

MOZAMBIQUE News reports & clippings

398 2 January 2018 Editor: Joseph Hanlon (j.hanlon@open.ac.uk)

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Late December always sees a flood of announcements, as donors rush to hold conferences and release reports before the end of the year, and Mozambicans clear their desks to go on holiday. In the next three issues we will try to catch up with December events.

Also in this issue:

Islamist base shelled near Mocímboa

World Bank: debt devastating economy

Exchange rate stabilizes

Provincial governors will not be elected

Afonso Dhlakama has won his main demand of three years ago, and has gained the right to appoint governors in provinces where Renamo wins. Some elected mayors have proved too independent, and neither Frelimo nor Renamo were willing to take the risk of elected governors.

But negotiations are deadlocked on Renamo's demand for parity in the defence and security forces, he said in an interview with STV (27 Dec) and *O País* (28 Dec). The interview is on <https://www.youtube.com/watch?v=Vn6K8fMsbPE>

"From the beginning, we have defended that governors should be directly elected," Dhlakama said. "My brothers in Frelimo did not share the same idea. For them, governors were to be elected by

Recent reports

Special report on social protection <http://bit.ly/MozSocPro>

Secret debt documents and report:

Kroll full report (80 Mb!) <http://bit.ly/Kroll-Moz-full>

Kroll audit Executive Summary <http://bit.ly/Kroll-sum>

Parliamentary Report on the Secret Debt (complete, in Portuguese) bit.ly/MozAR-debt

Key points from the Parliamentary Report on the Secret Debt <http://bit.ly/MozAR-debt-En>

Mozambique should not pay the hidden debt <http://bit.ly/Moz-do-not-pay>

Following the donor-designed path to the \$2.2 billion secret debt <http://bit.ly/3WQ-hanlon>

Other books and reports:

Government's detailed flood reports: <http://bit.ly/flood-17>

Local media monitoring of Mozambique elections (background of election newsletters)
<http://bit.ly/LSE-newsletter>

Chickens and beer: A recipe for agricultural growth in Mozambique book by Teresa Smart and Joseph Hanlon, **free** English download <http://bit.ly/chickens-beer>

Há mais bicicletas - mas há desenvolvimento? book by Joseph Hanlon and Teresa Smart, **free** Portuguese download <http://bit.ly/Mais-bicicletas>

Gas for development or just for money? <http://bit.ly/MozGasEn>

Minimum wages & exchange rates 1996-2017 <http://bit.ly/MinWage2017>

Previous newsletters and other Mozambique material are posted on bit.ly/mozamb

members of the provincial assembly in a secret vote." He continued that after discussions with President Felipe Nyusi, they compromised on three options submitted by Dhlakama. Nyusi and Frelimo will choose one. Parliament (Assembleia da República) will not make the choice, but simply "formalize" Frelimo's choice, Dhlakama said.

The three options are:

- + The head of the party list (the first candidate on the list) which gains the most votes for provincial assembly becomes governor.
- + The party which wins the provincial assembly will select one member of the list to be governor.
- + The party which wins the provincial assembly could select anyone to be governor.

In all three cases, the head of the national party would effectively make the choice. For both Frelimo and Renamo, the head of the national party at least confirms the heads of all the party lists and would have a dominant influence in any choice made by party members in the provincial assembly.

Dhlakama says that Nyusi has promised to have a decentralization document to submit to parliament within 30 days, so that it can be approved and the new structures announced when Nyusi announces the presidential election - the date must be in October 2019 and must be announced 18 months in advance, that is, in April 2018.

Although Dhlakama claims he always backed an elected governor, he only moved over to this position in 2016. In March 2015 Dhlakama tabled a proposal to parliament that governors would be named by the presidential candidate of the party that gained the most votes in a province, and that decentralisation would follow the model of the municipalities, but with appointed governors instead of elected mayors. (See this newsletter 282 and 321) Nearly three years later, it appears that Dhlakama's proposal has been accepted.

Comment: The outcome should not be surprising. Neither Renamo nor Frelimo wants to risk a governor building their own power base and challenging the party; to win an election a governor would need a certain independent identity and charisma, whereas an appointed governor can be a lower key party loyalist. For both sides, elected mayors have proven problematic, and the Frelimo government has introduced a whole parallel system of an appointed governor for Maputo city and administrators for the other municipalities, entirely to keep a check on the mayors - most of whom are Frelimo.

And both parties have stopped too successful mayors from standing again. Most famously, in 2008 at the last minute Dhlakama refused to nominate the popular Daviz Simango to stand again in Beira, but Daviz won by a large majority as an independent and founded his own opposition party. And Frelimo did not let the popular Eneas Comiche stand again for mayor of Maputo in 2003 because he was too honest; the safer David Simango did win for Frelimo. But in 2011 Frelimo forced three mayors to stand down and the opposition MDM's Manuel Araujo won in Quelimane, in part because the local party would not back the national Frelimo choice. The lesson of Simango and Araujo is that it is better to appoint than to risk elections. *jh*

Dhlakama: military chiefs oppose deal

The reason he is still in the base on the Gorongosa mountain is the slowness of negotiations on military and security, he said, Dhlakama said, telling *Savana* (29 Dec): "There is slowness on the government side. I wait one month, two months, 90 days without a response from government."

"The slowness of the involvement of the military chiefs is linked to a lack of will on the part of some people around the President," Dhlakama said to STV. "Although he is President of the country and of Frelimo, he does not dominate some very influential comrades. ... He can make promises to me

personally about decentralization and peace, but when he arrives inside his party, he meets barriers. ... Inside Frelimo and the government there are interests that do not want to see this process completed. ... The 'ball' is in Frelimo's court."

He also says that a Philippine general and a Swiss official are working on the security document. Dhlakama continues to demand parity in the leadership of the military and security. "If there are 8 coronels, then 4 must be Frelimo and the other 4 Renamo."

To explain this, he goes back to the attacks on his motorcade on 12 and 26 September 2015 in Manica in which at least 23 people were killed, and then the raid on his house on 8 October 2015. This was done in secret by people inside the military with "obscure intentions". He continued: "we have officers inside the defence and security forces, but they have no role, so they know nothing about what is being planned." Thus he wanted "the Renamo guerrillas to be integrated as military chiefs and for Frelimo to stop using the defence and security forces to kidnap and kill its political opponents."

Close but not face-to-face: On 13 December President Filipe Nyusi went to the Chitengo camp in Gorongosa National Park and Afonso Dhlakama was in his Satungira base on the Gorongosa mountain. Each expected the other to arrive for talks. Eventually the two talked on the telephone. It is not clear what happened. Both agree that the General Commander of the Police, Bernadino Rafael, went to Satungira. Dhlakama said it was to arrange the arrival of Nyusi, who in turn said he had invited Dhlakama to Chitengo for lunch and Rafeal was in Satungira to bring Dhlakama to Chitengo. (AIM En 18 Dec, *O Pais* 28 Dec)

"I never lost any elections. I was always robbed and Renamo knows this. I consider myself president since 1994," Dhlakama said in his interview. "Without wanting to boast, I consider myself above the President of the Republic." (*O Pais* 28 Dec)

Alleged Islamist base shelled near Mocímboa da Praia

Two helicopters and a navy ship shelled the village of Mitumbate 23 and 24 December with at least 50 casualties. This follows the ambush of a riot police (UIR, Unidade de Intervenção Rápida) convoy on 17 December which was going from Mocímboa da Praia to Mitumbate. The UIR national director of reconnaissance was killed in that attack. (*O Pais* 27 Dec)

Mitumbate and the nearby village of Makulo, 28 and 35 km from Mocímboa da Praia, had been attacked on 29 November by an Islamist group. However UIR now considers Mitumbate to be an Islamist base. The town of Mocimboa da Praia was attacked and partly occupied on 5 October.

O Pais (27 Dec) said that there has been on-going fighting in Moçímboa da Praia district and the local hospital reports police and soldiers dead and injured. More than 200 people have been detained but the military complains that the courts are releasing them, and that at least one person released was shot and injured in a subsequent confrontation.

The attacks have caused some nervousness in the gas industry. The Afungi Peninsular which will be the site of the multi-billion dollar gas liquification plants is only 60 km north of Mocímboa da Praia. The site has a 50 km perimeter which must be protected. Mocímboa da Praia is 330 km north of Pemba.

"This war is only happening because the government ignored our warnings", said Rajabo Rábio, a member of the district consultative council, in a detailed investigation by *Savana* (15 Dec). He said he was in four meetings in which the government was warned.

Local businessman Faruk Jamal blames continuing poverty and illiteracy pushing people to join the group. The government "is preoccupied with buying airplanes, when it should be thinking about schools for our children. ... When we don't train our children, they will be manipulated."

For several years there has been an influx of refugees and traders from Tanzania and further north, which included some Islamic preachers who set up new mosques in competition with the existing ones. *Savana* was told that the mosques preached non-cooperation with the government, including not attending school, and called the traditional preachers "kafir" or unbeliever.

There was also a period in which there were many offers of scholarships to study in Islamic countries of north Africa and Asia, and some returned as fundamentalists and joined the new mosques. *Savana* reports that some received military training by a former policeman.

The group calls themselves Ansar al-Sunna (Defenders of Tradition, which was also the name of an Iraqi Sunni insurgent group that fought against US troops in 2003-7.) Local people call them "Al-Shabaab", although they seem to have no direct connection with the Somali group of that name, although there are Somalis in northern Mozambique.

This is not the first such confrontation. In 1975, after independence, the government came into conflict with the Jehovah's Witnesses religious sect, which also preached non-cooperation with government. Many members had fled to Mozambique from Malawi in the early 1970s, but after independence some were sent to re-education camps or more remote parts of Zambézia province.

World Bank: secret debt devastating Moz economy

Economic growth will be 3.2% next year, compared to the 8.3% predicted before the \$2 bn secret debt was revealed, the World Bank says in its "Mozambique Economic Update" issued 22 December. The biggest hit has come from donors: "On budget donor grants and project lending is estimated to have narrowed to 3.8% of GDP in 2017, down from 9% of GDP in 2015." bit.ly/WB-M-D17

"The fallout from revelation of \$1.4 bn in previously undisclosed borrowing has had severe consequences on Mozambique's economy, extending well beyond the nominal burden of the additional debts. The debt caused a loss in confidence by investors and donors, and has been a major contributor to the significant drop in national output over the past 18 months," the report says.

Mozambique is becoming a "two-speed economy." Growth is in the capital-intensive resource extraction sector with low employment generation, while "the continued transmission of the debt crisis to the real sectors of the economy [means] Mozambique's economy today is generating fewer productive jobs for an ever-larger population of rural and urban jobseekers."

The Bank estimates that "500,000 people (net) will enter the labor force each year over the next decade - almost twice as many as over the last decade" and that most are stuck in the lowest productivity jobs, in agriculture and non-farm informal services. And the bank warns this is "bound to create frustration and disappointment among youth." One-third of the urban population is poor and inequality is increasing, the Bank notes.

"Small and medium enterprises have fallen back even further, especially in the manufacturing sector, which contracted for this first time since 1994. Their growth, and capacity to generate jobs, has been restricted by the economic downturn in the post-hidden debt period through reduced demand from both private consumers and the public sector, reduced investment, and the high cost of credit. Small and medium enterprises are crowded out, and not even the sizable growth in commodity exports is sufficient to counteract the effects this is having on growth."

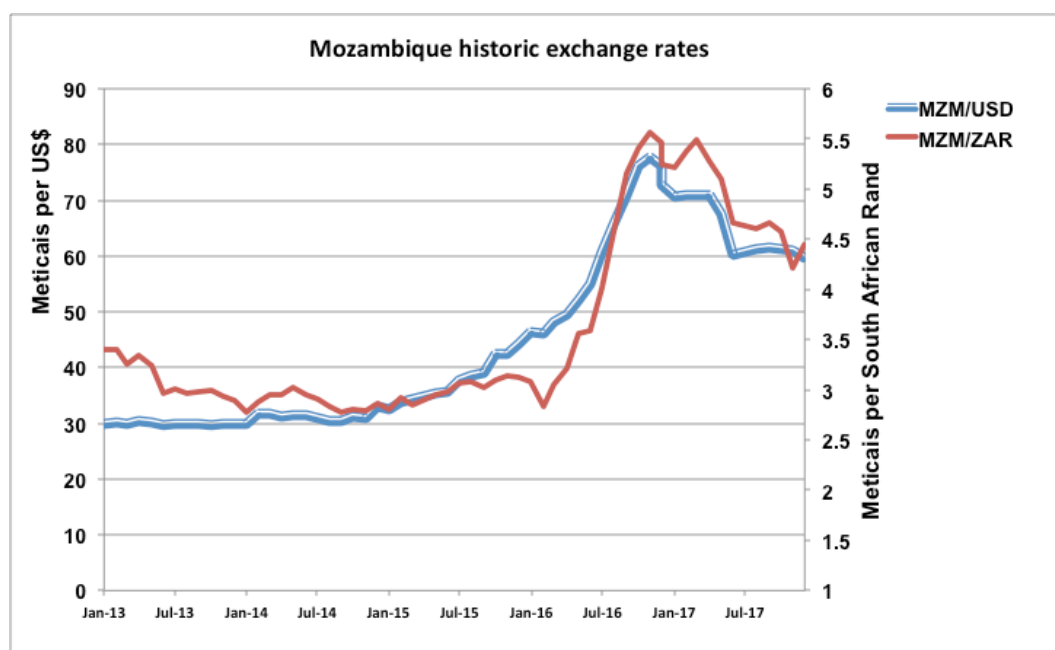
Meanwhile, "Mozambique's public finances have continued to worsen under the ongoing downturn.

The budget continued to adjust by reducing public investment in favor of a still growing wage bill and higher debt service costs."

The government continues to borrow, and in the past two years the average interest rate on treasury bills and bonds has jumped from 10% to 26%, yet government was only able to sell 61% of its bonds in 2017. External debt is now estimated at 83% of GDP (down from 103% at end 2016 due to the appreciation of the Metical) and total debt at 99% of GDP, "an unsustainably high level".

Exchange rate stabilises at \$1 = MT 60

In 2014 the exchange rate was \$1 = MT 30, but the 2016 secret debt crisis led to a rapid devaluation, with the exchange hitting \$1 = MT 78 in October 2016. The Metical recovered somewhat, appreciating to \$1 = MT 60 by June 2017 and remained close to that through the second half of the year. In many ways the Rand exchange rate is more important because so many consumer goods are imported from South Africa. The rate went from R1 = MT 2.8 in 2014 to R1 = MT 5.6 in October 2016 and stabilised at R1 = MT 4.6 in the second half of the year. In dollar terms, the Metical is worth half what it was four years ago, and in Rand terms 60%, which means all imported goods are significantly more expensive.



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"Mozambique News Reports & Clippings, number XXX", DATE, bit.ly/mozamb, accessed XXX.

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Election study collaboration: We have detailed election data from 1999 through 2014 and are inviting scholars to use this data collaboratively. <http://bit.ly/MozElecData>

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Other books and reports by Joseph Hanlon

Special report on four poverty surveys: bit.ly/MozPoverty

Comment: something will turn up: <http://bit.ly/28SN7QP>

Oxfam blog on Bill Gates & chickens:

<http://oxfamblogs.org/fp2p/will-bill-gates-chickens-end-african-poverty/>

Bangladesh confronts climate change: Keeping our heads above water

by Manoj Roy, Joseph Hanlon and David Hulme Published by Anthem Press
<http://www.anthempress.com/bangladesh-confronts-climate-change-pb>

Chickens and beer: A recipe for agricultural growth in Mozambique by Teresa Smart

and Joseph Hanlon In pdf format, 6 Mb file, free on <http://bit.ly/chickens-beer>
E-book for Kindle and iPad, <http://www.amazon.com/dp/B00NRZXXKE>

Galinhas e cerveja: uma receita para o crescimento

by Teresa Smart & Joseph Hanlon.

Copies are in Maputo bookshops (Karibu at airport, Livaria UEM, Bazar Pariso, Mivany) or from
KAPICUA, which recently moved to Av de Maguiguana (nr Lenine), Maputo; Tel: +258 21 413 201.

Telm.: +258 823 219 950 E-mail: kapicuidir@tdm.co.mz / kapicuacom@tdm.co.mz

Outside Mozambique, we have a few copies we can send from London. Please e-mail j.hanlon@open.ac.uk.

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 also as an e-book and

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

Do bicycles equal development in Mozambique? by Joseph Hanlon & Teresa Smart

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

Há mais bicicletas - mas há desenvolvimento? free download of Portuguese edition (5 Mb)

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 be **read on the web** tinyurl.com/justgivemoney

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NOTE OF EXPLANATION:

One 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, Portuguese:

Notícias: www.jornalnoticias.co.mz

O País: www.opais.co.mz

@Verdade: <http://www.verdade.co.mz>

Diario de Moçambique (Beira): <http://www.diariodemocambique.co.mz>

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

Mozambique media websites, English:

Club of Mozambique: <http://clubofmozambique.com/>

Rhula weekly newsletter: <http://www.rhula.net/news-announcements.html>

Zitamar: <http://zitamar.com/>

Macauhub English: <http://www.macauhub.com.mo/en/>

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

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