonging to non poor male headed households. This means that they have little impact on poverty reduction, the supposedly major objective of the integration negotiations. To understand the mechanism through which liberalization of the manufactured consumer goods will have limited impact in well being we undertake a detailed analysis of selected products. These are: the paper products (towels), the pastas, the household equipments (washing machines), tyres, beverages (whisky), and soaps.

### i.) The Paper Towels

Consumption of paper towels is essentially concentrated among the urban non poor male headed households of the south. Despite low budget share in consumption of this product, available statistics in Table 27 indicate important level of imports component in the country's consumption. In fact, in 2005 23,754 euros worth of these products where exported from the EU to Mozambique under 25.0% of import tariff.

**Table 27: Paper Towels & Napkin Production and Consumption**

| | |
|---|---|
| Total HH Expenditure | 0.0% of total HHs budget |
| Major Consumer | Non Poor Male Headed HHs Urban Center |
| Major Consumer's budget share | Less than 0.1% |
| Gendered Impact | 1.0% of total employment of which 23.4% of women |
| Locally produced? | Yes |
| EU Export to Mozambique | 23,754 Euros |
| Tariff Rate | 25.00% |
| Liberalization Schedule | 0%, 2008 |

Source: Estimations based on the 2003 HH Survey, and ODI data compilation

Whether imported paper towels & napkins have becoming a substitute to the local produced ones is a matter to explore, but the evidence tends to indicate a decline in the value of domestic production of the same item. In 2006, 390,000 Euros worth the product was produced locally, but in 2007 its production declined by 17.5%[24]. Complete liberalization of the same product means that more paper towels will be available at lower prices and may imply driving the existing factories to bankruptcy.

Currently, 1.0% of the labor force is absorbed by the paper sector. Women are only 23.4% of the workers employed in this sector. Failure of these enterprises due to liberalization imply losses of these jobs while public resources fall to the benefit of a small share of the population, the wealthier one.

### ii.) The pastas

Pastas constitute an important staple food of the urban population, mostly of the south of the country. Table 28 indicates that on average, 2.3% of the household budgets are dedicated to this food item. Major consumer, however, are the non poor male headed households who spend 3.1% of their budget in the product.

**Table 28: Pasta Production and Consumption**

| | |
|---|---|
| Total HH expenditure | 2.30% |
| Major Consumers | Non-Poor Male Headed HHs Urban South |
| Major Consumers' Budget | 3.10% |
| Gendered Impact | Questionable |
| Locally Produced ? | Yes |
| EU Export to Mozambique (Euros) | 159,278 |
| Tariff rate | 25.00% |
| Liberalisation Schedule | 0%, 2018 |

Source: Estimations based on the 2003 HH Survey and ODI data compilation

Consumption of pastas is fed by local production, and to meet the demand there has been an increase in production from 17.6 to 26.4 million kilograms between 2006 and 2007 (INE, 2008). Other supply is external. In 2005 the EU exported to Mozambique 159,278 Euros worth of pasta subject to 25.0% of tariff rate.

[24] See INE (2008) Anuário Estatístico, 2007.

Despite happening in 2018, liberalization of pasta's imports mean that they become cheaper in the local market and will compete with the locally produced ones.

Local pasta industry has been surviving thanks to subsidies applied in their large imports of wheat as the Law on Fiscal Incentives for the Manufacturing sector exempts VAT payments for the manufacturing enterprises that can add more than 20% of the value added in their products; The current sustained increases in cereal prices place a new challenge to these industries as the cost of the final good tend to increase. For the case of Maputo City, for instance, the cost of spaghetti has increased by 68.0% since March 2007 to March 2008. Similar goods such as bread increased their price by 41.0% for the same period of time[25]. And this has led to popular riots claiming against the price of basic goods (Jornal Notícias, Fevereiro, 2008). In Mozambique wheat is also imported from the EU. Therefore, if it is the EU supplying wheat at a higher price, why additionally liberalize the imports of their wheat based products?

Wheat related industries absorbs important segment of the labor force. On average the pasta industry employs 0.6% of the national labor force (or 3,800 workers) of which 25.9% is women (see also Table 7). Will the dismissed labor manage to find job? The INE (2007) analysis of the labor force utilization already indicates an unemployment rate of around 17.0%. Additionally, sudden price's declines of pastas (and bread) due to an IEPA may have a negative impact on producers of staple food who, as shown above, cannot shift to production of other crops. Estimations by Barslund (2007) indicate that pasta consumption is relatively price elastic. A decrease in 1% of its prices induces increase in demand by 1.37% while reducing consumption of staples such as vegetables, beans, and "other staples" such as cassava and sweet. As mentioned above these are goods locally produced by women.

[25] Estimations based on INE's compilation of mean market prices in Maputo City.

### iii.) The Washing Machines

As it was mentioned above (see Table 9), more than half of the employees in unclassified services, where provision of household services by housekeepers mostly to non poor households is part of, are women. Also it is the responsibility of the female members of households to take care of other household members. Other than the paid work, this means cooking, cleaning the house, take care of the children and elders, wash the cloths, fetching water and firewood and so on. Access to washing machines would in principle help at reducing this social burden.

The information based on the 2003 household survey does not indicate large utilization of washing machines despite the large utilization needs. From the sample of 8,700 households only one non poor female headed household indicated having purchased a washing machine. And, in terms of stock, the INE (2004) report of the 2003 Household Survey indicates that only 0.2% of the Mozambican households have a washing machine. In urban areas this rises to the least 0.6% and in the rural ones, this is just 0.0%. This is a big contrast for countries like Brazil. Here 40.0% of the Households have a washing machine (www.blogdofavre.ig.com.br). Above all, only 7.0% of the Mozambican households can have access to electricity (DNEAP, 2007), so how to get a washing machine if there is no electricity to run it?

Washing machines are not produced internally. In 2005 the EU exported to Mozambique around 30,720 Euros worth of washing machines. But if the use will be concentrated in a small cluster of better off households, what are the advantages of liberalizing their imports if at the end it will only cut public revenues that could be used, for instance, to expand access to electricity that will run the washing machines? Table 29 provides some data on this good.

**Table 29: The Washing Machines**

| | |
|---|---|
| Total HH Expenditure | 0.0% of total HHs Budget |
| Major Consumer | Non Poor Female Headed HHs Urban South |
| Major consumer's Budget Share | Less than 0.1% |
| Gendered Impact | Questionable |

| | |
|---|---|
| Locally Produced? | No |
| EU Export to Mozambique | 30,720 Euros |
| Tariff Rate | 25.00% |
| Liberalization Schedule | 0%, 2008 |

Source: Estimations based on the 2003 HH Survey, and ODI data compilation

### iv.) The Tourism Car Tyres

Mozambique used to have one large enterprise producing tyres, the Mabor de Moçambique. It employed around 450 workers, most of them male. Like no many national enterprises it already had an international certification of quality by 1995 therefore producing varieties of tyres (around 800 a day) and inner tubes to supply the local market and countries like South Africa, Zimbabwe, Malawi, Zambia, Congo DR, Botswana and Namibia or to say roughly all SADC countries. A news paper from 2002 indicates however that the factory couch fire and this paralyzed production and took the enterprise to bankruptcy (see: www.ml.co.mz\notmoc\2002\0107so.html).

The Government web site of the 10th of May 2007 indicates essays to recover the enterprise through a partnership with private enterprises (www.govnet.gov.mz/noticias/news_folder_politica/maio2007/nots_po_347_mai_07). The question is, however, after liberalization will the newer enterprise be able to sell its products at least in the domestic market?

So far, the available information on Table 30 shows that there is no a massive expenditures on this item. Only 0.2% of all household's budget is spent on this item. Most of the consumers are in the urban south (or in Maputo City and Province), being the majority the non poor male headed. The INE (2004) report also indicates that only 1.6% of the households have a car, and this share is higher in the urban areas (4.3%) than in the rural areas (0.4%). Being a small market, liberalization may therefore work against the growth of the tyre sector in Mozambique.

**Table 30: Tourism Car Tyres**

| | |
|---|---|
| Total HH Expenditure | 0.2% of total HH's Budget |
| Major Consumer | Non Poor Male Headed HHs Urban South |
| Major Consumer's Budget Share | 0.6% of Total Budget |
| Female Headed Households? | 0.4% non poor rural center |
| Locally Produced? | No |
| EU Export to Mozambique | 90,949 Euros |
| Tariff Rate | 25.00% |
| Liberalization Schedule | 0%, 2008 |

Source: Estimations based on the 2003 HH Survey, and ODI data compilation

### v.) The whisky

Liberalization of whisky imports is another interesting case. There is no place in the world where alcoholic drinks are considered an essential good. Whisky is one of the extreme cases where its consumption is selective. Also in Mozambique whisky consumers are mostly the urban south non poor male headed households. If fewer others are consuming this good and major consumer's do it for pleasure, is it worth to liberalize its imports against revenue losses? What are the likely gender dimensions? I would talk about violence against women but you will ask for references I don't have in hand) Additionally, whisky is locally produced. In 2007, its production reached around 25,500 liters an increase in volume by 9.6%. We do not have the exact figure on the number of workers it employs, but it is known that in general the beverage sector employs around 14,700 workers of which 32.6% are women. Therefore, a more plausible argument need to be found in order to justify such level of losses just in favor of a small group of the population. Next we try to understand why not liberalizing certain types of goods. We use as an example the case of the soap.

**Table 31: Whisky Production and Consumption**

| | |
|---|---|
| Share of Total Budget | 0.0% |
| Major Consumer | Southern Urban Non Poor Male Headed HHs |
| Budget Share | 0.10% |
| Export from EU to Mozambique | 380,714 Euros |
| Tariff Rate | 25.0% |
| Liberalization Schedule | 2018 |
| Locally Produced ? | Yes |
| Female Labor Share | 32.6% |

Source: Estimations based on the 2003 HH Survey, and ODI data compilation

### vi.) The Soap

Soap is another product excluded from liberalization. Mozambique produces soap, and it is one of the production areas which have managed to survive after different crisis and reforms. Currently, the existing enterprises have been managing to guarantee the production of around 2.6 million kilograms of soap in powder, flakes or other forms, and 13.9 million kilograms of soap in bars or pieces (INE, 2007). On its contribution to job creation, the population census indicates around 1,937 workers of which 12.5% are women (Table 32).

**Table 32: Soap Production and Consumption**

| | |
|---|---|
| Share of Total Budget | 2.8% |
| Major Consumer | Northern Rural Poor Male Headed Households |
| Budget Share | 5.0% |
| Export from EU to Mozambique | 10,144 Euros |
| Tariff Rate | 7.5% |
| Liberalization Schedule | Excluded |
| Locally Produced ? | Yes |
| Female Labor Share | 12.5% |

Source: Estimations based on the 2003 HH Survey, and ODI data compilation

However, more than this direct labor absorption is its contribution in labor allocation in coconuts/copra production, its basic intermediate good. Section 3.a.i above indicates that around 55.0% of the labor applied in coconut production is female. (Please, see Table 2). Further, is its contribution to the consumption by the poorer households, mostly in the less modernized areas of the country. The poor male headed households in the rural north of the country spend around 5.0% of their budget. And the poor female headed households of the center and the north of the country spend 4.8% and 4.4% of their budget in this good[26]. This means that the prices the enterprises are setting are accessible to the poorer households. In fact, while in March 2008 a kilogram of soap did cost around

[26] Estimations based on the 2002/3 Household Budget Survey.

17.8 metical, the same quantity of detergent in powder did cost around 94.8 metical (INE, market price survey).

The question is: can soap producers manage to set lower prices that those set currently? In order to answer this question we would need additional information on the enterprise's finances and dynamics. But it is known that currently the country is facing a new problem of coconut trees diseases, so the price of dried coconut is rising progressively. So we do not expect a capability to compete with cheaper imports of soap.

Since the sector has been managing to promote backward linkages to the economy with positive impact on women's production, then it can be said that despite its current vulnerability, the sector should be protected from competitive cheaper imports.

### d) The Public Revenue

Table 18 above have indicated that around 62.0% of the products traded between the EU and Mozambique will be liberalized, and the large bulk of the liberalized (around 60% of all imports) will be liberalized in 2008, and the little 2.0% will be liberalized in 2018. Other than the impact on production and consumption, this is level of liberalization should have a strong impact in the public revenues. We have already mentioned that trade related revenues constitute the second major source of public revenues (before external assistance).

Table 33 presents estimations on this impact on public revenue. It indicates that with the first stage of liberalization (by 2008) the country tariff revenues would fall from 17.5 million Euros to less than half (roughly 7.5 million of euros). This is a fall from 2.6% to 1.6% of fiscal revenues. In the second stage liberalization (2018) revenues would drop even more to around 7.0 million of euros or just 0.04% of total fiscal revenue.

**Table 33: The Tariff Structure of the EU Imports, 2005**

| | 2005 | Liberalization in 2008 | | | Liberalization in 2018 | | |
|---|---|---|---|---|---|---|---|
| Tariff Rate | Tariff Revenue | Tariff Lines | Imports EU | Tariff Renevue | Tariff Lines | Imports EU | Tariff Revenue |
| 0 | 0 | 1,135 | 150,126,724 | 0 | 1,177 | 154,056,412 | 0 |
| 2.5 | 790,697 | 86 | 8,309,880 | 207,747 | 85 | 8,306,618 | 207,665 |
| 5 | 2,712,513 | 34 | 12,477,646 | 623,882 | 34 | 12,477,646 | 623,882 |
| 7.5 | 5,871,610 | 270 | 19,988,964 | 1,499,172 | 265 | 17,960,543 | 1,347,041 |
| 25 | 8,092,222 | 580 | 26,197,411 | 5,239,482 | 544 | 24,299,406 | 4,859,881 |
| | 17,467,041 | 2,105 | 217,100,625 | 7,570,284 | 2,105 | 217,100,625 | 7,038,470 |
| Weighted Tariff | 13.6 | 6.7 | | | 6.3 | | |
| Unweighted Tariff | 8.0 | 3.5 | | | 3.2 | | |

Source: Author's Estimation based on ODI Data Compilation

An important aspect to consider additionally is the impact of the liberalization on the value added tax (VAT) charged to imports. In principle, an elastic price implies that availability of cheaper imports lead to their increased demand, thus increasing revenues from VAT on imports.

We could not undertake such estimations. Van Dunen (2007), however, indicates that in order to increase public revenues, price elasticity of demand for imports must be higher than 1.92 according to the Laffer curve. He does not estimate the Mozambique's price elasticity of demand, but taking the African average of only 1.36[27] his conclusion is that lower tax rates do not contribute to increased public revenues. We therefore reach to the last conclusion that the IEPA will have a net negative impact on fiscal revenues, and this would imply a need to compensate for such loses.

The major alternative source of public finances has been grants provided by bilateral and multilateral institutions. These have, however, been following a declining trend. In only 1 year (2005 to 2006), they have fallen by roughly a half from 25,800 to 14,600 million metical[28]. This means that the government would have to increase tax rate from sources

[27] Barslunds (2007) does not find price elasticity of demand of above 1.37 in his analysis of demand for staple food in Mozambique.
[28] Data compiled for the production of the financial program by the National Directorate of the Research and Policy Analysis of the Ministry of Planning and Development.

other than imports[29]: (i) the VAT on the general internal consumption; (ii) the excise taxes, the income and corporate taxes, and the excise taxes.

Taxes in Mozambique are however one of the highest in the region. South Africa, for instance is charging 14% of VAT while Mozambique charges 17.0%. Increasing taxes may have a devastating impact. In terms of production, this is a challenge in terms of competitiveness as investors may be attracted away from the country to others that offer more accessible taxes.

In terms of consumption it was mentioned above that more than half of the Mozambican households live bellow the poverty line, and the female headed household concentrate the larger share of the poor ones. Section 3 has referred to the different social and economic dynamics that at the end contribute to this poverty rate. We do not have access to quantitative analysis on the gendered impact of public revenue but the case of the failure of the female intensive cashew industries due to cut of subsidies in the context of stabilization/adjustment program in the earlier 1990s[30] serve as an illustration on what may happen if public expenditures are constrained.

Public expenditures on social goods and services still need to be increased both in terms of quantity and quality. On health sector, for instance, maternal death rate is yet high: 408 out of 10,000 Mozambican women die annually due to pregnancy related causes. Around 24.0% of the under five years old children are underweighted and 178 out of 1,000 children of the same age die. Despite strong improvements from the past, girls to boys ratio in primary school is yet of 0.83 (UNDP, 2005).

To what concerns direct assistance to vulnerable population, where most of the female headed households are, it is important to remark that official social assistance to vulnerable people only covers an universe of around 166,000 individuals of which 2101

[29] As mentioned above, most of trade between the major trade partner, the SADC, is already liberalized.
[30] Please see, Kanji et al (2004).

were single female heads of household with more than 3 dependents[31] implementing income generating activities and earning an amount of 450.00metical (or just current €14). Most of the beneficiaries are located in the urban areas, and when food subsidy programs (120,000 beneficiaries) are concerned an eligible individual receives around 150.00 metical (or just €5)[32] (Republic of Mozambique, 2008, and Republic of Mozambique, 2007a).

In summary, the IEPA brings serious challenges to the government's capability to sustain its anti poverty measures.

# 6. Data Sources and Data Quality

Trade issues are broad, given not only the complexity of its content, but also the complexity of its impact. This paper tries to cover the potential impact of the IEPA on producers, consumers and budgets both private and public from a gender perspective. Data collection and analysis was therefore key to our analysis. In this section we refer to the data sources and their quality.

## a) The IEPA liberalization structure

Turning visible the impact of the IEPA demands that, in the first stage, data on imports from the EU is organized in such a detailed manner that it allows visibility of the tariff rate, values and quantities, and the liberalization schedule applied to each product. This would allow us to discern about the goods that are to be liberalized and their relationship with women and men's production and consumption, and about the impact that such liberalization may impose on the availability of public and private savings resources to invest in gender equality and women empowerment.

[31] Other are vulnerable elders, children, and the handicapped.
[32] Values are upgraded according to the number of beneficiaries as: 1 dependent (+50 metical), 2 dependent (+100 metical, 3 dependents (+150 metical), and 4 or more dependents (+200 metical).

It was not possible to have access to such comprehensive data compilation from national sources. The found alternative is the compilation produced by the Overseas Development Institute (ODI). This data set uses as basis the EU-COMEX Mirror Data of exports from the EU to Mozambique for 2005, following the HS Codes (8 digits). It also inputs a liberalization schedule that is based on the Mozambique's liberalization offer in the context of the IEPA.

The ODI data compilation is therefore comprehensive for our purpose. However, it presents us with three major constraints: (i) as with all trade datasets the sum of items listed as imported is smaller than the figure for 'total imports' leaving open the possibility that some items might be under recorded (and some of these might be gender sensitive) This exclusion may affect our estimations on the degree and content of liberalization. The gender impact of this will depend on whether the excluded items are liberalized or not and on whether they are competitive with those produced by women in Mozambique or they bring additional savings for women's additional consumption. (ii) The data file considers f.o.b (EU border) export values to Mozambique, thus excluding freight and insurance costs. The core problem with it is that revenue estimations must be based on c.i.f prices. As we use f.o.b prices our revenue impact of the IEPA is underestimated. (iii) The revenue estimates are potential revenues, as there must be imported items that fall under the exemption categories such as offers, humanitarian purposes, and other exemption categories. We do not try to undertake any adjustments to correct to this bias, but we do mention what trade revenues the imported goods have been yielding when analyzing specific products.

### b) Sex-disaggregated Production/Consumption data

We expect four gender implications of the IEPA's price reductions of imported goods:

(i) the first concern the competition between cheaper EU imported goods and the domestically produced goods of the same quality and measurement standards. Competition demands that domestic producers adjust to the shock by lowering their

prices, but this may basically depend on the cost of factors, and the profit margin. This might have a significant gender impact depending on the sex composition of the labour used in the production of the domestic goods competing with cheaper imports. Assessing such impact would require sex-disaggregated employment/production data at a very fine level of detail (8 digit HS Code).

Our major data sources on employment were the 2007 population census, the 2002/3 household budget survey, the 2007 enterprise survey which is also part of the Statistical Year Book, and the 2003 "Trabalho de Inquérito agrícola" (TIA. In some cases we called it Agricultural Survey for simplicity). Here we explore their potential/constraints for a detailed gendered analysis for employment.

***The population census***

In principle the population census has the advantage of aggregating all labor force in one data set, and at individual level, thus turning possible the analysis of the gendered share of the total labor in each specific sector and allowing comparisons among them. It also contains other indicators such as professions, type of occupation, ownership, time use, education, and so on. The Population Census classification of occupation is defined at 9 digits. However, its major constraint consists on the fact that this 9 digit classification yet fails to be more specific than the 8 digit HS Code used in tariff code books. Linkages between the too data sets is only possible if the HS code is more aggregated (to a 6 digit?). Examples of this can be drawn from the agricultural sector where the population census does not refer to specific crops. For the manufacturing sector, the situation improves a bit as for the beverage sector, for instance, it is possible to discriminate those working in the production of beer from those producing wine or soft drink, but when we go to products like chemical agricultural goods (the different types of fertilizers, pesticides, herbicides and so on), the Census classifies them in one group "production of fertilizers and other agro chemical products).

Additional to the Census, is that despite covering time use it only covers what is conventionally considered work. Therefore, services provided by household members to the same household are not taken into account. Only production of goods by household members for the same household is covered.

For the cases where there were adequate employment details the problem we had with the specific Census data was having had access to preliminary data. For the employment analysis the data could only be used at a relatively aggregated level, and mostly as proportions, as the absolute values were smaller than what the reality suggests. Also important indicators such as education, time use and health were not part of the data set. Lack of detail or incompleteness of the Census data imposed the use of specialized surveys.

*Recommendations on the Population Census*

Population census tends to be very general, being the details covered by specialized surveys or census. However, as they can cover time use issues the suggestion here would be to include the production of services by household members to the same households.

***The INE's 2002/3 Household Budget Survey***

This survey is comprehensive in terms of coverage of well being related data. From a general characterization of individuals in terms of demography, education and health, it gathers data on employment by sex. At the household level, it included consumption, sources of household income. On the employment section, it refers to the sector of employment and type of occupation however with the limited four digits ISIC. As it is the case of the population census, its time use section is only concerned to marketed production of goods and services, and household products of goods for auto consumption. For the agricultural sector, the time use reference is only in terms of time spent in the farm and not exactly on each agricultural crop. As mentioned above this is a constraint for our case study which is more product specific.

Current efforts to improve data collection on time use has been concentrated in the specification of time spend in items that fall under the national accounts such as the household maintenance, and gathering firewood. However, other activities integrated in the survey concern the time spent on care activities such as cleaning the house, washing the cloth, cooking and taking care of children. The results of such essay will be known with the data to be collected under the household budget survey of 2008.

***The Agriculture Survey (TIA)***

The agricultural Survey analyses small/medium and large producers from the household and the plot perspective, and there is a sex desegregation of the data. Crops are also detailed. The limitations of the agricultural survey however, concern essentially the labor input, and the use of inputs. Time allocated to production of specific crop by self employed peasants is not considered. This is a constraint for gender analysis as the majority of women in the agriculture sector are self employed. The survey data does not include the use of irrigation systems, and it does not discriminate the different mechanized agricultural tools, despite their coverage in the survey's questionnaire. On educational attainment the survey only refers to literacy.

Production prices are also covered by the agricultural Survey, however, as our data set was old (2002/3) we found as alternative the Quente-Quente Weekly Magazine which has more recent data. The constraints on magazine are that it refers only to fewer goods such as cereals and tubers, including beans.

*Recommendations:* Integrate a time use into the agricultural surveys and specific technology in to the survey. The time use should cover both the production (the time spent on specific agricultural activities and products) and the reproductive sectors (the activities that relate to the household care, or the services provided by the members of the households to the same households).

***The Enterprise Survey***

The data that we had available from INE covered only production quantities and unit prices by product. Questions on the coverage of the sample indicated representativity of all the universe of the formal manufacturing sector. We could not have access to any information regarding the characteristics of the firms including the gender dimension in relation to the owners, employees, working conditions and so on. On the use of the available information, the problem faced is the lack of compatibility between this survey's data and that of the prices in the local markets. For a large number of goods, this lack of compatibility has shown to be a constraint when trying to compare differences between producer and market prices, while accounting for the impact of the IEPA.

Additional enterprise survey was produced in collaboration between the Ministry of Planning and Development and the INE, with financial support by the World Bank. While trying to cover issues concerning entrepreneurs perceptions on business related governance issues (such as bureaucracy, and the regulatory framework), and constraints to investment, the survey also covered the formal manufacturing sector and no sex desegregation of data was considered.

The INE's survey on the informal sector for 2004, tried to cover part of the data gap, as despite excluding the formal sector, all informal sector was covered, excepting self household provision of service. The data tries to capture, production at the most detailed level (including agricultural crops), access to finance, investment portfolio, payments to labor, profits, and so on. One major problem with the informal sector is the capability to use it. The survey is quite complex, and not always it is easy to link the questionnaire to the variables. Recently the dictionary of the variables was made available, and still a coordinated work with those who have designed the survey (The Italian Cooperation) and the data entry is needed.

*Other data and analysis on production*

Another striking problem when undertaking analysis at product level is the lack of research at product level. Most of the research which have been undertaken concern mostly strategic crops like cotton, sugar and cashew, and major staples such as maize and cassava. Other products have not deserved much of attention by researchers. When manufactured goods are concerned, the situation worsens even more. Information and evaluations on products such as on oil, soaps, meat, and so on is difficult to have access to. An effort needs to be directed to the analysis at a more product level.

*Recommendations:*
Integrate the gender dimension into the formal manufacturing enterprise surveys. And this refers to both the INE's and the World Bank sponsored surveys. For the case of the informal sector survey, build a coordinated team which can analyze the survey, thus taking advantage of the wealth information it provides.

Analysis at product level needs to be promoted. This matters not only in relation to women's empowerment but also to global development strategies (women are part to). Current discussions in the need to focus on value chains to promote food manufacturing industrialization with absorption of the local agricultural outputs[33] demands that analysis are undertaken at product level, with linkages among concerned sectors. Research institutions play this role.

(ii) If the imported goods are capital or intermediate goods, then there is the need to understand if these cheaper imports will contribute for the improvement of Women's production and productivity while contributing to the reduction of their work load.

The basic condition for this evaluation is the existence of sex desegregated data on investments, productivity and their determinants. Other than general description of the women's production characteristics, fewer is the research that has been able to estimate quantitatively the gendered production dynamics, from the factors of production until the marketing level.

[33] This has been emphasized within the Presidential Initiatives to Growth of 2007 (PIAB).

*Recommendations:*
Promote deeper quantitative analysis of the gendered characteristics of production within research institutions, including the universities.

iii. On the consumption of final good's side, one wants to examine whether cheaper imports will change household consumption pattern and induce certain level of savings for the households to the benefit of women. The major consumption data source is the 2003 Household Budget Survey. While providing with valuable data at household level, its utilization is some what made difficult by the fact that not all items falling under the survey are coincident with the goods in the tariff codebook, at the 8 digit HS classification. Examples consist on consumption of food in restaurants that we don't know exactly what they refer to (is it beans, fish or what?). The household survey's product codes are also different from the HS codification. This turns the data processing harder than it could be under same codification pattern.

The consumption component of the 2003 Household Budget Survey's uses the household as the main unit of analysis and does not investigate individual household members' characteristics. This only allows the discrimination of consumption by the sex of the head of the household.

However, as Haddad et al (1997) mentions, although unitary models continues to be extremely powerful in explaining many phenomena, the evidence in favor of a model where individuals within the household have different preferences, or maintain control over their own resources, is of interest to researchers and policy makers. This is especially important from a gender perspective as there is evidence that female members of the households have access to fewer resources than male members. From the IEPA point of view the existence of household consumption data at individual level would help us to understand how women and men within the households are differently impacted by the liberalization. This information we could not capture.

Current efforts to capture the gendered consumption among members of the household concern the inclusion of specific expenditures on education and health by sex. Additional work would be needed in order to secure that other items that reflect the gendered pattern of consumption within households are included in the survey.

iv.) The Public budget. In this component, it is aimed to analyze the extent to which the removal of tariff revenues will have a negative on public revenues and the implication in terms of meeting the general objective of an equal growth strategy.

Our analysis of the IEPA impact on public expenditure for gender equality is at the beginning constrained by lack of a rigorous analysis which could relate changes in budget sizes with changes in budget allocation for gender equality, including gendered changes in time allocations in unpaid care work. Such research would provide us with basic information on how a constrained due to loses of import tariffs could affect public expenditure on goods and services that affect women's time allocation between productive and reproductive work.

*Recommendations:*
Undertake a gender budget incidence analysis with simulations that reflect changes in gender budget allocation in two environments: (i) constrained budgets, and (ii) expansionary budget.

### c) Time Reference

Our time reference should be 2008, the date of entry into force of the IEPA or 2007 as data the next period of time. However, our sources are dispersed with some referring to 2007, others to 2006 or 2005 and others to 2002/3. We still used these sources assuming that they would still showing the country's reality as most of the economic and social processes indicated change progressively.

# 7. Conclusions and Recommendations

The present paper tried to analyze the gendered impact of an IEPA. The first sections referred to the gendered structure of the economy, and were able to show that despite the generalized fragility of the economy women more than men produce under large constraints that comprehend not only the access and control to productive means, but also by lower technical capacity, and by societal rules that place them mostly in the production of goods and services for household consumption. A low productive agriculture sector consists on their major source of employment.

Despite presenting a relatively large list of excluded goods as compared to Eastern African countries for instance, the Mozambican IEPA is of a "big bang" model, as not only it is heavily front loaded but also it has to be implemented in a shorter period of time. This rapid liberalization structure places in the first hand a challenge on women's capability to adjust to sudden price changes. And, despite the fact that the agricultural content of liberalization is minimal, the analysis indicates that women may still be negatively impacted by imports of cheaper substitute goods through an indirect price competition.

Most of the liberalized goods are manufactured intermediate goods of which fewer are those that can be used on women's production. This is because most of them applicable to the manufacturing and service sectors where the vast majority are men. The analysis could not find evidences on women's capability to take advantage of the available intermediate agricultural goods. And for men who are the vast majority of small scale producers of both manufactured goods and services, the evidences have shown similar limitations in their investment capacity. This finding lead us to conclude that despite being important for the economy, as the country is not producing them, liberalization of intermediate goods have limited positive impact on women's and men's production.

The likely negative impact of manufactured goods in both production and consumption by the poorer households and women is noted. First, part of the items is locally produced

thus imposing a direct price competition to the mostly male intensive sectors or an intensification of the substitution effect also in female intensive sectors. This is the case of products such as the ceramics, the paper towels and the pastas. Third they benefit mostly the non poor households. Whisky is an example of such goods. More than half of the products were identified as being of potential use by women. Most of these goods are however consumed by women belonging to non poor and urban male headed households. Washing machines constitute an example. Poor rural female (and male) headed households consume more basic traditional food items and the little income remaining is used to for expenditures on essential services such as education and health.

Taking into account these issues in future EPA negotiations seem to be important. Our first recommendations are directed to the consideration of the following possibilities:

(a) As followed by the East African countries, adopt a more gradual liberalization process. This would provide more time to adjustment;

(b) Consider, within the stages of liberalization, first the capital goods and equipment that the country is not producing currently; This recommendation is based on the view that despite the current low quality of employment (as for the levels of poverty among economic sectors), growth supported by access to technology by medium and large enterprises can also contribute to reductions of the prevailing high levels of unemployment (around 18.7%, being higher among women, 21.7% . see: www.ine.gov.mz )

(c) Consider following the liberalization of other production inputs such as oils, and fertilizers that are not produced internally.

(d) Consider the liberalization of consumer goods that are not produced internally and don't place a direct price competition or a substitute effect;

(e) Consider the remaining goods.

**8. B**

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## Annex 1: Products Likely to be mostly consumed by women

| Description | Tariff | Export Value | Agricultural? | Intermediate? | Potential Women Consumption | Liberalization Status |
|---|---|---|---|---|---|---|
| Potatoes Seeds | 2.5 | 30,000.0 | 1.0 | 1.0 | 1.0 | 0 at entry into force |
| Almonds | 25.0 | 12,110.0 | 1.0 | 0.0 | 1.0 | 0 at entry into force |
| Horticulture Seeds | 2.5 | 13,412.0 | 1.0 | 1.0 | 1.0 | 0 at entry into force |
| Confectionary | 25.0 | 138,962.0 | 0.0 | 0.0 | 1.0 | Lib in 2018 |
| Chocolate | 25.0 | 108,631.0 | 0.0 | 0.0 | 1.0 | Lib in 2018 |
| Chocolate | 25.0 | 10,748.0 | 0.0 | 0.0 | 1.0 | Lib in 2018 |
| Chocolate | 25.0 | 191,875.0 | 0.0 | 0.0 | 1.0 | Lib in 2018 |
| Pastas | 25.0 | 114,273.0 | 0.0 | 0.0 | 1.0 | Lib in 2018 |
| Pastas | 25.0 | 45,005.0 | 0.0 | 0.0 | 1.0 | Lib in 2018 |
| Cereal based | 25.0 | 80,330.0 | 0.0 | 0.0 | 1.0 | Lib in 2018 |
| Cereal based | 25.0 | 71,805.0 | 0.0 | 0.0 | 1.0 | Lib in 2018 |
| Biscuits | 25.0 | 76,477.0 | 0.0 | 0.0 | 1.0 | Lib in 2018 |
| Bakeries | 25.0 | 84,566.0 | 0.0 | 0.0 | 1.0 | Lib in 2018 |
| Liquors | 25.0 | 151,409.0 | 0.0 | 0.0 | 1.0 | Lib in 2018 |
| Vinegar | 25.0 | 17,940.0 | 0.0 | 0.0 | 1.0 | Lib in 2018 |
| Soap | 25.0 | 13,686.0 | 0.0 | 0.0 | 1.0 | Lib in 2018 |
| Plastic Bags | 7.5 | 61,758.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Plastic Potteries | 25.0 | 43,869.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Plastic jar | 25.0 | 189,668.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Plastic hygiene | 25.0 | 152,156.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Gifts | 25.0 | 11,503.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Plastic hygiene | 2.5 | 94,246.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Gloves | 7.5 | 10,014.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Suit case | 25.0 | 10,266.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Handbags | 25.0 | 16,938.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Handbags | 25.0 | 16,616.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Toilet papers | 25.0 | 13,721.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |

| | | | | | | |
|---|---|---|---|---|---|---|
| Paper towels | 25.0 | 46,768.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Napkins | 25.0 | 23,754.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Napkins | 2.5 | 31,972.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Boxes | 7.5 | 89,389.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Boxes | 7.5 | 285,017.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Registration | 7.5 | 18,543.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Exercise books | 7.5 | 229,386.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Classifiers | 7.5 | 37,117.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Formularies | 7.5 | 20,653.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Table carpets | 7.5 | 40,164.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Etiquette | 7.5 | 77,645.0 | 0.0 | 1.0 | 1.0 | 0 at entry into force |
| Etiquette | 7.5 | 23,917.0 | 0.0 | 1.0 | 1.0 | 0 at entry into force |
| Diary | 2.5 | 33,566.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Stamps | 2.5 | 11,230.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Printings | 25.0 | 43,271.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Printings | 25.0 | 125,506.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Textile carpets | 25.0 | 14,443.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Woolen carpets | 25.0 | 24,981.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Barrel | 7.5 | 27,995.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Aluminum Kitchen tools | 25.0 | 41,810.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Cutlery | 25.0 | 47,260.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Locks | 7.5 | 15,976.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Statuette | 25.0 | 40,131.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Water elevators | 5.0 | 109,764.0 | 0.0 | 1.0 | 1.0 | 0 at entry into force |
| Water filters | 5.0 | 237,422.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Scales | 25.0 | 61,210.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Agricultural | 5.0 | 29,050.0 | 0.0 | 1.0 | 1.0 | 0 at entry into force |
| Agricultural | 5.0 | 20,447.0 | 0.0 | 1.0 | 1.0 | 0 at entry into force |
| Irrigation machine | 5.0 | 15,233.0 | 0.0 | 1.0 | 1.0 | 0 at entry into force |
| Soil preparing machine | 5.0 | 39,957.0 | 0.0 | 1.0 | 1.0 | 0 at entry into force |

| | | | | | | |
|---|---|---|---|---|---|---|
| Soil preparing machine | 5.0 | 346,528.0 | 0.0 | 1.0 | 1.0 | 0 at entry into force |
| Harvesting machine | 5.0 | 12,832.0 | 0.0 | 1.0 | 1.0 | 0 at entry into force |
| Harvesting machine | 5.0 | 10,967.0 | 0.0 | 1.0 | 1.0 | 0 at entry into force |
| Washing appliance | 5.0 | 28,096.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Iron | 25.0 | 45,415.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Stove | 25.0 | 312,207.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Home electrical equipment | 25.0 | 15,947.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Electro other | 25.0 | 60,083.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Watches | 25.0 | 14,270.0 | 0.0 | 0.0 | 1.0 | 0 at entry into force |
| Fertilizer | 2.5 | 61,610.0 | 0.0 | 1.0 | 1.0 | 0 at entry into force |
| Fertilizer | 2.5 | 1,976,715.0 | 0.0 | 1.0 | 1.0 | 0 at entry into force |
| Fertilizer | 2.5 | 7,950,242.0 | 0.0 | 1.0 | 1.0 | 0 at entry into force |
| Fertilizer | 2.5 | 3,354,770.0 | 0.0 | 1.0 | 1.0 | 0 at entry into force |
| Insecticide | 2.5 | 3,015,844.0 | 0.0 | 1.0 | 1.0 | 0 at entry into force |
| Fungicide | 2.5 | 15,610.0 | 0.0 | 1.0 | 1.0 | 0 at entry into force |
| Herbicide | 2.5 | 87,852.0 | 0.0 | 1.0 | 1.0 | 0 at entry into force |
| Rat's poison | 2.5 | 21,812.0 | 0.0 | 1.0 | 1.0 | 0 at entry into force |
| Tractors | 5.0 | 172,814.0 | 0.0 | 1.0 | 1.0 | 0 at entry into force |

Source: Table based on the ODI data Compilation, Consumption estimations from the 2002/3 Household Survey

Note: 1/0 = Yes/no