

MOZAMBIQUE News reports & clippings

203 8 October 2012 Editor: Joseph Hanlon (j.hanlon@open.ac.uk)

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World Bank says agriculture & rural poverty unchanged from end of war

Agricultural productivity and rural living standards have not improved since the end of the war two decades ago. Agricultural productivity is "especially low" because of "the persistence of extremely rudimentary technologies." People do not leave their farms only because there are no jobs to move to. This "gloomy picture" is painted in the Mozambique country case study for the World Bank 2013 *World Development Report*, published 1 October.

The report, "Jobs and Welfare in Mozambique" by Sam Jones and Finn Tarp of the University of Copenhagen, is damning. It says there are no clear and coherent policies and that both manufacturing and smallholder agriculture are stagnating. 300,000 adults are joining the workforce each year, and there are no jobs for them. "There is no evidence of a positive process of structural transformation in the employment landscape; rather, underemployment is rife [and] education levels remain extremely low."

The report is on the WDR background papers webpage (<http://go.worldbank.org/HVWLPAADV0>).

"Put bluntly, to make progress on poverty reduction, progress must be made in transforming agricultural jobs," the report says. Top priority must be "to address low levels of agricultural productivity." Calories produced per hectare and calories produced per head are actually falling, due to "stagnant crop productivity ... and very limited access to modern inputs or technologies (e.g., less than 5% of farms use fertilizer or pesticide)." And Mozambican farms are less productive than those of neighbouring countries; for example Mozambique produces 1 tonne of maize per hectare compared to 2 t/ha in Zambia and Malawi.

A surprising result of the study is that in Mozambique primary education brings few economic benefits and it is only secondary education that raises income. But agriculture "shows zero return to experience and zero returns to education." Probably because technology levels are so low, education at any level has not been useful in agriculture.

"Youths now tend to be significantly better educated than adults" and are "increasingly reluctant to

pursue agriculture," the report notes. But they are caught in a "poverty trap" - they cannot generate sufficient savings or gain access to credit to enable them to raise agricultural productivity. Consequently, "labour has typically moved from low productivity rural agriculture to even lower productivity urban activities (or unemployment)."

The report stresses that the need is to provide "good jobs" for "unskilled labour" and thus priority must be to "raise returns in low productivity activities, especially agriculture."

"Both international and local experience shows that mega-projects generate few sustained employment posts and, in the absence of countervailing policy measures tend to appreciate the real exchange rate," warns the report. On the other hand, the rapid expansion of mining and gas creates an opportunity to "loosen immediate budget constraints and place economic governance firmly in the hands of the government" rather than donors. Therefore, "at an overall level, the key objective must be to leverage forthcoming natural resource revenues to stimulate a pro-jobs structural transformation of the economy. A policy focus on creating good jobs is fundamental."

Finally, the paper warns that "social discontent appears to be rising" due to "persistent poverty and perceptions of rising inequality."

Bank says 'development happens through jobs'

"Jobs are the cornerstone of economic and social development" is the opening sentence of the *2013 World Development Report (WDR)*. Lack of jobs keeps people in poverty and studies show "what made a difference for escaping from poverty was increasing earnings from work".

The report highlights agriculture. "The Green Revolution has led to both higher cereal yields and more job creation because the new technologies are labour intensive," it notes. "Increasing productivity in agriculture is a priority." The report adds: "Since 1700, virtually every example of mass poverty reduction has actually begun with an increase in agricultural productivity." Finally, it highlights Mozambique as illustrating the challenges faced by an agrarian economy.

The WDR contains important changes in World Bank thinking, for example noting that "public sector investments are important drivers of productivity growth and intensification of smallholder agriculture. Technology is often a public good."

And after years of prioritising deregulation as key to improving the business environment, the WDR notes that the "top constraint" is now seen as lack of access to finance. There is also a reversal in thinking, now promoting "a targeted investment climate" rather than broad policy changes and "a level playing field": "Programs targeted to small business owners with entrepreneurial potential can thus make a substantial difference in living standards and productivity," in part by raising management skills. Suggested targets include small holder farming, value chains with "high development payoffs", and geographic clusters of industries.

Finally, the WDR warns that "in Mozambique, for example, young people are moving to urban areas, but few are moving into regular wage employment. Meanwhile, levels of trust are falling and are lowest among young workers."

Comment

Hearing voices from below

The World Bank has finally heard what Mozambican peasants have saying for more than a decade – that jobs and agriculture should be the priority. In 2005, the Afrobarometer showed Mozambicans thought unemployment was the greatest problem facing the country. When we interviewed people for our 2008 book "Do bicycles equal development in Mozambique?" jobs and incomes were

always the key issues.

Until recently, donors and the World Bank, and thus the government, had other priorities. But, finally, the Bank has heard the voices from below, and shifted priority to jobs. And it has made some important policy changes, including highlighting a key role for state involvement instead of leaving everything to the market, and allowing state subsidy and targeting - concepts that could not even be mentioned just five years ago.

But donors and the Mozambican government have responded only slowly to the evolving new consensus. Will government and donors see the new WDR priority on jobs and agricultural productivity as permission to shift their own policies toward putting money into job creation and raising agricultural productivity? And not just with vague programmes to improve skills, infrastructure, and the business climate - but money to support real farmers and actual businesses who will create jobs.

You can do it now. The World Bank says it's OK. *jh*

But Guebuza says agriculture growing

Reporting on President Armando Guebuza's latest round of open presidency tours, State Administration Minister Carmelita Namashulua said the President was pleased by the growth of agricultural production during his current presidential term, and that in some districts there was record production. But even the government-owned newspaper *Noticias* (16 August 2012) does not believe it, pointedly referring to "alleged advances reported".

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Post Congress

Macuacua loses Frelimo media post

Edson Macuacua has been moved from the Frelimo Central Committee post of Mobilisation and Propaganda to the lower profile post of Secretary for Cadre Training, following heavy criticism of his handling of the media at the Frelimo 10th Congress.

At the Congress he ordered copied of *O Pais* and *Savana* to be confiscated. And on 24 September, the live TV coverage of the Congress was cut during the speech of Jorge Rebelo; he had been arguing that there was a lack of open debate in Frelimo, and some at the Congress said Macuacua had underlined Rebelo's point.

The Mobilisation and Propaganda post - effectively media spokesperson for the party - is taken by Damião José, who is also the spokesperson for the Frelimo parliamentary group.

Macuacua and José are two of the seven members of Frelimo Central Committee Secretariat elected at the 10th Party Congress at the end of September. Two secretaries on the previous secretariat maintain their old portfolios: Sergio Pantie remains Secretary for Organisation, and Carmelita Namachalua (Minister of State Administration) remains Secretary for Parliamentary and Municipal Affairs. The other three members of the secretariat, all new, are: Aida Libombo (former Deputy Health Minister), Secretary for Foreign Relations; Jose Tomo Psico (director of the National Tourism Institute, INATUR), Secretary for the Economic Area (a new post); and Frelimo parliamentarian Carlos Moreira Vasco, Secretary for the Social Organisations – the three organisations affiliated to Frelimo: the Mozambican Women's Organisation (OMM), the Mozambican Youth Organisation (OJM), and the Associations of Veterans of the National Liberation Struggle (ACLLN).

Fallible predictions

Political Commission elections came as a surprise even to delegates to the Congress. Few predicted the defeat of both Aires Ali and Luisa Diogo.

And Fernando Lima in *Savana* (28 September 2012) confidently predicted that among the newcomers to the Political Commission would include at least some of Pascoal Mocumbi, Cadmiel Muthemba, Edson Macuácuá, Oldemiro Balói, Sérgio Pantie, Samora Machel Jr. and Nyeleti Mondlane. In fact, only two of his list were elected, Public Works Minister Cadmiel Muthemba and Sérgio Pantie.

Vote buying confirmed

President Armando Guebuza confirmed reports that there had been vote buying for delegates to the Frelimo 10th Congress, *Noticias* (2 October) reported. It said that when Guebuza was speaking to the Central Committee training meeting in Pemba 30 September, he said that "the practice of buying votes which has been introduced inside Frelimo requires attention."

And comments

There have been many comments on the Congress. I have selected just a few: Carlos Nuno Castel Branco, director of IESE (Instituto de Estudos Sociais e Económicos) on Facebook (<http://www.facebook.com/carlos.castelbranco>) comments that "one of our biggest problems with Frelimo is that names have substituted for a project. Everyone has predictions of the names of the next President of the Republic, but what does the Republic want? What is the project we want to struggle to build? I think that the mark of the biggest change from Samora to Guebuza is that we have passed from a social development project - whether or not we agree with it - to a project of private accumulation and personalised power, and at that point the main thinkers and writers only discuss names."

Journalist Lázaro Mabuna, writing in *O País* (27 September), said simply that the Congress showed "the leaders of Frelimo dressed in socialists' clothing but with a highly capitalist spirit."

Jornalists Tomás Vieira Mário and Salomão Moyana in an STV discussion programme suggest that the two governors elected to the Political Commission, Alberto Vaquina and Carvalho Muária, will be made ministers in a reshuffle – both because their election demands higher posts, but also because it is unrealistic to expect them to come to Maputo every fortnight for Political Commission meetings. They also argued that Prime Minister Aires Ali and Planning Minister Aiuba Cuereneia were likely to lose their ministerial posts, having been evicted from the Political Commission. They pointed to Foreign Minister Oldemiro Baloi and Defence Minister Filipe Nyusi as candidates for Prime Minister. (*O País*, 2 Oct)

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Other news

Biofuel delay

Plans to require 10% ethanol in petrol and 3% biofuel in diesel, announced for this year, have been indefinitely delayed, admitted António Saíde, director for renewable energy in the Energy Ministry, according to *O País* (5 October 2012). This could cut \$22 million from the \$500 million fuel import bill, but Mozambique does not yet have the capacity to produce the blended fuel, and is working with Brazil and Portugal on this.

Mozambique already produces ethanol from sugar and the technology for adding this to petrol

(gasoline) is well known and already used in Zimbabwe and Brazil. But there has not yet been any commercial production of biodiesel in Mozambique, and would-be producers are foundering.

20th anniversary of peace marked by ceremonies and Renamo threats

On 4 October, the 20th anniversary of the Rome Peace Accord ending the war between Renamo and the government was marked in a low key fashion, with ceremonies in Maputo, a message broadcast to the nation by President Guebuza (who was the negotiator in Rome for the government), and some media reports.

Renamo president Afonso Dhlakama was at a meeting of Renamo Political Commission in Quelimane and marked that date by announcing a wave of demonstrations after 30 October. In interviews with *O Pais* (3, 4 October) Dhlakama said that the 20 years of peace have not been effective, and have only been a dictatorship of Frelimo. The demonstrations against that dictatorship will "close railways, airports roads and everything, and no one can even try to intervene. If they send in the riot police, I will order Renamo security to crush everything." *O Pais* pointed out that this is not a new threat, and Dhlakama admitted he had been threatening demonstrations since 2009. A December revolution was promised last year, but so far no demonstrations have occurred.

A particular demand of Dhlakama has been major changes to election procedures including giving Renamo a veto in the National Election Commission and returned to an earlier disruptive system in which Renamo was able to name people at all levels in STAE, the election technical secretariat. Dhlakama said if Guebuza did not agree to this, Renamo would boycott municipal and national elections in 2013 and 2014. It boycotted municipal elections in 1998 and the four recent mayoral by-elections. MDM, the other opposition party, clearly hopes Renamo will boycott and thus not split the opposition vote.

New rules for police after Nacala gun fiasco

The Council of Ministers 18 September approved a restructuring of the police (which must be submitted to parliament) and agreed to write new regulations for the police and immigration services.

The decision follows an incident in Nacala in April. Firearms used by anti-piracy security forces on ships were stored in the police station when the ships were in Nacala port – an apparently sensible and long established practice. But the national police commander, Jorge Khalau, ordered the detention of Nacala police commander Adriano Mulanga, charging that he had been storing the arms without permission and for personal profit. He was detained under 1987 police regulations which allow senior police to detain junior officers for up to 60 days. A court ordered Mulanga's release, but Khalau refused, saying the police "do not obey any judge". Eventually, after a day of tense negotiations, Mulanga was released.

Nampula Public Prosecutor's office found that Nampula provincial police did know about storing weapons and that Mulanga was not taking money for the service, as had been claimed, so no offense had been committed. Attorney General Augusto Paulino then went to the Constitutional Council asking for the 1987 regulations to be revoked on the grounds that they were unconstitutional. On 5 September the Constitutional Council ruled that they could not do so, because those sections of the regulations had already been revoked in 1999.

The new structure will have four police branches - Public Order and Security Police; Criminal Investigation Police; Frontier Police; and Coastal, Lake and River Police. Deputy Justice Minister Alberto Nkutumula told reporters that within the police it is proposed to set up "a rapid intervention

unit" (the existing Rapid Intervention Force, or riot police), "a unit to protect high-ranking figures", "an anti-terrorism and hostage rescue unit", "a police dog unit", "a cavalry unit", and "a bomb squad". Police regulations, Nkutumula said, will define duties of members of the police, disciplinary norms, sanctions that can be imposed, who is empowered to apply those sanctions, and procedural guarantees for policemen accused of offences.

● **Government must pay \$17,000 compensation** to the family of an 11 year old child, Helio Muianga, killed by a police bullet in rioting 1 September 2010. The child was not taking part in the riots and was returning from school; 14 people were killed by police in the riots. The ruling was by the Administrative Tribunal, which first ordered the payment on 6 June. The Public Prosecutor's Office appealed, but Deputy Interior Minister Jose Mandra said the compensation would be paid. The appeal was withdrawn and the compensation order instated.

● **Low wages cannot be an excuse for police extortion** Interior Minister Alberto Mondlane, told a national police seminar in August. Wages in the lower ranks of the police do not exceed 7,000 meticaes (\$250) a month. Mondlane recognised that policemen work for low wages and under poor conditions – but he argued that these problems are endemic throughout the state apparatus. The Interior Ministry will purge the police of all those who illicitly demanded money from citizens.

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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 Diario de um sociologo: <http://oficinadesociologia.blogspot.com>

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