MOZAMBIQUE

Post-war socio-economic and political challenges

The current political context of Mozambique is informed by many factors, including changes in the ruling Front for the Liberation of Mozambique's (Frelimo) political manifesto since 1983 and the civil war of 1977–1992. These two factors have resulted in a strategic shift in the country's foreign and domestic policies.

From the mid-1980s the Marxist-oriented Frelimo government decided to replace its communist political, social and economic system with a Western-oriented system. On 30 November 1990 Mozambique adopted a new constitution that provided for a multiparty political system and exchanged its centrally controlled political economy for a market-oriented one.[2] These changes occurred amid pressure from international donors at a time when war-ravaged Mozambique was the poorest country in the world and heavily dependent on donors. The Frelimo regime was forced to make the changes due to the collapse of the country's economy against the backdrop of an intractable civil war. The strategic shift was also aimed at undermining internal and external support for the Mozambique National Resistance Movement (Renamo), which was Frelimo's opponent in the civil war. Although the General Peace Agreement (Acordo General de Paz) of October 1992 ended Mozambique's 16-year civil war, the ensuing political environment could be best described as one of 'armed peace', where Frelimo and Renamo traded accusations that the other was undermining the peace. For instance, Frelimo accused Renamo, the main opposition party, of maintaining a non-specified number of armed men in its former military bases,[3] particularly in those areas of the country where it retained control. This political impasse was resolved under the auspices of the United Nations peacekeeping mission in Mozambique (ONUMOZ). Renamo, for its part, charged that Frelimo was persecuting its members, and monopolising and abusing state resources to the disadvantage of the rebel-movement-turned-opposition-party.

The discordant relations between the two former enemies have continued to characterise Mozambique's internal politics. For example, in post-election periods Renamo customarily adopts an aggressive posture, using accusations of electoral fraud to hinder Frelimo's governance. In order to address such problems, the former president, Joaquim Chissano, used to invite the opposition leader, Afonso Macacho Marceta Dhlakama, to discuss the political impasse. However, the incumbent president, Armando Guebuza, seems to have adopted a different approach to this recurring political problem. Since his

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coming to power in 2004 Guebuza has hardly held any talks with the opposition. Perhaps this lack of dialogue between the Frelimo and Renamo leadership is one of the reasons why Renamo has become more aggressive than ever.

This paper critically analyses the socio-economic and political challenges facing Mozambique against the backdrop of unprecedented popular uprisings in North Africa, themselves inspired by socio-economic stresses. Many observers are wondering whether there is a potential for contagion into sub-Saharan Africa of this North African wind of popular demands for change. To this end, the paper examines the roles of Mozambique's main political players, the dynamics in the political arena, and the socio-economic and political challenges faced by the country. Mozambique's recent history is also briefly examined to put the analysis of current events and processes into a historical context.

SOCIO-CULTURAL CONTEXT

Mozambique's socio-cultural system is characterised by the existence of many pressure groups. These groups include civil society institutions, trade unions, universities, academics and the mainstream media. They constitute a growing critical mass and play a fundamental role in helping to deepen democracy in the country. The groups actively engage in current political discourse such as debates on corruption, poverty reduction strategies, climate change and environmental abuse, as well as the protection and promotion of human rights. Pressure groups such as the Parlamento Juvenil are involved in political debates concerning the morals and ethics of politicians and the setting of the Mozambican political agenda. Academics, artists and ordinary citizens use mainstream media like television, newspapers and magazines to express their views on various critical subjects and thus participate in political debates. In general terms, the mainstream media, whether commercial, publicly supported or government-owned, can be considered as a reference point for the country's political debate. There is also important, but small-scale political debate on issues like the ongoing and recent mid-term elections on social networking sites such as Facebook. Mobile phones were also crucial in the preparations for the events of 5 February 2008 and 1–2 September 2010, with the youth who participated in these events being mobilised by SMS days before. However, comparisons with North African countries that have experienced popular protests may not be suitable, as the country profiles are basically different.

Notably, donors are increasingly providing support for these pressure groups. They assist institutions such as the Instituto de Estudos Sociais e Económicos and Mecanismo de Apoio à Sociedade Civil to employ skilled locals who provide the necessary academic and technical support to advance the activities of these institutions. There is no consensus on the impact of donor and civil society support. Some consider that the impact is positive, as many changes are being influenced by these organisations and institutions, while others, more sceptical, argue that the impact is not visible and the work of non-governmental organisations (NGOs) and their partners is not significant. But basically this support is achieving results and these civil society institutions provide a form of third opinion on matters of national interest, e.g. human rights, sovereignty, education and environmental issues.

Meanwhile, the disproportionate economic differences among Mozambique's regions – South, Centre and North; Coast and Hinterland – are responsible for the movement of people from less-advantaged areas to wealthier zones. Many young people migrate from rural to urban areas in search of business and job opportunities. Table 1 shows the distribution of the country's average economically active population by region.

Table 1: Average population (15 years and older) in terms of economic activity (%)[4]

	Economically active population	Non-economically active population
Total	86,5	13,5
Rural	94,0	6,0
Urban	71,1	38,9

Source: Instituto Nacional de Estatística (INE), *Inquérito aos agregados familiares 2008/09*, Maputo: INE, 2009

Population mobility between the country's poor and richer regions has increased, especially in the post-war environment. A major result of this mobility has been the growth of informal settlements and commerce around cities like Maputo, the country's capital, and all the provincial capitals. The recent economic boom based on mineral resources such as coal in Tete Province in north-west Mozambique has, for example, resulted in a huge population growth and investments in other sectors such as transport and infrastructure.[5] A large number of skilled and non-skilled Mozambicans from different parts of the country as well as foreigners from neighbouring Zimbabwe, Zambia and Malawi have flocked to Tete.

POLITICAL ENVIRONMENT

The two major political parties – the ruling Frelimo and opposition Renamo – and their leadership dominate Mozambique's political environment. Frelimo, founded in Tanzania on 25 June 1962, led the decolonisation process from Portugal, resulting in independence in 1975. Notwithstanding the introduction of a multiparty system in the 1990s, Frelimo is still the main political force in Mozambique. The party maintains its dominance over

the political, economic and social set-up of the country. In 2004, after the general elections, when Guebuza was elected as national president, he adopted a continuity strategy[6] in terms of the policies of his predecessor, Chissano. However, from his second term starting in 2009, Guebuza introduced a new dynamic based on his new economic approach.[7] Generally, despite the differences in the governance styles of Chissano and Guebuza, Frelimo remains fundamentally unchanged in terms of how it rules the country.

As the ruling party, Frelimo faces significant challenges, including the need to:

• Adopt more effective poverty alleviation strategies
• Implement concrete bread-and butter policies
• Reduce the country's dangerous dependence on external commodities such as oil and cereals
• Decrease its heavy dependence on external donors
• Reorganise the economy in order to reduce the informal sector's pressure on the formal economy[8]
• Reduce urban poverty and improve the socio-economic position of the population at large[9]
• Fight corruption at all levels[10]
• Combat the growing and diversifying crime in the country

The group of 19 international donors, the so-called G-19, also plays an important role in Mozambique's politics. Although the international donor community claims to follow a non-interventionist approach in its relations with the Mozambican government and to respect the country's sovereignty, the G-19's exertion of pressure on the Frelimo government in matters concerning the management of external aid is well documented.

Mozambique is highly dependent on international development aid. Like other countries reliant on development funds, it is therefore vulnerable to and heavily influenced by external pressure. Donor development partners fund about 51% of the country's national budget. This compromises the sovereignty of the country in terms of its ability to plan its own budget:[11] given the amount of influence that donors have over the state budget, they are able to interfere in domestic policies and the general management of the system. Often they explain their intervention in terms of the mismanagement of funds.[12] Donor pressure on the government is aimed at implementing effective measures to make the state stronger and more effective. For example, donors ask for the implementation of an anti-corruption law.

The government's grievances against the G-19 revolve around international donors' disregard for the principles of national sovereignty and non-interference. Moreover, donors are acting as a de facto opposition, regularly confronting Frelimo and the government on issues such as security, corruption and development. The international donor community also provides backing for civil society to act as government watch dogs. The relationship between donors and the government is characterised by the former's biased perception of the ruling Frelimo as a one-partyist, pro-Soviet, Marxist, popular movement. This means that the transformations that have taken place in the country's political framework are simply ignored.

Table 2: Mozambican general elections results, 1994–2009

Presidential (%)				
Candidate	1994	1999	2004	2009
Chissano	53,3	52,3	Guebuza, 63,7	74,0
Dhlakama	33,7	47,7	31,7	16,0
Others			Raúl Domingos, 2,73	Deviz Simango, n/a
Legislatives (number of seats in parliament)				
Party	1994	1999	2004	2009
Frelimo	129	133	160	191
Renamo	112	117	90	49
União Democrática	9			MDM 8
Municipalities (number of municipalities won)				
Year	1998	2003	2009	
Frelimo	33	28	42	
Renamo	0	5	0	
Independents	0	0	1	

Sources: Centro de Integridade Pública, http://www.cip.org.mz/election2009/ndoc2009/287_Apuramento_Geral_2009.pdf; Macua blog, http://macua.blogs.com/moambique_para_todos/eleies_dezembro_2004/

Meanwhile, Renamo, founded in what was then Rhodesia (now Zimbabwe) in 1975,[13] has as its main political gain the fact of its having challenged Frelimo's popular governance following independence and initiated a process that modulated the political dynamic in Southern Africa. After signing the General Peace Agreement of October 1992 with Frelimo, Renamo became more significant in the country's political affairs. It gained momentum and began competing with Frelimo in its attempts to change from an armed opposition into a civil political party in the new multiparty political environment created by the 1990 Constitution. The party emerged as a political alternative for many Mozambicans opposed to the political agenda of the ruling Frelimo elite. However, soon Renamo encountered new obstacles.[14] In four consecutive general elections held in 1994, 1999, 2004 and 2009 it failed to oust Frelimo from power (see Table 2). Renamo also lost in the 1998 municipal elections, won five cities in 2003, lost again in 2009, and did not participate in the mid-term elections in 2010. A significant electoral gain, however, was winning the control of the Beira Municipality in the central region of the country in the 2003 local elections.

Renamo attempted to boycott parliament in 1994 and in 2009 after the party lost the general elections. Renamo's strategies and dynamics are closely linked to the character and personality of its leader, Dhlakama.[15] Support for Renamo and the popularity of the party's leadership are fading rapidly. After Dhlakama's defeat in the 2009 elections he went into political hibernation.[16] He secluded himself in the northern province of Nampula, which is far from his supporters, and generally disappeared from public events, failing to participate in the State Council and other aspects of national political activities and the country's democratic processes. Sporadically he appears in the media, more due to journalists' intervention than on his own initiative or that of the party, presenting during these random appearances low-key political speeches and statements that are of no interest to national politics, e.g. (1) his refusal to accept the election results; (2) that he bought new furniture for his home according to his political status; and (3) commenting on the words of Almeida Santos (of the former Portuguese Socialist Party and president of the parliament) on his role in the national political context.[17] However, he has retained the management of the party's structures and activities.

Recently, Dhlakama reappeared in political life with an intimidating speech threatening to (re)start a civil war in Mozambique. Although the reasons are not clear, Dhlakama often accuses Frelimo of pushing Renamo to war due to the ruling party's 'exclusive governance strategy'. Analysts believe that his attitude is linked to his intention to strengthen his political position in the country in general and among his party's cadres and sympathisers in particular. He essentially aspires to relaunch himself and Renamo as key political actors and to bring the ruling party to the table to renegotiate the General Peace Agreement.[18]

Notwithstanding the challenges affecting the party, Renamo still remains an important role player with enormous responsibilities in terms of the greater political future of the country. The party continues to represent a potentially politically viable alternative to Frelimo's rule. In order to play this role effectively, Renamo must abandon its conflictual and war-mongering strategy; discuss the country's priority issues such as poverty, development and corruption; and implement a decentralisation process in order to implement its strategies at the local level effectively.[19]

Transformations that have taken place in the country's political framework are simply ignored

Dhlakama's relocation to Nampula diminished his role in the country's political affairs and opened up space for emerging opposition leaders to consolidate their positions.[20] The media also played a great role in the emergence of some of these leaders.[21] For example, against this background some senior members split from Renamo and were joined by the party's supporters in the central region of Beira to create the Democratic Movement of Mozambique (MDM) in 2009. Some observers see the MDM and its president, Deviz Simango, as representing an option in Mozambique's erstwhile bipolar political system. The party can play a balancing role between the two main political parties by supporting the position of either party in parliament according to its (the MDM's) political interests and national vision.

Deviz Simango, the mayor of Beira, who is considered a person with exceptional management and political skills, is arguably the party's main asset. However, his political activities remain limited to the capital, Maputo, Beira and Quelimane, undermining the MDM's capacity to broaden its national support base. Despite being the third major national political force, the MDM's origins from a Renamo split significantly affect its chances of assuming power. Its senior members are literally over-the-hill politicians with nothing substantive or new to offer besides eking out their own political longevity. It will, therefore, be difficult for the party to outline a viable political manifesto and establish a national presence in the short to medium term.[22]

Strategically, however, the MDM enjoys the privilege of being distinct from the older parties – Frelimo and Renamo – that have traditionally dominated the country's political scene. The party also looks to represent youth interests.[23]

The MDM also faces similar challenges to Renamo's, apart from the latter's belligerent speech. In addition, the MDM has the following challenges: creating a post-war generation of politicians with a much broader view of the country's challenges; adopting a positive posture relative to the different interest groups in the country; and avoiding violent political strategies.

As we have seen, the political environment in Mozambique is characterised by ineffective opposition political parties that lack a solid ideological base around which support for them could coalesce. Notwithstanding their importance in advancing the country's democracy, opposition parties face enormous challenges and are dominated by individual and ethnic interests.[24] This has resulted in the ruling party effectively monopolising all attempts to find solutions to the country's problems and designing paths to prosperity without any substantial contributions from other political perspectives. The absence of a solid ideological base among opposition parties has undermined the potential for a concrete debate on the country's development strategies. The gap created by the absence of formidable opposition parties with a clear political agenda has left room for the media, civil society and some patriotic individuals (academics, artists and ordinary citizens) to assume oppositional roles.

POVERTY, THE ECONOMY AND POLICY FORMULATION

A significant feature of the structure and dynamics of Mozambique's economy is the country's weak formal sector, as shown in Table 3. The informal sector absorbs most of the workforce, as compared to the formal sector. This is a key feature of the country's main cities of Maputo, Beira and Nampula, where the majority of the active population are busy with various types of informal schemes.

Table 3: Employment in Mozambique (%)

Sector	North	Centre	South
Formal	1,3	2,9	3,6
Informal	25,6	34,3	15,6
Unemployment	5,5	5,3	6,2

Source: http://www.indexmundi.com

As mentioned earlier, the links between the economic discrepancies in Mozambique's regions and high population mobility are responsible for the growth of informal mechanisms and social networks.[25] Informal economic activities, legal or not, have resulted in the accumulation of wealth and the enrichment of considerable sections of the urban population.[26]

In urban areas there is considerable discontent, especially among the youth, due to the lack of opportunities and massive unemployment. The informal sector absorbs not only people who are unable to get formal jobs, but also people who have to fight with authorities on a daily basis to survive. The latter sell counterfeit and smuggled products in informal markets in Maputo and are constantly under threat from the authorities.

Table 4: Unemployment rates by legal general and national definition, 2004/05 (%)

Unemployment categories	Rural	Urban	Total
a. Searched for work actively	0,3	8,4	2,9
b. Did not search for work actively	1,0	12,6	4,7
a+b: International definition (International Labour Organisation)	1,3	21,0	7,5
c. With sustainable job	11,7	10,0	11,1
a+b+c: National definition	12,9	31,0	18,7

Source: Instituto Nacional de Estatística (INE), *Inquérito final integrado à força de trabalho (IFTRAB 2004/5): relatório final*, Maputo: INE, 2005, 43

Table 5: Economically active population unemployment rates (%) from age 15 by residence, sex and age groups

Age group	Total			Urban			Rural		
	Total	M	W	Total	M	W	Total	M	W
Total	69,1	73,6	65,2	54,2	64,8	44,1	76,4	78,3	74,9
15–19	**39,7**	36,7	42,5	**19,5**	21,8	17,2	**51,5**	45,9	56,6
20–24	**62,9**	67,4	59,4	**44,0**	55,3	33,8	**74,6**	75,9	73,7
25–29	**75,1**	83,3	68,2	**62,7**	78,9	47,1	**81,7**	85,9	78,3
30–34	**80,0**	87,9	73,1	**70,7**	86,7	55,8	**84,2**	88,4	80,7
35–39	**81,8**	88,7	75,9	**73,7**	87,7	60,8	**85,4**	89,1	82,3
40–44	**82,9**	88,6	77,4	**76,2**	87,5	64,7	**86,1**	89,2	83,3
45–49	**83,6**	88,6	78,8	**77,1**	86,9	66,3	**86,6**	89,4	83,9
50–54	**81,0**	86,7	77,4	**73,7**	83,2	64,3	**84,8**	88,4	82,2
55–59	**80,5**	85,5	76,0	**70,3**	79,1	61,2	**84,2**	87,9	80,9
60–64	**76,0**	81,0	71,6	**62,3**	69,5	55,4	**80,6**	85,1	76,8
65–69	**73,3**	78,4	68,7	**55,9**	61,5	50,8	**78,5**	83,4	74,1
70–74	**66,5**	72,7	61,0	**47,2**	52,7	42,8	**72,8**	78,8	67,2
75–79	**63,9**	70,7	57,6	**43,4**	49,9	38,4	**69,8**	76,0	63,8
80+	**53,2**	63,0	44,9	**32,8**	43,2	26,0	**58,5**	67,3	50,5

Source: Instituto Nacional de Estatística (INE), *III Recenseamento geral da população e habitação 2007: indicadores sócio-demográficos, Moçambique*, Maputo: INE, 2010, 27

POVERTY-FIGHTING STRATEGIES AND PUBLIC POLICIES

There is a considerable range of government anti-poverty strategies like *Plano de Acção de Redução da Pobreza Absoluta27 Agenda 2025*, *Objectivos de Desenvolvimento*

do Milénio, Plano Económico e Social and *Fundo de Iniciativas Locais*.[28] Provincial plans and public-private partnerships have also been crafted, but there is a consensus that these have been ineffective.[29] Various international NGOs like World Vision, Save the Children and Action Care have made inputs into these programmes while funding agencies such as the US Agency for International Development, the Australian Agency for International Development, the UK Department for International Development, the Norwegian Agency for Development Cooperation and Irish Aid have funded others.

In terms of public policies, the ruling party's efforts seem not to be enough to minimise the problems of a majority of the population, even though, for different reasons, the country poverty levels are reducing. On the other hand, poverty is categorised in terms of the urban/rural divide. Significant efforts by the Frelimo government to address rural poverty have been relatively successful. These efforts received a major boost when President Guebuza came up with the 7 Milhões initiative, which is a fund given to districts and other regions to boost local development through funding and support for small business and entrepreneurship at the district level as a way of expanding the country's poverty-fighting strategies by empowering individuals and supporting groups, ideas and projects. Meanwhile, urban poverty is one of the most dangerous challenges facing the government, since it is directly connected to social unrest and political dynamics such as elections and political support. In response to this, the Frelimo government recently approved the extension of the *Fundo de Iniciativas Locais* (see footnote 27) to urban districts.

The government expects that in the future mega-projects can contribute more to the state and help reduce poverty levels and the country's heavy dependence on external aid.[30] In this context there is a very active debate involving academics, politicians, NGOs, and international organisations over the role and weight of these mega-projects in Mozambican society. Many questions need to be addressed, including that of the extent to which these projects are effective in creating wealth and how they benefit the population at large. It is also important to question whether these projects are not taking advantage of the country's weak regulatory framework, particularly in terms of the environment and other related areas.

CHALLENGES FACING THE SYSTEM

Importer par excellence

Mozambique presently imports a considerable amount of food and other essential products for its population of about 24 million from diverse sources (see Tables 6–9). The civil war, which affected the country from the early 1980s until the beginning of the 1990s, impacted negatively on its economy.[31] The conflict destroyed Mozambique's agricultural system and, as a result, made the country highly dependent on imports. The situation worsened when Mozambique opened its market to the Southern African Development Community (SADC), resulting in its having to compete with countries that are relatively more developed such as South Africa. The sub-regional market has a significant impact on the country's industry and economy. Major role players in this are able to influence Mozambique's domestic system because they provide services that are not found in the country.

Table 6: Balance of trade, 2006–10 (in millions of USD)

Year	Exports	Imports	Balance of trade
2006	2 381,13	2 869,33	−488,20
2007	2 412,12	3 049,75	−637,62
2008	2 653,30	3 803,62	−1 150,32
2009	2 147,18	3 764,20	−1 617,02
2010	2 333,25	3 863,67	−1 530,42

Source: Instituto para a Promoção das Exportações, Excel spreadsheet, 2010

Table 7: Main commercial partners: exporters, 2010 (in millions of USD)

Country of origin	Amount	Proportion (%)
Total	3 863 669	100,00
South Africa	1 978 044	51,2
Netherlands	639 348	16,5
Portugal	310 560	8,0
People's Republic of China	219 980	5,7
Japan	213 967	5,5
United Arab Emirates	91 705	2,4
Malawi	57 622	1,5
Thailand	55 974	1,4
India	42 419	1,1
Italy	42 419	0,7
Others	228 028	5,9

Source: Instituto para a Promoção das Exportações, Excel spreadsheet, 2010

Economically, the system faces many challenges, including continuous price increases for basic commodities and services such as public and private transport. This leads to the occurrence of unpredictable events, including food riots and other forms of social unrest, causing disorder in the system. Often, the public transport system is affected and the *chapas*,[32] which provide transport for the majority of the population, shorten their routes. This generates more pressure on the public transport system offered by the government.

Table 8: Main commercial partners: importers, 2010 (in millions of USD)

Country of destination	Amount	Proportion (%)
Total	2 333 250	100,00
Netherlands	1 189,175	51,0
South Africa	504,279	21,6
Portugal	109,237	4,7
People's Republic of China	90,264	3,9
Zimbabwe	74,955	3,2
Spain	39,437	1,7
India	34,703	1,5
United Kingdom	31,849	1,4
Kenya	29,387	1,3
Malawi	27,279	1,2
Others	202,686	8,7

Source: Instituto para a Promoção das Exportações, Excel spreadsheet, 2010

Table 9: Main imported products, 2010 (in millions of USD)

Products	Total per annum	Proportion (%)
Description	3 863,670	100,00
Mozal products	616,923	16,0
Machinery	552,539	14,3
Oil	348,470	9,0
Automobiles	320,838	8,3
Cereals	201,303	5,2
Electricity	157,427	4,1
Petrol	120,340	3,1
Medicines	59 723	1,5
Sasol products	24,628	0,6
Kenmare products	5,558	0,1
Beverage	1,941	0,1
Sugar	3 997	0,1
Others	1 449,983	37,5

Source: Instituto para a Promoção das Exportações, Excel spreadsheet, 2010

A crisis of values

From 1962 to 1992 the country was wracked by civil conflict, some periods of which negatively affected its moral, ethical, and traditional structures and values. Globalisation has added Western individualism to the social mix, in opposition to the African focus on social relations. This has resulted in the growing demoralisation and degradation of the values and ethical pillars of many traditional Mozambican communities and society as a whole. Respect for the elders, traditional institutions or other people's property is no longer the norm, and the contrary rules. Traditional and cultural structures are being replaced by new ones based on materialistic values. One of the most dangerous consequences of the long conflict period was people's exposure to daily, violent deaths. In consequence, disrespect for life is common.

CONCLUSIONS

The foregoing illustrates the less than ideal state of Mozambique's political and economic situation. Among the many economic and socio-political challenges affecting the country, the key issues are the state of the country's democracy; mega-projects; corruption; security; justice; and human rights. On these and other issues the contributions of all the country's citizens are essential.

There is a direct relationship between the economic, political and social issues facing the country. A simple price increase can generate a domino effect that can develop rapidly from social unrest into political crisis. Both subjective and objective factors are linked to Mozambique's economic profile, while problems include the country's lack of sovereignty because of over-dependence on donor aid and economic giants in the region such as South Africa.

Besides this, several internal factors need to be taken into consideration to avoid future crises. Key steps that should be taken include the following:

- Political parties must reinvent themselves in order to deal with the country's most important challenges such as poverty, development and corruption.
- The current strategy of the state must be abandoned because it does not allow productive feedback and raises questions on corruption and the mismanagement of state assets.
- Society must find new ways to overcome the absence of a credible and strategic political class.
- Dhlakama and Renamo should immediately abandon their violent and threatening rhetoric as a political strategy to gain political advantages or force a political dialogue with Frelimo, while Frelimo must in turn widen its political approach and be more open to the opposition and new ideas in order to broaden its view on how to manage the country.

The absence of a political alternative to Frelimo is the biggest political challenge facing Mozambique, as Frelimo does not seem to be changing or adapting itself to the new realities and Renamo remains backward in its thinking.

Externally, the current Mozambican situation may also negatively influence the region. A long-term crisis in the country could result from a clash between the former

enemies (Frelimo and Renamo), from growing social discontent or from a variety of other factors, resulting in Frelimo losing control of the country. Such a crisis could negatively affect the entire SADC region.

NOTES

1   Mr Rafael Shikhani is the Executive Coordinator of Papyrus (*Centro de Estudos Estratégicos),* which is a local NGO working on Democracy, Security and Development in Mozambique. He holds an Honours degree in history from the Eduardo Mondlane University, focusing on the Mozambican civil war. The author is grateful to the various reviewers of this paper, particularly Dr Gwinyayi A. Dzinesa and Dr Issaka K. Souaré from the ISS, whose reviews and comments helped to improve the quality of the paper.

2   For further reading, see, B Pequenino (ed.), *Evolução Constitucional da Pátria Amada*, Maputo: Instituto de Apoio à Governação and Desenvolvimento, 23–30; Mozambique, *Boletim da República* I, 30, July 1986; and Mozambique, *Decreto Presidencial*, 62/86 of 26 July 1986.

3   The most famous case is its former central base in Maríngue, Gorongosa district, Sofala Province. It is possible that the party may have had other arms caches in its former bases in the country.

4   Income activities include working in the civil service (local and central administration) and for public companies like Telecomunicações de Moçambique, Televisão Pública de Moçambique, Caminhos de Ferro de Moçambique and others; being self-employed; working as domestic workers; in cooperative sectors; as peasants; as fishermen; in extractive and manufacturing industries; in transport; in construction; and others.

5   This has occurred since the end of the war. But investments in the infrastructure of the area did not match the number of heavily laden trucks using the corridor. After the first roads programme in 1995 the government made improvements in the road in the Vandúzi–Changara section in 2008. It is relevant to note the huge improvements that investments in the coal industry in Tete are making in the economy in the corridor, with a positive impact and influence in neighbouring countries.

6   Frelimo has a slogan – *Renovação na Continuidade* (renewal based on continuity) – meaning that any change in the political direction of the party or the country would not be radical. Mainly this strategy states that, for example, any change made by Guebuza should not be so radical as to change the country's dynamic. This strategy is supposed to ensure the transition from one leader to another without any visible changes in the leader's style of governance. For example, after independent Mozambique's first president Samora Machel's death in Mbuzini, South Africa in 1986, Frelimo nominated Chissano, who maintained the basic structure of Samora's governance (continuity) and slowly introduced significant innovations (renewal) that would not have been possible if they had been introduced too quickly.

7   Guebuza's economic nationalism and its attempts to boost the economy are based on the creation of a local bourgeoisie or class to act as balance in the foreigner-dominated environment.

8   Informal networks and schemes have negatively impacted the formal economy through illegal activities such as the bribery of customs officials and the police, illicit cross-border trade in goods by criminal networks, non-declaration of goods, and non-payment of taxes and duty.

9   Urban poverty is more critical than the other challenges because in the cities there are many ways for social advancement and the more people from the lower echelons of society climb in the social scale the more they question the status quo and the establishment. This may result in a *conflict generation*, with younger people questioning, for example, the legitimacy of elected officials who fail to deliver. It is easier for people far removed from political power or influence such as the youth to question their leaders. Urban poverty ignites a process of s*ectarianrisation*. For example, in the big cities like Maputo, Nampula and Beira, those who live in the central areas are known as *urbans* and others in settlements are known as *suburbans.* The main dividing factor is that state/municipal services are only delivered in urban areas. This discrimination creates a sense of what are known as *sons* and *stepsons*, where some are full citizens (with rights and duties, but more rights than duties) and others half citizens (with duties, but no rights at all). There is also a sense that the *urbans* are linked in one way or another with Frelimo structures (political, economic or social) and benefit from these.

10 This is one of the most significant of Frelimo's weaknesses, as donors often confront the government with proof of the misuse of foreign aid. State maladministration is wide spread and as state employees are linked to the ruling party, this becomes a Frelimo problem. Some observers claim that donors are actually acting like the opposition in Mozambique.

11 Due to the weight of external aid given by donors, national priorities are established in terms of the donors' point of view, ignoring the country's perceptions of such priorities.

12 The group did not in effect make an official statement on this particular subject, but the Swedish ambassador at the time made an intervention on the subject, among other issues, at a private university, where he was supposed to talk about his country's development policies. He made clear in a subliminal message that his country was not happy with Mozambique's approach. The reactions can be also seen in a group of articles by local journalists at http://www.opais.co.mz/index.php/component/content/article/90-jeremias-langa/5616-g19-governo-e-soberania.html, where the authors discuss the fact that the country's sovereignty lies in donor hands. Other developments on this issue can be found at the following links: http://eprints.lse.ac.uk/28295/1/WP15JHanlon.pdf; http://mg.co.za/article/2010-07-01-donors-put-brakes-on-mozambique-aid; http://adpm.pbworks.com/f/David+Plank+-+Aid,+Dedt+and+the+end+of+Sovereignty.+Mozambique+and+its+Donors.pdf; http://www.oecd.org/dataoecd/26/9/45019356.pdf; http://allafrica.com/stories/201110210568.html; and http://maputo.usembassy.gov/uploads/images/q3naBGGSYz8BsCXguSD5Pw/

Final_Report-Mozambique__Corruption_Assessment-without_internal_rec.pdf.

13 To understand the dynamics around this movement and counter-insurgency in Mozambique, see K Flower, *Serving secretly*: *an intelligence chief on record, Rhodesia into Zimbabwe 1964–1981*, London: John Murray, 1987.

14 The key issue and Renamo's Achilles Heel is to transform itself into a political party; others are: (1) the absence of a political agenda including alternative approaches to the country's main challenges; (2) the absence of a 'democratic culture' within the party (the bodies, statutes and norms are inoperative, and only subsist according to the will and interests of the party's president); and (3) the lack of democracy within the party. The party's and country's main issues are not discussed or debated within the bodies and organs of the party, the last party congress was held in 2001 yet it is supposed to be held every five years. In the period between congresses the National Political Council is the top party body, but meets randomly when it suits Dlhakama. Due to those obstacles, some members, including the academic group formed by Ismael Mussá, Manuel de Araújo, João Carlos Colaço, Linette Olofsson and others who fought with the party's guerrilla wing, are trying to introduce changes in the party.

15 Dhlakama assumed leadership of the party in 1979 following the death of its founder, André Matade Matsangaíça.

16 Dhlakama's self-imposed exile from active political life could have been motivated by several factors, including the party's constant electoral defeats, intra-party conflicts or challenges posed to his leadership. These leadership strategies and the playing of alliances off against one another throughout the hierarchy of the party is in keeping with the party's history from its early days as a guerrilla movement.

17 Rádio Televisão Portuguesa, 12 July 2010.

18 The reduced number of Renamo parliamentary seats implies the reduction of its funding by the state. On the other hand, the party suffers from the autocratic persona of its leader and favours its closest cronies and allies, excluding others from benefiting from the sharing of the national cake (e.g. the former Renamo guerrillas in the party's former central base in Maríngue survived for months without any salary or pension).

19 Renamo has consistently resembled a stubborn spoiler insisting on direct negotiations with the ruling Frelimo while boycotting some of the country's recent political events such as the mid-term elections in Cuamba, Pemba and Quelimane on 7 December 2011 and in Inhambane on 18 April 2012.

20 At the time the media 'proposed' surrogate political actors, e.g. Deviz Simango, for a key role in the opposition (he was the third-most-voted-for candidate). Frelimo ratified this strategy; Guebuza invited him to a ceremony at the Presidential Palace after the elections. The MDM also has taken advantage of Dhlakama's political absence, e.g. by holding its National Political Council meeting in Maputo.

21 These opposition leaders include João Massango (Partido Ecologista), Miguel Mabote (Partido Trabalhista), Carlos Jeque (Independent) and Yá-Qub Sibindy (Partido

Independente de Moçambique). The last two have been well integrated into the country's political context since the early 1990s, but many of their detractors dismiss them as Frelimo puppets.

22 For example, in the recent mid-term municipality elections the MDM negotiated with former senior Renamo members to stand on the MDM card. In Cuamba the party was represented by Maria Moreno, former head of Renamo in parliament, and in Quelimane by Manuel de Araújo, also a former Renamo member and parliamentarian. De Araújo won in Quelimane, but does he represent the MDM political agenda and might he apply what are essentially Renamo policies, or does he represent a new political approach?

23 Despite his links to the decolonisation process – Simango is the son of Rev. Urias Simango, Frelimo vice-president from 1962 to 1969 – his party links and political basis are weak. As mentioned above, MDM members are mainly originally from Renamo and Frelimo. In this context, considering a situation where hypothetically MDM won the general elections, his term in office would be marked by the introduction of a plural government and would be vulnerable to political crises due to the origins of its members. The party's strategies to gather 'young voters' are based on two mains factors: its lack of historical links to Frelimo and to Renamo's role in the country's democracy (effectively the further people are from historical processes such as the liberation struggle the less these processes mean to them); and the fact that most of the country's voters were born after the General Peace Agreement, which was signed in 1992, and their aspirations are more in terms of bread-and-butter issues and less political, i.e. they demand jobs, schools and health care.

24 The higher ranks of Renamo, the MDM and other mushroom parties were dominated by this conflict of interests: a certain ethnic group, mainly related to the president or founder of the party, tries to win all key positions, and the dynamics around this phenomenon dominate and guide the parties' daily life and undermine their role in the country's political arena, giving more space to Frelimo to work without a visible opposition. Effectively, the opposition only makes itself felt during electoral periods.

25 Sociologically, we understand *social networks* to be a wider and comprehensive web of people, interests, dynamics norms, regulations and finance that characterises the informal sector. Even family interests among them are part of this system.

26 A considerable part of Mozambique's urban population are not urban in the strict sense and are linked to rural areas: most of them are first- or second-generation urban dwellers with strong ties to their rural origins. Even their family structure and numbers are much related to the rural type (around five to seven persons), and some embark on various types of schemes to survive or merely work in what is commonly defined as the informal sector. These schemes, including those in the informal sector, are not necessarily legal, and as a result new kinds of wealth and new enrichment processes are emerging. This is an important issue and needs further study from a a sociological and economic perspective.

27 Now it is just *Plano de Acção para Redução da Pobreza* – the *Absoluta* has been taken out. It is a common approach to discuss, review and renew the strategies instead of implementing them.

28 It was earlier known as *7 Milhões* (7 Million), which is a fund distributed by the government to the districts to help local entrepreneurs and small business. The fund's core business is to fund initiatives and entrepreneurship at the district level, creating space for local development and boosting local dynamics in rural areas. The initiative broke the country's long-established dependence on the central government. But its detractors argue that it initiated a dynamic of corruption and nepotism at the district level. Geographically and administratively, Mozambique's provinces are divided into districts or municipalities (it is not mandatory that a district is a municipality). The municipalisation process in Mozambique is new and has been implemented since 1998.

29 Recently the Dutch ambassador in Mozambique, Frédérique de Man, noted that the country's poverty levels have not changed significantly recently despite significant economic growth (around 7%). She said that 'when the national *Inquérito sobre o Orçamento Familiar* (inquiry into the budget) figures came out, I felt sad. I thought that was a common responsibility: donors and government. We must ask ourselves what we did wrong, where we have failed. Through all these years we have clearly missed something: agriculture.' (Espera-se que o orçamento de Estado seja feito dos impostos dos mega-projectos em 2020, *Savana*, 27 January 2012, 2).

30 Mozambique's national budget is 51% funded by international aid. The government expects that in 2018 the national budget will be fully provided by Mozambique from mega-projects and other economic sectors, including taxes paid by the citizen.

31 The long period of armed conflict (Mozambique's Liberation War, 1962–75; Zimbabwe's liberation war [Second Chimurenga War] 1966–79; the Civil War, 1977–92) negatively affected relations among Mozambicans, including economic relations. The developing conflict in the country and the wider region (the liberation war in Zimbabwe and the struggle against apartheid in South Africa) practically stopped all economic activity After the conflict, with most of the transformation industries (cashew nuts, rice, mills, clothes factories and cotton fields and fabrics) being shut down on World Bank and International Monetary Fund instructions, thousands of workers became unemployed. The development of the country's informal sector is one of its most important challenges. Known as 'life-saver' by many, the sector includes all the activities not formally registered with state institutions, even though people such as street vendors pay a daily tax to the municipality for space use. They are the saviours of the poor because anything can be found in the informal market at affordable prices, and prices can often be bargained down. The informal sector forms a complex web of interests responsible for the erosion of the state apparatus, procedures and norms. De facto, however, the informal sector also represents a visible form of the huge and complex relations supporting corruption, eroding local schemes for economic development and diverting their benefits to neighbouring countries. Any analysis of societies with a profile similar to Mozambique's should not leave this sector out of the equation. Careful scrutiny of the sector could reveal important dynamics in a variety of areas: from economics, politics, and the cultural and sociological dynamices of society, to crime, corruption and trafficking (organs, people, smuggled and counterfeit goods), to other dynamics. On the other hand, the formal sector, subject to various taxes, offers prices not affordable to many pockets. The choice of the informal sector is not only due to its affordability, but also to other reasons such the ability of consumers to buy goods at any time of the day or week, while the formal sectors operates according to a fixed business schedule that does not bind informal operators. But the informal sector has its own problems. Most of the non-perishable products sold in the informal sector are mainly acquired via theft, counterfeiting or smuggling. So the informal sector constitutes one of the biggest challenges to the country's economic system by threatening its economic solutions, while socially it undermines the rules and norms that govern a properly functioning society.

32 Private mini-buses that provide transport between city suburbs.