ABSTRACT: Although many different analyses in some ways acknowledge the relevance of labour markets to the political economy of violent conflict and of war to peace transitions, there has been little sustained or systematic exploration of this dimension of war economies and post-conflict reconstruction. This paper highlights the empirical and analytical gaps and suggests that a framework departing from the assumptions of the liberal interpretation of war allows for a richer analysis of labour market issues and policies. This is illustrated by the history of rural Mozambique through the war economy and into the first post-war decade.

Introduction

From almost all analytical angles, issues of labour and employment are regarded as relevant and significant in the study of violent conflict and war to peace transitions. First, labour issues may be regarded as part of the source of violent conflicts. On the one hand, an anthropological case study like Wood’s (2003) book on El Salvador highlights the significance in the background to support for insurgency of atrocious labour conditions on large farms. Meanwhile, on the other hand, quantitative studies built on neo-classical economic theories of civil war have included proxies for unemployment as indicators of economic motivations to rebel (e.g. Collier, 2000).¹

Second, it is sometimes acknowledged that labour issues are a part of the workings of a developing country war economy – for example, through a focus on ‘slave labour’

¹ See also Nafziger and Auvinen (2003, 46-48) on the way that communal conflict over employment opportunities was a major factor contributing to the linked political crises in Nigeria of the 1964-65 election violence, the coups of January and July 1966, and the civil war of 1967-70.
in some conflicts. Examples include workers in the mining business during war in Sierra Leone (Fanthorpe, 2001) and Angola (Lévy, 2004).

Third, employment is sometimes alluded to as a politically stabilising factor in consolidating peacebuilding. Most recently, the ILO’s *Jobs After the War* argued that “productive and ‘decent work’ can make a real difference to post-conflict transformation and peace building by improving socio-economic conditions, dignity, social healing and hope for conflict-affected people and their communities” (Date-Bah, 2003, 1). Krishnamurty (2003, 60) loads even greater hopes onto employment policy in post-conflict reconstruction periods: “employment creation has to be accorded centrality, for it reduces poverty, cements peace, and promotes justice, equity, security and last, but not least, human dignity”.

However, there has been very little sustained and direct analytical work on labour markets and employment issues in the burgeoning literature on the political economy of violent conflict and war to peace transitions. For example, there has been far more attention to the role of land rights and ownership as a site of political and violent conflict than there has to the role of labour. And in the majority of the recent work on post-conflict reconstruction there has also been little attention to labour issues, aside from the niche literature on labour-intensive infrastructure projects. Some of the work on Iraq has highlighted that high levels of post-invasion unemployment, especially in the context of the massive numbers of ‘specialists in violence’ released into society after the invasion, is probably one of the factors sustaining insurgency there. But still, it is striking that very little is known about actual unemployment levels there, or about how labour markets work in contemporary Iraq, or what specific linkages connect labour to violence. As Woodward (2002) argues, prioritising employment in post-conflict transitions is “the most obvious but most neglected lesson” from previous experiences.

More generally, much of the literature on post-conflict reconstruction is conducted at a highly aggregated level that typically ignores labour. What do we know about how

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3 On labour-based infrastructure rebuilding see, e.g., ILO (1997; 2000).
labour markets functioned during a violent conflict? What do we know about rates of participation in wage and non-wage employment activities during war? What happens to labour markets and employment activities in war to peace transitions? And what role is there for policy interventions? Given that we know that in many ways peace is a continuation of war by other means, i.e. that after wars end there is typically a transformation of violence and of conflict rather than a fully effective repression of either, how does this affect and how is it affected by conditions and relations of work? Finally, what are the implications of a political economy of labour in violent conflict and war to peace transition for the broader debates on the relationship between violence and development?

The main aim of this paper is to argue the need for more empirical research on labour and violent conflict, indeed on labour and violence more generally, in developing countries, not as a by-product of other research but as a core concern. The paper draws out some of the significance of labour in various contributions on the political economy of war and of war to peace transitions; shows how labour might fit into analytical frameworks for studying conflict; and discusses a particular case of labour in the war economy, and the post-war economy, of Mozambique.

**Empirical Gaps and Analytical Neglect**

Violent conflict dramatises the characteristics of non-war societies and their analysis, rather than creating entirely new issues. In this case, empirical information on labour supply, labour demand, and the mechanisms and institutional practices linking the two during violent conflict is extremely patchy; but this is only an extreme form of the widespread problems in dealing with labour market data in general in developing countries. In trying to compare the labour market dimensions of conflict in Mozambique and war and genocide in Rwanda, Dunne (2003, 44) notes “an immediate problem of data availability and reliability. The World Bank Indicators give no information on unemployment, nor on the level of informality…The income components [of the ILO’s index of decent work], namely the industrial wage, the minimum wage and the women/men wage gap, are not available; nor are the social protection components, namely social security coverage and the number of working hours”. Krishnamurty (2003, 55) reinforces the point, noting that “there are no recent
labour force estimates in any contemporary conflict-affected countries...Hence, tracing changes in the size and composition of the labour force in a conflict-affected country is extremely difficult”.4

One consequence is that claims are sometimes made without entirely solid foundations. An example is Nafziger and Auvinen’s (2003, 46) argument that unemployment is likely to be a very important causal factor behind political instability and humanitarian disasters. They suggest that we assume agricultural employment in Africa remains constant over a long period of time while labour supply increases and that, consequently, the slow rise in labour demand in industry and services is far too little to absorb this rising labour supply. The implication is that unemployment is extremely high throughout Africa, raising the likelihood of political discontent and conflict. However, this is a very sweeping assumption to make, i.e. that agricultural employment remains constant, as I shall hope to show by example below.

Thus, we know little about the actual role of labour markets in violent conflicts and in their transformation during peacebuilding and post-conflict episodes. This is certainly in large measure a function of empirical problems such as those just outlined. However, arguably it is also a consequence of analytical neglect, which itself may be related to certain perspectives on the political economy of violence and war. Possibly the significance of labour issues is obscured by the enduring influence of the liberal interpretation of war in the literature on violence and development.

Though these ideas had pre-Enlightenment antecedents, for example in the works of Erasmus and Thomas More, liberal ideas on war crystallised during the eighteenth and nineteenth centuries in a fusion of the ideas of philosophers (such as Montesquieu and Kant) with those of economists (including Adam Smith and, in France, the physiocrats). Essentially, these ideas held that war was unnatural: the natural state of the broad mass of people was peace. Therefore, wars were caused by distortions that intervened in this natural state: specifically, the power of militaristic, narrow vested interests that held sway in mercantilist societies and in badly governed countries

4 Krishnamurty (ibid) also notes that in countries like Sierra Leone or the DRC such figures simply do not exist for any recent period but that even where labour force estimates exist, as in Sri Lanka, they are based on the areas under government control and either exclude disturbed parts of the country or ‘estimate’ the figures for these parts (p.55).
(usually monarchies). In modern jargon, the source of war was bad governance and economic distortion: free trade and democratisation would produce peace. A third dimension of this liberal interpretation of war was the idea that the economic and social consequences of war were always and everywhere exclusively negative.\textsuperscript{5}

It is not difficult to see how this school of thought has influenced the recent literature on the political economy of violent conflict. In particular, it lies behind some of the focus on the costs of war. Thus, there has been substantial attention to asset loss in wartime. Asset loss is widespread and, even when they become refugees, the poor and poorest typically have few options to “transfer their wealth abroad” as some better off people succeed in doing during conflict. According to one survey in Uganda, for example (Matovu and Stewart, 2001), two thirds of interviewees lost all their assets. The ODI case studies in Collinson (2003) found that “the majority will see their assets decline and their vulnerability increase” (p.15). The same liberal interpretation of war lies behind the presumptions of what Roland Paris calls the “Wilsonian” or “liberal peace” thesis. And it lies behind the assertion by the World Bank (2003) that war is “development in reverse”. Another variant of this theme is the expectation that war leads to a “retreat into subsistence” (Azam et al, 1994).

This liberal interpretation of war is, however, ill-suited to the study of violence and wars in countries that are in the thick of tumultuous societal transitions. The reflexes encouraged by these pervasive liberal assumptions are to ignore some of the dynamics during violent conflict. Further, it may be that these same reflexes encourage observers, when confronted by evidence of accumulation in war economies, to focus unevenly on the implications of that accumulation, rendering it in the language of a pathology of warlordism or criminal profiteering but not delving much deeper than the asset destruction or transfers involved.

**Primitive Accumulation, Displacement, and Employment**

We have learned by now that there are highly complex war economy dynamics in contemporary violent conflicts: in Afghanistan, in Sierra Leone, in Sri Lanka, in

\textsuperscript{5} See Howard (1977), Milward (1984), and Cramer (2006). On the liberalism and war in the 20\textsuperscript{th} and 21\textsuperscript{st} centuries, see also Williams (2006) and Richmond in this issue.
Angola, in Colombia, and so on. By contrast with the liberal interpretation of war, the premise should be that war is not development in reverse and that the transformation involved in war to peace transitions is folded into the greater transformation of ‘development’ and transition, of which violence itself is a terribly common part. This transition is characterised by struggles over the terms of accumulation and power and their associated institutional crises. Further, this transition, which is various in its forms but common to all countries drawn out of pre-capitalist organisation, involves primitive accumulation. The critical thing about using the term primitive accumulation is that it forces us to think in terms of labour as well as assets, workers as well as profiteers.

Primitive accumulation is not a concept widely adopted in the current war economy literature. Rather, that literature appears to prefer other terms, related but tellingly different. These include “asset transfer”, “reverse entitlements”, or “accumulation by dispossession”. Therefore, it is worth defining primitive accumulation. Primitive accumulation is a particular form of appropriating an economic surplus. It is coercive and, therefore, by definition conflictual. It involves forcing people off land, expropriating them, and thereby cutting off the option of independence and self-sufficiency. For some, asset accumulation is only primitive accumulation to the extent that it creates a wage labour force where there was not one before, as well as generating the initial surplus that then feeds industrialisation and capitalist reinvestment. This is to define it by its outcome. Other definitions allow for primitive accumulation to include non-market or extra-economic accumulation of wealth that potentially drives the transition to capitalism. This potential derives from three sources: first, the way that it generates the funds that capitalist development requires to get underway; second, the way that it creates a class of wage labourers by undermining people’s ability to survive without engaging in wage employment; third, by dint of this, the way it creates a market for the goods that capitalists would produce. According to this more process-oriented definition, primitive accumulation is a necessary but insufficient precondition for the transition to capitalism.6

Primitive accumulation has always been a part of the transition to capitalism. It does not necessarily generate sustained capitalist development. Where it does, it has typically required decisive state interventions to propel the momentum of this accumulation dynamic in a productive direction, which in turn has involved a great variety of policies and particular institutional innovations. It has also taken many forms since its seminal incarnation in the enclosure movement in England, the clearances in Scotland, and the dispossession of native Americans.

To the extent that appropriative struggles in recent and ongoing violent conflicts generate potentially investible funds and generate potential wage earners dependent on the market for basic consumption goods, then these struggles involve primitive accumulation. In Sudan, for example, Keen’s (1994) work showed how targets of raiding warlord incursions were not victimised because of their poverty but rather because of their asset wealth. Sudanese warfare has often involved “asset transfer”, or theft and expropriation of land, livestock, and people as labourers. At the same time warfare has displaced people. This twin process, of forceful asset accumulation and displacement, is exactly what is involved in primitive accumulation. There is also research that shows how population displacement in the Sudanese wars has created a large displaced population (of Southerners) in Khartoum, which has provided the basis for a rapidly expanding wage labour class in, among other activities, the city’s booming real estate and construction sector.

So it is reasonable, for example, to see the whole phenomenon of internal displacement and international refugees as – in the old formula – the separation of people from their means of production. Violent upheavals in one country often pitch people into labour markets either in the same country or in other countries. Women are often forced to sell sex to secure survival. South African labour markets have taken advantage of a supply of labour from neighbouring countries, including refugees from warfare. For example, during the 1980s and early 1990s there were many illegal immigrants from Mozambique, effectively refugees from the war there, who were working as wage labourers on commercial farms, as domestic servants in

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7 Arguably, historically the take-off to sustained capitalist development has also required a specifically nationalist impetus (Greenfeld, 2001).
rural areas, and in the urban mining and manufacturing sectors (Sender, 2002). Political upheaval in Zimbabwe has generated a reversal in historical patterns of labour migration as Zimbabweans cross into Mozambique, many in search of work in new agribusinesses in Manica Province. In Western Tanzania in the 1990s, when there were large populations of refugees, there was a widening of the market (e.g. for bananas) and a larger pool of labour: local farmers often hired refugees to work as farm labourers, paying them in food and/or cash (Whitaker, 1999).

**Effects of Violence on Labour Supply, Labour Demand, and Labour Institutions**

*Labour Supply*

Therefore, there is a case for a greater attention to the labour force consequences of violent conflict, and indeed their implications for post-conflict reconstruction. For violent conflict typically rearranges labour supply and labour markets. Among the labour supply effects are, first, the impact of violence on mortality and morbidity, through direct war-related casualties, war-created famine, and war-related illnesses. War in general is an “amplifier of disease” (USIP, 2001). Evidence from Uganda shows clearly how spatio-temporal patterns of violent conflict unleash patterns in the spread of HIV infection (Epstein, 2001; Ronaldson, 2000). It is widely accepted that seroprevalence rates are higher than average in military forces – according to some estimates as high as 60 per cent in Angola and the Democratic Republic of Congo. Women have historically been targets of violence during war – both as victims of ‘opportunistic violence’ and as part of a strategy of conflict. The implications of wartime sexual violence have changed with HIV/AIDS. Carballo and Solby (2001) estimate that some 200,000 women were raped during conflict in Rwanda in the early 1990s. Human Rights Watch (2002) and the International Crisis Group (2003) claim that sexual violence has reached extreme proportions in the conflict in Eastern Congo. If rape leads to HIV infection this affects morbidity and mortality, dependency ratios and conditions within households, with knock-on effects reducing children’s access to education.\(^9\)

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\(^9\) On labour markets and population movements in Africa see Sender, Cramer and Oya (2005).

\(^{10}\) The evidence to date shows that non-war violence is also an important factor – aside, for example, from wage signals – in influencing labour market participation as well as productivity. Women who
Second, violence often has dramatic effects on the dispersion of the population, forcing large numbers to flee their homes, taking refuge in other rural areas, in towns and cities, in neighbouring countries, and in refugee camps. Third, violence may affect the quality of labour supplies, for example, by draining a population of educated people and by directly and indirectly damaging the provision of health and education services.

**Labour Demand**

Violence and war typically also affect labour demand. There are contradictory effects. For on the one hand, warfare often destroys existing employment opportunities where factories or farms are damaged or made unviable by war, for example, or where, as is common, war damages and endangers transport infrastructure and reduces traffic. On the other hand, warfare creates new forms of labour demand. These may include: military-related labour, where people are employed in the production of violence either directly as combatants or in a host of other activities such as porterage, cooking, logistical support, the provision of sexual services to combatants, and so on; employment in those enterprises and ‘networks’ that sustain economic activity in what Nordstrom refers to as the “shadows of war”; and in activities that help generate the finance for, and hence help reproduce, violence and war, namely activities such as logging, narcotics production, processing and trade, diamond and other gemstone mining, the production of Sudanese gum Arabic, and so on.

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seek wage employment against the wishes of their husbands are often severely beaten (Sender et al, 2004). Interpersonal violence can damage labour productivity through psychological harm, physical debilitation or deprivation of access to education, training, welfare services and so on. This goes for violence outside and within the workplace itself. Interpersonal violence – especially perhaps its effects on girls – can reduce educational attainment. And the fiscal costs of interpersonal violence, which can be substantial, may have a knock-on effect on the budgetary scope for investing in decent health and education services and transport and communications infrastructure that support the development of the labour force. Pfizer (2001, cited in WHO, 2004) estimated that crime and violence together cost the equivalent of 5 percent of the GNP of industrialised economies and as much as 14 percent of the GNP of low-income countries. Comparative evidence from Central America shows some of the effects of one type of non-war violence, i.e. domestic and largely gendered violence. Some studies suggest, for example, that the health burden of gender-based victimisation of women between the ages of 15 and 44 is comparable with that resulting from other risks such as HIV/AIDS, cancer, tuberculosis, and cardiovascular disease. Domestic violence has inter-generational costs too: the children of abused women often have worse health than others. There may be no consensus on whether or not domestic violence affects women’s participation in the labour force in Central America. However, there is plenty of evidence showing that violence reduces women’s labour productivity.
Some of the labour demand arising in war economies is directly related to wartime accumulation and dispossession: e.g. where people in one area are unable as a result of war to continue to survive on the basis of smallholder subsistence farming and are drawn straight into, say, coltan mining in eastern DRC. Yet other sources of labour demand are more indirect, e.g. those where violence dispossesses and displaces people who then migrate to other countries where they may then become part of a cheap labour force there.

Meanwhile, some of these wartime labour activities might, however awkwardly, be regarded as “free wage labour” activities but others fairly obviously involve forced labour. The boundary may be fuzzy: for example, some women are coerced by military organisations during war to provide sexual services for soldiers; other women are compelled not by direct violence but by the desperation caused by violence to exchange sexual services for money, goods, or basic protection: many women are “often forced into high-risk sexual behaviour…by trading or selling unprotected sex for goods, services, and cash in order to survive and/or continue their travel” during war and episodes of forced migration (UNAIDS, 2001).

 Labour Relations, Institutions and Regulation
This raises the third key dimension of wartime labour issues, which is the regulatory structure of labour markets in war economies. For whatever the ‘balance’ of jobs destroyed versus jobs created in a war economy, one of the main characteristics of such an economy is the poor regulation, or rather, the regulation of much economic activity by violence rather than by publicly negotiated and accepted legislation and practices. Trade unions may be able to continue to operate in parts of a war-affected country but there are swathes of the economy where they will not have any impact. The characterisation of a war economy in a developing country as a “vicious market fundamentalism” (Chingono, 1996) applies very much to labour relations. Remuneration is often pitiful, whether it takes the form of money wages or goods. Working hours and conditions are often extremely exploitative. These characteristics of wartime labour markets are enhanced by the fact that normal barriers to labour market participation in some ways become even more constraining during war. In wartime roads and railways are often damaged or fall into disrepair and traffic services become scarcer.
Labour Issues in the Political Economy of War to Peace Transitions

Thus far, I have argued that the liberal interpretation of war produces a political economy of war ill suited to the illiberal realities of violent conflict in developing countries and that diverts attention away from the labour dimension of such conflicts. Further, while a more realistic literature on war economies has emerged, this too has tended to focus on the asset loss of some and the asset accumulation of others, rather than on the characteristics of labour activities and relations. A political economy of violence that draws on the history of the emergence and spread of capitalism, however, necessarily re-routes attention to these labour implications of appropriative struggles, via the concept of primitive accumulation.

This has implications too for the study of war to peace transitions, post-conflict reconstruction, and the perpetuation and mutation of war economies in the aftermath of peace settlements. Put simply, the formal cessation of armed conflict may well mean that some labour opportunities are closed off – for example, through demobilisation programmes; other activities may survive the end of war; and there may, in the context of post-war economic reconstruction and revival, be new employment opportunities arising. This is the stuff of the standard literature on reintegration programmes, labour-based infrastructure reconstruction, and debates on the merits of targeting these opportunities at specific groups such as ex-combatants.

However, other questions may arise from studying more closely the interaction of the dynamics of accumulation in war economies with the complex realities of post-war societies, in which, as is well-known, many sources of conflict endure, and in some ways there is a common transformation of violence from war into other forms. Amongst other things, we know that large numbers of “specialists in violence”, as Tilly (2003) calls them, are often released from specialist employment and that the means of violence (often cheap and mobile) often become widely dispersed – for example, huge numbers of small arms have continued to circulate and to be traded relatively cheaply in Central America and Southern Africa in the aftermath of wars in those regions. States often do not establish effective monopolies of violence in post-

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conflict periods. In this context, unemployment, or more broadly the politics of labour, may well feed into dynamics of “conflictual peacebuilding” (Surhke, 2004) and, indeed, into the risk of a return to war.

Two contrasting examples of the politics of labour as part of the political economy of conflict, Zimbabwe and South Africa, highlight the scope for more research and analysis in this area. First, Kriger (2003, 1-34 and 141-184) argues that generally the war to peace transition literature is dominated by an evaluative perspective whose criteria are subjective, external and arbitrary. The consequence is to suppress power, politics, and history. Instead, Kriger explores the war after, the way in which the state and ex-combatants related to one another during the first post-war decade. In short, the argument is that these relations were characterised by both collaboration and conflict – but in both cases the experience of veterans and the discourse of war were powerful organising factors behind politics and material policies after the war. One of the main sites of this was employment policy, including education and training initiatives. Thus, for substantial periods, especially at first, the government privileged ex-combatants in its labour market interventions – giving them prioritised access to public sector jobs; creating new categories of employment, e.g. community constables, to open up opportunities for ex-combatants who otherwise did not have the education and skills to qualify for police employment; intimidating private sector employers into employing ex-combatants, etc. One implication is that the politics of employment was in a way more important than the numbers by which success or failure of DDR projects are judged. Another is that this politics carries over the war into the peace. Arguably, it both sustained peace and helped establish the legitimacy of ZANU-PF and at the same time fed into the periodic revival of violent conflict, in Matabeleland in the early 1980s, in electoral violence, and in the more recent land occupations.

Second, Adam (2002) argues that one of the keys to conflict resolution in South Africa was the economic interdependence that linked many non-white South Africans with the structures and beneficiaries of apartheid. The large and rising workforce was central to this, since it created incentives and mechanisms for treating conflicts as negotiable, or in Hirschman’s (1995) terms, as divisible conflicts rather than non-divisible conflicts. Thus, the politics of apartheid became intricately embroiled in the political economy of production and labour relations, in ways that ultimately
contributed to conflict resolution in South Africa. The basic but important implication of these examples is that the way labour markets and labour relations are politicised varies across contexts.

Further, a corollary of the fact that some characteristics of war economies do endure in ‘peacetime’ and that, for example, the beneficiaries of wartime accumulation are often also beneficiaries of the political settlement and economic policy of peace is that the institutional, regulatory, and relational dimensions of labour in the war economy remain relevant and important factors in post-conflict reconstruction. First, efforts by international or national agencies to cut off war economy activities have to be treated carefully since, if successful, they also cut off the employment activities associated with them, which, however poorly remunerated, may well remain important sources of survival. As Dunne (2003, 37) puts it, the impact of destroying informal sector activities “through reconstruction policies may not be compensated for by the growth of the formal sector. International intervention can in fact make things worse, and care needs to be taken by aid agencies and policy makers”. Goodhand (2004, 59) emphasises that the transformation from war to peace threatens to disrupt established systems of production and exchange that provide warlords and their followers with livelihoods. This is perhaps the fear expressed by a man interviewed by Nordstrom (2004, 191) in Angola, who argued while the war was still going on that: “If peace came the money would run, it would disappear over the horizon, you would need binoculars to see any money around, it would be so small and so far away”. ¹²

Second, the fears such as those voiced by Nordstrom’s interviewee are not always borne out. Just as the border between war and peace is porous, so activities of war economies and some of their characteristics carry over into peace economies. Arguably, this is sometimes unintentionally encouraged by prevailing orthodox economic reforms undertaken in many post-conflict countries. For, as the case study of Mozambique below argues, the way that privatisation and other policies has been carried out has a tendency to produce the very characteristics of economic structure

¹² People running transport enterprises in Benguela Province, Angola, say they fear peace because Chinese financed road reconstruction will erode their profit margins (personal communication from a research student). Thus, there are risks associated with peace. These risks are borne by workers as well as employers. It is unclear without detailed empirical knowledge whether those workers will benefit from new opportunities, e.g. in road reconstruction, or not.
and activity that the International Financial Institutions want to eradicate, namely a
non-productive rentier class. Since some of the same people who benefited from a war
economy can in particular cases be beneficiaries of peace and retain links to political
power, they may well be encouraged – in the absence of a shift in incentives that
might come with specific policy interventions – to perpetuate labour practices that
evade minimum wage regulation and other legislation. Interviewees in Mozambique,
for example, suggested that prison labour was commonly used in some commercial
agriculture enterprises, with next to no protection by law.\textsuperscript{13}

\textbf{Labour in War and Peace: Mozambique}

Mozambique’s experiences in war and after may help to illustrate some of the themes
raised thus far in this paper, not least the lack of systematic evidence on labour
markets and the low priority that labour market issues have had in post-war policy
making. This section focuses chiefly on rural labour markets through war and peace.\textsuperscript{14}

War in Mozambique was extremely destructive. It has indeed been treated as though
there were a widespread “retreat into subsistence”. One result of this is that a recent
paper on household level strategies in the early post-war period in northern
Mozambique made the explicit assumption that there was no labour market at all
(\textcite{Brück, 2004, 3}). This intersects with a common assumption in the development
economics literature that rural wage labour markets are very small and are typically
restricted to relatively well-off people. Thus Tschirley and Benfica (\textyear{2000}) argue:
“The broad empirical findings throughout rural Africa (including Mozambique) are
that poor farm households have least access to … wage labour” and: “‘it will be very
difficult to use wage labour markets as a policy tool to alleviate poverty’. By
extension, labour markets in Mozambique are typically assumed to be a relatively
unimportant feature of post-conflict reconstruction. Tschirley and Benfica (\textyear{2000}) also
emphasise how little is actually known: “Research has cast little light on the role of
wage labour in rural income strategies; we know of no empirical study that has
explicitly focussed on this issue…” The overall tendency is to assume that the rural

\textsuperscript{13} Fieldwork in Mozambique also suggests that the very few provincial labour inspectors rarely travel
outside provincial capitals, partly because they are not allocated vehicles.
\textsuperscript{14} In particular, the section draws on \textcite{Cramer (2006) and Wuyts (2003)}.
Arguably, this whole vision needs inverting. In Mozambique, the sequence of nationalisation, war, and privatisation from the mid-1970s to the mid-1990s proved to be a vector of both dimensions of primitive accumulation: the accumulation (and reallocation) of assets (especially land) by force and the displacement (through war and villagisation policies) of rural farming families. Following and in a way repeating the earlier Portuguese imperial land grabbing and forced organisation of labour in the Mozambican countryside, this process may be thought of as a post-independence internal colonisation exercise. As with Cromwell’s soldiers in Ireland, so it has often been people with military connections who have benefited from the allocation of land in Mozambique (Chingono, 1996; Cramer and Castel-Branco, 2003; Pitcher, 2002).

Rural societies in most poor countries are characterised by substantial and increasing social differentiation, a process that involves the evolution of wage labour markets rather than just the evenly shared expansion of smallholder production for the market. Moreover, war often accelerates differentiation and, in so doing, reproduces some of the patterns common to historical experiences of capitalist transition.

The history and policy experience of Mozambique illustrate this argument. The Frelimo party that took power at independence in 1975 had a modernising ambition and a strong belief in the power of the state to galvanise rapid development through economic planning and the expansion of state-run economic activities. The first president, Samora Machel, declared that the country would secure “victory over underdevelopment in ten years!” An ambitious political and economic project was given extra urgency by the evacuation of the country and many of its commercial enterprises by Portuguese colonists. The party’s nationalisation plans had, for example, to be implemented faster and more sweepingly, despite extreme shortages of experienced managers.

Frelimo viewed the rural population as largely composed of a homogeneous population of subsistence farming peasants. These peasants should be encouraged to form producer cooperatives and to move to rationally organised communal villages.
However, this undifferentiated mass of subsistence farmers could not be a progressive foundation of rapid development. Instead, the state, which took over colonial plantations, would provide, over time, the base of rural development. Massive investment in state farms would create the demand for labour necessary to transform the peasantry into a proletariat. Labour would be drawn from the communal villages.

Frelimo’s notions of the rural population were fanciful. There was no developmental ground zero. The countryside was richly variegated, socially, and had grown more and more so. Rural people could not just be described as smallholder subsistence households. Colonialism had, as it did throughout Africa, provoked social and economic change, instigating processes of capitalist development even as it sought to curb them. The simple implication, for the argument of this chapter, is that in Mozambique there had been profound rural change that had, among other things, resulted in the expansion of wage labour as a critical feature of many people’s ‘livelihoods’ and survival (O’Laughlin, 1996).

Much of the investment that was skewed towards the state farms was wasted by a haemorrhage of inefficiency and unrealistic policy. But hopes were increasingly dashed, too, by the escalating war against Renamo rebels. Renamo was a creation of Rhodesian intelligence services before Zimbabwean independence, and then later was adopted enthusiastically by the apartheid government in South Africa. Despite this “proxy war” dimension, Mozambique’s war took root within the country.

The war had varying effects across the country. In some areas Renamo subjected the population to a campaign of more or less unmitigated destruction. Elsewhere, it controlled rural areas and fed itself on them by levying food taxes and exacting labour tributes, or in other words organising slave labour. Many of these areas were already among the poorer parts of the countryside. They did not feature in Frelimo’s plans for state farms or communal villages and they had lost most of the opportunities for seasonal labour migration that had been available in the colonial period. Frelimo concentrated its military protection near state farms and communal villages. In these areas and in the interstices between clear cut spaces of Frelimo or Renamo control, the rural differentiation that had been underway during colonialism accelerated.
Despite ferocious warfare, the destruction of health posts, schools and anything smacking of the presence of the state, despite the night time raids on villages, the abduction, murder, rape, and torture, and despite the roads pitted by landmines and lined with truck carcasses, this was no vacuum. For most people, one of the most immediate effects of government policy and war was a “goods famine”: an acute shortage of basic consumer goods like soap and matches or batteries and building materials, and inputs for agriculture like fertiliser. State plantations and the army competed to get hold of scarce goods, to entice workers and to feed soldiers (Wuyts, 2003). Anyone who could produce an agricultural surplus, or anyone else with some economic edge – people with access to the remittances of migrant labourers in neighbouring countries, skilled workers on the state farms, those with some connections to the party or to the profiteers of the parallel markets or candongas – could manage to survive and even expand their activities and to attract extremely cheap labour. Anyone without these kinds of advantage would desperately seek wage work if there were any prospect at all of buying food or other goods. As one of the people who conducted rural research in Mozambique during the war put it: “Far from retreating into a subsistence economy, therefore, the war and crisis heightened the need for the poorer peasantry to sell their labour to obtain cash to buy food and other rural wage goods” (ibid, 147).

It was not just the state farms and army that kept this situation going. There were others who were caught up by and helped propel the momentum of a war economy. These others included a few Portuguese colonists who, for one reason or another, had decided to stay put at independence; former employees of large colonial plantations who used saved earnings and accumulated skills to hold onto some form of agricultural production; and Tiny Rowland’s’ multinational Lonrho, which stayed on, hired a private army to protect its tomato and cotton farms, and did deals with both the army and Renamo rebels. Then there were the people who ran the gauntlet of risk to drive imported consumer goods from South Africa and Swaziland to the capital city, Maputo, or traders who resuscitated rural trade in parts of the country, with their own small private militias.15

15 On this wartime effort to revive rural trade see Pitcher (2002).
War raises risk but also, because risk and difficulties deter most people, it may reduce competition in markets and tends to raise potential returns, especially because there is no effective regulation of the ensuing monopoly conditions. These are the conditions of market structure that propel people organising endeavours like the supply of bacon and burgers to the Maputo elite and to the foreign aid workers living there. They are the same market conditions that kept some agriculture going, where farmers could supply food to the army or to the rebels and hope to evade surveillance or capture by the other side (or supply both). Over time, there were also increasing conflicts over control of land during the war; gradually, and increasingly with state support, former settlers and senior party and military officials secured relatively large tracts of land. As O’Laughlin (1996, 32) put it, “the war resolved their labour recruitment problems”. Thus, war in Mozambique propelled a crude change that forced many people, where possible at all, to look for wage employment despite awful conditions and paltry remuneration and that allowed others to do relatively well out of war.

Post-war land grabbing alongside continued indigence further stimulated socio-economic differentiation and, in some cases, has begun to increase the demand for wage labour. However, this time the whole apparatus of international post-conflict reconstruction, led by the IMF and the World Bank, was organised around the vision of free market development and a homogeneous rural society. As Wuyts (2003) argues, this version cast rural people as a mass of smallholder families naturally eager to join the market but constrained simply by the distorted noise of imperfect market signals caused by state intervention. Instead of villagisation and state farms, the potential of the rural economy would be unleashed by market liberalisation backed by schemes to improve smallholders’ access to “micro-credit” to encourage them to engage in self-employment or “micro-enterprise” activities. The realities of Mozambican rural economic history were – once again – smothered by this vision. The blank slate prevailed. Wage labour, for example, was believed not to exist in the countryside – or to exist only for a small “labour aristocracy”. In other words, rural labour markets were thought to be irrelevant to poverty reduction in post-war Mozambique.

A myopic attention to the smallholder as market-oriented producer – in post-conflict as in other societies – is defined clearly by the standard techniques of collecting
information on poverty and well-being in rural areas. Living Standards Measurement Surveys are carried out to assess the extent and distribution of poverty. A key feature is to survey a sample of the population on the principle of random sampling and to follow a set pattern of questions that concentrates, for example, on a respondent’s ‘main activity’. This is inappropriate in rural areas that are characterised, first, by dramatically uneven dynamics (especially common in post-conflict contexts) and, second, by the multiple activities that poor rural people typically engage in to survive.

In Mozambique there is both older research (e.g. O’Laughlin, 1996) and new evidence (Cramer, Oya and Sender, 2006) showing a much greater significance for rural labour markets in the lives of very poor Mozambicans and showing how much of this rural reality is missed by the standard sampling and survey methodologies.

This rural vision of the basis for post-conflict reconstruction was only one part of a larger fantasy. Now that there was “peace”, the state could be pared down to a small entity charged only with creating an “enabling environment” for private sector activity. Post-conflict reconstruction in Mozambique involved the typical “triple transition” – security sector reform, political reform and democratisation, and economic reform. Another way of putting this is that it involved a double demobilisation: demobilisation of the army and Renamo guerrillas accompanied an economic demobilisation as the state shed its commitment to mobilise resources for development. This latter demobilisation was achieved by privatisation and liberalisation, with very mixed results. The recklessness of post-conflict experiments was reflected in what was the largest privatisation programme in sub-Saharan Africa in the 1990s (Cramer, 2001; Pitcher, 2002). The political innocence of the liberal policy and governance fantasy meshed neatly with the passionate interests of domestic groups. Consequently, the privatisation programme acted partly as a mechanism for corrupt accumulation and asset stripping, but was not backed by an industrial policy of the kind that has always been necessary genuinely to nurture structural change in poor economies. 

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16 The rural vision and the overall projection of an ideological fantasy came together most sharply in the World Bank’s now infamous treatment of Mozambique’s cashew sector, in what amounted to post-conflict economic destruction (Cramer, 1999; McMillan et al, 2002; Pitcher, 2002).
One way to assess this privatisation process is as a trajectory of accumulation by a class of people, an inchoate national bourgeoisie, across the span of liberation struggle, independence, war and peace, nationalisation and privatisation. From this perspective, two things become clearer. First, the war does not make sense simply as “development in reverse”. Second, after the war the signals on the tracks of development were switched. A class that accumulated assets during war and in the war-to-peace transition was effectively routed towards becoming the kind of rentier class that aid agencies and economists loathe – in an economic policy version of ‘blowback’.

During the war, party officials, military officers, and sundry wartime entrepreneurs began to manoeuvre themselves into a position of relative wealth and power, through corruption and the extraction of a ‘war tax’. Once privatisation began, in the political conditions of war, some of them moved early to lay claim to assets like land with commercial potential. After the war, these were people with the assets and connections to take advantage of privatisation. Even where state enterprises were sold to foreign investors, there were Mozambicans who either formed companies to run joint ventures with these investors or took up seats on the boards of enterprises that retained a state stake. To a large extent, the state took control of assets through nationalisation and then influenced their allocation through privatisation: it created and managed the allocation of rent.

Policy makers and donors were uninterested, though, in how the new private sector might be regulated and how it might be nurtured – other than through a war on red tape. Arguably, this undermined the prospects for the class of beneficiaries of the

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17 During as well as after the war, Frelimo sought also to modernise the army and hoped that the sale of public assets to retired officers at subsidised prices would help to “reintegrate” them into civilian life and to avoid political trouble. Later on, because war veterans often had fewer resources than some of the new post-war business class, the government selected some enterprises and shares for direct sale to veterans outside the framework of public tenders. The state effectively subsidised privatisation: many buyers delayed payments indefinitely or paid by instalment, while inflation eroded the value of any eventual payment – by early 1996, Mozambican buyers had paid only $9 million of the $52 million owed to the state. This was, though, an inefficient subsidy: it was not tied to any performance criteria or to a strategic selection of beneficiaries on grounds of promoting comparative or competitive advantages. See Cramer (2001).

18 Writing of the bad debt and corruption at the Banco Comercial de Moçambique and at the Austral bank, Addison argues: “The high fiscal cost of resolving bank crises takes public money from much-needed development spending and social spending. As part shareholder in BCM and Austral, the Government of Mozambique faces a bill of at least US$ 80 million (to be raised by issuing treasury
nationalisation-privatisation cycle to develop into a truly dynamic capitalist class whose rising productivity would also lead to more rapidly rising labour demand.

Mozambique is generally deemed one of the most obvious success cases of modern post-conflict reconstruction, perhaps the single greatest success story. Yet as Paris (2004, 145) puts it: “Mozambique offers only qualified support for the Wilsonian hypothesis of peace-through-liberalization in countries that have just experienced civil wars”. From another angle, Mozambique is corrupt (Hanlon, 2004); it is characterised by rising inequalities; it was revealed by the elections in 2004 to be a one-party democracy; girls are commonly abused in schools and women throughout the countryside experience male violence as well as restricted access to education and labour markets (Sender, Oya and Cramer, 2006); parts of the country are awash with cheap firearms; the country has a rising reputation as a narcotics entrepôt; the country’s best known journalist, Carlos Cardoso, was assassinated and a bank manager was also killed, hurled down the stairwell of the central bank – both these murders were linked to efforts to stop information about high level corruption leaking out into the public domain. And economic policies have failed to make anything like the inroads they could do into reducing the widespread and extreme indigence in the countryside. The country has gone from an unrealistic dream of development by self-reliance to being fantastically dependent on foreign aid.

**Conclusion**

War in Mozambique did dramatically rearrange labour markets and it had a profound and in many ways terrible effect on labour market participation. Labour markets during war were, for the most part, characterised by weak regulation and poor conditions. Nonetheless, employment opportunities played a significant part in many
people’s survival through wartime. Labour market trends since the formal end of the
war in 1992 have been highly uneven. In some relatively successful sectors like cotton
production and the brewery and soft drinks sector there have been rising job
opportunities while labour demand has also risen in the immensely successful ‘mega
projects’ including aluminium smelting and gas production. There has also been rising
labour demand in commercial agriculture, including export-oriented horticulture and
floriculture, some of it relocated from Zimbabwe. In other sectors, including textiles
manufacturing and cashew processing, jobs have been lost in large numbers. In the
countryside, recent fieldwork suggests that there is a huge amount of unrecorded and
very poorly remunerated wage employment in agriculture and in services in towns
(including domestic service, informal transport services, construction, and market stall
activities).

The risk is that empirical, analytical, and policy neglect leads to enduring poverty in a
context of very sharply rising inequality. At worst, this form of “reconstruction”
involves what Wuyts (2003, 153) argues to be a partial regression to colonial and war
economy patterns, insofar as re-emerging private plantations, large-scale farms and
commercial companies sought and seek to obtain “monopolistic and monopsonistic
privileges within their zones of influence and to rely on migrant labour from the more
distant labour-export areas”. The implication is that this creates, or perpetuates, a
“narrow” form of development that may, as some like Addison (2003) and Nafziger
and Auvinen (2003) argue, raise the risk of violent conflict.

Arguably, though, in Mozambique this situation is unlikely to lead to a renewal of war,
though it may well be part of the context within which violent crime flourishes. As
with income inequality, poor labour market conditions do not necessarily lead to
violent conflict. It depends partly on the way in which they are politicised – and in
Mozambique labour politics are weak and fragmented. It depends on the overall
temper of economic activity, which is uneven but fairly dynamic through much of the
country. And it depends on the political settlement, which, for all its shortcomings,
has probably cemented successfully a formal ‘peace’. Nonetheless, the evidence
discussed here does suggest that the liberal peace achieved in Mozambique is a
compromised peace and that elements of the war economy have certainly been carried
over into the peace economy. The extent to which the dynamics of the war economy
have been transformed into a more productive and distributionally progressive set of activities, institutions and policies is itself uneven. In land management, the financial sector, and criminal businesses the more negative dimensions of the war economy endure. In some commercial agriculture, some services, and some manufacturing assets, power and know-how accumulated in war have been tipped in a more progressive direction, sustaining investment and employment.

Finally, the way in which war economies are carried over into post-conflict political settlements, and the implications of this for employment opportunities and conditions, depends in part on external interventions conceived in the spirit of the enduring influence of the liberal interpretation of war. Issues around labour and employment need to be given greater attention in research agendas on the political economy of war and of the transformation of war economies.

References


