

MOZAMBIQUE 182

News reports & clippings

11 July 2011

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Catching up: This newsletter is catching up on news missed over the past three months. There will be one more catch up newsletter on 13 July.

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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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Attached file: Detailed tables with current and historic minimum wages and exchange rates, and this newsletter in pdf.

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Big rise in minimum wage

Minimum wages have increased in real terms for the first time in three years. There are now 13 categories of minimum wages. Inflation was 12% last year, and most minimum wages have increased by more than that (in Metical). The exceptions are civil service, security and military, where the rise is only 5% to 2380 Mt per month (\$77). In the fishing sector, the increases were only 10% and 12%, to \$75 and \$80, and in construction, 14% to \$90.

Meanwhile, Bank of Mozambique has steadily revalued the Metical. Having been stable at between 24 and 28 to the dollar for nearly a decade, it was suddenly devalued from April 2010 reaching 37 by August, which was a major cause of the 1-3 September riots. It has now been steadily pulled back, and was Mt 31 to \$1 on 1 April (the date the minimum wages came into force) and is now Mt 28. Minimum wages announced in April 2010 were almost all lower in USdollar terms than they had been in April 2008, whereas the new minimum wages are significantly higher both in real metical terms and in dollar terms.

The lowest minimum wage is in agriculture, \$67 in sugar and \$65 in other sectors (calculated at \$1 = Mt 31), an increase of 30% and 18% in metical terms and 37% and 24% in \$ terms. Mining, service and industrial minimums range from \$93 to \$104. A big exception is the financial sector, where the minimum is \$173, up more than 50%.

(An attached document, also posted on tinyurl.com/mozamb, gives details of all 13 minimum wages and historic exchange rate and minimum wage data.)

Agriculture:

Land and job conflicts

Agricultural development projects are bumping into land and labour conflicts. The Bela Vista Rice Project in Matutuine, Maputo province, is currently growing seed on 400 hectares (ha). It hoped to expand to 6,000 ha and produce 40,000 tonnes of rice per year, and then expand further to 20,000 ha. But in late June it was reported that much of the land is already occupied and many people already have titles to the land (DUATs) that the project hoped to use. The project is co-owned by the Libyan state's Libyan African Investment Portfolio (LAP) and the Mozambican company Ubuntu (part owned by Environment Minister Alcinda Abreu, who was Foreign Minister 2005-2008).

Eight associations of farmers who supply sugar cane to the Xinavane sugar mill in Maputo province on 16 April accused the company of underpaying for sugar and making deductions for fertiliser that was never supplied, as well as failing to sign a formal contract with producers. Infanio Cossa, representing the associations, said "the company not only expropriates our land, it also pays us practically nothing for the sugar cane we produce".

A strike in June of cashew processing workers at Olam in Nampula province has raised the fraught issue of the relationship between paying for production and the minimum wage. Cashew nuts are shelled and peeled by hand, and workers have traditionally been paid per kg of kernels produced. Shellers, for example, are paid more for whole kernels than for broken kernels. The rate was set so that experienced workers earned a minimum wage, although it sometimes required a long day. Workers at Olam (mainly women) struck because they said they were not being paid the minimum wage – and also that Olam premises have no toilets, meaning workers relieve themselves on the nearby railway tracks in the open air. Olam has the largest cashew processing factory in Mozambique and is the only one owned by a foreign company.

Production up

Agriculture Minister Jose Pacheco told parliament on 11 May that government expects an 8.6% growth in agricultural production and a 6.7% growth in livestock this year. Food crops:

- + root crops (mostly cassava) up 9% to 10.8 million tonnes (mn t).
- + grain up 4% to 2.9 mn t,
- + pulses up 4% to 436,430 t, and
- + vegetables, up 14% to 975,000 t

For cash crops:

- + cashew up 15% to 112,000 t, of which 38,000 t will be processed by Mozambican factories employing 8,000 workers.
- + cotton up 70% to 70,000 t reflecting record world market prices, and government and producers agreed a minimum price of 15 Mt (\$.50) per kg, the highest in two decades
- + tobacco up 5% to 70,000 t,
- + sunflower up 29% to 119,000 t, and
- + sesame up 66% to 105,000 t.

EU fish deal

The European Union on 14 June signed a three year extension to the current fisheries agreement, under which 75 European boats will be allowed to fish off the coast. Because of piracy fears, the quota for catches will fall from 10,000 tonnes to 8,000 t, and the amount paid drops from 650,000 euros (\$917,000) a year to 520,000 euros. But the EU will increase its aid to fisheries sector from 250,000 euros to 460,000 euros per year.

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Graça Machel attacks Guebuza

In an unusually clear attack on President Armando Guebuza, Graça Machel called for the inclusion of the country's intellectuals in designing policies and solving problems. Echoing a growing view that President Guebuza is surrounding himself with yes-people who do not question him, Machel said that today intellectuals are being marginalized.

Speaking at a round table on the life and work of Samora Machel organised by the Ministry of Science and Technology on 14 June, she warned that there are no mechanisms to ensure that intellectuals "fully participate in solving the problems of the country, and much less that they influence policies and feel part of them. We have to reverse this situation." She said Samora Machel deliberately surrounded himself with intellectuals, and had no complexes about doing so. "Samora did not have many academic qualifications", she said. "His merit was to ensure that he was surrounded by highly qualified people. He had no problem about being surrounded by people who knew more than he did. He was a strategic thinker", AIM reports.

"The Mozambican elites must be aware of national solidarity", she continued. "Nobody can feel satisfied, nobody can feel they have achieved their goals, when the majority are fighting for survival. ... Mozambique needs people who are aware of discrimination and social exclusion, and who reject these practices, reject the imposition of policies, so that we can put Mozambique on the rails".

Insitec buys CETA

The Insitec group has bought Mozambique's largest building and engineering company, CETA. Half of CETA's business is in Cabo Delgado and Tete. It began 30 years ago, and now employs 2,500 people, mainly on public works.

AIM reports that Insitec is a rapidly growing business group, headed by a relatively young Mozambican businessman Celso Correia. It is split into three units – Insitec-Investments, Insitec-Imobiliaria (real estate) and Insitec-Constroi (construction), which will operate CETA and already includes the CINAC cement factory in Nacala.

Insitec has investments in key sectors of the economy, including shareholding in the country's second largest commercial bank, the BCI; in the Northern Development Corridor (CDN), which runs the Nacala port and rail system; and the Mpanda Nkuwa Hydroelectric Company, which has the concession to build a dam on the Zambezi 60 kilometres downstream from the existing dam at Cahora Bassa.

The new chair of the CETA board is Nelson Muianga.

Election law divisions

Major divisions remain over a new electoral law, admitted the chair of the parliamentary commission on Public Administration, Local Power and the Mass Media, Alfredo Gamito, speaking on 4 May, reports AIM.

There is agreement on the date for presidential elections, electoral financing and accountability, the designation and immunity of candidates, ending the requirement for a deposit to be paid by presidential candidates, and under what circumstances people will be able to vote at different polling stations to the ones they are registered at.

But Renamo, MDM and Frelimo are still divided on the form and content of much of the electoral legislation. There is disagreement on how to deal with incorrect tabulations, how to handle provincial results, election observation, electoral tribunals, the designation and function of polling stations, the election commission, and electoral rolls.

The Commission has until May next year to agree to proposals which will be put forward to parliament.

Would Mozambique accept Kenya's election proposals?

The election bill being presented to the Kenya parliament is much more radical than anything under consideration in Mozambique. The Standard (Nairobi, 25 June) reports these proposals:

- + A \$10,000 fine or 6 years in jail for election officials who tamper with the elections or make false declarations.

- + A \$20,000 fine for public officials for engage in electoral campaigns.

- + Incumbent candidates who use public resources would be excluded and jailed for up to 6 years.

- + A \$10,000 fine for employers who do not give workers time off to vote.

- + If a party repeatedly commits violence or intimidation, its presidential candidate would be disqualified.

People

Hermenegildo Gamito is the new chair of the Constitutional Council, the highest body in constitutional and electoral issues. He was appointed by President Armando Guebuza and approved by parliament on 17 May. The appointment of his predecessor, Luis Mondlane, had caused controversy since he was seen as a Frelimo party person. Mondlane resigned in disgrace on 17 March, followed the exposure in the Mozambican press of his personal use of Council funds, including paying off the mortgage on a luxury house. By contrast, Gamito is widely respected. The 67 year old Gamito trained in law, taught fiscal and customs law at Eduardo Mondlane University, and was a judge on the Higher Appeals Court, the predecessor to today's Supreme Court. More recently Gamito has been a businessman, and at the time of his appointment was chair of First National Bank-Mozambique and of the Mozambican Association of Banks. He was a Frelimo member of parliament for 15 years (1994 to 2009).

Roberto Albino has become the Director-General of the newly established **Zambezi Valley Development Agency**. He was formerly head of the government's Centre for Agricultural Promotion (CEPAGRI). The new agency inherits the facilities and equipment of the unsuccessful Zambezi Planning Office (GPZ), which had been headed by **Sergio Vieira** and has been abolished.

Luis Boavida was named Secretary General of the opposition party **Mozambique Democratic Movement (MDM)** on 6 June, replacing **Ismael Mussa** who resigned on 15 April. Boavida was a

Renamo MP and an aggressive speaker in parliament before joining the MDM. The MDM National Council on 6 June also appointed **Maria Moreno** (another former Renamo deputy), **Rangariranh Pedro** and **Carlos Bernardo** to the party's Political Commission. MDM was only founded for the 2009 elections, and has already split. Savana (20 May) says the party is collapsing, and the dream of an opposition has again been deferred. Savana also points to rumours that "state security agents had infiltrated the party to destabilise it." Some people questioned actions by Mussa during the 2009 elections which seemed contrary to the interests of the MDM.

Rogério Manuel was elected chair of the Confederation of Mozambican Business Associations (CTA) on 16 June. He was elected unopposed, and replaces **Salimo Abdula**, who becomes chair of the board of the CTA General Meeting. Manuel is also chair of the Mozambican Association of Road Transport Operators (FEMATRO), the operators of urban minibuses (known as "chapas"). FEMATRO is currently waging a campaign to reduce the safety requirements for chapas. All vehicles must be inspected, under a new regime. But FEMATRO argues that the cost of meeting the new requirements is too high, and that chapas cannot afford to meet the safety standards of other cars and trucks.

Rui Fonseca is the new chair of the board of the Mozambican subsidiary of the South African mobile phone company, Vodacom. Vodacom International owns 85% of Vodacom-Mozambique and three Mozambican partners – Whatana, Intelec and Emotel – hold 5% each. The chair of the board rotates between the three minority shareholders. Fonseca was chosen by Whatana Investments, which is headed **Graca Machel**. He replaces **Salimo Abdula**, who was appointed by Intelec. Fonseca is a former head of Mozambique's publicly-owned port and rail company, CFM. Vodacom currently claims a 45% of the market, leaving the publicly owned M-Cel with 55%.

Orlando Quilambo and **Ana Maria da Graca Monjana** are the new rector and vice rector (vice-chancellor and deputy vice-chancellor) of Eduardo Mondlane University (UEM), which is the largest and oldest institution of higher education in Mozambique, with over 26,000 students. Quilambo was vice rector and succeeds **Filipe Couto**, who did not seek a second term. Ana Monjana is a senior figure in the economics faculty

Amelia Franklin as its new Secretary General of the Organisation of Mozambican Women (OMM), which is affiliated to the ruling Frelimo Party. **Violeta Langa** and **Elisa Amisse** have been elected to the National Secretariat. OMM President is Maria da Luz Guebuza, the wife of President Armando Geubuza.

Maj-Gen Julio dos Santos Jane has been named commander of the new **Civic Services of Mozambique**. He was previously commander of the Samora Machel Military Academy in Nampula, where he was replaced by **Maj-Gen Victor Muerequetule**. The civic services will provide non-military activities for some of those unable to enter the military, including building public infrastructures such as schools and roads. All Mozambicans, of both sexes, must register for military service in the year of their 18th birthday. Most do not, but many more register than the 3,000 conscripts needed each year.

Teodoro Waty has been named chair of the Board of Directors of the publicly owned air company LAM (Mozambique Airlines). **Marlene Manave** is the new Chief Executive Officer; an experienced LAM manager, she was part of the company's restructuring unit. Waty replaces **Jose Viegas**, who had been at the head of the company for the past 12 years. Waty is a former president of the Maputo Municipal Assembly, and the current chair of the Legal and Constitutional Affairs Commission of parliament. He is also a member of the Political Commission of the ruling Frelimo Party. AIM reports Waty was not the first choice for the job, but others, including Jussub Nurmamad, chair of the Mozambican Stock Exchange, rejected the post.

Eduardo Mulembue is to chair the parliamentary (Assembly of the Republic) ad-hoc commission charged with drawing up constitutional amendments. **Manuel Tome** was named as substitute chair. Mulembue is a former speaker and Tome a former head of the Frelimo

parliamentary group. Posts of rapporteur and substitute rapporteur are reserved for Renamo, which is boycotting the entire ad-hoc commission. Frelimo asked for the commission to be established, but has so far declined to say what kind of amendments it will propose, leading to suggestions that the Frelimo leadership is itself divided on the issue.

Deaths

Lina Magaia, writer, journalist and activist, died 27 June at the age of 71. She had been a clandestine member of Frelimo rule in the closing years of colonial rule. She was an outspoken member of the first multi-party parliament, from 1994 to 1999. She is perhaps best known for two books, "Dumba Nengue" (1987) and "Double Massacre in Mozambique" (1989) with gruesome episodes illustrating the savage war by Renamo in the 1980s. Her final work was "Recordacoes da Vovo Marta" ("Memories of Grandma Marta"), published this year, and based on lengthy interviews with one of Mozambique's oldest women, 99 year old Marta Mbocota Guebuza, mother of President Armando Guebuza. Lina was the sister of journalist and writer **Albino Magaia**, who died last year.

Aida Matsangaisse, a Renamo MP, died 28 May in a car crash. She was a niece of Andre Matsangaisse, the first commander of Renamo, who was killed in 1979.

(Information on people and deaths taken largely from AIM.)

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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.com for \$27.95

Amazon.co.uk for £17.99

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**

<http://tinyurl.com/justgivemoney>

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Two working papers on the web

Poverty is not being reduced in Mozambique

LSE Crisis States Research Centre Working Paper No. 74 (series 2)

Benedito Cunguara and Joseph Hanlon, June 2010 t

<http://www.crisisstates.com/download/wp/wpSeries2/WP74.2.pdf>

Tambem em Portugues:

<http://www.crisisstates.com/download/wp/wpSeries2/WP74.2portuguese.pdf>

Mozambique's Elite – Finding its Way in a Globalized World and Returning to Old Development Models

Joseph Hanlon and Marcelo Mosse September 2010

WP/105 UNU-WIDER: The Role of Elites in Economic Development project

http://www.wider.unu.edu/publications/working-papers/2010/en_GB/wp2010-105/

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Noticias: www.jornalnoticias.co.mz

O Pais: www.opais.co.mz

Savana: www.savana.co.mz

Canal de Moçambique: www.canalmoz.com

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

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