



The Contributions of the Non-Profit Sector to African Economies with a Specific Focus on the Creation of Dignified and Fulfilling Work for Young People in Mozambique

2025

Carlos Fernandes and Hélio Maúngue

Centre of African Studies, Eduardo Mondlane University

ACKNOWLEDGEMENTS

On behalf of the Centre on African Philanthropy and Social Investment (CAPSI) at the Wits Business School, I want to extend our gratitude to everyone who made the production of this paper possible. This paper is one of seventeen others that CAPSI is publishing under one of its projects, namely, 'the creation of dignified and fulfilling jobs for young Africans by the non-profit sector.'

I extend our heartfelt gratitude to the Mastercard Foundation for the generous grant, which made this critical research and the publication of this paper possible. Even though this paper is based on the research intervention of the project, the project overall has different components that include convenings, dialogues, education and training, communications and capacity building, among others. The production of this paper was made possible by the contributions of CAPSI staff and our partner in the country under study. I thus want to specifically thank the author of this paper for the tireless effort put into research and writing. I also want to thank the research lead for the region of Southern Africa, Eleanor Meda Chipeta, whose unwavering dedication and insightful contributions have greatly enriched this work. I also owe a profound debt of thanks to the anonymous reviewers and copy editor; their exceptional expertise and commitment were crucial in elevating the content and quality of this publication. We sincerely appreciate Prof. Omano Edigheji, whose unique insights and constructive feedback have played a pivotal role in shaping this paper. Lastly, I acknowledge our Digital Publisher, Xolani Dlamini, for ensuring this paper is formatted and presented to the highest standard. This project would not be successful without the inputs of our support staff namely Joseph Sobuthongo, other research leads, Professor Alan Fowler, Prof Jacob Mati and Dr Simamkele Dlakavu. Thank you to everyone.

Bhekinkosi Moyo
CAPSI Director

DISCLAIMER

This work was produced by CAPSI at Wits Business School, University of the Witwatersrand in partnership with the Mastercard Foundation. The five-year partnership from 2022 to 2027 aims to explore the contributions of the nonprofit sector to African economies, with a particular focus on creating dignified and fulfilling work for the youth at the margins in 17 African countries. The views expressed do not represent those of the Foundation, its staff, or its Board of Directors.

Contents

	ACKNOWLEDGEMENTS	2
	LIST OF TABLES	4
01	INTRODUCTION	5
02	A HISTORICAL SKETCH OF THE NON-PROFIT SECTOR IN MOZAMBIQUE: Colonial legacies and postcolonial developments	7
03	WAITHOOD IN MOZAMBIQUE: An analysis of the problem of youth (un)employment	10
04	UNDERSTANDING THE NPO SECTOR IN MOZAMBIQUE AND ITS RELATION TO YOUTH EMPLOYMENT	16
05	THE CONTRIBUTION OF NPO SECTOR TO YOUTH EMPLOYMENT	21
06	KNOWLEDGE GAPS WHICH WILL SHAPE FIELD RESEARCH	27
07	CONCLUSION	29
	REFERENCES	31

LIST OF TABLES

TABLE 1:	Unemployment, youth (per cent of total labour force ages 15-24, modelled ILO estimate) in Mozambique and Sub-Saharan Africa.	18
TABLE 2:	Number of statistical units by type of legal entity Mozambique, 2021-2022	22
TABLE 3:	Number of people employed by type of legal entity Mozambique, 2021-2022	23
TABLE 4:	Number of NPOs and active establishments by province Mozambique, 2021-2022	23
TABLE 5:	Number of people working in NPOs and active establishments by province Mozambique, 2021-2022	24
TABLE 6:	Number of men and women working in NPOs and active establishments by province: Mozambique, 2021-2022	24
TABLE 7:	Number of NPO and active establishments by legal form Mozambique, 2021-2022	25
TABLE 8:	Number of people employed in NPOs and active establishments according to legal form: Mozambique, 2021-2022	25
TABLE 9:	Number of men and women employed in NPOs and active establishments by legal form: Mozambique, 2021-2022	25



01 INTRODUCTION

Mozambique is one of the poorest countries in the world. By the end of 2022, about 71% of its people lived below the international poverty line of US\$2.15 per day and a Gini coefficient of .45 – an indication of high inequality. The United Nations Development Programme’s Human Development Index ranked 185th out of 191 countries. By 2022, the country had a population of 32.9 million people, with 49% between the ages of 15 and 29 (Institute of Security Studies, 2024). Thus, like the rest of the African continent, Mozambique is experiencing a youth bulge. Consequently, scholars need to focus attention on the youth population.

Since 1990, the country has experienced a spectacular growth of civil society organisations (CSOs). This followed the shift from a single-party system and centralised economy to a new context of democratisation and a market economy. Non-profit organisations (NPOs) played a crucial role in this new political and economic landscape, particularly in opening up new spaces for active citizenship, strengthening democratic governance, and exploring the dynamics and complexities of job markets for the youth in Mozambique. In some cases, they substituted the state in providing services for the well-being of its citizens. Yet, there has been very little research on the youth’s role and place in society. Also, scholars have not paid much attention to CSOs’ economic contributions and the creation of employment for the youth, especially dignified and fulfilling jobs. Similarly, the non-profit sector’s social origins, developments, and practices have received little scholarly attention.

The literature focused more on activism and action research, such as consultancy reports, booklets, policy briefs, UN handbooks, and strategic plan reports by CSOs. These works present data on their annual activities, mission, development projects, and outcomes but have not comprehensively explained their roles and contributions to economic development and employment creation.

Non-profit organisations (NPOs) played a crucial role in this new political and economic landscape.

The thematic field of ‘Youth in Mozambique’ has gained significant attention in research in the post-1990s. Scholars have predominantly focused on the work of international NPOs that centred on critical areas such as rural development, encompassing agriculture, land, and natural resources. Moreover, important topics such as sexuality and reproductive health—including issues like early pregnancy, early marriage, and HIV/AIDS—have been given prominence in the literature. The research also highlights the demographic dividend, the youth bulge phenomenon, and gender discrepancies in employment, alongside efforts in youth poverty reduction and human rights advocacy (Arnaldo and Cau, 2013; Capurchande et al., 2016; Cuinhane et al., 2023; and Frederico et al., 2023). This body of work underscores the multifaceted challenges and opportunities facing the youth in Mozambique. Other areas that began to receive scholarly attention are urban youth and social networks (Tsandzana, 2023), social protests (Honwana, 2012), conflict and violence (Feijó et al., 2022), and the informal sector (Castel-Branco, 2012). Nevertheless, there is a scarcity of literature focusing on the relationship between youth employment and NPOs, particularly their role in creating dignified and fulfilling jobs.

As will be discussed in subsequent sections of this review, interesting studies have been produced in Mozambique and elsewhere that provide an in-depth and exhaustive radiography of the socioeconomic profile of the youth in the country. These were disaggregated by regions and provinces and types of youth employment (formal, informal, self-employment, marginalization, and those Not in Education, Employment, or Training [NEET]). The literature addresses youth employment and unemployment, gender and regional discrepancies, contributions of NPOs to the Gross Domestic Product (GDP), and the number of people (both males and females) working in NPOs. This review, which is directly relevant to the study of NPOs and youth employment, is a crucial piece of the puzzle. It discusses a significant body of statistical data, specifically on informality, the economic contribution of NPOs to employment, the geographic distribution of NPOs in the country, the number of people (both males and females) working on NPOs by region and province, and the number of legally established NPOs.



An aerial photograph of a coastal city, likely Beira, Mozambique. In the foreground, there is a dense residential area with many small buildings featuring red-tiled roofs. A large, modern cable-stayed bridge with a curved approach spans a body of water in the middle ground. The background shows a harbor with several ships, including a large white liner, and industrial cranes. The sky is filled with scattered white clouds. A large, semi-transparent maroon circle is positioned in the upper left corner, partially overlapping the text.

02

A HISTORICAL SKETCH OF THE NON-PROFIT SECTOR IN MOZAMBIQUE: Colonial legacies and postcolonial developments

In Mozambique, Non-Governmental Organisations (NGOs) are also known as CSOs. These non-profit entities play a crucial role in various sectors of society, including advocacy and providing services to targeted groups and communities. The non-profit sector, in particular, generally emerged in a political history marked by authoritarianism, distrust, and violence (Macamo, 2016) from the colonial to the post-colonial periods. The few mass organisations that emerged during the socialist experiment (1975-1990) were deeply connected to the dominant political party-state; for instance, the Organisation of Mozambican Women (OMM) and the Organisation of Mozambican Youth (OJM). The boom in NPOs, independent from the party-state and with no ideological connections to the dominant political party, took place with the fall of the socialist metanarrative and the introduction of the new constitution in 1990. (Francisco, 2010; Kleibl and Munck, 2016; and Mauri, 2013).

Eys (2002) identified the following four other factors that gave rise to the emergence of national NGOs in Mozambique in the 1990s:

- (1) the inability of the state to promote and organise development as a single actor;
- (2) strong pressure coming from donors, be it in a liberal context, the government had no other choice but to open space for the emergence of private Mozambican organisations, which could intervene in the country's development;
- (3) international donors tend to transfer the focus of aid from state institutions to civil society; and
- (4) the existence of a group of Mozambicans willing and available to create a national NGO". (Eys, 2002: 147).

He observed that most Mozambican NGOs are urban phenomena created in the cities by mostly middle class individuals. However, their target groups are predominantly the populations of rural communities (for example, women, the elderly, and children), and as a focus of intervention, the issues of poverty reduction, agriculture, land, infrastructure, social regrouping, etc.

However, some studies, such as those by Virtanem (2015), show the connections between the non-profit sector and democracy, development, religion, politics, and ethnic identities. Specifically, he examined the relationship between civil society, democratic governance, and the production and reproduction of poverty in Mozambique. The focus of the analysis is the role of the poor in strengthening or weakening democracy. One important aspect of this article is the author's critical reading of established assumptions in Western literature, which argues that the main impediments to a successful democratic transition in post-colonial Africa are the failure to improve the welfare of the poor and the pre-modern character of civil society. The author gives centrality to the multi-layered nature of African civil society, arguing that in Mozambique, robust economic growth has been accompanied by growing inequality. At the same time, traditional CSOs have become increasingly visible at the local level, providing services to local communities since the political transition in 1994.



For Virtanen (2015), the Western concept of civil society does not capture the complexity and heterogeneity of actors that play a role in civil society in Mozambique, as it relates to ethnic and religious dynamics and group identities. The author argues that in Mozambique, as in most African countries, churches and mosques play an important role in most people's lives, thus challenging the Western conception of civil society where religion lost its force in society. "The majority of Africans do not perceive any contradictions between support for democracy and backing of traditional leaders. Thus, the civil societies in postcolonial Africa have different characteristics due to the specific historical circumstances in which they have developed" (Virtanen, 2015: 92). Furthermore, the Western conception of NPOs neglects the history of rich associational life in African societies, where groups come together to advance a common cause that not only benefits their members for society as a whole. The dominant conception of NPOs in Africa seems framed within the Western paradigm.

"The majority of Africans do not perceive any contradictions between support for democracy and backing of traditional leaders."

Another dominant body of literature focused on the legal context of the emergence of the non-profit sector in Mozambique and their connection with power politics in a wide range of issues such as their social origin, ethnicity, and religion. Nonetheless, these studies did not deal directly with issues related to the economic contributions of the non-profit sector to youth employment. Regarding the legal issue, Eys (2002) stated that the law on associations was only approved in 1991 when Mozambican NGOs gained the legal status of an association. Legally framing NGOs as associations has been the cause of great social protest. Civil society actors argue that this legal framework reduces the mission and focus of NGOs to a simple association, equating it, for example, with an "association of neighbourhood shoe shiners" (Eys, 2002:148).

In conclusion, the dominant conceptual framework of NPOs in Mozambique, like elsewhere on the continent, neglects the history of individuals and groups forming associations to promote a common cause. These associations/organizations existed before the 1991 law that gave NPOs legal status in the country. It is also important to note that most of these NPOs are in rural areas and have yet to register with any government entity. However, they exist and derive their legitimacy from their target beneficiaries and communities.





03 WAITHOOD IN MOZAMBIQUE: an analysis of the problem of youth (un)employment

The review of the literature on NPOs in relation to employment in Mozambique shows that the literature is fragmented and self-circumscribed. The review shows that few existing studies examine the economic contributions of the non-profit sector to creating dignified and fulfilling jobs for the youth in Mozambique. Overall, the existing research focused primarily on the political role of NPOs, their relationship with Mozambique's power politics, and their role in fighting poverty, and to a degree in enhancing socio-economic development. However, the following key questions remain:

- 1) What are their connections of NPOs to African economies in terms of advancing and expanding the youth employment in general and to creating dignified and fulfilling jobs, especially for the youth?
- 2) What is their role in reducing the youth in the margins and reducing gender, regional, and provincial discrepancies in the job market?



Answers to these questions will significantly fill the huge epistemic gaps that the CAPSI-Mastercard Foundation research projects seek to answer, which, in the long run, will have a positive multiplier effect on economic policy in the country. The remaining part of this section seeks to address this issue. Doing so will deepen the discussion on knowledge gaps by focusing mainly on what is known.

There are two main epistemic threads in the existent literature. The first deals with questions of the political role of NPOs in Mozambique, especially in strengthening democratic governance and active citizenship, but also on youth, marginalisation, and political struggles. The studies of Chichava (2023), Forquilha & Pereira (2022), and Feijó et al. (2022), examine the effects of youth marginalisation in the escalation of the war in Cabo Delgado province (northern Mozambique). The second epistemic focused on youth employment, women's access to the job market, youth's political role, and associative dynamics.

Mauri's (2013) work examined the contributions of NPOs in Mozambican society and their relationship with power politics. A major shortcoming of this study is that it neglected youth dynamics and labour market issues. This work is, however, important for this review because it provides historical contextualisation of the presence, evolution, and performance of the non-profit sector in the country. The author analysed the relationships between NGOs and political power in Mozambique. In doing so, it examined the weaknesses and strengths of this relationship.

To foreground the discussion, it is important to analyse the evolution, mission, and context of NPOs in the country and their specificities, particularly in the province of Maputo.

Using data from the Mozambique National Institute of Statistics (INE), Mauri (2013) stated that in 2001, there were about 600 NGOs in the area of development, of which 465 were national and 145 foreign (in 2022, there were 12 291 active NPOs, discussed later in this section). Mauri posits that in 2006, the country had more NGOs in the colonial period than in the socialist transition period (1975 to 1990). The new government, led by a Marxist-Leninist, FRELIMO, imposed restrictions on forming and operating NGOs independent of the party-state. Also, their programmatic areas were limited. For example, the first international NPOs established in the country were the Red Cross in 1981 and the World Vision and Save the Children. Their work was restricted to providing humanitarian aid and support for the development of people and communities in vulnerable situations. (Mauri, 2013).

Otherscholarshaveexaminedtherolesofyouthineconomicandpolitical development. For example, Biza's (2009) focuses on the associative dynamics of young people in post-independent Mozambique. The author identified and analysed their motivations for creating, joining, and engaging in civil society youth associations. Among NPOs, these associations employ most people in the non-profit sector. This highlights the crucial role these organisations play in the country's development.

Taking as a case study two local associations, Associação Aro Juvenil (created as a literary movement among secondary school students) and Associação Positiva Juvenil (created for young people from different Protestant churches), Biza (2009) discussed the associative dynamics of young people. Their motivations and purposes are deeply linked to the complex relationships between identity, social, and affective relationships within a context. These contexts are both private (individualized expectations) and public. The latter is linked to the perception that by actively participating in public life, they simultaneously challenge the dominant discursive notions that frame young people as a passive social category with little intervention in society. Thus, the motivation and engagement of young people in associations are linked first to their individual dimension of life strategy and personal fulfillment,

The new government, led by a Marxist-Leninist, FRELIMO, imposed restrictions on forming and operating NGOs independent of the party-state.

and second, as a way of accessing diversified resources and capital such as employment, funds, work, power, and individual and social recognition. These indirectly contribute to economic growth and development of the country.

Biza (2009) argued that youth associations are often created informally, in groups of family friends, in neighbourhoods, schools, etc.; these groups are subsequently institutionalised following a common model where they are encouraged by the state and non-profit organizations. Engagement in associations also follows other contextual patterns linked to the country's social and political environment. For example, the more socially excluded and uneducated young people are, the fewer possibilities and opportunities they have to participate in public life through associative activism. In this context, these dynamics make rural youth a forgotten and almost invisible actor in the public sphere. Another important characteristic of the members' identity is that membership in these organisations is the preserve of young men. According to Biza (2009), there is a close correlation between the urban socio-spatial environment and the associative phenomenon. The creation of associations is more numerous in cities or large urban centres.

In his seminal work, Mozambican anthropologist Honwana (2014) focused on the experiences of many young Africans struggling with unemployment, difficulty finding sustainable means of subsistence, marginalization, and lack of civil liberties. The discussion is based on empirical research results from Mozambique, Senegal, South Africa, and Tunisia between 2008 and 2011 with young people aged 18 to 35 years and in various social strata. According to the author, most of these problems faced by the youth were due to poor governance and maladjusted social and economic policies in post-colonial African states.

Honwana advanced three fundamental arguments in the article to account for the problems facing African youth. First, most young Africans live in a condition he termed "waithood, a limbic state of waiting, where young people are almost suspended between life and creative survival, constantly postponing their passage to adult social status" (Honwana, 2014, p. 401). Waithood is also produced from structural conditions such as the economic transformations that most African countries underwent in the late 1980s. This leads to the second point: that most social protests and tensions are also profoundly linked to waithood and the demanding socio-economic situation these young people live in. The third argument highlights the difficulty of making significant changes in this context of social struggles and youth protests because there are no fundamental structural transformations even with the fall of political regimes. The main difference is a change from one political leader to another, while the structural conditions that give rise to the political protests, including unemployment, continued.

According to Honwana, most young activists face the challenge of creating a space for participation that allows them to play a constructive role in the political transition and the governance process beyond the media-driven street protests. Some young people are deeply active on social media and artistic spaces, involved in social and political protests against, for instance, political parties, corruption, and bad governance. However, these challenges are not effectively addressed since more than 50 percent of the population in Africa is under 25 years of age, turning young Africans into a marginalized majority and excluded mainly from dominant socio-economic and political processes.

Furthermore, there are gender discrepancies where young men face more pressure to, for example, obtain a stable job, find a house, pay *lobola*, etc. In these circumstances, Honwana argued, many end up being pushed into a saturated informal economy or become informal workers in the formal sector. As mentioned in the introduction and discussed in the next sections with empirical data, the majority of young people in the job market are in the informal sector.

While Honwana's contribution is important in understanding the economic conditions and employment status of young people in Mozambique, it failed to address the contributions of NPOs to economic development and youth employment in the country.



One of the most important studies on the socio-economic status of youth in Mozambique is by Arnaldo and Hansine (2023). In this work, these scholars examined the socio-economic nature, traits, and dynamics of the youth in Mozambique. They also examined both the national and provincial contexts. This study is important because it would enable scholars to critically examine the socio-economic situation facing the country's young people. In turn, this will serve as a basis for designing and making actionable public policies that are more suitable and relevant for the well-being of the youth.

In sum, Arnaldo and Hansine (2023) argued that access to employment is still one of the major challenges for Mozambican youth, especially among young women. He observed that by 2017, 85% of youth were employed in the informal sector. By 2021, according to ISS, "Mozambique had around a 96% informality rate among its workforce. The informal accounted for 36.5% of GDP (ISS, 2024: 12)". This will automatically result in a higher rate of youth in the informal sector employment, given the structure of the economy, with agriculture being the main source of employment for Mozambicans. Informal sector jobs are insecure, exploitative, work in hazardous conditions, and are poorly paid. According to Arnaldo and Hansine, these are vulnerable employmentⁱ (self-employment) and, in the case of young women, domestic work, which is poorly paid and, for the majority of them, unpaid¹. The latest ILO data on informal sector employment shows that Mozambique has the 3rd highest rate of informal jobs in the world. 96% of its workforce are in the informal sector (ILO Dataset, 2024), 69% of whom are classified as working poor (ILO dataset, 2024).

Regional disparities exist, with the south being relatively better than the center and north regarding job supply and quality. Arnaldo and Hansine argued that Mozambican youth are still in a precarious professional situation. This, they opined, is linked to the lack of requisite educational qualifications and skills. In addition, premature marriages, unions, and early motherhood, especially among young females, impede their obtaining employment and improved socio-professional well-being. All these factors have contributed to the marginalisation of the youth ((Arnaldo and Hansine. 2023).

There is a second body of literature that not only underlines the lack of focus on the connection between NPOs and youth employment but also on youth employment, women's access to the job market, the youth's political role, and associative dynamics. For example, a report by the Friedrich Ebert Foundation (2017) discussed the economic crises facing Mozambican youth. This report presents the discussions and outcomes of a workshop held on June 22, 2017, in Maputo. It was organised under the Platform of Young Leaders from various areas and civil society. Around 164 young people from several provinces of Mozambique were present at this event, where the main point of the debates was to find possible solutions to the challenges young people in the country were facing.

Premature marriages, unions, and early motherhood, especially among young females, impede their obtaining employment and improved socio-professional well-being.

The workshop was organized in the post-socialist context, where the country was experiencing an economic crisis, including rising unemployment. As the report's authors stated, in 2017, around 33.4 percent of the Mozambican population was young, which constituted the country's most precious human capital. This presented the greatest assets for the reconstruction and to promote sustainable development. However, around 56.8 percent of these young people were unemployed. Worst still, a higher percentage of the youth had no access to basic health services, housing, or funding for youth initiatives (Friedrich Ebert Foundation, 2017:3). See Table 6 for updated data. By implication, the country did not take advantage of its greatest asset to drive development.

The report also highlighted the lack of a housing policy aligned with young people's finances to meet one of their basic needs: access to housing. As a solution, participants proposed reducing construction costs and using local materials and labour.

Furthermore, gender inequality, especially the social exclusion of young females, including their marginalization into the informal sector, was also noted. As a solution, they argued that it was necessary to create mechanisms for greater empowerment and participation of women in the informal sector and skills development to enable young

i 96% of Mozambicans are in the informal sector. This is one of the highest levels of informality in not only in Africa but in the World (see ISS, 2024).

1 Many young women are involved in domestic tasks or household chores, such as cleaning, cooking, and caring for family members. For most of these women, this work is unpaid, as they are members of the household and do not have formal or informal employment outside the home.

females to transition from the informal to the formal sector. (Friedrich Ebert Foundation, 2017: 9). To this end, it was argued that NPOs in Mozambique could play a crucial role by assisting marginalized youth, especially young women, to secure employment and obtain dignified and fulfilling jobs.

The report noted the problems of a lack of innovation, creativity, and initiatives to promote youth entrepreneurship. Specifically, the lack of a legal framework for youth entrepreneurship in Mozambique and the reduction of state budgetary allocation to institutions promoting innovation and youth entrepreneurship were identified as major problems facing the youth. As a solution, they proposed the establishment of a legal framework that encourages young entrepreneurship in the country, increased resources through public-private partnerships, and the creation of a support and advice centre for entrepreneurship and skills development. (Friedrich Ebert Foundation, 2017).

With regard to women, the existing literature shows that women, especially young women, are mostly adversely affected by the socio-economic problems discussed above. These include unemployment, poverty, inequality, and lack of access to basic social services. In addition, the majority of those that suffer from informality are young women. Though small, the Mozambican formal sector, with its advantages, is dominated by males.

The participants at the Young Leaders Platform workshop identified a series of issues linked to youth employment challenges such as: housing, health, transport, financing youth initiatives, gender equality, education, agriculture, and youth entrepreneurship. One of the first problems acknowledged in the report was the “high unemployment rate and the failure to hire young graduates” (Friedrich Ebert Foundation 2017: 5). In 2019, “18 months after graduation, 23% of graduates were unemployed”. Furthermore, underemployment is also high among graduates. According to a report by Jones, *et al* (2019) published by the UNU-WIDER.

“While most graduates were able to find jobs, many of these were of low quality, with little security and low pay, and some graduates had to pay for their job... Most graduates were not able to find employment related to their fields of study. Most graduates found their salaries to be lower than expected... half considered their current job not to require a university degree” (Jones *et al.*, 2019).



A closer examination of Jones *et al.*'s findings indicates that graduates in Mozambique do not have dignified and fulfilling jobs—a subject that will be addressed in a subsequent section. Their finding shows that most graduates who secure jobs in the formal sector are in the public service. This is a problem because the private sector, not the public sector, should create more formal sector jobs. This is what is evidenced by the comparative experiences of countries that have developed. Graduate unemployment and underemployment have a gender dimension. Female graduates are more likely to be unemployed and underemployed than their male counterparts.

The work by Arau *et al.* (2018) provides a comprehensive profile of youth in Mozambique. This study is significant because it provides a statistical profile of the youth in Maputo and Beira cities on education, youth employment, family planning, and financial and digital inclusion issues. In addition, it examined the various constraints these women face, particularly employment dynamics, both in their lives and in comparison with young men. The data collection was based on a mixed quantitative and qualitative research approach. The study used household surveys, questionnaires, and interviews to address various issues such as household demographics and poverty, education, employment and economic activities, family planning, time use, social norms, social capital, and digital inclusion.



Compared with most works in this review, the Arau *et al.* (2018) argued that young women in Maputo and Beira have the same educational attainment as young men. They also point out that both target groups are likely to drop out of school, though for different reasons. While many young women leave school primarily because of premature unions and early pregnancy; young men are more prone to leave the educational system due to monetary constraints, or even because they want to find a job. Another common trait between boys and girls is that both have high levels of educational aspiration. Most aspire to go to university (78 per cent), yet only eight per cent of them manage to do so – an indication that Mozambique is not investing in its greatest assets, its people. The study states, however, that there are gender discrepancies in the employability of young people, where young women are less likely to be employed than young men. Among those employed, men are more likely to be in paid work, and women are more likely to be self-employed or work without pay for a family business (Arau *et al.*, 2018). This further underscores the gender dimension in the labour market, which was highlighted earlier.

On the issue of work *versus* academic qualifications, the study found that 60% of young people employed in Maputo and Beira get jobs below their qualifications. Also, these scholars show that the majority—80%—of young people do not have a formal contract. These indicate that most Mozambican youths are underemployed and thus in undignified and unfulfilling jobs.

Most unskilled workers sell food or other goods on the street (Arau *et al.*, 2018). As discussed in subsequent sections of this review, women were more likely to work in unskilled jobs and were less likely to have a contract or verbal agreement. The study explained that this phenomenon occurs because young women have more mobility restrictions than young men. Also, they argued that women would have less decision-making power over their mobility. Arau *et al.* concluded, based on a thorough analysis of the issue of time use between these two social groups, that young women in Maputo and Beira carry a much greater workload than young men. They argued that women have considerably more time constraints than men due to their double workload.

Arau *et al.* (2018) and other scholars exemplify the vital role of the non-profit sector in Mozambique. Many NPOs provide vocational training programmes that equip young people with practical skills in carpentry, tailoring (fashion design), agriculture, and information technology. These programmes enhance youth employability, empower them to start their businesses, and contribute to the country's economic development.



04

UNDERSTANDING THE NPO
SECTOR IN MOZAMBIQUE
AND ITS RELATION TO
YOUTH EMPLOYMENT



As argued earlier, there is little literature on the economic contribution of NPOs to youth employment in Mozambique. The dominant literature on this matter is framed in two ways. The first body of work focuses on the macro-economic nature of employment in Mozambique. It addressed issues such as the nature of youth employment along with gender and regional discrepancies in rural and urban Mozambique. The second cluster revolves around the issue of the youth's job-seeking opportunities (especially on the Mega-projects in Mozambique, which are mainly related to the boom of natural resources). This body of work focused on barriers and unemployment, the structure of the job market, and youth employment prospects in the country. These studies also need to be understood against the background of the discovery of oil and gas in the country.

Mozambique is experiencing jobless growth and economic growth is not fostering inclusive development.

On the question of the economic contribution of NPO to youth employment, some authors argued that the Mozambican case is best understood taking into consideration the issue of the weakness of the local state, and especially the production/reproduction of the condition that throws the majority of the youth into the informal sector and the margins. Mozambique's GDP growth rate in the period, 2012 and 2022, was 4%. This was higher than the sub-Saharan average of 3%. By 2023, the country's GDP growth was 5%, driven "mainly by extractive industries as liquefied natural gas" (African Development Bank, 2024: 1). Yet, the economic growth has not led to significant structural change or sufficient job creation. This shows that Mozambique is experiencing jobless growth and that economic growth is not fostering inclusive development. Specifically, despite the relatively high economic growth, the unemployment rate increased from 3.31% in 2012 to 3.98% in 2021 before it decreased to 3.54% in 2023. That the economic growth rate is not significantly improving the livelihoods of Mozambicans is reflected by the fact that GDP per capita increased only from \$536.99 in 2012 to \$602.92 in 2023 (Trading Economics, 2024), which is lower than the African average GDP per capita of \$2,955.

By 2023, the informal economy absorbs 95% of the labour force in Mozambique, and according to the United Nations Development Programme (2024) contributed 40% of the country's GDP. The informal sector is one whose activities are characterised by a low level of organisation, generally at family level, with a limited or non-existent division between labour and capital, and working relationships generally based on occasional collaboration, family relationships, or friendship, without formal contracts. The informal sector is also characterised inefficiency and low productivity rate, not formalised (registered), or when they are registered, it is at the level of local structures (precarious licenses), and their owners have low levels of education (Aga *et al.*, 2019 ; and INE, 2022).

At this juncture, it is important to ascertain the unemployment rate in Mozambique before discussing the role NPOs can play in addressing the problem. Different unemployment rates are presented in existing studies. The ILO, the famous international organization on labour market issues, estimated that the unemployment rate in Mozambique increased from 3.31% in 2012 to 3.98% in 2021 before it declined to 3.5% in 2023. In contrast, the official statistical agency in the country, the National Statistics Institute (INE), based on its Family Budget Survey, estimated that 18.4% of the country's population was unemployed in 2022 (see 360 Mozambique, 2023). This is a gender dimension to the unemployment rate – unemployment among males is slightly higher than for females, 18.7% and 18.1%, respectively. That various scholars and institutions have not reached a consensus on the unemployment rate in Mozambique is a major challenge in this study.



To address high unemployment, which stands at 27 per cent, and to accommodate the 420 000 new labour market entrants each year, Mozambique must generate more jobs (Balchin, *et al.*, 2017). The new entrance into the labour market will increase to 500,000 people annually by 20225 (UNU_WIDER, 2024). Some scholars, like Perry (2022), employ the concept of NEET to explore youth employment in Mozambique. NEET highlights vulnerabilities such as early school leaving, unemployment, and unpaid family or domestic work. Most NEET individuals are young, recent graduates, dependent on their parents, poorly supported by public policies, and not contributing economically to the country.

The Mozambique Family Budget Survey, 2019/20 (INE, 2021) revealed that 37 per cent of women and 29 per cent of men aged 15 to 19 years, and 47 per cent of women and 39 per cent of men aged 20 to 24 years, are employed. In a recently released survey, Afrobarometer (2024) put the youth unemployment rate at more than 55%. The working poverty rate of youth, those employed and living below US\$2.15, was 68.7% in 2023, above the world average of 6.9% (ILO Dataset, 2024).

Despite the relatively high youth employment rates, these jobs are often seasonal, informal, and poorly paid. Most youth work is found in family agriculture, particularly for rural youth, where 90 per cent of young women and 50 to 60 per cent of young men are employed. Employment rates for rural young women are higher than in urban areas. The INE's Family Budget Survey also indicates that a significant portion of young people work in unpaid family agriculture, with 51 per cent of rural young men aged 15 to 19 years engaged in such activities. Young women aged 20 to 24 years mainly work in paid family agriculture, while young men in this age group have more varied paid employment opportunities, such as working as vendors in kiosks (*barracas*), taxi drivers, casual labour (*biscate*), and some skilled labour positions (Perry, 2022).

Table 1 presents data on youth unemployment rates from 2019 to 2023 for Sub-Saharan Africa, including Mozambique. Given the vulnerability of young people, Mozambique's youth unemployment rate reflects broader regional trends but remains at lower levels. Youth unemployment increased in 2020, likely due to the impact of COVID-19 on economic activities and job markets. The subsequent decline to pre-pandemic levels suggests some resilience. Yet, unemployment and underemployment persist, indicating that youth remain vulnerable in the labour market. The data also shows a slight but consistent gender gap, with male youth experiencing slightly higher unemployment rates than female youth. Although the difference is relatively small, it may suggest gendered dynamics in labour market participation, with men potentially facing more competition for certain types of jobs or being more affected by layoffs in sectors where they are overrepresented, such as mining and construction.

Analysing the youth employment opportunities, Jobanputra *et al.* (2021) emphasise that youth in Mozambique face significant employment challenges, with 300 000 entering the labour force annually² and few formal jobs available. Over 90% of the workforce is in the informal sector, and young women are especially disadvantaged, often becoming unpaid family workers and facing educational interruptions. Barriers to employment and entrepreneurship include a lack of jobs, connections, finance, education, and skills. Young women more frequently cite a lack of education and skills as an obstacle than men. Both genders face safety and transportation issues, but women are particularly underrepresented in emerging non-subsistence or public sector jobs, and employers relegate them to marginalized situations.

TABLE 1: Unemployment, youth (per cent of total labour force ages 15-24, modelled ILO estimate) in Mozambique and Sub-Saharan Africa.

Unemployment	2019	2020	2021	2022	2023
Sub-Saharan Africa	11.5	12.0	11.4	10.3	10.2
Sub-Saharan Africa (excluding high income)	11.5	12.0	11.4	10.3	10.2
Mozambique youth total	7.6	8.3	8.2	7.7	7.6
Mozambique youth female	7.3	8.0	7.9	7.4	7.3
Mozambique youth male	7.9	8.6	8.5	8.0	7.9

Source: ILOSTAT (2024)

2 It is noted above that new entrance into the labour market will increase to 500,000 annually.

Evaluating the job opportunities for young people, Inui (2014) noted that while megaprojects in Mozambique have driven economic growth, they have created little employment. Also, these megaprojects have yet to benefit local contractors or facilitate knowledge transfer significantly. Given the country's young and rapidly growing population, the industry and services sectors are unlikely to absorb all new workers. Inui's (2014) ten-year simulation (2014-2024) suggested a gradual shift from agriculture to other sectors over time, but the transition will be slow. Employment in the agricultural sector will continue to increase, but these will likely be undignified and unfulfilled jobs.

Within the same context of job opportunities, Martins (2017) examined job-seeking behaviour from online portals in Mozambique, highlighting the country's high economic growth but with few jobs being created. The author found that Mozambique's labour market is characterised by high informality, significant rural employment despite urbanisation, and high youth and urban unemployment. The average job seeker is 25 years old, with 3.5 years of experience and 13.4 years of schooling. Martins noted that the number of job applicants greatly exceeds the number of vacancies, reflecting high levels of unemployment and underemployment, especially among youth and in urban areas.

Considering both job opportunities for youth and the demographic dividend, Lachler and Walker (2018) analysed Mozambique's job transition challenges, noting that while the working-age population and education levels are rising, job supply is not meeting demand. As Mozambique enters a new demographic phase with more educated youth, the risk is that many will end up in the same low-quality jobs as their parents, thus perpetuating poverty and marginalisation. They stressed the need to create opportunities for more productive work by linking young people to capital, technology, and markets. Without this, the potential benefits of the demographic dividend could be lost, leading to continued exclusion and marginalisation. The study also highlights that Mozambique's reliance on capital-intensive megaprojects, which create few jobs, leaves many Mozambicans in self-employment or unpaid family work, with both rural and urban workers struggling with seasonal work and limited wage opportunities (Lachler and Walker, 2018).

Furthermore, Lachler and Walker (2018) examined the challenges of Mozambique's job transitions to see how the country accelerated the shift into higher value-added activities and better livelihoods. These authors observed that as Mozambique enters the next phase of the demographic transition, where the working-age population is growing rapidly, young people's education is improving. Still, dignified and fulfilling jobs are not expanding fast enough to absorb the growing, better educated, and young labour force. The risk is that many young people will end up doing the same jobs as their parents, with similar levels of poverty and livelihood prospects. In this context, the challenge is to help the labour force (particularly young people entering the labour market) increase their earnings by creating opportunities for more productive work. Regardless of whether they are engaged in self-employment or wage jobs, Lachler and Walker (2018) argued that it is necessary to link them to sources of capital, technology, and markets and to give them access to scale and agglomeration economies. Otherwise, the demographic dividend will be squandered and the Mozambican youth will be excluded and marginalised.



In addition, they noted that Mozambique's economy depends increasingly on energy-related, export-oriented, capital-intensive megaprojects, which have generated few jobs directly and indirectly. Consequently, most Mozambicans are self-employed or work in unpaid family jobs. Many rural smallholder farmers cannot work full-time because of agricultural seasonality, lack of assets, especially for women, and the burden of household chores. Even in urban areas, wage jobs are scarce. On the other hand, many self-employed urban workers work long hours but still struggle to obtain a sustainable livelihood (Lachler and Walker, 2018). As the data and analysis have shown, the problem in the labour market in Mozambique is the lack of dignified and fulfilling jobs, hence the importance of the CAPSI's project.

Likewise, Jobanputra *et al.* (2021) emphasised that Mozambique's labour market is heavily dominated by the informal economy with its associated problems. The agriculture sector is the largest employer of labour, absorbing about 80% per cent of the labour force. As noted earlier, the sector is dominated by subsistence farming, which does not offer dignified and fulfilling jobs. The labour market's low skill levels lead companies to import skilled workers for megaprojects, potentially increasing youth marginalisation. Most workers are either contributing family members or own-account workers, indicating a rise in vulnerable informal employment with limited access to social security, which further underscores that these jobs are undignified and unfulfilling. This further brings to the fore how the non-profit sector could address the problem of informality and contribute to the creation of dignified and fulfilling jobs.

The African Development Bank (2024) analysis is germane at this juncture. According to the AfDB,

"Mozambique's structural transformation is hampered by skills shortages and a high illiteracy rate among 15- to 34-year-olds (31.4%), skills mismatches, lack of infrastructure, high public debt, and a low level of industrialization" (African Development Bank, 2024. "African Development Outlook).



Focusing on the economic contribution of the NPOs, Salamon *et al.* (2013) reviewed the implementation of the UN Handbook on NPOs across sixteen countries³. They found that NPOs contribute over five per cent of GDP in six countries, including Mozambique, underscoring the sector's significant economic impact. Like other African countries, NPOs in Mozambique have a higher percentage of paid workers than volunteers. (See Tables 2 to 9, the next section with data recipients of NPOs' contribution).

In their literature review, these scholars also focused on the sources of NPOs' income, which they categorised into three categories: fees charged for goods and services, government funding, and philanthropic giving and donations. In Mozambique, NPO revenue distribution is as follows: government (three per cent), fees (13 per cent), and philanthropy (84 per cent).

They also examined the dominant service activities in Mozambique, revealing that nearly 75 per cent of NPO gross value added (GVA) is generated through service activities (81 per cent) rather than expressive activities (14 per cent) or other activities (five per cent). Additionally, Salamon *et al.* (2013) found that NPO operating expenditures in Mozambique are primarily driven by compensation for workers (56 per cent) compared to intermediate consumption (44 per cent). They also highlight one major problem facing NPOs in the country, like elsewhere in Africa: NPOs depend largely on donors' funding. According to INE's (2006) first census on NPOs in Mozambique (2004-2005), overseas transfers from foreign countries accounted for over 70 per cent of all NPO revenue (Francisco *et al.*, 2008). This not only raises the issue of their autonomy but also their sustainability.

In sum, this section characterised and demonstrated the situation of youth in Mozambique regarding employment and unemployment and brought to the surface data on the job market dynamics in rural and urban Mozambique. The review also highlighted the gender dynamics in youth employment. It also described the labour market, dominated by the informal sector in rural and urban areas, and shed light on the country's agricultural economy. In general, it tried to indicate the indirect economic contribution of NPOs to the country's economic growth. However, it is argued that the main problem in the labour market in Mozambique is not high unemployment but the absence of dignified and fulfilling jobs for the youth.

3 Australia, Belgium, Brazil, Canada, The Czech Republic, France, Israel, Japan, Kyrgyzstan, Mexico, Mozambique, New Zealand, Norway, Portugal, Thailand and The United States.



05

THE CONTRIBUTION OF
THE NON-PROFIT SECTOR
TO YOUTH EMPLOYMENT

This section analyses the non-profit sector in Mozambique, focusing on its size, territorial distribution, and employment contributions. It also indicates the dominant type of NPOs in Mozambique. Dade (2009) noted that although NGOs and CSOs are frequently used as terms to describe these organisations, associations constitute the most popular legal form, representing about 92 per cent of all NPOs. Of these, 53 per cent are religious associations.

The NPO sector⁴ contributes more to the national GDP than the Non-Profit Organisations Serving Household (NPOSH) or Non-Profit Institutions Serving Household (NPISH) sector. It contributes approximately 6.1 per cent to GDP compared to 2% by NPOSH in 2003⁵. When accounting for voluntary work, the NPO sector's contribution increases slightly. The education and research sector is the largest contributor; representing 51.2 per cent of the NPOs GVA and 3.2 per cent of GDP. Health follows with 16.6 per cent of GVA and one per cent of GDP, while development and housing contribute 10 per cent of GVA and 0.7 per cent of GDP. Together, these sectors account for about 79 per cent of the NPOs GVA in 2003.

Dade (2009) also noted that associations are the most prevalent legal form of NPO, making up 92 per cent of all NPOs in 2003, with 53 per cent being religious associations. These associations are the largest employers within the sector, accounting for 59 per cent of the workforce, with NGOs employing 38 per cent. Religious associations employed 31.8 per cent of the workforce, while other sectors, such as law, advocacy, and politics, employed 20 per cent. Other activities contributed 12.7 per cent (health and social services) and 0.1 (philanthropic and voluntarism promotion) to 0.1 per cent employment.

According to INE (2023), in 2022, there were 106 176 statistical units, including 85 264 businesses, 3 492 NPIs, 8 512 business establishments, and 8 908 establishments of non-profit organisations. See Table 2.

TABLE 2: Number of statistical units by type of legal entity: Mozambique, 2021-2022

Type of legal entity	Number of units			
	2021		2022	
	No.	%	No.	%
Companies	80 947	77,4	85 264	80,3
Companies establishments	9 342	8,9	8 512	8,0
NPO	4 135	4,0	3 492	3,3
Establishments of NPO	10 116	9,7	8 908	8,4
Total	104 540	100,0	106 176	100,0

Source: INE (2023)



4 The NPOs has been classified into five categories, namely (1) NPOs that received most of their receipts from sales of non-financial services, (2) those that engaged in financial transactions like microcredit, (3) those that received significant support and considerably controlled by government, (4) those that lack legal status or rely solely on volunteer input, and (5) those that receive most of their income from households in the form of contributions and are controlled by government are assigned to NPISH (United Nations, 2003).

5 This should not be surprising because NPISH is just one component of NPOs, and the 4 other NPIs have wider sources of income.

The number of people employed in 2022 followed the trend of the units, with an increase of one percent compared to the previous year. This was influenced by the growth in the number of people employed in companies (1.5 percent) and non-profit organisations (6.2 percent) despite the reduction in the respective establishments (INE, 2023). See Table 3.

TABLE 3: Number of people employed by type of legal entity: Mozambique, 2021-2022

Type of legal entity	Number of people employed			
	2021		2022	
	No.	%	No.	%
Companies	773 465	77,1	785 333	77,6
Companies establishments	133 182	13,3	130 549	12,9
NPO	52 321	5,2	55 585	5,5
Establishments of NPO	43 888	4,4	40 948	4,0
Total	1 002 856	100,0	1 012 415	100,0

Source: INE (2023)

Specifically, in 2022, there were 12,291 active NPOs in the country. From 2021 to 2022, there was a 13.2 per cent decrease in NPOs. Almost all provinces showed a reduction in NPOs, with the exception of Gaza, which witnessed an increase of 0.2 per cent, and Maputo City (0.1 per cent). Maputo Province showed the most significant negative variation (76.6 per cent), followed by Niassa (53.0 per cent), Manica (28.4 per cent) and Nampula (26.6 per cent) (INE, 2023). These locations will be central to the fieldwork methodology design. See Table 4.

TABLE 4: Number of NPOs and active establishments by province: Mozambique, 2021-2022

Province	Number of NPO and active establishments			
	2021		2022	
	Number	%	Number	%
Niassa	705	5,0	331	2,7
Cabo Delgado	452	3,2	418	3,4
Nampula	467	3,3	343	2,8
Zambézia	1 158	8,2	1 137	9,3
Tete	456	3,2	429	3,5
Manica	1 882	13,3	1 348	11,0
Sofala	1 549	10,9	1 548	12,6
Inhambane	3 740	26,4	3 707	30,2
Gaza	838	5,9	840	6,8
Maputo	944	6,7	221	1,8
Cidade de Maputo	1 968	13,9	1 969	16,0
Mozambique	14 159	100,0	12 291	100,0

Source: INE (2023)

Table 5 shows the distribution of people employed by NPO in general, while Table 6 shows the distribution desagregated by men and women, respectively.

TABLE 5: Number of people working in NPOs and active establishments by province: Mozambique, 2021-2022

Province	Number of people employed			
	2021		2022	
	No.	%	No.	%
Niassa	4 205	4,4	2 847	3,0
Cabo Delgado	4 207	4,4	3 918	4,1
Nampula	4 703	4,9	3 680	3,9
Zambézia	7 478	7,9	7 140	7,5
Tete	3 408	3,6	3 093	3,2
Manica	9 394	9,9	9 307	9,8
Sofala	9 946	10,5	9 973	10,5
Inhambane	16 783	17,6	18 891	19,8
Gaza	5 025	5,3	5 051	5,3
Maputo	9 496	10,0	10 623	11,2
Cidade de Maputo	20 489	21,5	20 721	21,8
Mozambique	95 134	100,0	95 244	100,0

Source: INE (2023)

TABLE 6: Number of men and women working in NPOs and active establishments by province: Mozambique, 2021-2022

Province	Number of men employed				Number of women employed			
	2021		2022		2021		2022	
	No.	%	No.	%	No.	%	No.	%
Niassa	2 194	4,5	1 525	3,2	2 011	4,3	1 322	2,8
Cabo Delgado	2 347	4,8	2 175	4,5	1 860	4,0	1 743	3,7
Nampula	2 496	5,1	1 945	4,1	2 207	4,7	1 735	3,7
Zambézia	3 711	7,6	3 405	7,1	3 767	8,1	3 735	7,9
Tete	1 864	3,8	1 670	3,5	1 544	3,3	1 423	3,0
Manica	4 774	9,8	4 528	9,5	4 620	9,9	4 779	10,1
Sofala	5 188	10,7	5 205	10,9	4 758	10,2	4 768	10,1
Inhambane	8 418	17,3	9 181	19,2	8 365	18,0	9 710	20,5
Gaza	2 553	5,3	2 565	5,4	2 472	5,3	2 486	5,2
Maputo	4 747	9,8	5 196	10,9	4 749	10,2	5 427	11,5
Cidade de Maputo	10 329	21,2	10 476	21,9	10 160	21,8	10 245	21,6
Mozambique	48 621	100,0	47 871	100,0	46 513	100,0	47 373	100,0

Source: INE (2023)

Regarding the issue of young people on the margins, based on the definition provided by the Mastercard project, INE provides statistics on the employability of prisoners or disabled people. It is working on producing specific statistics for this latter segment. Overall, these and other aspects will be taken into account in the sample design phase.

Data from the 2022 Mozambique Family Budget Survey (INE, 2021) reveals that over 17 500 young people aged 15 to 34 years were directly employed by NPOs. Of these, 6 766 (38.6 per cent) were young men, and 10 782 (61.4 per cent) were young women (INE, 2023). In addition, the non-profit sector contributes to indirectly employing youth through internships, skills development, capacity building, among others. This suggests that NPOs

play a significant role in providing employment opportunities for youth in Mozambique. The data also indicates that NPOs in the country may be more accessible or appealing to young women, potentially offering roles that align with their skills and interests, particularly in areas related to religious affiliation (humanitarian work, social services, and care services).

The non-profit sector in Mozambique is predominantly composed of religious organisations, which comprise over 70 per cent of the sector and employ nearly half of its workforce. Although the number of associations is declining, they are the largest employers in the sector (see Table 7). Foundations, while small in number, maintain a consistent but minor presence in both the number of institutions and employment. The overall decrease in the number of NPOs from 2021 to 2022 might indicate challenges within the sector, such as financial difficulties, regulatory changes, or shifts in social dynamics. Table 7 shows the distribution of NPOs by legal form, and Table 8 shows the number of people employed in each category.

TABLE 7: Number of NPOs and active establishments by legal form : Mozambique, 2021-2022

Legal form	Number of NPO and active establishments			
	2021		2022	
	No.	%	No.	%
Association	3 829	27,0	3 131	25,5
Foundation	148	1,0	127	1,0
Religious affiliation	10 182	71,9	9 033	73,5
Total	14 159	100,0	12 291	100,0

Source: INE (2023)

As shown in Table 8, in 2022, associations employed the majority of people in the NPO sector, accounting for 52.6 percent, followed by religious denominations with 45.6 percent and foundations with 1.8 percent.

TABLE 8: Number of people employed in NPOs and active establishments according to legal form: Mozambique, 2021-2022

Legal form	Number of people employed			
	2021		2022	
	Number	%	Number	%
Association	55 572	58,4	50 117	52,6
Foundation	1 655	1,7	1 717	1,8
Religious affiliation	37 907	39,8	43 410	45,6
Total	95 134	100,0	95 244	100,0

Source: INE (2023)

Overall, the NPO sector in Mozambique saw shifts in employment distribution, with religious affiliations gaining a larger share of employment, particularly for women. At the same time, associations experienced a decrease in their workforce. Table 9 shows jobs by gender across different legal forms of NPOs in Mozambique for 2021 and 2022.

TABLE 9: Number of men and women employed in NPOs and active establishments by legal form: Mozambique, 2021-2022

Legal form	Number of men employed				Number of women employed			
	2021		2022		2021		2022	
	No.	%	No.	%	No.	%	No.	%
Association	29 850	61,4	26 880	56,2	25 722	55,3	23 237	49,1
Foundation	592	1,2	782	1,6	1 063	2,3	935	2,0
Religious affiliation	18 179	37,4	20 209	42,2	19 728	42,4	23 201	49,0
Total	48 621	100,0	47 871	100,0	46 513	100,0	47 373	100,0

Source: INE (2023)

While evaluating the United Nations Fund for Population Activities (UNFPA) in Mozambique, Jackson et al. (2021) highlighted two main challenges in Mozambique regarding youth and gender. First, the low investment in youth poses a major challenge to the country's development. To benefit from the demographic dividend, there is a need for policies and investments in health, education, job creation, leadership, and governance. Second, gender stereotypes limit women's roles and opportunities. Women face restrictions in accessing education, health services, leadership positions, and formal employment and are often concentrated in lower-paid jobs and unpaid domestic work. Despite their central role, women are typically excluded from leadership and profitable aspects of the agricultural sector value chain. This is coupled with the fact that they lack land ownership.

However, Honwana and Shenga (2020) argued that while youth today are better educated than previous generations and often achieve higher levels of education (though there remains a high level of illiteracy), they still face challenges in the labour market due to skill gaps, limited job opportunities, and lack of access to dignified and fulfilling jobs. The labour market in the country is characterised by underemployment. This is due to the structural nature of the economy, which is dominated by the informal sector. Consequently, most youth, like all those in the labor market, find themselves in precarious, poorly paid (in some cases unpaid), unstable informal employment and being employed in positions lower than their qualifications and skills are required. These lead to diminished self-esteem. In light of these, argued (Honwana and Shenga, 2020), graduates often turn to the informal economy and remain marginalised from mainstream socioeconomic activities. Their study reveals that youngest Mozambicans face difficulties transitioning into adulthood and achieving their goals. Leaders from youth groups, CSOs, and the private sector point to deficiencies in the education system, which fails to adequately prepare youth for dignified employment or high standards of performance.

This section provided insights into the youths' search for dignified and fulfilling employment in Mozambique and the role NPOs can play in achieving this objective. The literature review shows that associations are the dominant type of NPO in the country. The section shows how dependent the young population is, even though they have high levels of education compared to their parents. In addition, the section highlights how the non-profit sector in Mozambique is important in mitigating youth unemployment and underemployment, particularly where the formal sector and government cannot absorb the growing number of new employees and job seekers. A major conclusion of the review is that given the structural nature of the economy dominated by the informal sector, it is difficult for youth to secure dignified and fulfilling jobs. In light of this, NPOs should focus on advocacy and promote social dialogue for the country to diversify its economy and for the formal sector to increase its capacity to be a major employer of labour. At the same time, NPOs should work on enhancing the skills of the youth, including digital skills. This will serve as a strong foundation for Mozambique to transition to a digital economy and to derive its associated benefits for its youth.



06

KNOWLEDGE GAP AND AREAS FOR FUTURE RESEARCH



Despite the growing body of literature on the non-profit sector and its contributions to development, democratization, and employment, there is still limited focus on the sector's potential to create jobs. Most existing studies concentrate on prioritising the informal sector, legal reforms to support the sector, and general employment promotion (Arndt et al., 2006). The review highlighted that some literature has explored strategies for strengthening partnerships with the private sector (ACIS, 2016), identified green growth opportunities for women and youth in urban areas of Mozambique (Ngum and Livingstone, 2021), and examined the possibilities for the country to benefit from the boom in natural resources (Page and Tarp, 2020).

The review also shows a predominant discourse in the literature that demonises the informal sector and considers it an unproductive last resort for workers. Contrarily, Jones and Tarp (2015) argued that there is substantial heterogeneity in the informal sector, where it can offer comparatively high returns for work.

These authors assert that the debates on the nature and role of the informal sector can contribute to the production of different priorities for employment. For instance, scholars such as Castel-Branco (2021) argued that salaried workers in the formal sector are not better off than other workers. Similarly, Jones and Tarp (2015) noted that the strategies to boost employment must begin with the argument that the informal sector must not be marginalised in favour of formal sector wage work. Instead, "a priority for Mozambique should be to support the informal sector and raise productivity levels within it. This would involve policy efforts to address infrastructure and regulatory constraints to ensure informal and formal sector activities are on an equal footing" (Jones and Tarp, 2015: 66). Ultimately, however, the goal should be to ensure that the informal sector transition to the formal sector because the latter offer opportunities for dignified and fulfilling jobs for the youth, and have greater potential to contribute to inclusive economic development. This will reduce the high levels of working poverty in Mozambique.

Jones and Tarp (2015) noted that the strategies to boost employment must begin with the argument that the informal sector must not be marginalised in favour of formal sector wage work.

Other studies have emphasised the need to strengthen partnerships with the private sector to "mobilize much needed additional contributions and leverage know-how and resources" (ACIS, 2016: 3). They add that "partnerships with the private sector can increase the efficiency and sustainability of development measures, as private companies' operations are strongly market-oriented with clear business objectives" (p. 3). Additional studies have argued that opportunities and possibilities to increase employment lie in the mining industry and the recent discovery of natural resources such as coal and natural gas in Mozambique (Page and Tarp, 2020). They also claim that there is a need to incorporate green growth principles into the country's national policy planning. The argument for natural resources as a potential employment source ignores the sector's enclave problem. As such, it can only offer little employment and hence cannot absorb the about 500,000 new entrances into the Mozambican labour market annually.



07 CONCLUSION



Most of the main objectives of the CAPSI-Mastercard Foundation's project research, which is to critically examine the contributions of the non-profit sector to economic development and the creation of dignified and fulfilling jobs, will be fully addressed through field research. This is because there is currently little empirical work that addresses these issues. Also, the role each sub-sector plays, or even questions related to who funds the NPOs, what kinds of jobs they create, and how sustainable they are, will be an area of inquiry through qualitative research (semi-structured interviews and focus groups) both with NPOs' staff and the youth in Mozambique.

Data provided in this review indicate that unemployment in Mozambique remained stable from 2019 to 2023 compared to sub-Saharan Africa. It also reveals that associations are the largest employers in the non-profit sector, highlighting their significant impact and central role in employment opportunities in Mozambique. Despite challenges regarding youth unemployment, the non-profit sector is crucial to youth employment and economic development. However, the evolving distribution of NPOs and jobs throughout the country and across legal forms suggests the need for target policies and programmes to sustain the growth and impact of the non-profit sector. The review also reveals that the problem per se in Mozambique is not high levels of youth unemployment but that most youths are employed in the informal sector with its associated problems, including the fact that about 26% of all those absorbed in the labour market are working poor. Therefore, the challenge for NPOs in Mozambique is twofold. First, there is a need for it to contribute to transforming the structure of the economy to explain the formal sector, and second, how NPOs can contribute to the creation of dignified and fulfilling jobs, especially for youth and women. These should be the focus of future research.

On the other hand, these studies also provide important empirical data on the role of NPOs for development, their relationship with the State, and a detailed characterisation of the socioeconomic profile of young people in Mozambique. On this last point, this literature review provides statistics on unemployment, formal and informal employment, NEET, marginalisation, and regional, gender, and provincial discrepancies in employment. Finally, the issue of the youth on the margins is important but has yet to receive much attention in the literature. As discussed in this review, Mozambique's Platform of Young Leaders (Friedrich Ebert Foundation, 2017), around 33.4 percent of the Mozambican population is young. However, around 56.8 per cent of these young people are unemployed and cannot secure employment even in the informal sector, which pushed them to the margins. These marginalized youth are predominantly in the central and northern regions of the country, which have the highest rates of poverty (INE, 2023). Due to this, the number of NPOs by province is much higher in those regions.

Around 56.8 per cent of these young people are unemployed and cannot secure employment even in the informal sector, which pushed them to the margins.

As noted above, access to dignified and fulfilling jobs is a major problem for Mozambican youths. In 2022, 85% of youth in the country were in informal and vulnerable employment (self-employment). Young women were mostly in unpaid domestic work. This epistemic contribution in providing knowledge on the history, development, and dynamics of civil society, its actors, and institutions in contemporary Mozambique cannot be ignored.

Also, this literature review showed an almost absent scholarly contribution on marginalised youth as an epistemic category. Most of what is discussed concerns the concepts of unemployment and informality.

This review infers that most of the current official data on the contribution(s) of NPOs to youth employment do not include specific statistics. INE is currently working on disaggregating this data to help create a clearer understanding of the dynamics affecting youth in various age groups.

In conclusion, for future research, it is important first to produce a comprehensive mapping and list of all NPOs working in Mozambique and, second, a detailed typology of the nature and scope of the distinct NPOs in Mozambique. Third, developing a robust theoretical framework for unpacking the contributions of the non-profit sector and a rigorous definition of the meaning of dignified and fulfilling work in the Mozambican context is imperative.

References

- 360 Mozambique (2023) "Unemployment Affected Around 18% of Mozambicans in 2022".
- African Development Bank (2024) "Mozambique Economic Outlook". <https://www.afdb.org/en/countries/southern-africa/mozambique/mozambique-economic-outlook>. Retrieved 17th November 2024.
- Afrobarometer (2024) "Mozambican youth's dissatisfaction marked by concern about water insecurity, jobs". <https://www.afrobarometer.org/wp-content/uploads/2024/10/AD889-Mozambican-youth-dissatisfaction-marked-by-concern-about-water-and-jobs-Afrobarometer-26oct24.pdf>. Retrieved 17th November 2024.
- Aga, G.A.; Campos, F. M. L.; Conconi, A.; Davies, E. A. R.; and Geginat, C. (2019).
- Informal Firms in Mozambique : Status and Potential (English)*. Washington, D.C. : World Bank Group. <http://documents.worldbank.org/curated/en/275211562775522380/Informal-Firms-in-Mozambique-Status-and-Potential>. Retrieved on 17th November 2024.
- Association of Industry, Commerce and Services). (2016). *Development Partnerships with the Private Sector in Mozambique – Opportunities for Foreign and Domestic Enterprises to Cooperate with Donor Programs*. <https://www.acismoz.com/wp-content/uploads/2017/06/Development%20Partnerships%20with%20the%20private%20sector%20in%20Mozambique.pdf>. Retrieved...
- Arau, A., Bhalla, G., Bischler, J., Gronbaek, A., and Jasper, P. (2018). *MUVA Urban Youth Survey A statistical profile of urban youth in Maputo and Beira, Mozambique*, https://muvamoz.org/wp-content/uploads/2023/04/MUVA-Urban-Youth-Survey-Report_final-1.pdf. Retrieved on...
- Arnaldo, C. & Cau, B. (2013). *Population and Health Dynamics in Mozambique*. Maputo: Centro de Pesquisa em População e Saúde (CEPSA).
- Arnaldo, C. & Hansine, R. (2023). *A situação sócio-económica da juventude em Moçambique (The socioeconomic situation of youth in Mozambique)*. Maputo: INE, UNFPA.
- Arndt, C., Mafambissa, F., Samuel, S., Arbache, J., Benfica, R. and Skkel, M. (2006). *Job Creation in Mozambique: Is Labor Law Reform the Answer?* Discussion paper no. 35E. New York: World Bank.
- Balchin, N., Coughlin, P., Papadavid, P., Te Velde, D. W. and Vrolijk, K. (2017). *Economic transformation and job creation in Mozambique*. https://set.odi.org/wp-content/uploads/2017/10/Economic-transformation-and-job-creation-in-Mozambique-Full-Synthesis-Paper_Oct-2017.pdf. Retrieved on...
- Biza, A. (2009). Jovens e Associações em Moçambique: Motivações e dinâmicas actuais (Youth and Associations in Mozambique: Motivations and Current Dynamics). *Suade Sociedade*, 18(3), 382-394.
- Capurchande, R., Coene, G., Schockaert, I., Macia, M., and Meulemans, H. (2016). "It is challenging... oh, nobody likes it!": A qualitative study exploring Mozambican adolescents and young adults' experiences with contraception". *BMC Women's Health*, 16. <https://doi.org/10.1186/s12905-016-0326-2>. Retrieved on...
- Castel-Branco, R. (2021) "A Radical Politics of Distribution? Work, Welfare and Public Works Programmes in Rural Mozambique". Unpublished PhD Dissertation, University of Witwatersrand, Johannesburg, South Africa.
- Castel-Branco, R., (2012). "Legislating worker justice: the formalization of paid domestic work in Maputo, Mozambique". Unpublished Masters Dissertation, University of KwaZulu Natal, Durban.
- Chichava, S. (2023). *Jorginho: breve história de um jovem Makonde muçulmano do Al-Shabaab (Jorginho: Brief story of a young Muslim Makonde from Al-Shabaab)*. <https://www.iese.ac.mz/ideias-n-151p-schichava/>. Retrieved on...
- Cuinhane, C. E., Galatas, B., Lopez, J. M., Djive, H., Nhantumbo, H., Murato, I., Saúte, F., Aide, P., Munguambe, K., and Torres, N. (2023). "Acceptability and perceived barriers to reactive focal mass drug administration in the context of a malaria elimination program in Magde district, Southern Mozambique: A qualitative study." *PLoS One*, 18(3). <https://doi.org/10.1371/journal.pone.0283160>. Retrieved on
- Dade, S. (2009). *The Dimension of NPI in Mozambique: A Satellite Account Perspective*. <https://core.ac.uk/reader/75779490>. Retrieved on...
- Danish Trade Union Development Agency. (2017). *Labour Market Profile 2017: Mozambique 2017*. https://www.ulussekretariatet.dk/wp-content/uploads/2020/03/Mozambique_imp_2017.pdf. Retrieved on...
- Eys, T. (2002). "Solidarity with the poor or trade in the Development Market? Non-governmental in Mozambique", *Lusotopie*, 2002(1), 145-159.
- Feijó, J., Maquenzi, J. and Agy, A. (2022). *Ingredients for a Youth Revolt – Poverty, Consumer Society, and Frustrated Expectations*. <https://ommz.org/wp-content/uploads/OR-121-Ingredientes-para-uma-revolta-de-jovens-Pobreza-sociedade-de-consumo-e-expectativas-frustradas.pdf>. Retrieved...
- Forquilha, S. and Pereira, J. (2022). "Migration dynamics and the making of Jihadi insurgency in Northern Mozambique", *e-Journal of Portuguese History*, 20(2), 132-154.

- Francisco, A. (2010). *Sociedade civil em Moçambique (Civil Society in Mozambique)*, <https://biblioteca.unisced.edu.mz/bitstream/123456789/2719/1/Francisco%2C%20Antonio%2C%202010.pdf%20Sociedade%20Civil%20em%20mz.pdf>. Retrieved on...
- Francisco, A., Mucavele, A., Monjane, P. and Seuane, S. (2008). *Mozambican Civil Society Within: evaluation, challenges, opportunities, and action* Maputo: Fundação para o Desenvolvimento da Comunidade (FDC).
- Frederico, M., Arnaldo, C., Capurchande, R., Decat, P., Michielsen, K. (2023). Adults' perceptions on adolescent attitudes towards pregnancy and abortion in Maputo and Quelimane Cities, Mozambique: An exploratory qualitative study. *Social Sciences*, 12(1). <https://doi.org/10.3390/socsci12010029>
- Honwana, A. (2012). *The Times of Youth – Work, Social Change and Politics in Africa*. Sterling, VA: Kumarian Press.
- Honwana, A. (2014). Juventude, Waithood e protestos sociais em Africa (Youth, Waithood, and Social Protests in Africa), In L. de Brito, C. Castel-Branco, S. Chichava, S. Forquilha, & A. Francisco (Eds.). *Desafios para Moçambique (Challenges for Mozambique)*, (pp.399-412), Maputo: IESE.
- Honwana, A. and Shenga, C. (2020). *Cross-sectoral Youth Assessment: Mozambique M&E Mechanism and Services*. Maputo: USAID Mozambique.
- International Labour Organisation (2024) "Statistics on working poverty". <https://ilostat.ilo.org/topics/working-poverty/>. Retrieved on 16th November 2024.
- International Labour Organisation Statistics (2024). *ILO Modeled Estimates and Projections Database*. Retrieved from: <https://ilostat.ilo.org/methods/concepts-and-definitions/ilo-modelled-estimates/>
- National Institute of Statistics. (2006). *(Non-Profit Institutions in Mozambique: Results of the First National Census (2004-2005)*. Maputo: INE.
- National Institute of Statistics. (2021). *Family Budget Survey – IOF 2019/20*. Maputo: INE.
- National Institute of Statistics (2022). *Informal Sector Survey - INFOR 2021, Mozambique - Final Report*. Maputo: INE.
- National Institute of Statistics (2023). *Final report of the household budget survey – IOF 2022*. Maputo: INE.
- Inui, K. (2014). Demographic factors and structure of employment. In D. C. Ross, (Ed). *Mozambique Rising: Building a New Tomorrow* (pp. 63-71). Geneva, Switzerland: International Monetary Fund.
- Institute of Security Studies (2024) *ISS African Future: Mozambique*. file:///C:/Users/Dr%20Omano/Dropbox/PC%20(2)/Desktop/Dropbox/PC%20(2)/Downloads/AFI-Geographic-Futures-Mozambique.pdf. Reterieved 16th November 2024.
- Jackson, H., Chavane, L., Jaime, U. and Arnaldo, C. (2021). *Country Programme Evaluation: Mozambique, 2017-2020*. New York, NY: United Nations Population Fund (UNFPA).
- Jobanputra, S. R., Sellers, J. and Moore, A-M. (2021). *Recommended Strategic Priorities: Youth Employment Opportunities in the Mozambique Health and Social Services Sector*. Washington DC: United States Agency for International Development (USAID).
- Jones, S. and Tarp, F. (2015). Priorities for boosting employment in sub-Saharan Africa: evidence for Mozambique. *African Development Review*, 27(S1), 56-70.
- Kleibl,T., and Munck, R. (2016). Civil society in Mozambique: NGOs, religion, politics and witchcraft. *Third World Quarterly*, 38(1), 203-218
- Lachler, U. and Walker, I. (2018). *Jobs Diagnostic: Mozambique. Volume 1: Analytics*. Washington DC: International Bank for Reconstruction and Development (IBRD).
- Macamo, E. (2016). Violence and political culture in Mozambique. *Social Dynamics*, 42(1), 85-105.
- Macrotrends (2024) "Mozambique Unemployment Rate 1991-2024". <https://www.macrotrends.net/global-metrics/countries/MOZ/mozambique/unemployment-rate>. Retrieved on 17th November 2024.
- Martins, P. S. (2017). *Clicking Towards Mozambique's New Jobs: A Research Note*. (Working Paper 85). London, UK: Centre for Globalization Research (CGR).
- Mauri, G. (2013). "Analysis of the Work of Non-governmental Organizations in Mozambique". Unpublished Masters thesis. Instituto de Ciências Sociais e Políticas, Universidade Técnica de Lisboa.
- Ngum, S. & Livingstone, D. (2021). *Green Growth Opportunities for Women and Youth in Urban Areas of Mozambique: Key Green Sectors and Best Practices*. London, UK: UKAid.
- Page, J. and Tarp, F. (Eds). (2020). *Mining for Change: Natural Resources and Industry in Africa*. Oxford, Oxford University Press.
- Perry, H. (2022). *The Status of NEET in Mozambique: A Quantitative Analysis of Youth Not in Employment, Education or Training (NEET) (15 – 24 years old)*. Country Report. New York, NY: UN Women.
- Salamon, L. M., S., Sokolowski, W., Haddock, M. A., and Tice, H. S. (2013). *The State of Global Civil Society and Volunteering: Latest Findings from the Implementation of the UN Nonprofit Handbook*. (Working Paper No. 49). Baltimore, ML: John Hopkins Center for Civil Society Studies.
- Sparreboom, T. and Staneva, A. (2015). *Structural Change, Employment and Education in Mozambique*. (Employment working paper No. 174). Geneva, Switzerland: International Labour Office (ILO).

- Trading Economics (2024) "Mozambique GDP per capita". <https://tradingeconomics.com/mozambique/gdp-per-capita>. Retrieved on 17th November 2024.
- Tsandzana, D. (2018). "Urban youth and social networks in Mozambique: the political participation of the abandoned connected", *Revista Comunicação Sociedade*, 34(1), 235-250.
- United Nations Development Programme (2024) "Informal Economy Project". <https://www.undp.org/mozambique/projects/supporting-informal-enterprises-transition-towards-sustainable-growth-and-formalization-mozambique#:~:text=Summary,lower%20than%20the%20national%20average>. Retrieved 20th November 2024.
- Virtanen, P. (2015). "Democracy, poverty and civil society in Mozambique". *Africa Review*, 7(2), 89-103.

Contact:

Centre on African Philanthropy
& Social Investment **(CAPSI)**

2 St David's Place, Parktown,
Johannesburg, South Africa, 2193

P.O. Box 98, Wits, Johannesburg,
South Africa

admin@capsi.co.za

www.capsi.co.za