

MOZAMBIQUE News reports & clippings

247 26 March 2014 Editor: Joseph Hanlon (j.hanlon@open.ac.uk)

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Survey shows mixed verdict on government

Government accepts SADC observers but not EU or US

Government has met Renamo halfway on the demand for observers for negotiations and demobilisation, and said it will accept observers from SADC (Southern African Development Community) countries. In particular, it approved Renamo's suggestion of South Africa, Botswana and Zimbabwe. But at the 45th round of talks on Monday, government said it would not agree to Renamo's proposal of observers from the United Nations, USA or European Union countries. (O Pais, AIM, Canal de Moçambique 24, 25 March)

"We are not saying that we want battalions of foreign troops, but a number of people, not more than 100, both Mozambicans and foreigners, to monitor, witness and give greater guarantees to the parties in the ceasefire. But we repeat that we want a lasting ceasefire, and that's why we want the international community to monitor it", said the head of the Renamo delegation, Saimone Macuiana."

Any cease fire between the government and Renamo will have to be announced jointly by Renamo president Afonso Dhlakama and Mozambique President Armando Guebuza, after they have met, the government chief negotiator José Pacheco said Monday. (Notícias, 25 March). Such a meeting can only happen once they have agreed a place and Dhlakama feels safe to attend. Government wants the meeting in Maputo, while Renamo wants it elsewhere in Mozambique.

They are also disagreeing over what to call any agreement. Renamo wants to call it a "cease fire", while government wants to call it a "cessation of hostilities".

There have apparently been no recent military confrontations. The 46th round of the talks is scheduled for next Monday, 31 March.

Comment

It would have been cheaper to pay Renamo

Recruiting 3000 extra people nominated by parties to the electoral machine will cost \$35 million, Budget Director Rogério Nkomo told the STV television programme "O País Económico". (O País 24 March) Renamo's main interest has also been to be able to give jobs to its members, and its leaders have made clear they want some of the gas and coal money. If a year ago the government had offered \$35 million to Renamo, it would probably have led to negotiations and Afonso Dhlakama and his generals might have settled for \$100 million. That would have been cheap. The mini-war and subsequent settlement will surely end up costing more than that. *jh*

Government seizes US armoured cars

When white armoured cars with UN markings were seen driving through Maputo streets last week, it led to obvious rumours of UN intervention in Mozambique's small war. And there was total confusion on the part of the UN and the government.

The 16 armoured cars have now been confiscated by the Mozambican government, after it turned out that a South Africa armoured car company, OTT Technologies (www.ott.co.za), was assembling them for DynCorp International, a major US military contractor, but assembling the vehicles and driving them on Maputo streets was totally illegal. They were being assembled on a \$173 million contract for the US government, to be used by the UN in Mali.

The factory had permission to assemble vehicles, but not military vehicles. The components had been imported illegally without completing Mozambican customs procedures. And OTT did not receive permission to drive military vehicles on the streets to the port.

Political parties in car import scam

Political parties are allowed duty free imports for their own use, but several small parties are illegally importing cars and selling them on. In 2013 the Green Party imported 234 cars, PARENA 120 and the Mozambican Socialist Party (PSM) 73. None of these parties have any representatives in a local or national assembly, or any visible political presence.

The scam was exposed by an excellent piece of investigative journalism by Borges Nhamire and Lázarro Mabunda of the Public Integrity Centre (CIP, Centro de Integridade Pública). It is the second article in the most recent CIP Newsletter: <http://bit.ly/1h6Mkwq>

Most cars imported into Mozambique are second hand Japanese cars (to support a domestic car industry, Japanese motorists are pushed to sell a car when it is 3 years old). The duties and taxes on such a car are about 75%, and a typical car costs \$3000-5000 before tax. So the party offers to import the car, and the buyer pays the party perhaps half the cost of the duty, and the party earns \$1000-2000 per car.

CIP also discovered various scams being run by Mozambican car dealers and customs officials.

Other news

ELECTRICITY PRICES will have to rise because Mozambique must pay more for new sources of electricity, according to the chair of the state electricity company, EDM, Augusto de Sousa Fernando. EDM customers pay on average 2400 meticaís (\$80) per megawatt-hour, which is profitable for electricity from Cahora Bassa, which costs 1080 MT/MWh (\$36). The new Aggreko gas-fired power station will charge 4500 MT/MWh and South Africa's Eskom charges 7500 MT/MWh. The new coal fired power station at Moatize will charge 3000 MT/MWh when it opens in 2017.

ALL MPs HAVE QUIT their other jobs and are now in conformity with the Public Probity Law, according to the president of the parliamentary ethics commission, Ana Rita Sithole.

BIG COMPANIES operating in Mozambique are being sold. Anadarko is reducing its holding to 26.5% of the Area 1 gas field, with the latest sale of 10% to ONGC Videsh. The Indian group Videocon recently bought 10% for \$2.5 billion. And Breedens, a subsidiary of a Singapore investment company Temasek, has offered \$2.1 for Olam, a global trading company which is the biggest cashew processor in Mozambique and an important grain trader.

COAL MINERS ARE NOT PAYING the money they own to communities. According to the Tete provincial director of finance and planning, only Vale has paid the 7.2 mn MT (\$240,000) it owes to local communities. Rio Tinto, Minas de Moatize and Jindal owe 15 mn MT (\$500,000) and have not paid. (O Pais 7 March)

CRIME remains a preoccupation in cities. Notícias (28 February) reports that police stood by and watched when the local community destroyed part of the Xikhele market in Maputo because they said it had become a haven for criminals. The action was taken after a local teacher was killed.

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With attention focused on local elections, I missed three important reports late last year. *jh*

Survey shows mixed verdict on government

Mozambicans are optimistic about the future but rate the government badly on creating jobs, according to the most recent survey data. Mozambicans seem to be becoming less satisfied with health and education. And a third of Mozambicans felt they are not free to say what they think; people in Tanzania, Malawi and South Africa feel much freer.

The results were published in three policy papers from Afrobarometer late last year, and offer some pointers for the election in October.

On the economy the results were mixed. 47% of Mozambicans feel the government is managing the economy well, but 60% say it is doing badly improving the standard of living, 65% say it is doing badly creating jobs and 63% say it is failing to narrow the gap between rich and poor. Asked about themselves, 25% said their living conditions were good, 43% neither good nor bad, and 32% bad - but 68% expected them to improve in the next year. This is reported in a Afrobarometer Policy Brief 3.

Health and education questions elicit a mixed picture. Asked if the government is improving health services, 62% say yes - close to the African average of 59% - but sharply down from the 76% of a survey four years earlier. There is a similar result for education, with 67% seeing improvement, above the African average of 62% but below the earlier survey response of 77%. Perhaps more worrying for the government, 53% say it is difficult to obtain medical treatment and 71% say it is difficult to obtain a primary school place (compared to an African average of just 27%). This is reported in a Afrobarometer Policy Brief 5.

People in 34 African countries were asked "how free are you to say what you think". A surprisingly high 33% said they were not free. This compares to only 7% in Tanzania, 13% in Malawi, and 16% in South Africa - and 53% in Zimbabwe and 57% in Swaziland. This is reported in a Afrobarometer Policy Brief 3.

Mozambicans are not very impressed by the media. Only 45% say the media is effective in revealing government mistakes and corruption, one of the lowest in Africa. This is compared to an African average of 64% - and 84% in Tanzania, 81% in South Africa, and 75% in Malawi.

Access to news is similar to Africa averages: 71% of Mozambicans get news from radio, 44% from TV, 19% from newspapers, and 11% from internet. In Mozambique, 67% of the population uses a mobile phone more than once a day. Internet usage is only 13%.

Face to face interviews were done with 2400 adult Mozambicans in November and December 2012. We cite policy papers 3-5, which are posted on

No land available for biofuels under present policies

Bioenergy is not practical in Mozambique under present agricultural policies, according to a UNIDO study. But a move to high agricultural productivity would release land which could be used for biofuels.

Under present low-productivity agriculture, farmers will slowly expand to use much of the forest and scrub land. UNIDO suggests that the only land available for biofuels would be poor or marginal land in Cabo Delgado, Niassa, Nampula, Tete and Gaza, and ethanol costs would be high. UNIDO assumes that if Mozambique's agriculture were made more productive significant amounts of good land would be released because it would not be needed (an assumption I find dubious - *jh*). They suggest 314,000 hectares would be available in Nampula and 1.6 million hectares in Gaza, which could be planted with eucalyptus or switchgrass, both of which could be converted to ethanol. They could create 17,000 jobs (roughly 1 job per hundred hectares). They estimate production costs of ethanol from good farmland at 11 Euros per Gigajoule of energy. which could be commercially viable.

Thus growing biofuels in Mozambique is conditional on radical policy changes to make the rest of agriculture more productive.

The report is on

http://www.unido.org/fileadmin/user_media_upgrade/What_we_do/Topics/Energy_access/BF_Case_Studies_FINAL_REPORT_PRINT_and_WEB__20022014.pdf

Should the World Bank compensate Mozambique for imposing health charges in the 1990s?

Many people did not attend health posts in the 1990s because the World Bank forced Mozambique to impose charges, and some may have died because of lack of care. An article in the journal *Health and Human Rights* argues that World Bank should compensate Mozambique and other countries for the harm caused.

World Bank policy had been against user fees on the obvious grounds that it discourages the poor from seeking treatment. The 1980 World Development Report said "the use of prices and markets to allocate health care is generally not desirable." But the rise of neoliberalism caused the bank to reverse that, and in the late 1980s health charges became a condition of a World Bank programme; in the middle of a war and desperate for World Bank support as part of an attempt to woo the United States, Mozambique had no choice but to agree. In the 1990s charges were not increased with inflation. But it became clear that user fees would prevent many countries reaching the Millennium Development Goals, and in 2001 the World Bank announced it again opposed user fees for basic health and primary education

Last year, World Bank President Jim Yong Kim told the World Health Assembly in Geneva that health user fees were "both unjust and unnecessary", adding that "anyone who has provided health care to poor people knows that even tiny out-of-pocket charges can drastically reduce their use of needed services."

In two decades the World Bank went full circle and admitted that its 1990s policies had prevented the poor from using health services, and thus caused serious harm.

In the journal article, Rick Rowden accepts that under many circumstances, the World Bank is not accountable for its mistakes and the harm done, because its articles of agreement contain many

immunity clauses. But he goes on to argue that imposing health charges on all Bank borrowers, without first even carrying out a pilot study, was particularly serious misconduct. Further he argues that depriving people of health care was a human rights violation, from which there is no immunity.

The ghosts of user fees past: <http://www.hhrjournal.org/wp-content/uploads/sites/13/2013/06/Rowden-FINAL.pdf>

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The new book

Zimbabwe takes back its land

by Joseph Hanlon, Jeanette Manjengwa & Teresa Smart is now available from the publishers

https://www.rienner.com/title/Zimbabwe_Takes_Back_Its_Land

<http://www.jacana.co.za/book-categories/current-affairs-a-history/zimbabwe-takes-back-its-land-detail>

Now in paper at a reasonable price

Do bicycles equal development in Mozambique?

by Joseph Hanlon & Teresa Smart

is now available in **paperback**, for £17.99 (+ p&p)

from the publisher <http://www.boydellandbrewer.com/store/viewItem.asp?idProduct=13503>

and on Amazon.co.uk for £17.09

Just Give Money to the Poor: The Development Revolution from the Global South

by Joseph Hanlon, Armando Barrientos, and David Hulme

Most of this book can now be **read on the web**

tinyurl.com/justgivemoney

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Also on the web: Previous newsletters and other Mozambique material are posted on tinyurl.com/mozamb

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NOTE OF EXPLANATION:

This mailing list is used to distribute two publications, both edited by Joseph Hanlon. This is my own sporadic "News reports & clippings", which is entirely my own responsibility. This list is also used to distribute the *Mozambique Political Process Bulletin*, published by CIP and AWEPA, but those organisations are not linked to "News reports & clippings"
Joseph Hanlon
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Mozambique media websites:

Noticias: www.jornalnoticias.co.mz

O Pais: www.opais.co.mz

Macauhub English: www.macauhub.com.mo/en/

Savana: www.savana.co.mz

Canal de Moçambique: www.canalmoz.co.mz

AIM Reports: www.poptel.org.uk/mozambique-news

Carlos Serra Diário de um sociólogo: <http://oficinadesociologia.blogspot.com>

Good daily newsletters:

English: Mozambique Investor. Send e-mail to joaquim.fale@clubofmozambique.com

Portuguese: Mozambique Hoje. Send e-mail to moçambiquehoje@clubofmozambique.com

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