

MOZAMBIQUE 163

News reports & clippings

7 May 2010

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Customs director assassinated

Orlando Jose, director of investigations, audit and intelligence of the Customs Service was gunned down outside his house on Monday 26 April. He had been responsible for several very high profile customs raids in recent weeks.

On 21 April a car was stopped heading for the Machipanda border post with Zimbabwe. Driven by a Lebanese citizen, it has \$400,000 in cash in US dollars hidden in the door panel, which was apparently intended for the purchase of diamonds from army-controlled mines in Manicaland in Zimbabwe.

On 26 April, just three hours before he was assassinated, Jose held a press conference promising a crackdown on smuggling, in which he displayed three luxury cars which has been apprehended, one of which belonged to a powerful Nampula economic group, according to *Savana*. Last year Jose led a raid in which 1000 tonnes of rice was being imported without paying duty; apparently with the connivance of customs officials. The importer avoided paying a total of 6 million Meticias (\$200,000) on a large rice import. Illegal cigarettes have also been apprehended.

Jose had only been in the job for a year, and *Savana* (30 April) quotes the director of the criminal investigation police to say it may be an inside job. *Savana* talks of "mafias" inside the Customs Service that feared that Jose was breaking up their networks, and notes that in the town of Belo Horizonte, 20 km from Maputo, there is "evidence of the improper enrichment" of customs officials. *Savana* notes that it is widely believed that "most of the white goods, appliances and computers sold in the big shops in Maputo have very attractive prices because import duties were not paid or they are linked to money laundering from drug dealing." Goods are imported in containers via Nacala and then taken by road to Maputo. Drug money "is also reflected in the building 'boom' in Maputo," says *Savana*.

US points to heroin trade

Mozambique continues to be an important transit point for heroin and hashish going from Pakistan to Europe, says the US Department of State's *2010 International Narcotics Control Strategy Report* (INCSR). The report states that "Despite strong anticorruption rhetoric from the government, corruption is perceived as rampant in Mozambique. High-level government officials are suspected to be involved in narcotics-trafficking. As one government official put it, 'Some fish are too big to catch.' Inadequately trained and equipped law enforcement agencies and corruption in the police and judiciary hamper Mozambique's interdiction efforts and makes it easier for traffickers to use Mozambique as a transit point for illegal narcotics." The Mozambique section of the report is attached.

Comment: For more than a decade, there have been reports that Mozambique is an important transit and warehousing centre for heroin. The drug is believed to be brought from Pakistan in larger ships, moved on small boats to the coast of Cabo Delgado through the islands, stored in Nacala, and then when orders are received shipped out through Maputo or South African ports to Europe. Transfers inside Mozambique are said to be facilitated by the police and customs authorities. Although there are seizures of cocaine and cocaine smugglers, there are almost never seizures of heroin. Furthermore, there are no reported confrontations between the various heroin trading groups. This leads to the belief that the heroin trade is tightly regulated at a very high level, probably with three conditions imposed: 1) a cut of the money goes to the Frelimo party (and perhaps senior officials), 2) heroin is not sold inside Mozambique (after serious problems in Maputo a few years ago), and 3) some of the profits are invested locally (and this may help to explain some new large buildings in Maputo and Nampula). If *Savana's* explanation of the murder of Orlando Jose is accepted, this could indicate friction, with drug dealers trying to move into diamonds and semi-precious stones without permission, and government trying to stop the expansion.

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Administrator sacked after jailing critic

District administrators are often seen -- and see themselves -- as all powerful. This has led to repeated abuses of power. For example, during the most recent elections, the *Mozambique Political Process Bulletin* reported that a district administrator beat a market stall holder for displaying opposition leaflets, and then forced election officials to withdraw the press credential of the journalist who reported the incident.

But the sacking of Adelino Fabrica, the administrator of Muecate district, Nampula, may indicate that the government is finally reigning in local despots. The incident began when a local mechanic, Aiuba Assane, suggested in conversation in his workshop that the administrator was unpopular and should be transferred. Fabrica had Assane arrested and he was held in jail for 25 days in January and February on a charge of defamation. When the case came to trial, the local court went gave Assane a five month suspended sentence and he was obliged to pay 3,500 meticaïs (\$100) in legal costs. No witnesses were called, and the court found Assane guilty purely on the basis of anonymous statements, according to Assane's official defender from the Legal Aid Institute (IPAJ), Mariano Braimo. Fabrica refused Braimo's request to present any evidence that he had been defamed, and the court accepted that since Fabrica was a public figure, he did not need to produce evidence or witnesses.

The detention and trial brought an outcry in the media, led by *Savana*. Assane said he would have to sell his house to pay the costs, but supporters raised 10,000 meticias. Assane, whose skills keep the village motorbikes running, found himself the most popular man in Muecate. When the money from Maputo to pay his legal costs arrived, there was a spontaneous parade of motorbikes and bicycles through the streets of the small district capital.

Following the press coverage, Fabrica was dismissed and the Attorney General has moved to annul the conviction.

News in brief:

Lynchings and corruption

Attorney General Augusto Paulino made his annual report to parliament Wednesday. Important statistics included:

+ There were 78 lynchings in 2009 leading to 51 deaths; 22 people were saved by the police and there have been 26 arrests. There were 33 lynchings in Sofala province, followed by 16 in Cabo Delgado and 12 in Manica. The number of lynchings was an increase on the 68 recorded in 2008.

+ There were 178 cases launched against people accused of corruption or theft or misuse of state funds; 54 went to trial. This is compared to 151 and 59 in 2008, and no cases going to trial in 2007.

+ 1380 people were killed in 4966 road accidents in 2009, compared to 1531 killed in 5438 accidents in 2008.

1000 workers lose jobs

Labour Minister Helena Taipo said in 26 April that more than 1,000 workers have lost their jobs in Mozambique due to the international financial crisis.

Investment award nominations

The South African research group Africa investor (Ai) announced its shortlist for Agribusiness Investment Awards. It includes two with Mozambique links:

+ Olam, the company caught trying to import rice in Mozambique without paying duty (see the lead article and attached clippings), is nominated for Agribusiness Investment Initiative of the Year. Olam has a large cashew factory in Nampula province.

+ Soares Nhaca is nominated for Minister of Agriculture of the Year.

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Personal notes:

New Book

Just Give Money to the Poor, a new book on cash transfers by the editor of this newsletter, has been published. This is not specifically about Mozambique, but about a Southern alternative to project-based aid and neo-liberal development models. A leaflet on the book is attached.

Comment: History matters

In an article in the previous *New Reports & Clippings* I cited in interview with Prakash Ratilal in which he said that "southern Africa is in a situation very similar to the Far East in the 1970s and 1980s, when Taiwan, Malaysia, South Korea and Indonesia made their great economic leaps". I have been looking a bit at Korean history, and came across a 1997 study by the US Congress's Budget Office of what it saw as the success of aid to South Korea. The first point is that non-military aid to South Korea in the 1970s was, in real per capita terms, double the level of aid to Mozambique now.

The Congressional Budget Office (CBO) notes that "the South Korean government largely initiated, directed, and organized development by setting goals, establishing priorities, and backing them up with resources. Large, highly profitable private companies were clearly subordinate to the government, in part because the government controlled domestic credit as well as the right to borrow abroad." The government also put in place a number of incentives such as subsidies and access to subsidized credit. The CBO notes that perhaps the most important role of aid was that it "increased the pool of available investment capital."

The CBO points out that foreign aid was particularly important in agriculture, where it was used for research and agricultural extension, and to promote the use of fertiliser. US aid helped Korea build five fertiliser plants.

Finally, the CBO points to “significant” corruption in South Korea. Initially, corruption “took the form of payoffs from foreign aid funds and bank loans,” and this was detrimental to development. Later, corruption “took the form of payoffs from private investment. But the payoffs took place in an economic environment more favorable to growth,” and thus the corruption did not harm the economic boom.

Are there lessons for aid to Mozambique now?

Joseph Hanlon

The report is “The role of foreign aid in development: South Korea and the Philippines” and is a CBO Memorandum published by the Congressional Budget Office.

<http://www.cbo.gov/doc.cfm?index=4306&type=0>

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New members of councils of state and defence

Parliamentary parties have named the seven members to the Council of State and the five members of the National Defence and Security Council (CNDS), which are consultative bodies advising the President. As with all bodies to which parliament appoints members, they are chosen in accordance with the number of seats each party holds,

Frelimo with 191 seats (76%) named five members to the Council of State, Renamo with 51 seats (20%) named two, and the Mozambique Democratic Movement (MDM) with just eight seats (3%) could not appoint any. Frelimo nominees are:

- + Deolinda Guezimane: veteran of the women’s detachment in the Frelimo guerrilla army in the independence war (member of 2005-9 council);
- + Luisa Diogo: former Prime Minister, and member of the Frelimo Political Commission;
- + Cardinal Alexandre dos Santos: retired catholic Archbishop of Maputo (member of 2005-9 council);
- + Rev. Dinis Sengulane: Anglican bishop of the Libombos diocese, and former President of the Mozambique Christian Council;
- + Sheik Abdurrazaque Ali Salimo: a former political prisoner arrested by the Portuguese political police, the PIDE, for his Frelimo sympathies, and now a prominent figure in the Islamic Congress of Mozambique.

Renamo nominees are:

- + Antonio Muchanga: Renamo parliamentary deputy between 2005 and 2009;
- + Manuel Lole: Renamo parliamentary deputy between 2005 and 2009, and a member of the Renamo Political Commission

Other members of the Council of the State are the chairperson of the Assembly of the Republic (Veronica Macamo), the Prime Minister (Aires Ali), the President of the Constitutional Council (Luis Mondlane), former heads of state (Joaquim Chissano), former chairpersons of the Assembly (Marcelino dos Santos and Eduardo Mulembue), and the runner-up in the last presidential election (Renamo leader Afonso Dhlakama). President Armando Guebuza earlier this week named the final four members to the Council: Alberto Chipande, Brazao Mazula, Bonifacio Gruveta, and Graça Machel.

Under the Constitution, the President must consult with the Council of State on the date of general elections, any dissolution of parliament, any declaration of war or state of siege or emergency, and on holding any referendum. The first Council of State met just three times.

Frelimo nominees for the National Defence and Security Council (CNDS) are:

- + Jacinto Veloso: a former Minister of Security who, during the liberation war when he was a member of the Portuguese air force, defected to Frelimo by hijacking an air force plane and flying it to Dar es Salaam. (member 2005-9)
- + Joaquim Munhepe: head of communications in the Frelimo guerrilla army during the liberation war and later Secretary of State for Communications in the Defence Ministry. (member 2005-9)
- + Marina Pachinuapa: a commander of the Frelimo women's detachment during the guerrilla war and a founder member of the Mozambican Women's Organisation (OMM). (member 2005-9)
- + Jose Moiane: commander of operations in Tete province during the independence war, later governor of Manica and then Maputo provinces.

The Renamo appointee is Rogerio Vicente, head of operations in the closing years of the war against the government. President Guebuza named Pedro Odalhah and Mariano Matsinhe.

The President must consult the CNDS before any declaration of war, the suspension of constitutional guarantees, calling a state of siege or emergency, participation in peace-keeping missions abroad, and about the use of protected areas intended for defence and security purposes.

Appointments have also been made to the Higher Judicial and Administrative Magistracy Council: Guebuza named Rufino Nombora and Jose Abudo, Frelimo named Armando Correia and Carlos Jeque, and Renamo appointed Joao Jose Monteiro.

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***Do bicycles equal development
in Mozambique?***

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- Mozambique media websites:**
- 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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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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