

PITFALLS OF NATIONAL DEVELOPMENT AND RECONSTRUCTION:  
AN ETHICAL APPRAISAL OF SOCIO-ECONOMIC TRANSFORMATION  
IN POST-WAR MOZAMBIQUE

by

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## TABLE OF CONTENTS

Acknowledgements .....	v
Abbreviations .....	vi
Summary .....	viii

### **Chapter One**

#### ***Prolegomena***

1.1	Moçambique: Geographical Situation .....	1
1.2	Defining the Problem and Thesis .....	1
1.3	Method of Approach .....	5
1.4	Limitations .....	7
1.5	Theoretical Frame of Reference .....	10
1.5.1	Wholeness of Life .....	11
1.5.2	Human Dignity .....	13
1.5.3	Sense of Community .....	14
1.5.4	Liberation .....	15
1.5.4.1	Historical consciousness .....	15
1.5.4.2	The social context .....	16
1.5.4.3	Preferential option for the poor and oppressed .....	18
1.5.5	Additional Socio-Ethical Values .....	19
1.5.6	Justifying the Theoretical Frame of Reference .....	21
1.6	The Importance of the Study .....	22
1.7	Structural Organisation .....	24

### **Chapter Two**

#### ***A Brief Historical Retrospect of the Socio-Economic and Political Milieu***

2.1	Introduction .....	25
2.2	The Socio-Economic Conditions in the Context of Colonial Exploitation .....	26

2.2.1	The Draining Nature of Portuguese Colonial System -----	26
2.2.2	Labour Migration and Forced Labour: <i>Chibalo</i> -----	27
2.2.3	Development Programmes, The Settler's Influx, Job, Education and Racial Discrimination -----	30
2.2.4	Economic Sabotage and the Flight of Human Capital -----	33
2.3	Mozambique Under Frelimo -----	34
2.3.1	Intervention -----	35
2.3.2	Unexpected earnings -----	35
2.3.3	A success story? -----	35
2.4	Destabilisation -----	36
2.4.1	Internal Destabilisation -----	36
2.4.2	Rhodesian and South African Destabilisation -----	48
2.5	The Turn to the West -----	41
4.4.1	A Cold War Battleground and the West's Hostility -----	41
4.4.2	Religious Groups: Partakers in Scandal -----	43
2.5.3	End of Hostility? -----	45
2.6	Aid Invasion -----	46
2.6.1	The Landing of Aid -----	46
2.6.2	Non-Governmental Organizations? -----	47
2.7	Programa de Reabilitação Económica-PRE -----	50
2.7.1	Towards PRE -----	50
2.7.2	The Reforms and Objectives of PRE -----	51
2.7.3	The Social Impact of PRE -----	53
2.8	Summary and Conclusions -----	53

### **Chapter Three**

#### ***Socio-Economic Reconstruction, Foreign Opportunism and Social Disintegration in Post-War Mozambique***

3.1.	Introduction -----	56
3.2	National Reconstruction Plan: Picking Up Pieces -----	56
3.3	Important Development Indicators -----	61
3.3.1	Macro-Economic Indicators -----	61
3.3.2	Social Indicators -----	61

3.4	Participants in the Mozambican Economy -----	62
3.4.1	The Role of the State -----	62
3.4.2	The Role of the BWIs -----	64
3.4.2.1	World Bank and SAPs -----	64
3.4.2.2	IMF and EST -----	66
3.4.3	NGOs and Donor Community: Partners in Scandal -----	69
3.5	A Socio-Economic Paradox? -----	72
3.6	The Socio-Economic Impact -----	75
3.6.1	Decline of Domestic Industry and Commerce -----	75
3.6.2	Social Disintegration -----	77
3.6.2.1	Aspirants to the bourgeoisie status -----	78
3.6.2.2	Inequality -----	79
3.6.2.3	The collapse of civil services -----	80
3.7	Return to Colonialism? -----	83
3.7.1	Strangers in Our Own Mother Land -----	84
3.8	Whose Reconstruction and Development? -----	88
3.9	Summary and Conclusions -----	91

## **Chapter Four**

### ***Towards an Ethically Meaningful Approach to Reconstruction and Development***

4.1	Introduction -----	93
4.2	Illusions of the BWIs Market Ethics -----	93
4.2.1	Self-interest -----	94
4.2.2	Myopia of Profit -----	95
4.2.3	Individualism -----	96
4.2.4	Perverted Economic Growth -----	96
4.2.5	The Myth of Efficiency -----	97
4.2.6	Illusory Neutrality -----	98
4.3	The Fundamentalist Spirit in the BWIs' Economic Liberalism -----	99
4.3.1	The Theology of SAPs and EST -----	100
4.3.2	Servant of the Text -----	102
4.3.3	Dispensationalism -----	103

4.3.4	Theology of Sacrifice -----	104
4.3.5	Filling in the Gaps -----	105
4.3.6	Justification by Correct Statement -----	106
4.4	A Brief Moral Evaluation from an African Perspective -----	108
4.4.1	The Wholeness of Life -----	108
4.4.2	Human Dignity -----	109
4.4.3	Sense of Community -----	110
4.4.4	Personalism -----	111
4.4.5	Liberation -----	111
4.4.6	Other Moral Values -----	112
4.5	Toward a Development Ethic for Meaningful and Just Reconstruction and Development -----	113
4.6	Conclusion: <i>Nyandhayéyô, Hi ta Ya ka Mani!</i> -----	119

## **Chapter Five**

<b>Summary and Conclusions</b> -----	122
<b>Bibliography</b> -----	127

## **List of Tables**

<b>Table 3.1</b> Macro-economic Indicators -----	73
<b>Table 3.2</b> Social Indicators -----	75
<b>Table 3.3</b> Distribution of Income -----	80

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## ***Abbreviations***

ADRA	Adventist Development and Relief Agency
BCM	Banco Comercial de Moçambique (Mozambique Commercial Bank)
BoP	Balance of Payments
BWIs	Bretton Woods Institutions (see IMF and WB)
CCPM	Câmara de Comércio Portugal Moçambique (Portugal Mozambique Chamber of Commerce)
DNE	Direcção Nacional de Estatística (National Directorate of Statistics)
EST	Economic Stabilisation
FFE	Fundação Fredrich Ebert (Fredrich Ebert Foundation)
Frelimo	Frente de Libertação de Moçambique (Liberation Front of Mozambique)
GDP	Gross Domestic Product
GDs	Grupos Dinamizadores (Dynamising Groups)
GNP	Gross National Product (see GDP)
GPRM	US abbreviation for Government of the People's Republic of Mozambique
IMF	International Monetary Fund (see BWIs)
INE	Instituto Nacional de Estatística (National Institute of Statistics)
INEFP	Instituto Nacional de Emprego e Formação Profissional (National Institute of Employment and Professional Training)
MNR	Mozambique National Resistance (see Renamo)
NGOs	Non-Governmental Organisations
OECD	Organisation for Economic Co-operation and Development
OTM-CS	Organização dos Trabalhadores de Moçambique-Central Sindical (Organisation of Mozambican Workers-Central Sindical)
PRN	Plano de Reconstrução Nacional (National Reconstruction Plan)
PRE	Programa de Reabilitação Económica (Economic Rehabilitation Programme, Mozambique's name for SAPs, see SAPs)
Renamo	Resistência Nacional de Moçambique (Mozambique National Resistance)
RNLSC	Rhodesian Native Labour Supply Commission
SADCC	Southern African Development Co-ordination Conference (Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia, Zimbabwe, and from 1990 Namibia)

SADF	South African Defence Force
SAPs	Structural Adjustment Programmes
TNCs	Transnational Corporations
UNDP	United Nations Development Programme
Unicef	United Nations Children's Fund
US	United States of America
USSR	Union of Soviet Socialist Republics
WB	World Bank (see BWIs)
WENELA	Witwatersrand Native Labour Association
WV	World Vision (see NGOs)
Zanu	Zimbabwe African National Unity

***Pitfalls of National Development and Reconstruction: An Ethical Appraisal  
of Socio-Economic Transformation in Post-War Mozambique***

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***Summary***

Mozambique is undergoing intensive socio-economic reforms to reconstruct war damages and develop the nation. The reforms consist of economic liberalisation through structural adjustment and monetarist economic stabilisation, e.g. government withdrawal from economic activities, privatisation, deregulation, reduction of tariff levels on imports and tax on investments, cuts of expenditure on social services, restrictive credit system, focus on monetarism, increased taxation on individual income, etc. The nature of these reforms, on the surface, leads to morally questionable conditions. There is social chaos and disintegration, high indices of corruption, subtle recolonisation, decline of civil services, etc. At the bottom lie the market ethics and fundamentalist theological discourse by dint of which the World Bank and the International Monetary Fund deny historical consciousness, lack institutional memory, vest themselves with unquestionable international authority, dictate and impose policies without accountability for the social consequences. If there is any hope for Mozambicans, it lies in development ethics which relies heavily on the liberation motif, historical consciousness, and African Heritage.

***Key Terms***

Mozambican Government; Socio-economic transformation; International Monetary Fund; Economic stabilisation; World Bank; Structural adjustment; Social disintegration; Re-colonisation; Forced labour; Human capital; African Heritage; Liberation Theology; Development ethics; Credit; Inflation; Wages; Civil services; Market ethics.

# **Chapter One**

## **Prolegomena**

### **1.1 Moçambique: Geographical Situation**

Mozambique is situated in the Southeast of Africa, covering 799 390 Km<sup>2</sup> of land. It stretches from the North down to the South with the widest width of 962½ Km (from Mossuril peninsula to the marks of the first border in the confluence of Aruangua and Zambeze rivers), and the narrowest width of 45½ Km (from Sivayana, Southern Namaacha to Catembe, Alto-farol). It has firm land of 786 380 Km<sup>2</sup> and internal waters of 13 000 Mk<sup>2</sup>. The coastal length stretches for 2 515 Km from Rovuma to Ponta Douro. Mozambique is bordered by South Africa and Swaziland in the South, Tanzania and Malawi in the North, Zimbabwe and Zambia in the West, and watered by the Indian Ocean from up North down South. It has a population of about 17 423 200 inhabitants of whom 48½ per cent are men and 51½ are women (*Anuário Estatístico*, INE 1995:7).

### **1.2 Defining the Problem and Thesis**

After ten years of a revolutionary armed struggle for liberation, Mozambique was unconditionally declared independent on 25 June 1975. The independence event was followed by a golden but short period of socialism. Following this period, Mozambique became a battleground of both civil and cold wars for sixteen years. Financed by Western powers and the Apartheid regime of South Africa, the civil war was aimed at sabotaging and destabilising the country and thereby undermining the then existing FRELIMO political government. The civil war, or rather the war of destabilisation, was successfully orchestrated. It literally brought Mozambique down to its knees. Economic activity, especially in rural areas, was completely halted. National infrastructures and patrimony were completely destroyed. The social and moral fibre of Mozambican society was dramatically destroyed. By the end of the war more than a million people had died, either brutally massacred by Renamo or killed in the cross fire. The socio-economic crisis was frightening. Poverty was severe, with people living in squalid shantytowns around urban areas. The inflation rate was skyrocketing. The country was rich in lack of

capital. Foreign debt was climbing up daily as more and more loans were granted and never re-paid, and interest was piling up monthly on unpaid capital and interest. Besides the spiralling debt, there were strenuous international economic pressures.

A General Peace Agreement was signed on October 4, 1992, in Santo Egidio, Rome, Italy. Following this, the Government embarked on intensive economic reforms in the quest for reconstruction and development. Some of these economic reforms had been introduced in 1987 and subsequent years under the name of *Programa de Reabilitação Económica* (Economic Rehabilitation Programme) -PRE. These reforms were, however, intensified and made more aggressive, more savage, and wilder after the peace agreement. Since the country was held under the grip of a foreign debt trap, it was easy for the international economic institutions (International Monetary Fund and World Bank) and donor community (through Non-Governmental Organisations) to impose trade and economic policies and conditions (structural adjustment programmes and economic stabilisation) favourable to their interests and coerce the Government to believe and abide by them. These included economic deregulation and liberalisation, withdrawal of the Government from economic activity, reduction of tariff levels on imports, deflation of tax rates on investments, etc. All these were done under the name of economic liberalisation. Left with no other alternative, the Government succumbed to this "free market" capitalism. The result is that Mozambique is now opened up to foreign abuse and made vulnerable to the exploitative power of Western capital. Therefore there is a paradoxical condition on the surface. There is (1) economic growth, but (2) there is no reconstruction of war damages and development at all<sup>1</sup>.

In view of the situation described above, this dissertation intends to do three things. First, we shall diagnose the Mozambican socio-economic crisis. Second, we shall discuss the policies prescribed to remedy this crisis. Third, we shall summon ethics to critically place such policy prescriptions under an evaluative framework to see if they do measure up to ethically acceptable social criteria.

□

<sup>1</sup> The floods of February and cyclones of February 2000 accentuated the Mozambican crisis. Where there was any sign of hope and life, the floods and cyclones passed through, sowing despair, death, misery and hunger. The flood/cyclone damages have not yet been calculated. However, it is clear that, economically, Mozambique will have to start from scratch and build

By way of historical retrieval, we shall diagnose the socio-economic conditions of Mozambique under the Portuguese colonial regime, and the dynamics of the war of destabilisation. By so doing we shall bring to the surface the "development of underdevelopment" wrought by the colonial economic system and the war of destabilisation. Our main argument here will be twofold: (1) Portugal enriched itself at the expense of Mozambique, that is, as an economy, Mozambique fed instead of competed with Portuguese economy; (2) Mozambique became the cold war battleground in a bi-polar world system, where the conservative right wing was at pains to contain Frelimo's communist tendencies in order to promote private interests. This historical retrieval is necessary to explain the reasons for commending or refuting the socio-economic policies currently at work.

We shall discuss the government's passive and oppressive role, its National Reconstruction Plan (NRP), and the socio-economic policies themselves as imposed by the international economic powers: the World Bank (WB), the International Monetary Fund (IMF), and the donor community working hand in glove with international Non-Governmental Organisations (NGOs). Drawing from the resulting socio-economic conditions, we shall draw our conclusions.

When all is said and done, we shall endeavour to show that the problem we are dealing with here is socio-ethical. For if we are sane people, then, we should agree that after the colonial plunder and destabilising war reconstruction and development should *inter alia*:

- (a) re-establish security of livelihood among the poorest,
- (b) make health care and basic education accessible to the poor,
- (c) reduce vulnerability to future disasters,
- (d) restart the local economy in a sustainable fashion,
- (e) avoid dependence and make life most wholesome and worth living,
- (f) and do so within ethically acceptable social criteria,

Considering all these aspects, the dissertation asserts that there is no serious concern or desire, let alone commitment, for truly human reconstruction and development on the part of the belligerent groups and institutions acting in the economy.

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new infrastructures to replace those that were washed away or damaged. As though that were not enough, the Mozambican government does not have the capacity to manage the situation.

The real and final objectives of all efforts toward socio-economic transformation seem to be: (1) to further disintegrate Mozambican society, (2) turn Mozambicans into prisoners of the earth for exploitation, (3) re-institutionalise socio-economic enslavement to re-colonise the country so as to feed Western economies, (4) create a climate favourable to importing dirty Western industry, and (5) forge a brand new market for Western luxurious consumer goods, seeing that these goods find no market any more in the already saturated Western markets. These conditions are immoral. Part of the reason for all this is the dearth of ethics or the use of highly suspect ethics: market ethics.

The dissertation will show that these immoral circumstances emanate from the socio-ethically-flawed ethic underpinning the socio-economic transformation currently at work in Mozambique. Put in other words, the present reconstruction and development programmes are built upon socio-ethically-perverted foundations.

In the light of this socio-ethical perspective we shall see that despite the registered economic growth, there has been no reconstruction and development. The living conditions have not been improving for the majority of the population. In fact, contrary to the claims of free marketers, livelihoods of more than 70 per cent of the population have been deteriorating since 1992. I shall now and then use statistical data. However, the major and final concern of the study is real people on the face of the earth, living real earthly lives. It is about people walking and wandering like lost sheep on town streets, on narrow ways in bush-lands, battling daily with hunger, pain, diseases, crime and death, wondering which way to turn this time, and wondering where their next daily bread will come from. The ultimate focus of the study is historical and material. In other words, I am interested in people on their different subsistence occupations, who live and work within historically and socially defined realms.

This socio-ethical perspective will help us analyse the ethic of the adopted development alternative. The participant actors in the economy follow a development ethic that fosters heavy reliance on foreign capital. It is the kind of development ethic that is intensively pro-capital and anti-labour, pro-big and anti-small in nature. It is also inordinately export-oriented, relying on primary products. The dissertation is concerned with the ethical aspect of these development processes currently at work. It addresses itself to the moral aspects of the social circumstances created by the current economic

policies in the national economy. The current socio-economic processes in Mozambique are shot through with controversial ethical commitments.

In the end, we shall recommend a national development and reconstruction programme which is in line with Africa's aspirations, and which does no violence to African understanding of the concept of life. We shall argue that unless our development ethics emanates from our traditional African heritage, e.g. the wholeness of life, sense of community or *ubuntu*, to say the least, we shall be sinking ourselves into something less than life. This socio-ethical perspective will help us analyse the ethic of the adopted development alternative. The participant actors in the economy follow a development ethic that fosters heavy reliance on foreign capital. It is the kind of development

The study is also socio-ethical in that it diagnoses value conflicts, assesses the actually imposed policies, justifies or refutes valuations placed on reconstruction and development performance in the contemporary Mozambique. The ultimate question of ethics in this study is whether current socio-economic transformations in Mozambique do or do not provide all Mozambicans with a better human life, life most wholesome, life worth living, and social arrangements that provide them with a widening range of choices for them to seek the common and individual good. The study draws from ethics to legitimise or debunk development actions and measures, implicating belligerent economic actors—individuals, groups, and institutions—for their (anti-)social activities in our society.

### **1.3 Method of Approach**

The methodological approach is in line with the nature and content of the discipline of the dissertation, namely development ethics. Development ethics is eclectic in nature and interdisciplinary in content. This is because development ethics chooses freely and easily from other sciences: sociology, economics, political economy, philosophy, history, anthropology, ethics, theology, etc., and it does so eclectically. Ethics places each discipline's concept of development under an evaluative framework wherein development means ultimately the quality of life and society's progress towards values expressed in that society. One compelling assumption here is that there is no society devoid of social, economic, political, and historical awareness.

The dissertation is analytical in two aspects. First, it analyses the social and economic conditions of the people of Mozambique in the context of development and reconstruction. Mozambicans are social and economic beings and any study of their conditions should regard them accordingly. They progressively interact with each other and with other nationals, form social groups and institutions, define and redefine roles in society daily, in search of a better life.

Ethics is summoned to critically question this aspect of development to see if it does measure up to ethically acceptable social criteria. In whatever eclectic choice of its subject, development must be geared toward creating a better human life and social circumstances that provide a widening range of choices for people to live dignified lives.

Second, the study analyses political economy, the ways by dint of which Mozambicans—be they individuals, groups or institutions—manoeuvre and or institutionalise their individual or compounded interests, how they distribute the country's resources amongst themselves, and how they interact with foreign economic institutions.

The study is critical. In view of the history of Mozambique, it criticises the socio-economic policies at work, the *modus operandi* of the belligerent actors in the economy, and their underlying ethics. It questions the kind of society they seek to build and whether the socio-economic history of the people of Mozambique is being taken into account. Can Mozambicans be assured of meaningful development and reconstruction under present circumstances? Whose development and reconstruction? Is there socio-economic justice?

The study has an historical bearing in the sense that it deals with human phenomena in specific time (post-war) and space (Mozambique), aiming at making sense of such phenomena in view of future prospects of life. Further, the dissertation is historical in the sense that it views people as historical agents; they orchestrate their history. It categorically refuses to *dehistoricise* humanity. We refuse to take the status quo as divinely designed and blessed. We see it as a result of unjust historical processes orchestrated by human beings. As a people, Mozambicans have a history which, in the past, determined what we are today and, today, determines what tomorrow we shall be.

Besides I firmly believe, as Frank (1975:96) puts it, that "All serious study of the problems of development of underdeveloped areas and all serious intent to formulate policy for the elimination of underdevelopment and for the promotion of development must take into account, nay, must begin with, the fundamental historical and structural causes of underdevelopment in capitalism." If development will emanate from ethically acceptable social criteria, then, development ethicists ought to understand people, the agents who undergo development processes, as historical subjects and must regard them as such.

The study is also evaluative. It evaluates, in moral terms, the causes of the current social circumstances and their respective socio-economic implications. Ethics is summoned to place all these aspects under an evaluative framework to determine if the present national development and reconstruction programme does measure up to ethically acceptable social criteria. Development must be geared toward creating a better human life and social circumstances that provide a widening range of choices for people to live dignified lives.

Owing to different kinds of data examined in the study, the method of research will also be fluid and flexible. The method will swing between two poles: quantitative methodological analysis and qualitative methodological analysis. Macro-economic and social indicators, population censuses, socio-historical information, theological and ethical literatures—all these—will be part of the data incorporated in the study. I shall draw information from a diverse range of sources.

#### **1.4 Limitations**

There are limitations to this study. The available data can be misleading. Usually quantitative data, e.g. statistics, are not accurate. Inaccurate population census, for instance, has far reaching implications, such as inaccurate GDP or income per capita, inaccurate economic growth rate, inaccurate unemployment rate, etc. Qualitative data, e.g. socio-historical literature, may be inaccurate as well, giving an unrealistic picture of actuality. Both quantitative and qualitative data may be twisted to suit ideological intentions and opportunistic interests. This can be done consciously or unconsciously, intentionally or unintentionally, since what is written usually tells more about the writer—

his/her culture, socio-economic status, and political affiliation—than it tells about what is written about. So it is with interviews. They are potentially capable of distorting reality. An interviewee, for instance, may fear to tell the truth<sup>1</sup>; may express her/his frustrations and/or anger and therefore fail to be objective, fail to see or portray reality for what it truly is.

Another limitation concerns social sciences in Mozambique. The social sciences—including some humanities—are still in their embryonic stage within the Mozambican academic ranks. Another limitation concerns thick and unchecked bureaucracy which has proven to be very hard to penetrate along the years. All these are due to the colonial legacy characteristic of socio-economic and political distortions that we inherited from the Portuguese. This means that valuable information, at least for the present study, is scarce or not available in many cases. Hence under this condition it will be difficult to find information, especially one collected by Mozambicans themselves. Besides, a flexible method applied with the hope that it will render accurate results is also potentially fallacious. Greater profit is most likely to be realised where much has been invested or risked, but it is also there that a greater loss is most likely to be realised.

Another far-reaching limitation is that NGO officials, donor consultants, and foreign researchers dominate the field of research, especially social research, in Mozambique<sup>2</sup>. NGO officials research and write only to live up to their donor-masters' expectations and demands and thus make them happy. This way NGO officials increase their prestige back at home, secure funds for fun and pleasure, and thus have their jobs secured. So it is all about securing their jobs and pension funds, etc., and not about research *per se*. Donor consultants "research" and write only to build the empires of those who

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<sup>1</sup> One cannot be too outspoken in contemporary Mozambique. An assassin can be hired to assassinate an outspoken person for as cheap as 40 US dollars. This is how wicked our beloved country has become.

<sup>2</sup> These expatriates dominate the field of research because they are the ones who have the resources, time and means to do so. Mozambican intellectuals and academicians do not have these things. They face the problems of having been pushed to or below the poverty line by SAPs and EST, so they spend most of their time trying to make ends meet, looking for jobs other than their regular ones to compensate their regular incomes. Thus they are left with no time for research. That is why Dr Mazula (the rector of the Eduardo Mondlane

commission them, usually to recommend political concessions in favour of donors. To put it plainly, they write for money, and never for the sake of the truth and actuality for what it really is, let alone academic credibility and independence. Given the fact that today there is a market for everything, poverty has become a highly marketable commodity. So researchers look with great fascination at the plight of poverty in which Mozambicans are damned to live. They contemplate it with a sense of awe. For them it is a source of amusement and pleasure, and a subject for research and journal articles, which will generate them grants and contracts. It is quite disgusting that the poverty of Mozambicans should be the source for generating and sustaining livelihoods of many Western people. Whatever has become of their sense of shame and humanity? Furthermore, these researchers have a habit of removing knowledge from Mozambique. After researching, they take data and documentation back to their home countries, alienating Mozambicans from knowledge about themselves. Joe Hanlon has documented these practices so trenchantly in his *Mozambique: Who Calls the Shots?* (1992).

Development ethics as a field of study is an embryonic discipline. Besides, it "straddles and overlaps, as it were, intellectual spaces occupied by multiple diagnostic, policy, and normative sciences" (Goulet 1995:xii). Certainly this enriches, but it also limits in many ways at the same time. Dealing with an issue of a multidisciplinary nature can be perplexing. A person can lose focus and thus depart from the proposed objective. A person can tend to dwell more on one or two aspects while doing injustice to the others. In addition, never before, it seems, has a study on ethics of any kind (development, social, economic, political, or theological) ever been done on Mozambican affairs by anyone, let alone by Mozambicans. This in itself is a powerful limitation, for I am left alone to stride where no one has ever stridden before. Ethics is a field of study unspoken of in Mozambican intellectual ranks.

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University) complained about the decline of research in Mozambique. With SAPs and EST "Mozambican intellectuals are faced with 'economic prostitution'", he said.

### **1.5 Theoretical Frame of Reference**

There are preliminary socio-ethical propositions and presuppositions that are formative and informative to this ethical treatise. These are the ethos upon which this study is grounded. They are our socio-ethical points of departure. They are the socio-ethical values that will be summoned to place the current socio-economic transformation under an evaluative framework.

The study is grounded on Christian faith. However, to say this is not enough, for there are as many brands of Christianity as there are peoples and cultures in the world. So which one am I referring to? It is the Christian faith as gleaned through the lenses of the African Heritage. It is the Christian faith as understood and interpreted in an African worldview, tradition and culture. For Christianity in itself, if there is such a thing at all anyway, "is always a beggar seeking food and drink, cover and shelter from the cultures it encounters in its never-ending journeys and wanderings" (Mbiti in Maluleke 1996:8). Our pioneers in African Theology have always observed and emphasised this point time and again: "Conversion to Christ (and therefore joining the church) does not mean that the individual or the community comes empty-handed into the church." Individuals and communities come into the faith with their languages, cultures, worldviews, social institutions and socio-ethical values. Ethicists, theologians, philosophers, etc. "are part and parcel of this traditional African World—it influences them directly or indirectly, and their [treatises] cannot ignore this fact" (Mbiti 1998:141-142). For Jesus did not come for to abolish but to fulfil, to fill full, our sense of life.

The African Heritage also forms and informs the study. I believe in African Heritage. I believe in the African mode of life. I believe in my Africanness. Naturally one needs not to explain it in as much as one needs not to explain one's blackness. I should point out that I do not venture into (re)building up an African value system. I believe it is there on its own right. I rather intend to underscore some vital aspects of the African Heritage upon and within which I dare to do ethics in this study.

Some moral philosophers or ethicists and theologians deceive themselves. They profess to be holding pure Christian views. Consequently they also believe themselves to be writing and speaking universally. Rather, unlike those, we hereby solemnly acknowledge

and announce the formativity and informativity of our African Heritage in this ethical treatise. We know our problems. We know the causes. We know our audience. Not surprisingly we can speak appealingly and meaningfully to them. Our theoretical frame of reference will consist of the elements described in the following paragraphs.

### *1.5.1 Wholeness of Life*

The wholeness of life is part and parcel of those African socio-ethical values which are characteristic of the African Heritage. In the African Heritage, life is all encompassing. In traditional African culture morality is understood in terms of the wholeness of life. Manas Buthelezi makes this very point when he says: "It has often rightly been said that the African has a sense of the wholeness of life" (1987:95). To illustrate this point let us consider the religiosity of an African. For an African all of life is religion and all of religion is life. As Buthelezi writes, "The traditional African religion was characterised by the motif of the wholeness of life. In fact, it is more correct to say that religion and life belong together" (1987:95). It is this sense of wholeness of life that makes traditional religion to have no boundaries in the life of an African. This is the point Mbiti is making when he explains:

Because traditional religions permeate all the departments of life, there is no formal distinction between the sacred and the secular, between the religious and the non-religious, between the spiritual and the material areas of life. Wherever the African is, there is his religion: he carries it to the field where he is sowing seed or harvesting a new crop, he takes it with him to the beer party or to attend a funeral ceremony; and if he is educated, he takes religion with him to the examination room at school or in the University; if he is a politician he takes it to the house of parliament (1975:2).

The wholeness of life is not in effect at the time when the African is born, and ending when s/he dies. No, not at all. It is in effect even before s/he is born, and continues well after her/his death. Taking this theme further, Mbiti argues, "although many African languages do not have a word for religion as such, it nevertheless accompanies the individual from long before his birth to long after his physical death" (1975:2).

By the same token Buthelezi writes, ". . . everyone who participated in the life of the community automatically participated also in its religion. There was no separate day of worship because the whole rhythm of daily life was a continuous liturgy that permeated

such commonplace things as eating, drinking, love-making, etc." Buthelezi also contends that life for an African is "such a whole that not even death could disintegrate it . . . . death was not regarded as a point which marked the termination of fellowship among those who had [lived] in communion on this side of the grave" (1987:95-96). Mbiti (1998:154) rightly asserts that even Western "atheism can hardly find a home in Africa<sup>[1]</sup> and poses no immediate danger to Christianity."

Within this theoretical framework of thought we fashion the ethic of this dissertation and argue that development must honour the sacramental character of life. Development must mean advancement towards the realisation of the wholeness of life. Any socio-economic process that falls short of this sacramental quality is dross and therefore useless. Socio-ethically, this kind of development is unworthy of an African, for it diminishes her/him into something inferior and undesirable. As Dr Julius Nyerere points out, development should be "the creation of conditions, both material and spiritual, which enable man the individual, and man the species, to become his best" (1987:118). The ethical implication which emanates from the wholeness of life is that good life is not much about having more as it is about being more or whole. This constitutes a powerful challenge to the narrow Western ethics of materialism and greed. For human beings shall not live by bread alone. The point is, if social circumstances created by development inhibit or make it difficult for people to live wholesome lives, that is, to be more in life, then that development does not measure up to ethically acceptable social criteria.

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This is particularly true in Mozambique. When Frelimo used the Marxist-Leninist ethos to sanction its rampant destruction of traditional life alleging modernisation, the people counteracted with strong resistance. This way Frelimo prepared a fertile ground and sowed seeds of hatred and rebellion. That is why in some areas Renamo could exploit this condition to its favour; legitimise its brutality with great ease, and the people's support. In order to do this, it was enough for Renamo to say to the people that it was waging the war of the gods against Frelimo. This is how deeply fond Mozambicans are of their traditional religion. Our religiosity has always been exploited for opportunistic self-interests. And in terms of the subject of our study pressing questions surface, some of which J. N. K. Mugambi asks: I have often raised the question as to how we can explain the apparent contradiction, that contemporary Africa continues to be, perhaps, the most 'religious' continent in the world, and yet its peoples remain the most abused of all history. How could it be that the peoples who continue to call on God most reverently are the ones that God seems to neglect most vehemently? Could it be that irreligion is the key to success, and that religion is the key to backwardness?" *From Liberation to Reconstruction: African Christian Theology After the Cold War* (1995:33).

### 1.5.2 Human Dignity

There is something about human beings which qualifies them as inherently worthwhile. Human beings have an intrinsic value. They are valuable in their own right. In other words, they need no other extrinsic value to confer them value. Put differently, they are not valuable because there is some element outside human beings which gives them self-worth. In this framework of thought, we can therefore say that human beings have dignity. Dignity is that spark of the image of God that never disappears even though we have a fallen nature. Dignity is an inherent value of human beings and it is thus precisely because human beings are created in the image of God (Genesis 1:27). As professor Hulley writes:

I believe that dignity should be regarded as inherent, something which belongs to human beings solely because they are human beings. This dignity belongs to us because we are made in the divine image. [Therefore,] to ignore that dignity and create social conditions which make it difficult or impossible to be dignified, or to allow such conditions to come about as a result of neglect, then becomes an indictment of society. The kind of circumstances we seek to create for human society should be a reflection of what is proper for people who have inherent dignity to live in (Hulley 1997:63).

Buthelezi calls this dignity "the truth of man's creaturely relatedness to God." He also asserts that since we are people, we have the power to be. Thus he says: "To be man [sic] is to have power to be truly man [sic]" (1987:97). Development must open ways for people to live with dignity. That is why Dr Nyerere is convinced that the "purpose of development is man [sic]." For him, poverty, for instance, frustrates human dignity. He goes on to say: ". . . to talk of the development of man [sic], and to work for the development of man [sic], must mean the development also of the kind of society which serves man, which enhances the well-being, and preserves his dignity" (Nyerere 1987:119). As he refuses vehemently that people should live in poverty and perpetuate the status quo, Nyerere points out that,

We say man [sic] was created in the image of God. I refuse to imagine of a God who is poor, ignorant, superstitious, fearful, oppressed, wretched—which is the lot of the majority of those He created in His own image. Men [sic] are creators of themselves and their conditions, but under present conditions we are creatures, not of God, but of our fellow men [sic]" (1987:119).

Nyerere asserts that under no circumstances should people create social conditions in which other people are impaired to live with dignity, as those being made in the image of God. Human dignity is taken seriously in this ethic. Development, if it is properly to be development, must create social circumstances in which people can live and express themselves with dignity. If development subjects human beings to humiliation, if it turns them into some other entities less and unworthy of themselves, then, such development can hardly measure up to ethically acceptable social criteria. This is the argument we will apply to the case of Mozambique.

### 1.5.3 *Sense of Community*

Contrary to Western peoples, who are best known for their rampant individualism, bellicose character and attitudes, Africans are traditionally known for their strong sense of community, togetherness, solidarity, and respect for life<sup>1</sup>. This is truly socio-ethically acceptable for full human life. "To be human is to belong to the whole community" (Mbiti 1975:2). Alan Boesak recalls that *Motho ke motho ka batho babang*. He rightly goes on to say "This age-old African proverb has its equivalent in almost all African languages, and its meaning is still as profound as ever; even more so: One is only human because of others, with others, for others" (1981:152). John Mbiti has recently put it this way: "There are values associated with life in community, human harmony with nature and the departed members of family. The basic philosophy here is: 'I am because we are, and since I am therefore we are'" (1998:145). The ethical implication, of course, is that "[a] good deed increases the health of the community, and helps to build up the [community]; an evil deed tends toward the destruction of the community" (Bujo 1992:23). This is so whether the deed is performed by an individual or by a corporate body of people. This is the African heritage that forms and informs the ethic cherished in this dissertation. This is the ethic summoned to diagnose and place the socio-economic processes currently at work in Mozambique under a critical evaluative framework to see if they do measure up to ethically acceptable social criteria.

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<sup>1</sup> Concerning the respect for life Benezet Bujo, in his *African Theology in Its Social Context* (1992:22), observes rightly that, in traditional African religions, "[t]he morality of an act is determined by its life-giving potential: good acts are those which contribute to the community's vital force, whereas bad acts, however apparently significant, are those which

#### 1.5.4 Liberation

As a work born out of a situation of oppression and injustice, development ethics views development as liberation. A credible development ethic must identify with the forces of the liberation of the oppressed. In order to fulfil the task of liberation development ethics must do several things: be social in the fashion of historical materialism, be contextual, and take the situation of the poor and oppressed as its point of departure. In order to do these things, it must draw from Liberation Theology in its numerous brands: Latin-American Liberation Theology, Black Theology (African and North American), and Feminist Theology.

##### 1.5.4.1 Historical consciousness

Development ethics is highly indebted to the Theology of Liberation on the aspect of historical consciousness. Theology of Liberation has always insisted that theological reflection and praxis emanate from the social context of the theologian. Liberation Theologians themselves are indebted to Feuerbach, Marx and Engels, from whom they borrowed this insight. Feuerbach, Marx and Engels pioneered the method of historical materialism, which argues that political and economic changes are the result of the economic, material conditions in which people find themselves, and that political changes are, as a matter of course, simply by-products of the material conditions of life. Social consciousness emanates from the material conditions in which people live. Marx wrote,

The mode of production of material life conditions the social, political and intellectual life process in general. It is not the consciousness of human beings that determines their being, but, on the contrary, their social being that determines their consciousness. At a certain stage of their development, the material productive forces of society came into conflict with the existing relations of production. . . . Then begins an epoch of social revolution (in Tucker, ed. 1978:4-5).

Liberation theologians have taken this method of historical materialism and made a creative application of it in theology, bringing it to its logical conclusion: theology does not have an independent existence but it is from beginning to end a social product.

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tend to diminish life. [Community] is a real 'mystical body', encompassing both dead and the living members, in which every member has an obligation to every other [through good acts]."

Theology begins with sense data. Perception, not conception, is the clue to reality or to God. In the light of historical materialism, James Cone writes:

What people think about God cannot be divorced from their place and time in a definite history and culture. While God may exist in some heavenly city beyond time and space, human beings cannot transcend history. They are limited to the specificity of their finite nature. And even when theologians claim to point beyond history because of the possibility given by the Creator of history, the divine image disclosed in their language is shared by their place in time. Theology is *subjective* speech about God, a speech that tells us far more about the hopes and dreams of certain God-talkers than about the Maker and Creator of heaven and earth (1975:41).

This view of liberation theology, this method of historical materialism, inspires the ethic of this dissertation. The development ethic of this dissertation is not an ethic of independent-universal-impartial-eternal truth or knowledge. This ethic is inspired by the relativity of thought processes. Put differently, the ethic of this dissertation does not absolutise the relative but, conversely, it rather relativises the absolute. That is why I argue that this ethical treatise springs from an African perception of reality, sense of life, aspirations, social circumstances, and worldview. This ethic draws from our African Heritage, as we have explained. When the IMF and the World Bank absolutise their parochial Eurocentric market ethic, design and impose SAPs and EST, they are sinking us into something unworthy of our Africanness. When they hold us under the grip of the debt-trap and coerce us to do that which is diametrically opposed to our African Heritage, they are asking us to choose the "free market" system over our dignity; they are robbing us of what is properly ours by virtue of being human; they are forcing us to sell our birth right cheaply.

#### *1.5.4.2 The social context*

Having said that this ethics is inspired by historical materialism, we must bring this proposition to its logical conclusion. Development ethics must be situational. Again, in this aspect, we must summon insights from liberation theology to fashion the ethic. Having recognised the relativity of our thought processes, then, a European or American ethic can neither claim supremacy nor relevance here without turning us into objects or *Its*, that is, without denying us our personhood and identity.

This ethic is born out of a unique experience and context of oppression just as Black Theology originated from the unique experience of Black people—where their "blackness was enough justification to subject them to a life of pain, humiliation, degradation, exploitation and oppression"—just as Latin-American Theology of Liberation originated out of wrestling "with class domination and oppression"—just as Feminist Theology is born out of the church's "perennial problem of male domination and exploitation of women in all societies" (Maimela 1998:111). In explaining the difference between White and Black theologies, Cone writes: "What then is the form and content of black religious thought when viewed in the light of their social situation? Briefly, *the form of black religious thought is expressed in the style of story and its content is liberation*" (1975:54). In fact, the same is true about white theology. For many "white theologians" speak "to and for the culture of the ruling class" and build "logical systems." Whites discuss the meaning of meaning and not the real issues with which Blacks wrestle daily. Concretely "Whites debated the validity of infant baptism or the issue of predestination and free will; blacks recited biblical stories about God leading the Israelites from Egyptian bondage, Joshua and the battle of Jericho, and the Hebrew children in the fiery furnace" (Cone 1975:53-54). The point is that in difference and similarity they are both sociological. That is, the differences between these two theologies are sociological in that they mirror social contexts of two different social classes. One is concerned with white interests of domination and oppression; the other is concerned with black interests and aspirations of liberation. Their similarity emerges from their having both sociological origins and label.

In this sense, the ethic informing this work is contextual since it is born out of a unique Mozambican social context and situation of oppression and poverty. It is born out of a situation of a long history (500 years) of colonialism. It is born out of a situation in which we are told that since our coloniser plundered our land for 500 years we owe him/her hundreds of millions of dollars. It is born out of a situation in which the powers of the world financed and waged a war of terror against the innocent, destroying completely their livelihoods. It is born out of a situation in which the innocent, the poor, women and children who neither initiated, nor fought the war, to begin with, are prohibited to repair war damages and thereby subjected to chronic illiteracy, dependence, malnutrition, lack of medical care, maternity related deaths, etc. It is born out of a situation in which the poor earn less than 100 dollars per capita per year and yet they are squeezed to pay

billions of dollars to the rich who earn over 10 000 dollars per capita per year. It is born out of a situation in which the poor are told that they and their children, even their children's children, those who are born and those yet to be born, owe the rich billions of dollars. This is the social context, the *Sitz im leben*, in which this ethical treatise is articulated.

#### 1.5.4.3 Preferential option for the poor and oppressed

One other important aspect of this ethic inspired by liberation theology is that of a preferential option for the poor and oppressed. The value system of the privileged is the reason why the poor and oppressed find themselves in the situation of impoverishment and oppression. Hence there can be reconstruction and development only if the terms of life and economic policies are dictated and formulated according to the needs of the poor and oppressed. There can be genuine reconstruction and development in Mozambique only if, and only if, the socio-economic process currently at work measures up to ethically acceptable social criteria. And ethically acceptable social criteria mean, in this situation, taking sides with the poor and oppressed. This is the point that has been consistently echoed by liberation theologians. Actually they insist that the situation of the poor and oppressed must be the point of departure of any Christian theology. This is precisely the point Assmann kept hammering at in his *Theology for a Nomad Church*:

If the state of domination and dependency, in which two-thirds of humanity live with an annual toll of thirty million dead from starvation and malnutrition, does not become the starting point of any Christian theology today, even in affluent and powerful countries, then theology cannot begin to relate meaningfully to the real situation. Its questions will lack reality and not relate to real men and women (1976:54).

The problem of the poor and oppressed cannot be solved if it is framed within the oppressors' frame of reference. That is why market ethics that dictates the policies of the WB and IMF will never result in reconstruction or development for the poor. This is precisely the reason why oppressors' ethics and theologies have failed to address the problem of poverty and oppression. In their Biblical hermeneutics, liberation theologians have always paid attention to the God who is forever on the side of the poor and oppressed. God is a liberating God, revealed in situations of oppression. God defends the poor and defenceless. The God revealed in Jesus Christ is a liberating God who persistently sides with those who are despised and rejected by society (Kiagora

1998:345-6). That is why Jesus is rejected right through from his birth to his death. Thus

Thomas K. Hanks writes:

Anyone who has read much in theological classics (Augustine, Luther, Calvin, Barth, Berkouwer et al.) will recognise that the theme of oppression has received little or no attention there. One might think that the Bible says little about oppression. Furthermore, one searches in vain for the theme in Bible dictionaries, encyclopaedias, and the like.

However, when we strike the rock of a complete Bible concordance, to our great surprise we hit a gusher of texts and terms that deal with oppression! In short, we find a *basic structural category of biblical theology*.

If we reflect on the Bible writers' historical contexts, we shall understand why they speak often about oppression (1983:4).

Development ethicists must follow suit. Their ethical treatises must take sides with the poor and oppressed. The situation of the poor and oppressed must be the point of departure of not just studying but of doing ethics. We just cannot afford to be (re)made in the image of the oppressors. For Africans, Mozambicans in particular, development ethics, then, must be an ethic of revolution. According to Boesak (1981:151), such an ethic "must mean a search for a totally new social order." It is an ethic inspired by the African heritage, in which the wholeness of life is an overriding motif of human existence. That is why Boesak goes on to say: "in this search it will have to drink deep from the well of African tradition, to use what is good and wholesome for contemporary society." Although it evokes nostalgic emotions—some would call it utopian—he nevertheless says later on that this ethic "sincerely believes that it is possible to recapture what was sacred in the African community long before white people came—solidarity, respect for life, humanity, and community. It must be possible not only to recapture it, but to enhance it and bring it to full fruition in contemporary society" (1981:152). This is an ethic of African heritage in which the wholeness of life is the motif of existence.

#### 1.5.5. *Additional Socio-Ethical Values*

There are additional socio-ethical values to be included in this theoretical frame of reference. In his *Situation Ethics: The New Morality*, Joseph Fletcher (1976) speaks of principles which inspire his book. From these I draw what he calls *Personalism*. Ethics of personalism holds that "Obligation is to persons, not to things; to subjects, not to

objects." It is an ethic which "puts people at the center of concern, not things" (1976:50). Pursuing this subject further, Fletcher draws from Martin Buber's dialogic thesis about *I-Thou*. He writes: "There is nothing individualistic about personalism. . . . *Value is relative to persons and persons are relative to society, to neighbours. An I is an I in relationship with a You; a You is a You, capable of being an I, in relation to a Me*" (1976:50). So there is the concept of community embedded in personalism.

Fletcher also draws from Kant's maxim of the necessity of treating people as ends and never as means. "Personality is *therefore* the first-order concern for ethical choices....Treat persons as ends, never as means", he says. "Even if in some situations a material thing is chosen rather than a person, it will be [if it is done in a Christian spirit] for the sake of the person, not for the sake of the thing itself.... Love is of people, by people, and for people. Things are to be used; people are to be loved." The inversion of this principle, argues Fletcher, is "immoral" (1976-51). Indeed, Denis Goulet (1995:172) has rightly pointed out in this regard that, "If any aspiration can be said to be universal, cutting across all lines of cultural space and individual personality, it is that every human person and group wishes to be treated by others as a being of worth, for its own sake and on its own terms and regardless of its utility to others." So the value of personalism fashions our ethic. It is a value under which the current socio-economic transformations are ethically appraised.

Amongst other socio-ethical values underlying our ethic which deserve special mention here are: sympathy, benevolence, fairness, duty and commitment. In as much as they relate to people's sentimental feelings for the well-being of others, sympathy and benevolence overlap with each other and tend to be similar. According to Robert Rowthorn (1996:16), "Sympathy normally refers to our feelings for specific beings with whom we have some personal familiarity, if only through media images, whereas benevolence involves a more general sense of goodwill." "Fairness and duty are not based on sentiments or feelings of some sort." They are based on moral rules. Fairness is charged with some notions of justice. Duty overlaps with commitment and they are sometimes used interchangeably. However, commitment, as Rowthorn observes, "embodies the notion of personal decision or promise." Duty on the other hand, "is typically intrinsic to, and inseparable from, some specific social role such as doctor, pilot, mother or father. Taking on a social role may be a voluntary act, but the duties

associated with this role are defined by convention or law" (1996:16). Our ethical appraisal of the Mozambican socio-economic transformations will also be formed and informed by these socio-ethical values.

#### 1.5.6 *Justifying the Theoretical Frame of Reference*

The reason this theoretical framework and not any other is chosen is because, in my opinion, it does justice to the Mozambican socio-historical predicaments. Drawing ethical values from the African Heritage makes more sense than drawing from other worldviews. This is because all else that was tried ran bankrupt and failed to address our problems. Portuguese Colonialism caused untold catastrophe and human sacrifice. After independence, the Frelimo Administration adopted ideological perspectives that reflected the paternalism of all ruling classes in relation to the dominated classes. *Os Frelimistas* (the Frelimists) remained prisoners of a modernisation ethos and attitudes which downplayed and downsized our Africanness. In their pursuit of modernisation, *Os Frelimistas* drafted the poor and the oppressed into the ideological structures of their oppressors. They did so by dint of using Marxist concepts such as "feudal" and "capitalist" to downgrade rural and traditional life as *ultrapassado* (outdated or backward), our mother languages as *línguas de cães* (dogs' languages), etc. We were made to believe that Portuguese life style and behaviour meant modernisation or development or dignity. We were mentally conquered. As oppressed people, we were made to believe that we are worthless and therefore have nothing to offer to the world. We were made to believe that we would only be regarded as people if we expressed ourselves with borrowed identities. Further, the current socio-economic transformations seem to resemble re-colonisation more than anything else.

Arguing within the nobility of the African Heritage is an antidote to these ideological distortions. It gives us a sense of belonging, space, and dignity. In doing so we are at home with ourselves and with the world. Speaking for ourselves in our terms and in our language restores back our identity and works toward our liberation. It is to do ethics of liberation. Our socio-historical consciousness and reality give us no other option but that of a liberation motif in articulating our ethical treatises. Further, all truth or knowledge is relative. When an ethicist articulates her-/himself on a given subject—poverty, sexuality, morality, God, etc.—what we get is more about her/himself, his/her perception of reality

imprisoned in her/his socio-historical environment. She or He often tells more about his/her parochial needs and hopes and less about the subject itself. In fact, the idea of the subject "in itself" or "disinterested" knowledge turns out to be pure ideological fantasy which is foreign to the realm of reality. This is fair and honest. This is why this ethical theoretical frame of reference and not any other is selected.

### **1.6 The Importance of the Study**

There are reports and proposals about Mozambique written by expatriates: NGO officials, donor consultants, and foreign researchers. However, the fact that they are motivated by ulterior motives and opportunistic interests means that they have compromised their academic credibility (if it ever existed), that they have sworn to sacrifice the truth and justice on the altar of unjust social security, and that their works are grounded on a different theoretical frame of thought, not on the African Heritage and Liberation. Their works have not been written within a theological ethical evaluative framework, let alone the African Heritage.

Mozambican academicians have written articles on the economic situation and the social impact of SAPs and EST in this post-war dispensation. However, these academicians have been groomed under the school of value-free and rational choice economics. Hence their works are not based on ethical standards, let alone the nobility of the African Heritage. This is partly because social sciences are still in their embryonic stages. Theological ethics in particular is unheard of in Mozambican academic ranks.

Joseph Hanlon is a prominent researcher on Mozambican economic affairs, who is well abreast of the current socio-economic transformations there. His books, *Mozambique: Who Calls the Shots* and *Peace Without Profit: How the I.M.F. Blocks Rebuilding in Mozambique*, are brilliantly and trenchantly well written expositions of Mozambique in war and post-war. His works are usually excellently documented polemics aimed at political lobbying in Europe and the USA. But Hanlon is a journalist who is not interested in writing within an ethical or moral-philosophical evaluative framework that draws from the African Heritage. Besides, Hanlon is an expatriate. However, I feel morally obliged to solemnly confess that Hanlon is a "sane expatriate," one of the most beloved sons of the soil indeed. Yet the very fact of his being an expatriate means that

his writings do not emanate from the context of pain, oppression, SAPs and EST squeezes, and poverty that are the damning social circumstances to which we Mozambicans are subjected.

There is no work on Mozambique, to my knowledge, and which is written within the theological-ethical evaluative framework and from an insider's point of view. Besides, this dissertation is inspired by my social context of poverty, pain, depression, oppression, regression and repression. I have witnessed the war of terror waged by Renamo. I have witnessed massacres with my own eyes. I have personal experiences and fresh memories of South African (during apartheid days) raids of destabilisation as a schoolboy in Ressano Garcia. I have eaten rotten American low quality yellow maize meal, yellow beans, coal-like beans, and fish with repugnant odour, all supplied by NGOs. I recall so freshly our repugnance and disgust in eating these things at *Escola Industrial e Comercial de Xai-Xai*. I recall us saying, "today lunch is *concrete* and *bullets*!" For us, to eat American yellow porridge was as hard as trying to eat *concrete*. And it was equally so hard to eat the coal-like beans that we called them *bullets*. These beans were boiled from morning to evening but never, never, cooked at all. I have personal experience of what it is to be a war-displaced person. I know what it is to be abducted either by Renamo or Frelimo to fight a war we could not make sense of. I know what it is to be screwed too tightly by IMF and WB relentless squeezes. I know what *apertar o cinto*<sup>1</sup> means.

This study is unique in the way described above. I trust it will serve towards filling the gaps in Mozambican academic ranks, especially since theological ethics is an unknown field of study among Mozambican academicians. In arguing within the nobility of the African heritage, I see this discussion as contributing towards challenging the supposed supremacy and superiority of right wing conservative market ethics of the WB and IMF as currently imposed on the Mozambican people. I hope it will stimulate open popular discussion and conscientisation of the masses about the prevalent social circumstances. I embark on this ethical study in fear and trembling of the Lord Jesus Christ who inspires me and keeps my zealous solidarity with the poor and oppressed.

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<sup>1</sup> This is a Mozambican popular saying which means "tightening the belt." It is used to describe the SAPs and EST imposed by the WB and IMF

## **1.7 Structural Organisation**

The first chapter, as just witnessed, introduces the reader to the problem and thesis of study. It also explains the methodological approach of the study, highlights its significance, and also lays the preliminary socio-ethical propositions and presuppositions of the study. The second chapter is a retrospective, historical overview of Mozambique since colonial times to the end of the war of destabilisation. It introduces the reader to the development of underdevelopment as part of the diagnosis of the socio-economic problems. This is done because before making any moral claims or judgements, and before making any prescriptions, one must diagnose the problems and the causes properly. Besides, the problems of the colonial legacy were not solved and de-colonisation never took place completely. These problems were inherited and brought forward into the new dispensation. So, bearing in mind the socio-economic aspects underscored in chapter two, chapter three outlines the current socio-economic reforms, e.g. structural adjustment, economic stabilisation, implemented to remedy the socio-economic illnesses already diagnosed and outlined in chapter two. However, chapter three is still part of the diagnoses of the Mozambican crisis. Since these socio-economic reforms were implemented as corrective measures, I argue that such measures are predominantly ethically defective and shallow. Hence the main title of the dissertation: *Pitfalls of National Development and Reconstruction...* Chapter four considers the market ethic which underpins the socio-economic reforms currently at work and which the Bretton Woods Institutions (BWIs) (WB and IMF) imposed. It also explores their fundamentalist market ethics and techniques in the imposition and defence of their positions. This chapter passes moral judgement on these ethics and techniques. These ethics and techniques are the nucleus of the pitfalls of national development and reconstruction. Finally, based on the African Heritage which informs the dissertation, and on the social context of Mozambique, the chapter also ventures towards a socio-economic transformation which measures up to ethically acceptable social criteria—towards a reconstruction and development programme which enhances human life—which makes life most wholesome—life worthy of living—creating social circumstances in which Mozambicans can live with dignity.

## **Chapter Two**

### ***A Brief Historical Retrospect of the Mozambican Socio-Economic and Political Milieu***

All serious study of the problems of development of underdeveloped areas and all serious intent to formulate policy for the elimination of underdevelopment and for the promotion of development must take into account, nay must begin with, the fundamental historical and structural cause of underdevelopment in capitalism (Frank 1975:96).

#### **2.1 Introduction**

This chapter overviews the socio-economic and political conditions of Mozambique since the colonial times up to the peace agreement<sup>1</sup> time (October 4<sup>th</sup> 1992). The chapter does not reassess the history of Mozambique as such. Rather, it only underscores those structural socio-economic and political aspects of Mozambique's history that are relevant to the concerns of the dissertation, namely the socio-economic transformations after the war of destabilisation<sup>2</sup>. It diagnoses the structural causes of Mozambique's underdevelopment. Its salient themes range from colonial plunder to destabilisation and the aid industry. It also highlights the respective social impact.

The aim is to lay the background against which the current economic reforms were intensified or implemented. The chapter indicates the conditions under which the socio-economic transformation was supposedly begun. The chapter is, as it were, the groundwork of the dissertation—that is, it is the base on which the subsequent developments of the dissertation are grounded.

□

<sup>1</sup> President Chissano of Frelimo (the party in power) and the leader of Renamo (the rebel movement) Afonso Macacho Marceta Dhlakama signed the fire cease and peace agreement.

<sup>2</sup> For the orchestrators and the dynamics of destabilisation see **section 2.4** on destabilisation in this chapter.

## **2.2 Socio-Economic Conditions in the Context of Colonial Exploitation**

### **2.2.1 The Draining Nature of Portuguese Colonial System**

The colonial nature and character of the Mozambican economy, which existed for five hundred years, cannot be underestimated. It is bound to generate near-perpetual negative consequences. The Mozambican situation worsened because of its colonisation by a poor, underdeveloped, peripheral economy of the West: the Portuguese economy. Portuguese colonial activities in the colonies were aimed at reviving Portugal's own economic backwardness. The surplus of production was systematically transferred to Portugal. Nothing or little, if anything, was left for local investment. The colonial administration relied heavily on the exploitation of labour, i. e. *chibalo*, a system of forced labour that relied solely on overt physical aggression. The Portuguese colonial administration extracted inordinate mineral resources, raw materials, and scarce natural resources from Mozambique to Portugal, thus boosting the Portuguese economy at home while at the same time postponing local industrial production.

There is another dimension in which Portugal drained Mozambique in order to enrich itself. Portugal determined the terms of trade and exercised the import and export transactions in ways which could only jeopardise Mozambique's industrial and economic progress. The fact that the Lisbon administration was drowning Mozambique in a chronic socio-economic mess did not matter at all, so long as it benefited Portugal.

Mittleman witnesses to this phenomenon:

. . . . Mozambique [had a] recurring negative balance of trade within the escudo zone. For all/selected/ years . . . covering 1961-1973, Mozambique imported more for both Portugal and the other Portuguese colonies than it exported to them. Except for a few products, Portuguese goods and those from its colonies entered Mozambique duty free; all other countries faced a tariff. Prevalent practices of undervaluing exports and overvaluing imports caused Mozambique to suffer severe foreign-exchange losses. In 1974, for example, Mozambican sugar sold at an average price that was less than half of the international price.... Similarly, firms operating in Mozambique bought imported used machinery at discount, then registered it at the value of new equipment (quoted in Egero 1987:50).

The Lisbon administration had highly centralised socio-economic and political power in Lisbon, thus costing Mozambique the right and prestige of socio-economic self-determination. Even the existing economic activities were monitored from Lisbon. As another source witnesses:

... [T]he country had no financial institutions of its own, no stock exchange, and its entrepreneurs depended on the arbitrary decisions of the Banco Nacional Ultramarino for loans of more than 90 days. Tied down as they were by the system of interterritorial payments with its lengthy backlogs, reaching 15 months in 1971, they watched the repatriation of Portuguese companies of 2,000 million escudos a year, a sum almost equal to the total costs to Portugal of the Mozambican administration. When the Mozambique Chamber of Commerce put up 60 million escudos in 1963 to found a local bank, they were refused permission ... (Middlemas 1978:39).

This economic system contributed to create and to nurture the stubborn culture and mentality of dependence, one of the aspects of the colonial legacy that proved increasingly hard to combat after independence.

The demands of the Portuguese economy at home blocked a self-sustained growth in the colonies. This resulted in deep dependence on South Africa and Rhodesia. It is important now to highlight the problem of labour migration.

### **2.2.2 Labour Migration and Forced Labour: *Chibalo***

In the beginning of the 20th century Mozambicans saw further significant deterioration of their conditions of life due to underpaid or unpaid forced labour and a heavy taxation system. Their wages and terms of trade collapsed together with their purchasing power. Amid these conditions they were prompted to migrate to the neighbouring countries (South Africa, Southern Rhodesia and Tanganyika), where, although the salaries were still inhumane indeed, the acquisition of consumer goods with affordable prices was still possible. Abroad, at least, there was freedom of choice in the job market, whereas in Mozambique there was, especially in rural areas, subjection to forced labour (*chibalo*) and forced production of specific agricultural products for colonial exports: cotton, cashew nuts, tea, sugar, copra, sisal, and tobacco. Mozambicans were violently coerced to cultivate these products, leaving them no time to cultivate nutritious products they needed to live---maize mill, rice, sweet potatoes, peanuts, etc. They were systematically

left to starve with hunger. Martha Chissano, then a mother of 24, thus describes her encounter with forced labour (*chibalo*) in the '50s in Mandhlakazi district, Gaza:

In Mandhlakazi, each person was obliged to cultivate cotton and rice; no one was obliged to cultivate the two at the same time. However, there was discrimination against women because besides that, women had to offer free labour to the *regulos* [traditional leaders appointed by the colonial administration] whenever they demanded. Women without husbands [absent as migrant workers], or single were, specifically, appointed for this end. Since everyone had an identification card, the *regulo*, through his sub-chiefs and *sipaios* [bloodthirsty and brutish watchmen], was always in a position to know which family had not paid tax.

I cultivated rice for Makupulani, our *regulo*. Immediately before the rice harvest, the *capatazes* [foremen, that is, heads of groups of workers] were sent to each field to estimate the number of sacks that each cultivator would harvest and, on the basis of this estimate, the *capatazes* distributed the sacks. If, in the end, they were unable to fill the sacks, (...) they could accuse them of hiding a portion of rice for their own consumption. We were not allowed to consume any rice produced by us; we were obliged to give over every grain to the authorities, and then we would go to the shops and buy the rice for our consumption.

The production of rice caused enormous suffering in the lands of Makupulani. On one occasion, some women, myself included, were arrested and taken to one of the *regulo's* sub-chiefs for investigation, because we cultivated our own fields, within the term. The reason was that many of us were unable to do it, everybody knew: none of us had a plough, and we had to work the hard and heavy lands of the riverbank only with our hoes. Some of the women could not manage because they were ill, but all these valid reasons were rejected, immediately, by the chiefs, who ordered us to lie on our stomachs to whip us on our backs (quoted in Rocha & Hedges 1993:149).

In the following extract, Albino Macheche gives an account of frequent scenes in Nampula city where, in those days, he worked as a nurse:

At the time, it was common to see in the Nampula hospital, men and women with excavated buttocks, with wounds, or ulcers, because that administrator used a whip, made of old tyre remains and a handle, which was used to torture the people who tried to flee during the production of rice and cotton. He beat them repeatedly on their buttocks which were hurt with wounds, or ulcers, when at an advanced stage [of deterioration].

In the Nampula city it was usual to see escorted people, dressed only with interior shirts, loincloths or rugged clothes. In the open city, the prisoners walked almost naked. We could see them as they returned to the dungeons coming from forced labour [*chibalo*].

That was a spectacle on the streets of Nampula, at the time, for people who had not been used to see a similar thing. People were petrified because they passed in rows of 20/30 people, to and from the fields and the dungeons. Some of these individuals were part of those who were caught fleeing from production of cotton and rice (quoted in Rocha & Hedges 1993:150).

Joaquim Maquival also describes violent forced labour as he experienced it in the Milange Oriental Tea Society.

I began at 12 years old to work for the company; they paid me 15 escudos a month. We worked from 6 in the morning until 12 noon, when we stopped for 2 hours and continued from 2 until 6. The whole family worked for the company: my brothers, my father.... my father earned 150 escudos a month. He had to pay 195 escudos in annual tax. We did not want to work for the company, but when we refused, the government sent the police to the villages and arrested those who refused, and if they fled the government circulated photographs and signalled the start of the hunting of men. When they found them they beat them, and put them in prison and when they got out they had to work with no holidays at all; the argument was that they fled because they did not need the money.... Thus, in our camps only our mothers remained, who could do little. We had only to eat the little they could produce (quoted in Rocha & Hedges 1993:150).

Faced with shortage of cheap labour in South Africa and Southern Rhodesia in the 1940s, companies in these countries sought contracts of cheap labour in the neighbouring countries, especially in Mozambique. The way was, therefore, also opened for clandestine migration of Mozambicans to those lands, fleeing forced labour. My grandfather and my father spent days and nights in the bushes of Mandhlakaze hiding from forced labour. They eventually fled to South Africa on foot where they worked as clandestine immigrants in the mines of Johannesburg, and later in the plantations of Natal with South African identities (dom pass). They remained there for more than ten years. Back in Mozambique they had left families vulnerable to misery.

With the aim of controlling these migrations and securing itself huge incomes at the expense of Mozambicans' toil in the mines, the Lisbon colonial administration had signed an agreement—still back at the turn of the nineteenth century—with the Witwatersrand Native Labour Association (WENELA), the South African mine worker recruitment organisation. This agreement regulated revenue and forex reserves on supply of labour, and payment of half—and later sixty per cent—of the workers' wages in pure gold at a fixed nominal value. This gold became gigantic and indispensable income for the Lisbon administration. Therefore, despite protests from farmers, planters and officials in Mozambique, the Salazar administration renewed the agreement consistently throughout the colonial period. The exportation of men kept the colonial economy in a state of chronic labour shortage.

In 1947 the Lisbon colonial administration and Southern Rhodesia agreed that the Rhodesian Native Labour Supply Commission (RNLSC) could establish a recruitment network in Mozambique. The commission was also charged to register illegal Mozambican immigrants working in Southern Rhodesia, and to impose and extract taxes from them. It is estimated that in the close of 1960 the number of Mozambican immigrants working in Southern Rhodesia was over 117,000, over 200,000 working in South Africa (Rocha & Hedges 1993), and over 100,000 working in farms and other sectors in Tanganyika by the eve of the latter's independence (Hall & Young 1997).

One would think that with the demise of the fascist regimes in Europe in World War II the Lisbon colonial administration would have eased its colonial screws in the colonies. Reality, however, points to the very contrary. Portugal—being a “third world” country itself—tightened the screws even harder on its colonies, in the attempt to catch up with the fast industrialising counterparts in Europe. The above quoted extracts reveal the ruthlessness of Portuguese colonial fascism—not to mention the forced migration to the plantations of São Tomé.

Economically speaking, this was a huge drainage of human capital from the country. It is impossible to calculate the economic loss, social impact, and human sacrifice that these colonial manoeuvres caused in Mozambique. This was the development of underdevelopment and dependence triggered by the Lisbon colonial administration, which later would stubbornly persist even in the decades following independence.

### *2.2.3 Development Programmes, the Settlers' Influx, and Job, Education and Racial Discrimination*

Only under the pressure of the liberation struggle movements in the 1960s did the Lisbon administration begin a series of reforms in the system in favour of the colonies. Forced labour was abolished, but administrators and private cotton companies continued its illegal practice until 1973. The period between 1960 and 1970 is characteristic for its expansion in industrial investment. This phenomenon resulted in some significant economic growth, thereby ranking Mozambique the eighth among the

most industrialised economies in Africa in the same period (Egero 1987:53; Hall & Young 1997:10).

These phenomenal reforms within the Lisbon colonial administration system had been also motivated by other reasons favourable to the colonial master. The years between the 1950s and 1970s witnessed massive migrations of Portuguese peasantry, or *colonatos*, to Mozambique. Resembling their country, these were the rural poor, propertyless, illiterate, usually ignorant, unemployed and unemployable settlers in their home country in search of better conditions of life. This was a sheer dumping of living "human waste" in Mozambique by the Portuguese colonial administration. As K. Middlemas describes them, they were

. . . immigrants from Portugal, not officials on duty; they brought their families and possessions and settled either as artisans in the towns and growing suburbs, or in small farms and peasant *colonatos*.... Their style of life and expectations, while Portuguese, contrasted sharply with the seigneurial outlook of the ranchers, or tea and sugar planters of Zambezia, or the large farmers, many of German and South African origin, clustered around Manica and Vila Pery near the Rhodesian border (Middlemas 1978:35).

In order to protect itself from exposure and public embarrassment, the colonial administration could only transport these immigrants in the darkest hours before dawn. As another source explains:

When the ships arrived from Portugal, no one was allowed to leave before dark. Only late in the evenings did they board the trains for Gaza and Limpopo, rugged and barefoot and still representatives of the colonial master. In Limpopo, it was not unusual that the Black servant had to help his master read the paper or write his letters (Mendonca, quoted in Egero 1987:48).

These immigrants—not Blacks—were the real beneficiaries of the reforms in the system. Besides, this immigration phenomenon led to a socio-economic system based entirely on tight racism. All the professional hierarchies were under the grip of the fascist colonial system. Hence colonisers competed unjustly with Blacks for salaried employment in all socio-economic levels: transportation industry, small businesses, artisan sector, farming, etc. The result was explicit job reservation in favour of non-African people, even at the lowest level of management.

Trade unions were formed. But these always remained under strong control of the colonial administration. In effect, they operated in harmony with racial discrimination. The trade unions demanded that only people with professional dossiers (issued by the same trade unions) should be employed for salaried jobs under the pretext of protecting qualified workers from cheap labour, thus denying Blacks access to salaried jobs.

The same discriminating practice existed in the education system, a condition that would have fatal consequences in the post-independence era. Blacks were kept out of education, or education was used to make them prisoners of the earth so that they could be colonised even more brutally.

There were two types of schools: state controlled schools for Whites and mission schools for Blacks. In the state controlled schools—where Blacks constituted only 13 per cent of the total number of registered students nation-wide—the passing rate was 60 per cent in 1960. In the mission schools—where the Catholic Church had the monopoly—where government control was absent—and where Blacks represented 76 per cent of the total number of registered pupils, in the same year—the passing rate was less than 29 per cent.

Discrimination was even more accentuated in secondary schools. Of 704 students nation-wide in 1945 only 1 was black, representing only 0.14 per cent. Of 2550 students in 1960 only 69 were black, representing only a mere 2.7 per cent (Rocha & Hedges 1993:182). In the year of independence (1975) the University had only a dozen Blacks out of a total of 3,000 students, representing only 0.4 per cent (Hall & Young 1997:10). Drawing from these statistics analysts reached the following logical and inevitable conclusions:

Around 1960, only 0.2 per cent of the black population [6 000 000] reached, annually, a primary level of literacy. The global percentage of illiteracy was about 95 per cent.

A reduced number of Black children was authorised to receive a primary education of the same level as the Whites', and a proportion of Black children, in relation to that of White children, in "common" primary and secondary schools, was very small in 1960 than in 1930.

The barriers to education of Blacks were more effective, as they advanced through the various levels of education. It was for this reason that a considerable number of Blacks fled to various neighbouring countries, to have access to secondary education,

as, for example, Eduardo Mondlane, who managed to register in a school of the Swiss Mission, in Transvaal (Rocha & Hedges 1993:182).

In sum, the Mozambican economy fed rather than competed with the Portuguese economy. It had been deeply dependent on plantations, forced labour (*chibalo*), service industry, human export, and management of foreign (British and South African) enterprise. Mozambique is dissimilar to many other African countries because fascist Portugal continued its oppression and forced labour longer than many other countries which had colonies. The result was, as Joe Hanlon observed, "Mozambique is one of the poorest countries in Africa not because it lacks natural resources, nor because Portugal left it underdeveloped, but rather because Portugal [the second most underdeveloped country in Europe] actively underdeveloped it" (Hanlon 1987:22).

#### *2.2.4 Economic Sabotage and the Flight of Human Capital*

After independence the new government of Frelimo was thrown deep into administration nightmares as it tried to curb the economic decline it had inherited from the colonial master. The colonial administration had drained the monetary reserves in military expenditures—amounting to 5.5 billion escudos in 1971—to fund the war which it decisively lost. Ten years of war were also ten years of Portuguese propaganda against Frelimo. Repression and insecurity grew, and from 1971 onwards international migration showed a growing negative tide. The Portuguese began to leave the country. In fact, of course, by independence half of the White population had left. Most of these did not leave empty-handed. Economic sabotage had long begun. There were many cases of "orders" of imported supplies which never arrived, and which were really transfers of money abroad. As Joe Hanlon writes: "One of the most dramatic was Boror [a commercial Portuguese agroindustrial company], which ran one of the world's largest palm plantations. They loaded the entire 1975 copra crop, worth 2 million pounds, on to four ships and sailed away, never to return" (1987:48). Thus Egero also explains:

.... The Mozambique government, in a retrospective review of the colonial economy, reports that during the last two years before Independence, foreign reserves slumped to two billion escudos a year ....

By this time, an estimated half of the Portuguese community had left the country, carrying with them all that could be taken away and destroying the rest. They were to

be followed by most of the remainder already in the year after Independence, leaving the new government with an economy extremely dependent on an increasingly hostile neighbour, South Africa, and with only the rudiments of a functioning bureaucracy (1987:55).

The nationalisation of social services—health, education and the land, in particular—affording Frelimo great popularity—ended privileged access to social services. The standard dropped for the minority White. This accelerated the flight of the Portuguese. In rural areas also there was a flight of Whites. There they killed cattle, destroyed their machinery, and burned their farms and crop reserves before they left. Fleeing technicians and owners paralysed or destroyed machinery, or removed essential parts, destroying the records and repair manuals. Mixing formulas in industrial companies were destroyed together with the records of where the machinery had been bought. What made this all too serious was the very strict division of labour by which anything technical or semi-technical had been done by the settlers. Thus the remaining workers were left with no skills or idea to keep the factories running.

Still very dramatic was the abandonment of businesses, some of which were built over many years. As Hanlon writes, "Suddenly, one day, owners would be gone, leaving behind a workforce without a clue as to how to manage the business. For example, waiters who had never been allowed to handle money found themselves running restaurants" (Hanlon 1987:47).

### ***2.3 Mozambique Under Frelimo***

The flight of the Portuguese created very dramatic economic problems. More than 300 businesses were abandoned, most of which were small. The building boom stopped, paralysing the construction industry, and throwing thousands of people out of work. Thousands of domestic workers suddenly were unemployed. Thousands from the hotel and tourism industry were suddenly out of work. As one writer truly observes,

Frelimo inherited a bankrupt economy with chronic balance of payments surpluses, cushioning the economic crisis caused by the flight of the Portuguese. Partly this was self-generating: industry was dependent on imported raw materials, so the collapse of industry meant a sharp fall in imports. Also, it was the departing Portuguese who had imported consumer goods (Hanlon 1987:50-51).

### 2.3.1 Intervention

To control the situation the Frelimo government introduced the concept of "intervention", a type of bankruptcy procedure, in which the state took over the running of an abandoned or sabotaged business, allowing, however, the owner to reclaim it later under certain procedures. All these businesses had been "intervened" by the end of 1976.

To do this, Frelimo created Dynamising Groups (*Os Grupos Dinamizadores-GDs*). These were *ad hoc* committees of eight to ten people, set up in villages, urban neighbourhoods, and work places, starting in 1974. The GDs officially took over the collapsing colonial apparatus. They took control over the abandoned businesses, and guarded against those who sabotaged the economy. Since the people were unfamiliar with Frelimo and its policies, especially in the South, the GDs also became the educating bodies that introduced Frelimo to the people.

### 2.3.2 Unexpected earnings

In 1975 Malawi cut off the supply of labour to South Africa. Mozambique took over the vacant posts, increasing the number of its workers. There was a wave of strikes in the South African gold mines in the 1970's, from which Mozambicans also benefited through significant wage increases. Hence they were paid in gold at the official price which Mozambique could sell at the free market rates. Further, by 1974 the gold price had risen three times above the official price, from which Mozambique unexpectedly benefited by more than \$US100 million a year.

### 2.3.3 A Success story?

The mobilisation and motivation of the populace through the GDs was a success. The GDs also combined the roles of courts, councils, debating groups and mobilisation for latrine buildings, and adult literacy classes. Mass meetings became very frequent. The education system and health services, which had served only Whites in urban and settler areas, were dramatically restructured and expanded to cover even the forgotten

villages in the rural areas. Adult literacy had been less than 15 per cent. By 1980 the number of qualified school leavers increased four-fold in both primary and secondary education (Direcção Nacional de Estatística-DNE 1985). In health services "primary health care" was promoted even before the World Health Organization (WHO) began to promote it. Between 1976 and 1978 a vaccination campaign reached 95 per cent of the population and provided a highly accurate forecast for the 1980 census. In 1982 there were more than twice as many rural health posts and centres as there had been at independence (DNE 1985). A WHO survey in 1982 revealed that 81 per cent of rural children had been seen at least once by a health worker, and two-thirds of rural health posts surveyed had a sufficient stock of essential drugs. It was one of the success stories cited by WHO and other international health experts (Hanlon 1987:55-71).

In short, despite a shortage of skills Mozambique struggled through on a wave of massive enthusiasm. By 1977 the bankrupt economy began to rise and it grew steadily until 1981. With the exports rising, the GDP was double the 1977 level and well above pre-independence levels.

## ***2.4 Destabilisation***

### ***2.4.1 Internal Destabilisation***

Even during the liberation struggle Frelimo had its internal factions, tensions and defections to Rhodesia, where Renamo was formed by the Rhodesian security services together with dissatisfied Portuguese bourgeoisie. These tensions and defections were caused by Frelimo's own growing inclinations and tendencies towards Marxist-Leninism, responsible for its gradual decline from its initial nationalism. Besides, there were some ethnic tensions, with the northerners complaining that Frelimo leadership was dominated by southerners from Gaza. These factors were cracks through which the enemy would later penetrate. They were to be exploited and taken advantage of by South Africa and Rhodesia to destabilise the country.

At its Third Party Congress in 1977, Frelimo removed its veil and revealed its real authoritarian face, which would later haunt the entire country. Frelimo declared openly

that it was a Marxist-Leninist party, which, in itself, was not bad. But it was the paving of the way towards the fascism of the 1980s. In the Congress the party declared:

The hard class battles demand that the working class, closely allied with the peasantry, its fundamental ally, and with the progressive elements of the labouring class, organise itself into a vanguard Party, guided by the scientific ideology of the Marxist-Leninism (quoted in Hoile 1989:21).

Frelimo's fond commitment to the Marxist-Leninist ideology was further stressed in President Machel's address, entitled *Every Revolution is a Contribution to Marxism*, delivered in Berlin on 11 April, 1983, at an international celebration marking the centenary of Marx's death:

Dear comrades, with deep feelings we greet this August assembly where representatives of the forces of progress and socialism, from all the continents and peoples, from all races and nations, are together celebrating the centenary of the death of one of mankind's most beloved sons, Karl Marx.

.... In four continents, workers, taking control of their destiny, are building a happy future, are building socialism, Communism.

.... Marxism is a shining path, a sun of hope and certainly that never sets, a sun that is always at its zenith.

Marxism, the science of revolution, is the fruit of practice, of mankind's struggle for a better future and so is renewed and developed through human practice. The experience of revolutionary struggle of the Mozambican people provides an illustration of this principle.

The dictatorship of the proletariat is as alive today as at the time of the Commune (quoted in Hoile 1989:23).

Frelimo drew further and further away from the people it boasted of serving. Marx's *dictatorship of the proletariat*—which meant popular democracy—was quietly folded and thrown under the carpet of heavy-handed rule. With the Maputo heavily centralised government, the DGs were ignored and pushed to the periphery. In rural areas people were expropriated of their land and forced to live in *aldeias comunais* (communal villages) where they could be easily massacred by Renamo.

In urban areas, especially in Maputo, there were networks of *Operação Produção* (Operation Production) through which the unemployed were arrested and taken to forced labour in rural areas, hundreds of miles away. Many were arrested on the road

and deported without notifying their families. Since homes were searched, too, many were arrested in their homes in case they did not produce *cartão de resident* (resident card). Everyone had to produce four cards on the spot whenever asked by the police: *cartão de residente* (resident card), *cartão de trabalho* (work card), *bilhete de identidade* (identity card), *cartão de recenseamento* (military service card) in case one was young enough to run and to carry an AK47.

Surely Frelimo was ferociously repressive and Hanlon is right in stating that "Frelimo created resistance where there was none" (1987:183). It had completed the U-turn to the old time colonial *chibalo*. Surely Frelimo repelled people with its atrocious activities. Frelimo betrayed the people and thus destroyed its support base. It did not live up to the people's aspirations. Some of these people did, indeed, join or support Renamo. The consequential social impact cannot be well conceived by an outsider, but we, the Mozambicans, until now, do feel the pain deeply. We still have the scars.

#### 2.4.2 Rhodesian and South African Destabilisation

Destabilisation really began way back at independence. In just two years South Africa cut the number of Mozambican mine workers from 118 000 in 1974 to 41 000 in 1976, causing unemployment problems. The official payments in gold were terminated in 1978. South Africa imposed economic sanctions against Mozambique (simply for being free), cutting its use of the port of Maputo from 6 million tonnes before independence to 3 million in 1981, and down to less than 1 million tonnes later. These measures, together, caused Mozambique at least \$US 800 million in lost earnings by 1983 (Hanlon 1992:11).

In 1976 Mozambique closed its border with Southern Rhodesia and imposed UN-sponsored sanctions<sup>1</sup> against it. It shut its borders with Rhodesia, losing the vital earnings by port and railway traffic from Rhodesia and Zambia. As a result the

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<sup>1</sup> Mozambique had just become independent and it was keen to see its neighbours (Southern Rhodesia, South Africa and Namibia) independent too. Hence the Frelimo government gave full support to Zanu's revolutionary struggle for the independence of Zimbabwe. This "communist" and "anti-Christian" behaviour certainly annoyed Smith's Regime, who retaliated with air-strikes. The socio-economic and political relations between these two countries deteriorated. The shutting of the border and sanctions against Southern Rhodesia took place within this socio-political atmosphere.

Rhodesian and Zambian economies became integrated to the South African economy, as their cargo was diverted to South African ports. The sanctions cost Mozambique about \$US 600 million according to UN estimates (Hanlon 1987:51).

Meanwhile, Rhodesia retaliated with fierce military raids into Mozambique and disrupted the central provinces' roads, rail, ports, hydroelectric power, and damaged oil reserves. Together with dissatisfied Portuguese anti-Frelimo bourgeoisie, the Rhodesian security services created a guerrilla force, Renamo, placed defectors from Frelimo as its puppet leaders, and opened an anti-Frelimo radio station. Renamo was effective in destabilising Manica and Sofala provinces.

In 1980 Zimbabwe became independent. The Zanu Administration introduced massive socio-economic reforms. Mozambican borders with Zimbabwe reopened. Zimbabwe resumed the use of the Beira corridor for its cargo. The Zimbabwean economy partly disengaged from the South African economy. With the declaration entitled *Toward Economic Liberation*, the nine majority-ruled states of Southern Africa founded, in the same year, the SADCC (Southern African Development Co-ordination Conference), declaring their intent to "liberate our economies from their dependence on the Republic of South Africa." The declaration states:

Southern Africa is dependent on the Republic of South Africa as a focus of transport and communications, an exporter of goods and services, and as an importer of goods and cheap labour. This dependence is not a natural phenomenon nor is it simply the result of a free market economy. The nine states and one occupied territory of Southern Africa (Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe) were, in varying degrees, deliberately incorporated -- by metropolitan powers, colonial rulers, and large corporations -- into the colonial and sub-colonial structures centering in general on the Republic of South Africa. The development of national economies as balanced units, let alone the welfare of the people of Southern Africa, played no part in the economic integration strategy. Not surprisingly, therefore, Southern Africa is fragmented, grossly exploited, and subject to economic manipulations by outsiders . . .

It is not the quest for liberation, but the entrenched racism, exploitation, and oppression which is the cause of conflict in Southern Africa. The power behind this is in large measure economic. Economic liberation is, therefore, as vital as political freedom (quoted in Hanlon 1987:213).

With the independence of Zimbabwe Renamo had no support base. Its radio station was shut down. In the master-puppet relation, South Africa took over from Rhodesia as

Renamo's master. South Africa nurtured Renamo and became actively involved in the destabilisation of Mozambique, having re-established the Renamo radio station. South Africa worked consistently through Renamo to keep the railway from Zimbabwe to Beira and Maputo closed. At times the SADF operated directly. In 1981 it expertly sabotaged the bridges carrying roads, the railway, the oil pipeline from Beira to Zimbabwe, and destroyed the marker buoys in Beira port. Since then Renamo kept the railway from Beira to Malawi shut, and even cut the road linking Malawi to Zimbabwe. In 1983 the South African Defense Force (SADF) sabotaged the British Petroleum oil storage depot in Beira, causing \$US 20 million worth of damages. In the same year Zimbabwe was hit by fuel scarcity. South African involvement is described in Hanlon's book as he writes:

... One report quotes Dhlakama [Renamo leader] as saying, 'you South Africans are like my parents' and that 'everything depends on you'. He also thanks them 'for evacuating my wife from Zimbabwe to South Africa'. In one meeting, an unidentified 'Colonel Charlie' says he will send specialists and instructors to teach the MNR how to use heavy weapons and do sabotage operations. And Charlie adds: 'The instructors who go to Mozambique will not only teach, but also participate in attacks.'

One of these 'instructors' was Alan Gingles, killed trying to mine the Beira-Zimbabwe railway in October 1981. Mozambican soldiers came across him and shot the mine; he was blown up and only his ear was found, which at least proved he was White. But in his pack was a partly finished novel about Northern Ireland, written in a school notebook. It contains, ironically, his own obituary: 'Death, as he now knew, was anything but pleasant or glorious.' The London *Observer* eventually showed that the handwriting was that of Gingles. Born in Larne in Northern Ireland, he joined the Ulster Defence Regiment and went on to Sandhurst and the Royal Irish Rangers. Transferred to Germany, he became bored and resigned his British commission, moving to Rhodesia to join the Selous Scouts. With independence there, he joined the South African Defence Force. An SADF statement in 1981 said Gingles was killed 'in action against terrorists' in the 'operation area' (Hanlon 1987:222-223).

Renamo's destabilising operations ranged from attacks on economic bases to sheer acts of brutality. It burned down factories, crop fields, schools, hospitals, shops; destroyed bridges, roads and railways; ambushed and attacked cars, buses, lorries, and trains, killing thousands of people. It was extremely dangerous to travel and people were afraid to do so. To those who risked and travelled it was a very traumatic experience, since it was like walking on a tightrope as cars and buses passed through recently and long burned cars and buses and degenerating dead bodies. Renamo committed brutality: cut men's genitals while they were alive, smashed babies against tree trunks, opened women's pregnant bellies with bayonets and killed the embryos, committed rape. Renamo massacred people in very dramatic ways: cut people's heads and threw

them into water wells, lined dead bodies on the roads or divided them with knives and cooked them. Behind these atrocities was South Africa.

In its destabilising operations South Africa, in 1983, began building a railway across Swaziland to make it easier to ship cargoes to the ports of Durban and Richard's Bay from the Eastern Transvaal, and thus divert more traffic away from Maputo. These measures were also intended to seduce Swaziland away from SADCC with money. After Mozambique's independence, the South African government pushed hard for rapid containerisation of most traffic through the Safmarine (South African sea cargo shipping company). By then Safmarine dominated the container shipping cartel which served Southern Africa. In this way Zimbabwe's cargo was further diverted from Maputo to the Durban modernised container port. It is important to recall that the South African government and companies dominated all the shipping agents in the region. As a result, three years after independence the Rhodesian cargo went through South Africa. Only low value and non-containerised cargo was allowed to go through Mozambique. Communication and transportation routes through Mozambique were cut, and rural economy totally destroyed.

## ***2.5 The Turn to the West***

By the mid '80s, the Mozambican economy was successfully brought to a complete halt. In 1983 the forex reserves were dry. Destabilisation, then, forced Mozambique to turn to the West for help. It was now open and desperate for aid which it had initially refused. New aid missionaries were ready to invade the country, but not quite yet. For Mozambique was left alone for some time so it could feel the sting of its rebelliousness a little longer.

### ***2.5.1 A Cold War Battleground and the West's Hostility***

The early 1980s saw the culmination of the Cold War. In the same period Ronald Reagan and Margaret Thatcher ascended to power in two Western powers, and changed the political outlook and attitudes in the Western society. They tightened their foreign policies in order to contain Marxism-Leninism in the world. As some commentators observed, "Reagan has directed and presided over America's reassertion

of its active world role. Previously, the US had been drawing inward and seemed unwilling or unable to exert influence." Although "the administration has assisted viable Western-oriented movements seeking to topple Soviet-backed Marxist-Leninist regimes," now it was prepared to establish "a willingness to use force" (Heatherly & Burton 1989:464-7). The *White House Mandate III*, in Reagan's time, spoke of the "Frelimo regime . . . composed of long-time, hardline Marxist-Leninists; weaning them away from Moscow is surely impossible." Its objective was to "roll back the Soviet empire" as it claimed that Mozambique was a "Soviet colony" where "Moscow . . . has access to airfields and naval facilities" (Heatherly & Burton 1989:598, 608, 612). The US had turned Mozambique into a battleground to fight the Cold War against the Eastern block.

The US Congress was under the grip of hard-line right wing demagogues who operated as anti-Frelimo and pro-Renamo lobbyists. Not surprisingly the Reagan Doctrine supported Renamo, calling it "the freedom fighters" and "people's liberation movement," and claiming that "Renamo is establishing a provisional government in the large area of Mozambique in which the resistance movement operates freely." It also claimed that "of all insurgencies against pro-Soviet regimes anywhere in the world, Renamo is closest to victory" (in Hanlon 1992:46; Gifford 1988:73-76). This was sheer propaganda and, from a common Mozambican's point of view, it was utter insult and ridicule.

What is interesting is that the Reagan administration had as its top priority for Africa for 1985, "to urge Mozambique to abandon Marxism." It further declared that "If, by early 1985, Machel is not decisively moving away from Marxism, then, a clear alternative exists through support for MNR [Renamo] by the United States." We should always bear in mind that, for Americans, as the Reagan's *Mandate II* itself states clearly, "Africa is an important part of the Western commonwealth, providing critical raw materials and markets." Therefore the continent should be made "congenial once again for private investment" and certain specific interventions "must be ironed out on a classified basis." The Reagan administration also argued that Southern Africa represented "the most productive and economically important part of Africa from the point of view of the West." The only fear they had was for the "White tribe of South Africa": "fear of having South Africa disintegrated into chaos and anarchy—where much of central Africa headed after

the advent of one man, one vote." Thus "South Africa needs both time and a sense of security" (in Hanlon 1992:45).

The hostile and cold predisposition of the United States toward Mozambique at a time when Mozambique had already turned its back on Marxism-Leninism was indeed unjustifiable. As a matter of fact, Mozambique already had withdrawn from Marxist-Leninist ideology, had written a non-communist constitution, and had, on its own, turned to the West for help. Indeed, as Crocker grumbled in testimony to the Senate Africa Subcommittee on 24 June 1987:

. . . it is especially ironic that Mozambique got little attention in Washington when it appeared to be firmly committed to socialism, close relations with Moscow, and antagonism toward the United States. Only when Mozambique manifestly changed its course and began to reach out to us and our Western allies did Mozambique and US foreign policy toward that country become an issue in our own foreign policy debate (quoted in Hanlon 1992:46).

### *2.5.2 Religious Groups: Partakers in Scandal*

It is a hard, naked, truth that Christian organisations have blessed and baptised the war of destabilisation in Mozambique. They blatantly scandalised the Gospel of justice. Religious groups of the New Right, with unqualified support from Reagan who was himself their faithful and aggressive adherent, had a political and destabilising role to play in Mozambique. These groups, all of which were either American or South African, saw themselves as defenders of the Christian faith, waging a "holy" war for Jesus Christ and against the anti-Christian communists. They launched operations based on ignorance and misinformation. The fact that hard-line right-wingers painted a caricature of Mozambique in the U.S.A., and the geographical distance itself between U.S.A. and Mozambique, counted greatly for ideological distortions which led religious groups to partake in scandal, to partake in the table of the prince of evil. Most Americans and, indeed, Westerners at large were incapable of looking beyond these pre-tailored caricatures and gross distortions about Mozambique.

Ian Grey, a young man from Australia, went to Tel Aviv, Israel, in 1986. There he was to encounter an extraordinary religious experience, after which he felt equipped to work for

Jesus in Africa. Recruited later in the same year "to do the Lord's work" in Mozambique, he repeatedly entered the country illegally from Malawi, worked in Renamo held areas, supplying Renamo with Bibles and other goods, and also relaying messages between Afonso Dhlakama (Renamo's President) and Thomas Schaff, a Renamo spokesman in Washington and a former missionary to Mozambique<sup>1</sup>. His work had helped raise funds for Renamo in the U.S.A. in the name of Jesus. After his arrest on 2<sup>nd</sup> November 1987, he was sentenced to ten and a half years in prison. He then admitted that he had been misinformed and fooled. He also apologised for causing harm to the people of Mozambique (Gifford 1988:75; van Koevering 1992:115). When interviewed, this is what he said to an Australian newspaper:

I was naïve, foolish, and was a tool of those who committed horrendous acts against the Mozambican people. . . I was duped by political Christians into believing that the MNR [Renamo] were freedom fighters and churches were being destroyed. . . When I heard from my father [who had come from Australia to attend the trial] that there was religious freedom and more churches now than when Frelimo took over at independence from Portugal in 1975, I realised how I had been duped . . .

I saw a lot of suffering in the areas I preached. Some had only bark for clothing. But today I realise the only way to change that is to get rid of the MNR. Without South African support, and *the support of people in the United States who back organisations like Shekinah*, I do not believe the MNR could survive (quoted in Gifford 1988:75, italics in the original).

Religious groups—Jesus Alive, Rhema Bible Church, South African Kwasizabantu Mission, The Unification Church (Moonies), Jimmy Swaggard Ministries, World Vision International (WVI), among others—confused the people with their theology, diverting their attention from the pressing national issues of development and peace. These groups had no interest in or will for involvement with the social, political or economic realities of Mozambicans. Since Mozambicans were "dying in their sins," these groups had no time for all these "worldly things" and what had to be done (evangelism) had to be done as quickly as possible. They displayed typical fundamentalist attitudes and indifference. As van Koevering (1992:120) points out:

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It is a well known fact that some Christian missionaries had ambiguous, and sometimes sinister, roles to play in Mozambican politics. Besides Thomas Schaff, another example is that of Rev. Armand Miller Doll, also an American missionary to Mozambique for the Church of the Nazarene. He was arrested and imprisoned in 1975 for allegedly working for the CIA. After his release, the Church of the Nazarene crowned him in the U.S.A. as a true saint, who had been rescued from the valley of the shadow of death through the prayers of the American faithful, the holier than thou.

These groups often label involvement in "worldly concerns" as "secular humanism". For them "the world" includes all human society outside God – politics, religion, commerce, and entertainment, education and world organisations. . . . Christians who talk of "the people", "the people's rights", "oppression and liberation" are thought to be promoting humanism. . . . [Consequently,] relief, as a quick response and means to an end, becomes the preference, rather than development. Even where there might be involvement in development projects, seminars or training programmes, the emphasis is usually on the spiritual growth of the participants (through Bible studies, prayer and fasting and teaching) with little or no attention paid to self-sufficiency, independence and institutional or organisational development and support.

When this theology was challenged, it was for them another proof, a clear indication, that Mozambique was a communist country which persecuted Christians. It would outrage American right wing Christian brothers and sisters, prompting them to offer unqualified support to Renamo.

### *2.5.3 End of Hostility?*

To the shock of Washington, in the same year (that the USA tightened its foreign policy against its allegedly communist enemy, the Frelimo government, and in support of its ally Renamo) Renamo massacred 424 people in Homoine Hospital, kidnapped a US nurse, and committed wide-spread atrocities. A few months later the US State Department commissioned a study by a former US official, Robert Gersony, who interviewed refugees and catalogued Renamo's atrocities. He stated in 1988 that, "The level of violence reported to be conducted by Renamo against the civilian population is extraordinarily high. It is conservatively estimated that 100 000 civilians may have been murdered by Renamo." Speaking at a conference in Maputo on 26 April 1988, Ray Stacey, the US Deputy Assistant Secretary of State for African Affairs, accused Renamo of carrying out "one of the most brutal holocausts against ordinary human beings since World War II." Renamo had been "waging a systematic and brutal war of terror against Mozambican civilians through forced labour, starvation, physical abuse and wanton killing," he stated (in Hanon 1992:47).

Frelimo was ultimately made to comply with certain political concessions demanded by the USA and its Western allies. Subsequently the relations between Mozambique and Western countries improved and Mozambique became the largest recipient of US assistance in sub-Saharan Africa. However, the West felt that the concessions made by

Mozambique were not enough, on the one hand. On the other hand, these concessions constituted a terrible sin for the East. So Frelimo was under pressure from both sides. Amid destabilisation and starvation among the people, Frelimo was perplexed. That is why Jorge Rebelo, a Politburo member, explained to a party meeting before the Fifth Party Congress, that,

there is the problem of the United States. At a meeting between US Congressmen and President Chissano, the key point was: "Are you a Marxist? If so, you are our enemy." The argument used by the reactionary forces is that Frelimo is Marxist-Leninist and so must be destroyed. And the socialist countries say we are not Marxist-Leninist either. So we are being attacked for something which we are not. Therefore, the new party statutes will not mention Marxism-Leninism, firstly in order to be coherent with ourselves, and secondly so as not to give ammunition to the enemy (cited in Hanlon 1992:49).

In any case, the US change of attitudes toward Mozambique triggered the inflow of aid from the Western block.

## **2.6 Aid Invasion**

### **2.6.1 The Landing of Aid**

It is interesting to note that the Western powers have so skilfully mastered the craft of manipulation. They have expertise in the art. For them anything has a potential to be subjected to manipulations for opportunistic self-interests. They not only know how to use violence and arms to destabilise a country for the sake of their interests, but they also know how to use food aid for that end. The coming of aid to Mozambique was in such a way that it became similar to sheer invasion to promote donor country interests for further destabilisation of the country. Suddenly, massive bands of NGO representatives annoyingly flooded the country to such an extent that the Government was unable to control them. It soon became impossible to control "the vultures" in a "Disaster Tourism", as Joe Hanlon (1992:97) called them. Joe Hanlon was there and it is best to reproduce his dramatisation of the phenomenon.

Mozambican officials had no experience of the freewheeling and freebooting international aid community that descended like vultures smelling a dying animal.... the delegations were flooding unchecked into Maputo from international organisations,

bilateral donors, and NGOs. Journalists, TV crews, and researchers joined the torrent. Each potential donor had to see starving babies for themselves; each expected to talk with a government minister, irrespective of whether their help was to be millions of dollars or a few old clothes. Delegations normally consisted of several people, who often expected to be put at the best hotel in Maputo; some complained about the vagaries of the air conditioning and that the food was not up to international standard. Most demanded cars and translators. They expected to be flown to Inhambane, even though there was no scheduled fair link. And looking at starving babies is hard and thirst work, so all expected to be fed and watered during their brief stay in Inhambane.

Mozambique knew it had no choice. It was dependent on press coverage and on the first hand reports of the visitors if it was to attract food aid and break the *de facto* aid boycott (1992:97).

The subsequent landing of the NGOs was equally a haphazard one, resembling invasion. As Hanlon (1992:98) continues to report,

Next came the flood of donors planning to set up on the ground, particularly in Inhambane. The shock troops were NGOs. Some came on their own, some through governments and the EC, and some under UN auspices. Church groups, largely excluded in the past, were prominent in the first wave. All wanted office space and housing in Maputo and facilities in the provinces -- immediately. Failure by an overworked official or minister to respond to a donor demand was taken either as further evidence that Third World governments do not want to help their own starving people, or as proof of cupidity.

Some NGOs set out for the provinces with virtually no liaison with the government. In several cases an agency set up a project that duplicated something another agency was already doing. Some tried to bypass the government health and food administration system...

.... Like an animal dazzled by car headlights, the country seemed paralysed and did not know which way to turn....

Meanwhile the presence of bilateral donors, the UN, and the IMF and World Bank was increasing rapidly.

### 2.6.2 Non-Governmental Organisations?

Many of the Non-Governmental Organisations were hardly Non-Governmental Organisations. In effect, they were strictly governmental—contractors of the donor governments—working to establish the interests of their governments. USAID is not an NGO. For the sake of our study it nevertheless merits special mention. In fact, the point here is that the so-called NGOs are *de facto* governmental organisations or GOs.

The USAID budget was approved and the 1984-1987 US policy on aid made the US interests clear. The "US objectives" in Southern Africa included "continued Western access to the minerals and raw materials in the region" and to "support the development of the private sector." Not only that, but also the region "offers a largely untapped market for US goods and services" (in Hanlon 1992:43).

In Mozambique assistance was granted "in response to the GPRM [Mozambican government] policy changes giving priority to the private sector." The USAID had three distinctive "short-term objectives" in view: "humanitarian assistance," "to promote the development of the private sector," and "to promote privatisation." This way the USAID pressured the Mozambican government to implement policy changes liberalising agricultural prices, increasing private sector participation in production and marketing of agricultural inputs, and privatising state and intervened companies (USAID Mozambique Action Plan FY 1989).

By 1989 the US had its aid entirely tied to its political interests. Its policy had set "new conditions for US emergency famine assistance," in particular that "food distribution must be allowed to be handed entirely by international organisations and kept separate from the distribution net-work of the recipient government." USAID channelled its funds through its three main home contractors: Care, World Vision, and the Adventist Development Relief Agency (ADRA). Mozambique was coerced to let these agencies distribute food aid as freely as they saw fit. Care administered over US\$300 million of USAID money per year in 37 countries. World Vision is a right-wing, anti-Communist Christian organisation, which used aid as part of its evangelism<sup>1</sup>. WV had anti-Frelimo sentiments and it has not shown signs of change. World Vision International administered over US\$200 million of USAID money (Hanlon 1992 48-52).

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As Gifford (1988:62) observes, World Vision International is indeed "bedevilled by its own history" world-wide. "Historically, World Vision has been distrusted by other aid agencies, the main complaints being: its linking of aid to proselytising, even using aid to pressurise recipients to accept evangelical Christianity; its high administration costs; its refusal to face the root causes of the suffering it tries to alleviate; its insistence that it should never 'take sides' politically, but remain 'neutral' in every situation; etc." Besides, "its limitless funds and large headquarters [in Vietnam] opposite the United States embassy emphasised its [world-wide] close links with the United States Agency for International Development (USAID)." Furthermore, "Its willingness to report its activities to USAID led to charges" that it was furnishing CIA with high-profile information in order to enable the latter to launch smooth

These "NGOs" and other aid agents representing the interests of their donor countries set up independent parallel structures and distribution programmes in direct competition with the Mozambican government so as to isolate the government from the people and thereby toppling it. For where starving people saw these NGOs—rather than the government—taking care of their hunger, they consequently lost faith in the government in favour of these NGOs. The NGOs and aid agencies ran and expanded faster than the government had planned.

The NGOs further accelerated destabilisation by creating and stimulating a brain drain from the state to their ranks. They offered seductive salaries—though extremely low in international standards they claimed to hold on to—to seduce qualified personnel from the state to their ranks. The flight of the state's best personnel has not been documented but it has reached frightening proportions as more NGOs and private foreign companies invade the country and do the same thing. The result is the state's inability to deliver social services to the people. This way there is still further destabilisation even after the war.

NGOs stimulated and fed the demand and hunger for hard currency in the black market, where illegal money dealers operate to export money from the country. NGO officials have been the main feeders of the black market with hard currency in Mozambique. Had it not been for the NGO and donor agency officials, the foreign exchange in the black market would not have survived. After all they controlled more than three quarters of the dollars available in the country. As we shall see in the next chapter, NGOs and donors stimulated and fed corruption. They are partly guilty for the present moral decay in this country.

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operations to dismantle communism. No wonder the relations between the Mozambican government and World Vision remained always precarious.

## **2.7 Programa de Reabilitacao Economica - PRE**

### **2.7.1 Towards PRE**

There was a crisis in 1982-1983 which was caused by draught and South African-orchestrated destabilisation, and a cut-off of aid credit. There were, of course, structural problems, but these had been part of the colonial legacy, related to the cost of imposing sanctions against Rhodesia and the impact of South African destabilisation. But in the negotiations with Frelimo, the IMF and World Bank were too blind to see these historical events and consider them, and too deaf to listen to the truth. Instead, the Fund and Bank argued that the crisis was caused by the state control of the economy, an explosive growth of money supply, excessive management of foreign exchange, and too few exports. They pushed for structural adjustment with sweeping measures: a virtual end to all controls and denationalisation of virtually all economic and social services: health, education, property, and industry. They demanded that the ration system in Beira and Maputo be abolished, and that the Metical (Mozambican currency) be devalued from the official rate of MT40 to the black market rate of MT1500 to the US\$.

All these demands were made without a slight knowledge of Mozambique with its specific problems of the destabilising war. The first experiment with the free market had already started in early 1984 when the government responded to a charcoal traders' strike by allowing a completely free market in Maputo for firewood. As Joe Hanlon saw it that year in Maputo:

[T]he effect was dramatic and prophetic: all available vehicles, including private cars, drove out to rural areas and firewood poured into the city [a continuing phenomenon as yet]. But the price was high; firewood to cook one day's meal for a family cost more than the daily minimum wage for a worker. And, as was to happen repeatedly later, the market did not "work"—prices remained high as market stall holders sat behind mountains of unsold firewood (1992:116).

In any event, Frelimo, having originally resisted outside pressure, finally saw that it was fighting the behemoths and leviathans of the hard old wild West: the USA, IMF, World Bank, EC, including Frelimo's own old friends. Frelimo began to bow significantly as a

sign of capitulation to its White masters. Mozambique joined the Fund and the Bank formally in September 1984.

A wave of deregulation and liberalisation followed. In May 1985 there was further liberalisation of regulation on business. Companies were allowed to import and export directly. State owned companies were removed formally from the government apparatus. There was permission for the first time to use money to pay directors and workers in forex or goods bought in forex. In the same month the world Bank announced its first loan to Mozambique worth \$US45 million for spare parts and raw material for industry. Only later in June—six months late!—did the government announce the plan and budget for 1985. Since this was in the context of the destabilising war, there was a major increase in military expenditure. Health and education budgets were cut significantly by 15 per cent. The fact that Mozambique was a war economy was ignored and no provision for defence was made.

### *2.7.2 The Reforms and Objectives of PRE*

As already stated, the Bank and the Fund were not happy with Frelimo's concessions, as they felt they were not enough. Under pressure Frelimo announced its own version of structural adjustment in 1987: *Programa de Reabilitacao Economica* (Economic Rehabilitation Program) known as **PRE**. This was done without the IMF and Bank approval. Despite the fact that the programme did not include all and complete demands of the IMF and Bank, it was sharply and decisively liberal. The objectives of the programme were to:

- a. reverse the decline in production;
- b. ensure a minimum level of consumption and income, especially for the rural population;
- c. reduce domestic financial imbalances;
- d. strengthen the balance of payments position; and
- e. lay the foundation for economic growth (RPM 1987 in Hanlon 1992:18).

More specific aims were to:

- a. increase agricultural production for domestic consumption, export, and agroindustries

- b. increase industrial production to support agricultural marketing, for import substitution, and to stimulate the development of exports...
- c. rehabilitate physical infrastructure...
- d. increase international rail and port traffic; and
- e. mobilise external resources and allocate them to priority sectors (RPM 1987 in Hanlon 1992: 119).

PRE involved a wide range of actions. There was 20 per cent devaluation at once, from US\$1=MT40 to US\$1=MT200 (the Black market rate then was US\$1=MT1500). Consumer prices were increased. Prices for basic food, water and electricity doubled. Prices of goods such as beer, cigarettes, newspapers, bus fares, postage, telephone and wide range of similar items tripled. Prices for other items, including soap and paraffin for lighting, increased five-fold or more. Regulation had been officially declared a criminal offence. Wages were increased by between 50 to 100 per cent. New wage rules encouraged bonuses, incentives, and profit sharing, and permitted greater differences between high and low paid. Private employers and the state were encouraged to lay off workers "wherever possible." The state was instructed to re-deploy underused staff if possible. Prices paid to farmers were increased: maize price was tripled, prices of peanuts and beans increased four-fold. MT3 billion marketing fund was established to ensure that consumer goods reached the countryside, to stimulate peasant production, which did not impress the IMF and WB. The marketing board and its fund were later eliminated following orders from the IMF and WB. The taxation system was restructured and income tax was expanded, with rates between 6 and 15 per cent. Total tax income was significantly increased. Rents were substantially increased. The state budget was made more transparent to IMF and WB and included all subsidies, many of which had been hidden as bank credits. Price subsidies for the year were set at MT 7 billion (about US\$ 35 mn) and subsidies to state companies to MT 14 billion. Limits were imposed on the size of the budget and the current account deficit was capped at MT 30 billion. Bank credit regulations were sharply tightened and credit was no longer to be used as a hidden subsidy to private and state companies. Interest rates increased substantially. However they still remained less than the rate of inflation, meaning that the real interest rates remained negative. Aid funds were to be directed less to development projects and more to the purchase of raw materials and spare parts for local industry. New regulation was planned to encourage national and foreign private investment (PRM 1987 in Hanlon 1992:119-120).

### 2.7.3 The Social Impact of PRE

Following PRE there came a socio-economic catastrophe, for PRE measures had been socio-economic suicide. There was a sharp deterioration of livelihoods, resulting in sharp rises in absolute poverty. The state cut its food subsidies in urban areas, resulting in disastrous consequences. Vendors and shopkeepers stayed behind huge stocks of unsold goods. People could no longer afford buying, as their purchasing power had been crushed badly by PRE measures. In rural areas the terms of trade of the peasants deteriorated sharply. In fact, with destabilisation, the commercial network in these areas was brought to a complete halt. The industrial sector did not get any better, it rather continued to decline. The agricultural sector was badly affected, too. In such economic conditions the IMF, the World Bank, and other Western powers, demanded more devaluations, deregulations, privatisations, further reduction of state's social expenditure, increase of taxes, cuts in food subsidies, and further government removal from the national economic activity. It is a well known fact that Mozambique has implemented the whole package of the BWIs' demands. Joseph Hanlon's essay (1997), "It's the I.M.F. that Runs Mozambique," gives clear account of this.

### 2.8 Summary and Conclusions

Portuguese colonialism has had enormous, negative socio-economic effects on Mozambique. By independence more than 500 000 men had been exported—some had died—to the gold mines of South Africa and Rhodesia. Other tens of thousands had died or were disabled in forced labour. Other thousands had been exported as free labour to São Tomé as part of the punishment for resisting colonial authorities, many of whom never returned. Portuguese colonialism probably cost Mozambique more than 1 000 000 men in human capital. Economically speaking, these men were wasted labour or human capital, thanks to deaths in *chibalo* and involuntary migration. They could have been invested or employed for the development of Mozambique. Since no were costly. By the time Frelimo took over the country the entire forex reserve had been money is worth a human life, this is a damage which cannot be estimated in amounts of dollars, and which cannot be repaired.

Before independence Mozambique's assets had turned into deficits. The growing illegal exportation of capital just before and during the eve of independence drained and reduced to only a million dollars. This phenomenon did not stop after independence. False importations and unpaid exportation escalated, which led to centralisation and increased bureaucracy in exportation and importation. This was followed by massive sabotages by the fleeing Portuguese, causing more economic damages.

The dependence nature of the colonial socio-economic system continued with stubborn persistence for more than five years after independence. Mozambique had to continue depending on South Africa and Rhodesia for its socio-economic livelihood. By then the Rhodesian and South African destabilisation was built up and the creation of Renamo in Rhodesia was underway. With the demise of Smith's regime and the birth of Zimbabwe under Zanu, South Africans became the new lords of Renamo. This marked an accentuation of South African military destabilisation through a vastly reinforced Renamo. This did not happen without either silent or pronounced support by the United States.

→ SAP's allowed for this to be A

By the time the war ended in 1992, there was no rural trade, transport, and communication systems. Millions had become entirely dependent on relief aid. More than 90 per cent had become poor, and more than 60 per cent were in absolute poverty. More than a million had died either in war or in brutal Renamo massacres. Hundreds of thousands had become refugees, some in neighbouring countries—where they were exploited as free or cheap labour—and others displaced internally. The rural education and health systems had been completely destroyed. The industrial and agricultural sectors had collapsed.

Mozambique had become the poorest and most aid-dependent country in the world. Destabilisation forced Mozambique to turn to the West and accept aid on the West's conditions. Donors manipulated food aid and allowed tens of thousands to die in order to win political concessions. With the claims of being more competent and closer to the people, and acting as contractors of donor governments in Mozambique the NGOs proved to be more interested in undermining the government than in helping the people. These were "missionaries" paving the way and preparing the ground for actual re-colonisation.

In short—and with the exclusion of losses to human lives—it is estimated that the destabilisation caused Mozambique over 19 billion dollars. By 1992 Mozambique's foreign debt was well over US\$ 4 billion. A combination of the losses of colonialism and of destabilisation would shock any decent human imagination. It is clear injustice, therefore, for countries like Portugal to turn around now and, on the basis of sheer technicalities (as we shall see in the next chapter), claim that Mozambique owes them.

These are the compounded problems since colonialism, brought forward after the war of destabilisation. Mozambique was to devise development programmes, restructuring and adjusting its economic anatomy, to reverse the situation. [The following chapter is an outline of such socio-economic transformations *en route* to economic recovery.] The focus will be on the Government and the Bretton Woods (IMF and World Bank) marriage as the major adversaries in the new socio-economic and political dispensation.

## **Chapter Three**

### **Socio-Economic Reconstruction, Foreign Opportunism and Social Disintegration in Post-War Mozambique**

#### **3.1 Introduction**

This chapter deals with the current socio-economic situation in Mozambique. It surveys the socio-economic conditions in this post-war dispensation; analyses the socio-economic policies implemented mainly by the BWIs and the Government, such as the National Reconstruction Plan, structural adjustment and economic stabilisation; and probes into the social aftermath of these policies, i.e. social disintegration, opportunism, and the collapse of civil services. It also explores the effects that these socio-economic dynamics have on the national development and reconstruction programme.

#### **3.2 The National Reconstruction Plan: Picking Up Pieces**

The National Reconstruction Plan is an instrument of the Government created to coordinate the political actions to be developed in the ambit of reconstruction of the socio-cultural and economic fabric of the country destroyed by the war.

The National Reconstruction Plan, by its nature, essence, and objectives, is an instrument that combines a component of rehabilitation of man with rehabilitation of various elements that compose a society, aiming at the betterment of Mozambicans' life conditions, particularly in the rural zones (PRN 1993:1).

Thus opens unequivocally the PRN document.

The General Peace Agreement was signed on the 4th October, 1992. The need for reconstruction was evident for everyone to see. Subsequently the Government formulated and published, in 1993, the *Plano de Reconstrução Nacional*, a document which comprehensively diagnosed the war damages and outlined the Reconstruction Programme, setting its priorities, goals and objectives for the medium and long terms.

The period just after the war was one of optimism, both for the Government and the civil society in general. We were all optimistic that it was the dawning of the new era in which the long, long, years of socio-economic and political oppression—years of fleeing from

death, hunger, fear and pain—would be dissipated. We believed it would be an era of social justice, democracy (political and economic), economic prosperity and better lives. We believed it would be a golden age. We had legitimate expectations, for they rose from our deep need for the life most wholesome—the life worth living—the need to live dignified lives.

At the time of the General Peace Agreement in Santo Egídio, the entire population had been affected by the war. The effects had a dual impact: a beneficial impact on a small layer of the population, and a negative one on the majority. The war had destroyed the rural social fabric and use of the land, cutting drastically the food production and increasing dependence on international aid. According to the *Plano de Reconstrução Nacional*, "The emergency necessities reached more than 300 000 tons/annum of cereals, being known as the most critical moments in the years 1991-1992 in which draught worsened the deprivation" (1993:19).

The document reports that the number of the people to be resettled was 5 million, of which 3.5 million were displaced and 1.5 million were refugees. The concentration of the population in the squalid shanty towns around the cities, in the refugee camps, in the accommodation camps, determined the rapid aggravation of education and health conditions as well as the moral and cultural values of the majority of the population. The increase of uncontrolled hunting and irresponsible cutting of trees (leaving waste lands behind) aggravated the environmental conditions. This agglomeration also created new situations of penury, aggravating urban problems, creating new situations in the ambit of housing and employment, and increasing crime and delinquency in the cities.

The military demobilisation rendered ineffective a total of 107 000 men in the entire national territory between June 1993 and July 1994. It was hoped that approximately 50 per cent of the demobilised men would return to their places of origin in the rural areas and that the remaining would be integrated into the urban formal and informal sectors.

All these processes involved movements in the national territory, consisting of more than one third of the Mozambican population who were to be resettled within a period of three years. There were enormous difficulties. The document observes that,

The major part of the economic and social infrastructures for the welcoming of the population and for the normalisation of the rural life are inoperative or destroyed and the functioning of the operative infrastructures lack the personnel, equipment and adequate materials. Parallely, the minimum structures for the functioning of a system of public administration of national level are practically non-existing (PRN 1993:19).

On the diagnosis of destroyed infrastructures that needed reconstruction, the document makes grim reading:

- 1. **Health.** About 36% of the health posts and 21% of the health centres are inoperational (PRN 1993:20). The actual operational health network in terms of health post and centres, correspond to about one third of the network existent in 1980, and it is constituted by 643 health posts, 220 Health Centres, 21 Rural Hospitals, 4 General Hospitals, 7 Provincial Hospitals (PRN 1993:46).
- 2. **Education.** Of the 5 743 level I and 199 level II primary schools, 47% and 13.1% are destroyed, respectively (PRN 1993:20). The education network was completely destroyed in numerous districts and a high number of teachers were victimised. There was a disequilibrium between the network of level I and level II primary schools. In 1992 there were 3 051 level I primary schools and 174 level II primary schools, showing that the capacity of the level II schools was too tiny in relation to the demands of level I graduates. This resulted in overloading the reduced number of remaining schools, where a school would have classes of up to 60 pupils, and thus degrading the education (PRN 1993:51). But still the demands of level I graduates were not met. I, for instance, like many others, was forced to be out of school in 1984 and 1991 for lack of space in schools. The University has been only one and it could not absorb the huge army of secondary school graduates, who came from the country's ten provinces.
- 3. **Water Supply.** The Government recognises that water supply "is one of the fundamental basic conditions for the development of the national human capital" (PRN 1993:40). 28.3% of the wells, 32% of the bore holes and 54% of the small systems of water supply, are currently destroyed (PRN 1993:21).
- 4. **Commerce.** Nationally, during the war, 3 699 shops and canteens of the rural commercial network are currently destroyed and or non-operational. This represents 36% of retail commerce network. While in 1980 the existing coverage was 1 277 people per shop, in 1992 it was 1 806 per shop. The commercial network was heavily concentrated around urban zones. The ratio of people per shop was, in the urban zones, 933, compared with 2 965 in the districts. Banks and central warehouses were less affected due to their geographical concentration, fundamentally, in the provincial capitals and urban zones (PRN 1993:32-33).

- 5. **Agriculture.** ". . . [T]he commercialised agricultural production is, still, sufficiently inferior to the levels before the Independence, and the total production of food is very low to the levels required to guarantee national nutrition self-sufficiency" (PRN 1993:23). The infrastructures that support agricultural production reveal an elevated degree of destruction—watering system 21%; small dams 68% and seed multiplication centres 41% (PRN 1993:20).
- 6. **Livestock Farming.** The cattle constitute a reserve of value for rainy days (bad agricultural years), for they generate additional earnings to those obtained from agricultural activity and offer animal pulling force that permit the increase of productivity of work on the soil. But sicknesses, degradation of accessible pastures, destruction of the veterinary control structures—all these caused by the war—reduced the livestock population so poignantly. The livestock population in 1992 was about 19% of that existent in 1980. The percentage of destroyed tanks *carrecidas* is 67% (PRN 1993:20).
- 7. **Road/Bridge Systems.** The reactivation of the national economic life depends directly on the degree to which the road and bridge systems are operational. This infrastructure is invaluable for all mobilities of the people and goods in perspective of reintegration, also in perspective of production and commerce on national, regional, provincial and local levels. The total road network by 1992 was 29 000 km, of which 5 000 were dusty roads. Of these all, 8 000 km were totally destroyed and completely impassable—14 000 km were in worse conditions of use—4 000 km were in reasonable conditions—and only 3 000 were in good conditions (PRN 1993:35-40).

The document observes that the recuperation of these units implies costs whose value is equivalent to that of a new construction. It was estimated that to rebuild the war damages Mozambique would need more than US\$20 billion. In other words, the war damages amounted to more than this amount. Apart from these damages, there are irreparable war damages. The war caused more than a million deaths (Hanlon 1992:31-42; 1995:15). Besides, there is the lost generation. These are hundreds of thousands of children of the early 1980s who have either no idea of the whereabouts of their parents, or have suffered the terrible trauma of watching their parents being butchered by Renamo, and who have been malnourished in their critical early years and will be permanently stunned, both physically and mentally. This shows to what extent destabilisation had succeeded in accomplishing its mission. As the PRN document states, "the reconstruction constitutes a gigantic challenge for the actors of Mozambican society, taking into account the scarcity of internal savings, of a qualified

labour force and the implementation of a policy of structural adjustment of a restrictive character" (PRN 1993:21).

The General Peace Agreement brought with it some high expectations of a better future. As people who had seen their lives hardened, we began looking to the future with hope. It was only logical and common sense to believe that peace would bring benefits: that roads, shops, schools, health posts, clinics, hospitals, agricultural support infrastructures, etc., would be rebuilt or reopened.

The Plan of National Reconstruction stated its objectives very clearly: "The National Reconstruction Plan is a Government instrument created to guide the actions and policies to be developed in the scope of the reconstruction of the socio-cultural and economic fabric of the country destroyed by the war" (PRN 1993:1). The Government, as everyone else, saw and understood the need for reconstruction very clearly. The reconstruction programme, then, was also intended to rebuild, not only economically, but socially and culturally, to create social circumstances in which Mozambicans would live with dignity, expressing themselves in their own identity. The PRN was to allow us to live in dignity as human beings.

In the economic sector the Government highlighted the following objectives as its priority:

- To reconstruct the socio-economic fabric, destroyed by war, be it in the rural or urban zones, contributing thus for poverty reduction;
- To create a favourable integration to the private investment, national and foreign;
- To reduce progressively the country's food deficit, contributing for verbalisation of the balance of payments on medium term;
- To empower the Government and enable it to play its rightful role on central and provincial levels;
- To develop the human capital through the improvement of education levels, professional training and health (PRN 1993:2).

The document also states that amongst the economic objectives, the reintegration of the population and the reconstruction of the necessary infrastructure for reintegration assume the greatest relevance (PRN 1993:2).

### **3.3 Important Development Indicators**

#### **3.3.1 Macro-Economic Indicators**

Mozambique's economic indicators of 1992 are appallingly low. The gross domestic product (GDP) was US\$86 per capita, and its growth rate was about 2.1 per cent. The inflation rate was 54.5 per cent (Hanlon 1995:161). The Export of goods and services was valued at US\$362 million compared to US\$1 214 million of imports. The forex reserve was valued at US\$233 million. The current account balance was way below zero valued at US\$352 million. The external debt was US\$4 741 million. (*Global Development Finance*, World Bank 1998:388-389—see **Table 3.1**, p. 75). This situation reveals how imperative economic rebuilding was.

#### **3.3.2 Social Indicators**

There are no aggregate social indicators referent to 1992. But through those of 1993 we can have a realistic picture of how the situation was in 1992. Of 190 029 live births in 1993 25 454 were low weight births, representing 13.4 per cent. Fertility rate or children per mother was 6.6. Life expectancy or longevity was grimly low, at 45 years. Infant mortality per 1000 children was 128. Illiteracy was poignantly high reaching 72 per cent levels. (*Anuário Estatístico*, INE 1996:37).

These indicators are continuously aggravated by the fact that the Government was incapable of providing civil services. As Oxfam International confirms, "As dramatic as these comparisons are, they fail to capture the direct human toll that Mozambique's incapacity to provide basic services has on the population of the country" (1997:6). This incapacity is due to the civil war, NGOs, Donor Governments—as we saw in the previous chapter—and the Bretton Wood institutions' policies (IMF and Bank)—as we shall further see in the subsequent pages.

### 3.4 Participants in the Mozambican Economy

There are major actors in the economy who deliberate and determine how our livelihoods should be restored. These actors dictate all the terms of life in the Mozambican society. We should now set out to examine each of them.

#### 3.4.1. The Role of the State

It is generally believed that governments must have decisive roles to play in their countries' economies. We, too, share the same belief in Mozambique. The only difference is that the Government in Mozambique is apparently not sovereign; it does not have full power **to decide anything in favour of its citizens**. There is a common popular saying among ordinary Mozambicans: *o governo moçambicano é moleza* (the Mozambican Government is weak). Everyone—children, young and adult people—uses these terms to describe how weak is the state in Mozambique. In fact, the weakest state in the world, they say. The reason, among others<sup>1</sup>, of course, is that any foreigner comes in and is allowed to do and undo as s/he pleases, while complicating the lives of the Mozambicans to unbearable measures. No one in government dares say anything<sup>2</sup>. The UNDP has recently described the state as "in reality. . . a sleeping partner" (1998:69) in the economy.

This state of affairs represents one of the successes of destabilisation, structural adjustment and the aid/poverty industry. Mozambique has been made highly dependent on aid from the international community, hence it is prevented from fashioning its own

□  
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For example, the floods took most people by surprise, but certainly not the state. Through its meteorological facilities, the government knew ahead of the coming floods and cyclones but it deliberately failed to take any preventative measures or precautions for rescuing the population. When the floods hit the country the government did not have even a single boat or helicopter. It cried shamelessly to the international community for help. The material as well as mental weakness of the government throws people into great vulnerability.

2

There are many popular criminal cases, all of which involve foreigners: drug dealing cases since 1994, e.g. a mandrax factory was neutralised early this year by the police in one of Maputo squalid shanty towns; a \$60 million robbery in 1996 at Banco Comercial de Mocambique, the largest bank in Mozambique, which implicates high government officials; human organ trafficking; etc. No one has been brought to book yet, and no one mentions any of them.

reconstruction and development strategy outlined in the PRN. As Jude Howell (1994:328) observes:

In the current unipolar world dominated by free market orthodoxy, Frelimo . . . faces the Hobson's choice of either 'going it alone', which given the dire state of the economy is impossible, or accepting the conditions laid down by multilateral agencies and donor governments. Its power has become negative and defensive, directed towards resisting conditionalities and maximising the benefits to itself of donor disagreement.

Still on the same subject, another analyst (Bowen 1992:259) confirms the situation:

The externally determined aid conditions have seriously diminished the options open to Frelimo—or any successor regime—for self-determination. The retreat of the state has meant that western international financial institutions, aided by a variety of other agencies and organisations, have increasingly taken over the direction of the country's development. Mozambican private capital has remained dependent upon the resources made available by the World Bank, multinational enterprises, regional development banks, N.G.O.s, and so forth. South African capital, the key economic factor during the Portuguese era, has reasserted its dominance in Mozambique, as in the rest of Southern Africa.

. . . the hardships of the economic recovery programme, have eroded the internal integrity of Frelimo. Since the mid-1980s, the party has ceased to be a unifying force, and ordinary Mozambicans have questioned its legitimacy.

The Government is not accountable to the people who voted it in power. In fact, of course, it has never been. Rather, it is accountable to its gods, the International Monetary Institutions and the donor community. In the present socio-economic transformations—of structural adjustment and economic stabilisation—the government is disempowered to be socially favourable to the people, and it is empowered to be oppressive. As another observer comments:

. . . structural adjustment requires restricting the involvement of the government in the market activities, not their wholesale removal from any role in the economy. In Barker's 'triple alliance' model of international capital (World Bank and I.M.F.), private capital (foreign and domestic), and (progressive) small farmers, called for by S.A.P.s., the state is required for its repressive functions. . . . the 'modernising' African state will remain a critical force to contain the contradiction and conflicts—between regions or rural-urban divisions, as well as class, gender, or generational differences—that structural adjustment would exacerbate (Bowen 1992:258).

The state has been brought down to its knees in shameful worship of the international monetary institutions. Its role in the development of the country is rather lacking, or

oppressive, whenever existent. It is incapable of offering basic civil services. The government's role remains as one of a marionette.

### 3.4.2 *The Role of the BWIs*

Two giant actors, in fact, bosses, in Mozambique are the World Bank and the International Monetary Fund. They dictate all terms of Mozambican life. The Bank and the Fund play different but overlapping roles in the economy. They make different but overlapping demands. The Bank imposes its policy of structural adjustment programme (SAP). The Fund imposes its policy of economic stabilisation (EST). "In many areas of Mozambican life, the IMF and World Bank are more powerful than [sic] the government or the new parliament" (Hanlon 1997:17).

#### 3.4.2.1 *World Bank and the SAPs*

The World Bank is responsible for the processes of structural adjustment programmes. The Bank is highly centralised and directed from Washington, DC. It has an office in Maputo and a resident representative. It has a country operations manager in Washington, DC. These two usually engage in power conflicts (see Hanlon 1996:33-37). The 1995 *Country Assistance Strategy* was drafted in Washington without regard to or consultation with its own Maputo office. The Bank also has task managers who set policy and make loans in specific areas such as roads and agriculture. Normally these managers [pay little or no attention to the local office] For instance, "a list of 27 World Bank projects published in Maputo gave a Washington DC contact telephone number rather than a Maputo number for all but four of them" (Hanlon 1996:33).

Sponsored by the World Bank, SAP was introduced in 1987 as *Programa de Reabilitação Económica or PRE*. In the 1990s it was, however, intensified to accelerate the process. SAP was put into place by the Bank as a means of responding to the debt crisis and putting Mozambique, as well as other African nations, on a sound economic and development footing.

The SAPs assume that there is a crisis in African economies. According to the WB, the crisis has three major components. First, the negative growth rates. These are said to

be caused by reduced exports, higher imports, especially of food (grains), and overvalued exchange rates. Second, the urban bias on the part of African governments. This bias causes low prices to farmers, it is directed against exports, and it subsidises imports only for the urban elite. The third is the role and the size of the government. The government has inefficient parastatals, owns the major industries, overburdens the economy with wages and salaries of the burgeoning civil service; it controls basic services; it offers free access to basic services. The government, through all these, inhibits economic growth and causes inefficiency. This is the sum and summit of the WB's basic argument. It has always blamed the economic crisis on internal causes. It completely excludes any possibility that the economic crisis could have external causes.

As a solution to Africa's crisis, the Bank imposes four basic prescriptions of SAPs. First, the export-oriented growth, which holds that African countries must produce for exports those products on which they have comparative advantage, and must lower their exchange rates. Second, African countries must get prices right, that is, they must remove subsidies on imports for urban areas—let the market allocate resources. They must also apply market price, that is, a higher price for local producers which will create incentives for them to produce more. Third, reduce the role, size and cost of Governments. This means privatising parastatals and supporting private traders—opening up to foreign investment in agro-industries, etc.—cutting wages and salaries of civil servants—the public (everyone) must pay for basic services—and privatising all basic services. The fourth is the increase in development assistance, linking aid to debt management policy reform—increasing the role of World Bank and donors in monitoring reform—and increasing the role of the World Bank and donors in providing Structural Adjustment Lending.

The Bank has imposed all these policy measures. With such impositions, Mozambicans were pushed too far too fast. For example, the Bank, in its 1995 *Country Assistance Strategy*, set and imposed the following structural adjustment measures and conditions:

1. Privatisation of BCM, a commercial banking arm of the Bank of Mozambique
2. Customs reform and privatisation of management in the key border posts by March 1995.
3. "Cashew marketing, export licensing liberalisation."

4. "Adherence to IMF targets."
5. Privatising 11 specific enterprises.
6. Formulating medium term sector policy frameworks in agriculture, education and health—the areas of the Bank's main interests.
7. Bank approval not just of global government budget, but of sectorial budgets as well—effectively enforcing policies agreed by the Bank and approved under the policy frameworks (cited in Hanlon 1996:34; 1997:23).

### 3.4.2.2 IMF and EST

There is no agreement as to the type of economic policy approach used by the Fund. Some call it the "Polak mode", others the "Monetarist model" (Hanlon 1996:25-29; Killick 1995:129-136; Tarp 1993:60-78). Whatever model that be, the IMF, with its stabilisation policy programme, is screwing up the Mozambican reconstruction programme and making it abortive. Its policy end results are harmful to the country's economy.

The IMF is concerned with economic stabilisation. And it argues that the economy cannot stabilise unless inflation is reduced to, at least, one digit number. It also insists that there can be no rebuilding of war damages before inflation is curbed. Understandably, the IMF is glued to its old fashioned values. A single equation called the IMF Financial Programme Model is said to be correct for all countries of the world and determines the IMF policy. The equation is:

$$\text{BoP} - c \times /n = a + b \times \Delta E - \Delta DC$$

where BoP is the balance of payments; (*ln*) is the rate of inflation; ( $\Delta E$ ) is the change in the exchange rate—which is positive for devaluations because the exchange rate rises; ( $\Delta DC$ ) is the change in domestic credit, the sum of loans to the private sector, government borrowing, and new money being printed; and a, b, and c are constants related to the particular economy (Hanlon 1996:25-29; Killick 1995:129-136; Tarp 1993:60-78). Since the IMF wants to control both the balance of payments and the inflation rate it sets both of them as targets. Hence, the only instruments available to the IMF are the exchange rate and domestic credit. That is why since the Government joined the IMF in 1984, the Fund called for massive devaluations. Since then

Mozambique adopted a floating exchange rate, meaning that the change in exchange rate ( $\Delta E$ ) is predicted and not determined. Consequently the only variable is change in domestic credit ( $\Delta DC$ ), and the aim of the entire IMF policy for Mozambique is precisely to reduce domestic credit. One way of doing this is to limit credit, using the IMF credit "ceilings." Another is to reduce government spending. The IMF pursues both ways at the same time. Drawing from the equation, the IMF imposes harsh cuts on domestic credit and government spending, and it demands increases on taxation to take money out of circulation.

The assumption is that money supply is dependent solely on external earnings and internal credit. Therefore, the change in money supply is determined purely by the exchange rate and inflation. The argument has been that inflation is caused by too much money chasing too few goods. The choice is either to reduce the amount of money and thus reduce demand for goods, or to increase the supply of goods so that people may have something to spend their money on. The IMF, however, dismisses the second possibility as a non-possibility. It then imposes the first one as the sole possibility. As Hanlon (1996:29) points out:

Thus the IMF can say that there is no alternative but to cut domestic credit to reduce demand, and its policy is automatically and necessarily deflationary. On neoliberal and monetarist political lines the IMF argues that there can be no growth until inflation is tamed; that no one will invest in a climate of high inflation, and therefore that demand must be squeezed to reduce it.

As Killick (1995:135) observes, stabilisation induced credit restrictions and sharp rises in the rate of exchange which may reduce incomes and outputs. The inevitable outcome in such conditions is that the economy cannot grow but shrink, which makes it impossible to develop a growth-oriented economy in Mozambique within the confines of the IMF stabilisation.

The IMF imposes cuts by squeezing the Mozambican economy in vain. And as the policy does not work, they seek for more things to control and squeeze. Take, for example, the fact that the IMF has been disrupting the whole Government budget—by tempering with Government receipts, debt service, current deficit/surplus, Government investment, and total deficit before grant—and imposing taxation increases so that

people may have no money to spend and thereby reduce inflation. The IMF's devastating deflationary measures are summarised thus:

1. Government receipts are revenue from taxes, customs duties, and fees. The IMF is demanding that this be increased by nearly a third in less than two years. This is intended to be deflationary, making people pay higher taxes instead of spending their money. Raising an extra \$US 93 in taxes in two years is probably impossible.
2. Debt service is payment of interests and capital, and is rising rapidly, in part because the IMF is demanding that Mozambique put aside money to pay the debt to the former USSR.
3. Current surplus: Mozambique has two budgets, an investment budget for capital projects and a current budget. Debt service is divided between the two—capital repayments are in the investment budget and interest payments in the current budget. The current surplus is critical because it is the amount of taxes and other revenue which cannot be spent. So for 1996, the IMF wants revenues amounting to 22.6% of GDP and surplus of 3.8% of GDP. In just three years, Mozambique must switch from a current account deficit to a huge surplus by increasing taxes and cutting spending; in effect, *this extra money will be frozen and taken out of the economy*. Government receipts for 1996 will be allocated to civil service wages (19%), civilian goods and services (19%), police and military (15%), interest payments (15%), and IMF-demanded surplus (17%). Taking the current surplus as the benchmark serves as a cap on government spending, and if, as is likely, the government cannot meet revenue target, *it will be required to cut spending further to meet the surplus target*. There is little room for manoeuvre, and it is this benchmark which has forced the savage cuts in government wages, prevented the hiring of more health workers, and halted road repairs.
3. Government investment. Government contributes only a tiny amount to capital investment, as most of it comes from aid, but this contribution *must be cut*. The World Bank and some other donors require a government contribution; cutting this has a big impact because it means that some projects involving substantially more donor than government funds cannot go ahead.
4. **Deficit before aid** is the key number. This is the portion of government spending—both capital and current—that remains after tax and customs revenues are taken into account. It is funded by aid—direct grants to government, money for projects, and countervalue funds. By cutting this figure so much, the IMF is forcing donors to halve the money they give to the government for running social services, rebuilding schools and roads, and so on. In just two years donors must cut aid to government by US\$ 173 million. As most aid goes on capital projects, this means sharp cuts in capital spending. So the one benchmark 'deficit before aid' serves two purposes, by limiting both repairs of war damage and general donor spending (Hanlon 1996:30-31).

The Fund and Bank produce a three yearly *Policy Framework Paper*. From that, the Fund produces its annual *Matrix of Economic and Financial Measures*. In 1995 the *Matrix* included a hundred and one actions which the Fund ordered the Government to take that year. These actions were so sweeping and included among others:

1. A cut in deficit before grant of 8 per cent of GDP.
2. Public commitment by the Government to introduce value added tax.
3. Significant increase in rentals of state-owned properties.
4. Downsize the investment program.
5. Implement the recently approved local authority law.
6. Increase prices of petroleum products quarterly and ensure the Government earns profits from fuel sales.
7. Elimination of controls on unprocessed cashew nut by April 1995.
8. Privatisise ten large public enterprises.
9. Raise the cost recovery rate on medicines and medical supplies to 15 per cent (cited in Hanlon 1997:23).

These measures have extremely negative impact on the socio-economic life, as we shall see in economic impact. By these demands the Bank and IMF have ignored the Plan of Reconstruction. Reducing inflation has become the priority. And the state was forced to abandon its plans of rebuilding war damages. All these demands were granted and the result was that the screws and the belt were further tightened on the poor.

### 3.4.3 NGOs and Donor Community: Partners in Scandal

Some of the bigger NGOs here are so flush with resources that they cannot maintain an adequate rate of dispersal if they have a well planned programme, so they are just throwing money around. One of the big donors says the government is corrupt and inefficient, but its NGOs are much worse.

Donors are trying to bypass and undermine the Mozambican government. They want foreign private organisations rather than the Mozambican government to be offering the food aid as well as health, education, water, and agricultural extension services. And they want it to be clear to all Mozambicans it is not the government but foreign NGOs that keep them alive and help them to develop. It is a direct attack on the power and credibility of the Mozambican government, and Frelimo (Hanlon 1992:215).

It is indeed a trenchantly harsh criticism. These lines were written eight years ago. But every word of them is true. It was true then, it is true even today now eight years later. NGOs have always worked as contractors to donor governments and carry out the mission of these governments—to incapacitate the Mozambican government, and thus alienate it from the people. Six years later Hanlon was to write, "Six years ago when I was writing *Mozambique: who calls the shots?* the main danger was of weakening government structures by creating parallel ones doing the same thing. And it happened. Now, international NGOs are bypassing the civil society structures. But sustainability demands that Mozambicans set the agenda" (1996:145).

In any case, there has been a growth of domestic Mozambican non-profit contractors. These contractors, however, reflect the demands of many international agencies, that Mozambicans pay more attention to donor goals and demands. Nothing has changed. These local NGOs continue with the mission of the mother NGOs. In 1997 Hanlon was to notice that nothing had changed. He identifies and describes the four skills the most successful of these non-profit contractors have:

1. Most prized is the ability to provide good looking and well written reports, promptly and in acceptable English, and with all current buzzwords such as empowerment and the poorest of the poor. Such reports should be written to satisfy donor needs to show that they are helping the poorest Mozambicans and are satisfying whatever are the fashionable policy lines that year. Computers, laser printers and good graphics software are more important than any work being done in the field.
2. Second is the ability to change priority quickly to reflect changing donor demands.
3. Third is the bookkeeping, ensuring that there are good looking receipts for all expenditures, neat books, and clear annual accounts.
4. Fourth is the ability to provide good tours with visiting donor representatives, with proper hotel accommodation, clear arrangements and every plane met properly, and trips into the mato [natural resort] which are not too tiring. Visiting dignitaries should be met by grateful peasants who tell them how important their contribution has been. Visitors should be able to see something definite, preferably a building, which is the result of their money.

NGOs have usually frustrated the rebuilding programme. NGOs go where the money is, not where the need is. In so doing they stand on the way of the government and block the donors money, so that the donors' money goes to them rather than to the government. So the rebuilding priorities set in the National Reconstruction Plan are not met. One European Union official commented that,

International NGOs now work as companies and just go where the money is; they knew we had a budget line for NGOs in Mozambique. Most NGOs set up three offices—in Maputo, Beira, and a provincial capital. All had cars and computers. In 1995 we finally sent a circular to NGOs saying we would no longer fund three offices, six cars and six expatriates for each NGO—but by then they were already moving on (quoted in Hanlon 1996:55).

International NGOs send expatriate workers to do what Mozambicans can do even better. In fact, NGO-built schools started to collapse even before they were finished, reported *Noticias* (23 Oct. 1995), a daily newspaper in Maputo. In health the same is

true. According to Hanlon the Deputy Health Minister, Dr Abdul Noormahomed, said: "We asked some donors to give us part of the money directly and part to NGOs and then compare and see who does a better job. No one was willing" (Hanlon 1996:55). As though that were not enough, these expatriates are far too expensive than if Mozambicans did the work themselves. Hanlon (1996:56) refers to studies by Green and Mavie (1994) which have found that NGOs cost six to ten times as much as the government to provide the same services.

Foreign experts cost US\$15 to US\$20 thousand per month—including salary, travel, head office overheads, insurance, pension, etc. It was found that the total cost of expatriate salaries, allowances and associate expenses under technical assistance in Mozambique is \$US350 million per annum. Hence Hanlon (1996:55) observes that "one month of foreign 'expert' time would pay a Mozambican a real wage for a year." It is true. But since the mission of NGOs and donor community is hardly to rebuild the livelihoods of Mozambicans—torn apart by war which they fanned—but of themselves, they keep hiring foreign "experts". A study by the World Bank concluded that Mozambicans are not benefiting anything out of the current expatriate technical assistance. The study concludes that:

1. Many of the tasks carried out by the foreigners would have been done by nationals if they had the time—but they often do not because of other donor demands.
2. The quality of work carried out is not superior and is sometimes inferior to what a national could have done. A former Finance Minister Osman told a public meeting of an IMF "expert" who spent a year in Mozambique but his report turned out to be simply a copy of one he had written about Brazil.
3. Even in areas where expatriates provide real services, the net value-added is not as great as it would appear, as they largely depend on national staff to provide information, data, background explanations and critiques of expatriates' work. The real value-added drops further when one takes into consideration that the institution's capacity usually is so weak that it is not able to absorb and use fully the expert's contributions (WB cited in Hanlon 1996:56).

### 3.5 A Socio-Economic Paradox?

The current socio-economic situation in Mozambique is a paradoxical one. This is because, on the one hand, the macro-economic indicators are rising and many neo-orthodox economists and economic commentators seem so optimistic about the future of the national economy<sup>1</sup>. They are positive that the structural adjustment is yielding positive results. But on the other hand, the social indicators have not changed a bit, or if they change at all, they decline. The question is why and how? The answer is injustice. Put the macro-economic indicators together with social indicators and you have a paradox. Then, add injustice and the paradox has vanished.

**Table 3.1** (below) shows that GDP per capita has been growing continuously. It grew from US\$ 86 in 1992 to US\$96 in 1993. However it declined slightly to US\$95 in 1994, and it rose again to US\$109 in 1995, and then to US\$110 in 1997. The inflation has been successfully controlled up to so far, as the table shows. The economic commentators always mention the growing GDP per capita, declining inflation, and the fast growing rates of economic growth. They conceal more than they say. For example they do not mention the skyrocketing difference between the imports and exports of goods and services. The imports of goods and services are more than two times higher than the exports. This has a negative effect on the local industry. It kills the local industry and causes losses of jobs, which has far reaching social consequences.

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One would expect that the floods and cyclones of February and March 2000 shuttered such optimism. But that would be a gross mistake. For it would be to underestimate the stubborn eagerness, selfish impulses, and lust for quick and easy profits on the part of those who plunder the country and those who, directly or indirectly, benefit from this plunder. When asked about the economic impact the floods and cyclones had on the country, President Chissano spoke as though he were addressing a band of mentally retarded children, telling the nation and the international community that in spite of all nothing would be in jeopardy, the national economy would continue to "grow" with the same pace as always and that things would continue running normally! In the mean time, two towns were being swallowed in Gaza; the road system which linked the Southern region to the Central and Northern regions was completely destroyed; over a thousand people were dying or disappearing; about 8 000 in Chilaulene, Gaza, were stranded and starving for 30 days; people hardly went to work; hospitals, schools, factories, banks and other businesses were destroyed or shut down nation-wide (for example Coca Cola in Maputo was in water and the whole country had to rely on refrigerants imported from the neighbouring countries). For the president to speak the manner he did shows that the floods and cyclones did not extinguish neo-liberal economic optimism but revealed the extent to which the corrupt elite are determined to plunder the nation. Even in moments of inordinate human sacrifice such as this, it seems that economic growth, not the people, is what matters!

**Table 3.1**  
*Macro-economic Indicators*

Indicators	'92	'93	'94	'95	'96	'97	'98	'99
Inflation <sup>1</sup>	-	-	70.2	54.1	16.6	6.4	-1.3	1.6*
Imports <sup>2</sup> (goods&services)	1214	1321	1427	1254	-	-	-	-
Exports <sup>2</sup> (goods&services)	362	372	395	470	541	-	-	-
Ext. Debt <sup>2</sup>	4714	4864	5244	5270	5476	-	-	5500
BoP <sup>2</sup>	-352	-446	-467	-445	-344	-	-	-
GDP <sup>3</sup>	1066	1238	1235	1280	1545	-	-	-
Forex Res- erves <sup>2</sup>	233	187	178	195	344	-	-	-
GDP/capita <sup>3</sup>	86	96	95	109	-	110	-	-

<sup>1</sup> Is in percentage. These are accumulated aggregates as registered in December of each year.

Source: *Evolução Económica e Social em 1996*, República de Moçambique; *Vital Statistics, June quarter 1999*, World Bank's Mozambique Resident Mission.

<sup>2</sup> These figures are in millions of \$US.

Source: *Global Development Finance*, World Bank 1998, Washington

<sup>3</sup> GDP per capita is in \$US.

Source: *Mozambique: National Human Development*, UNDP 1998, Maputo.

\* Inflation registered in May 1999 (WB 1999)

They usually keep silent about the growing foreign debt, and the human sacrifices it causes. The IMF and Bank extract huge portions of money from the poor to pay a debt they do not know about, a debt which they never contracted. The poor are told that their children, their children's children, those who are born and those who will be born in generations to come, owe the rich huge amounts of money. Oxfam observed that the "Actual debt payments, which represent only a fraction of debt service due, are annually diverting more than one in four dollars that the country earns through its exports. This is more than domestically financed expenditure on health and education combined" (Oxfam 1997:6). The debt payments have gone from US\$ 207 million in 1997 to US\$ 295 million in 1998. It has been projected that they will then grow to more than US\$400 million by the year 2000 before levelling off at an average of about US\$ 435 million by the year 2005. This comes to a total of \$US 3.4 billion over nine years, or more than four times the level of projected domestically financed investment during this entire period (Oxfam 1997:9). The IMF and Bank refuse to see debt as a barrier to

reconstruction and development. Mozambique's domestically financed expenditure in 1997 was about US\$360 million, or only about US\$20 per capita. This is very low. But the IMF, the Bank, and donors unequivocally say that it does not matter, and if it means that we should starve, then, so be it. The debt must be paid.

When we consider this injustice, then, the paradox is gone. This injustice explains why there has not been reconstruction of war damages and development. That is why the statistics are so grim. Out of a total population of 16 million people, about 10 million Mozambicans have no access to safe drinking water; two thirds of adults are illiterate and almost two thirds of them are women; about one million children a year do not attend primary school; about 9 million Mozambicans are without access to a formal health system; approximately 190 000 children annually die before reaching the age of five; and more than 10 000 Mozambican women die each year from childbirth-related complications (see **Table 3.2**, p. 77).

In May 1997 the Government noted that "the ability to allocate resources toward development is highly dependent upon obtaining significant debt relief" (in Oxfam 1997:6). It is beyond reasonable doubt that reconstruction and development for Mozambique cannot materialise under present circumstances. As the Oxfam document notes: "In relation to domestically financed expenditure, actual debt servicing in 1994 represented: more than two times the amount of recurrent expenditure in the education and health sectors; almost four times that amount of recurrent expenditure in the health sector; and more than the recurrent budget for the health, education, police and judicial systems combined" (1997:9-10). Such processes cannot, under any circumstances, be morally justified. Economic growth that diminishes human well-being and dignity can hardly be moral.

**Table 3.2**  
*Social Indicators*

Indicator	92	93	94	95	96	97	98	99
Infant Mortality (deaths/1000 births)	-	-	-	-	-	134	-	-
Maternal Mortality	-	-	-	-	-	1500	-	-
Illiteracy	-	-	-	-	-	62%	-	-
Life expectancy	-	45	-	46.3	-	47	-	-
Global Mortality Rate (per 1000 inhabitants)	-	-	-	18.6	-	-	-	-
Female illiteracy	-	-	-	-	-	78%	-	-
Access to safe water	-	-	-	-	-	33%	-	-
Access to health facilities	-	-	-	-	-	39%	-	-
Low birth weight rates	-	13.4%	-	13%	12.6%	-	-	-

Sources: *Anuário Estatístico*, INE 1996, Maputo; *Mozambique: National Human Development Report*, UNDP 1998, Maputo; *Debt Relief for Mozambique: Investing in Peace*, Oxfam Intl. 1997, Maputo.

### **3.6 The Socio-Economic Impact**

The economic growth reflected on the macro-economic indicators is achieved under extremely inhumane circumstances. The SAPs and EST have impacted negatively upon Mozambican society. They are squeezing us too tight. One parliamentarian noted that "the belt is too tight, and it will end up dividing our bodies in two parts."

#### **3.6.1 Decline of Local Industry and Commerce**

Structural adjustment programmes and economic stabilisation measures have caused the decline of domestic industry and commerce. SAPs require that the government withdraw from economic activity, deregulate completely the economy, and cease to control prices. Under such circumstances, only the market should control the economy and regulate prices. The Government was coerced to sell its most productive industries. And since the national entrepreneurs are not prepared and lacked capital to buy these industries—since the IMF and WB drained all credit and also put a restricting ceiling on

credit granting—and since loans are on short-term and on high interests—then, only foreign capital takes over.

One example will suffice to make the point. The World Bank, for instance, coerced the Government in 1995 to liberalise the price of raw cashew nuts and to allow their direct exportation, without protecting the local processing industry. The result was a disaster. Traders were the beneficiaries of this liberalisation, not the producers. When peasants sold their cashew nuts, they did not benefit from any higher prices or from any higher living standards, since the prices for many standard consumer goods, such as cooking oil and soap, have risen dramatically. This is especially the case where the supply of these goods is controlled by the same traders who are also buying up the cashew nuts. Traders monopolised the cashew-nut trade, coerced peasants to sell their cashews at low prices, and exported wildly to India without regard to the local industry. In less than two years the national cashew industry collapsed, throwing many people out of jobs. This is why Ruy Baltazar, in a World Bank consultative meeting in Maputo, unwaveringly blamed the Bank for the collapse of the cashew industry. He asked Bank officials: "Who will pay for your blunders?" (Graham Saul, Report on the Feb 26 HIPC Review Meeting in Mozambique, 1999). The UNDP *National Human Development Report* (1998) implicated the Bank for the collapse of the cashew processing industry. It states:

The explicit intention behind the World Bank's support for liberalising the cashew sector was to cause an increase in farm gate prices for raw nut and thus induce increased income in the countryside. It was expected that this would have a huge multiplier effect domestically (1998: 66). [However,] . . .

The Bank admitted that liberalisation might lead to the decline, or even the collapse, of the processing industry, but argued that this was of little account: increased cashew production and multiplier effects resulting from increased peasant production would compensate for the loss of jobs in the industry (1998: 67).

There has been no increased cashew production and multiplier effect. There was no compensation for the loss of jobs. Those people are now facing the unemployment crisis. And no one dares say anything. The report also notes that,

In terms of market structure, there is no perfect competition amongst the traders. Certainly the number of traders participating in the sector has increased since the mid-1990s, which has increased competition. But there is also market control, imperfect information, and asymmetry of market relations in general. . . . in some areas the small producers/harvesters are tied in debt bondage to small traders, who

may themselves be similarly indentured to one of the large trading companies that dominate the market (1998:66).

The IMF stabilisation policies have imposed restricted access to credit for local commercial and industrial investors. Total credit fell from US\$ 438 million in 1990 to only US\$ 201 million in 1993. From here it then fell further to only US\$150 million in 1995. Long term investment credit totalled 26 per cent in 1995. The rest has been short term funds lent, typically, for 90 days or less (Hanlon 1996:59). Studies have shown that lack of credit is the single biggest barrier to investment and growth. The interest rates are too high, which makes it hard for industrial manufacturers borrowing for longer periods. This problem also affects the commercial sector badly, especially in rural zones. There are no shops in rural areas because there is no money to rehabilitate them. The Director of the Cereals Institute of Mozambique, Sulemane Juma Giramo, explained that,

The small black rural traders have not returned to the districts. They are decapitalised; they don't have the substantial part payment that the banks require and some have outstanding bank debts because their tractors and shops were destroyed in the war. And the big 'Indian' traders are the ones who left the rural areas after independence, they don't want to go back to buying in small quantities (quoted in Hanlon 1996:60).

This situation is destroying the local industry and commerce. Conditions are such that local business people are pushed aside in their own country and watch foreigners usurping their space. The opening of Shoprite and other huge supermarkets was met with complaints from the local business community. The Bank and Fund, with their policies of structural adjustment and economic stabilisation, are to blame. This situation can hardly be morally justified.

### *3.6.2 Social Disintegration*

Social disintegration in the country cannot be overstated. There is reshuffling of individuals in social classes. Men are no longer able to support their families, so they abandon them to become hoboes. Women and children are left vulnerable to hunger, diseases and death. Many women resort to prostitution. And as the tourism industry gets wilder daily, with Europeans, North Americans and South Africans flocking in in pursuit of pleasure, the prostitution market is quite favourable. Old people from their

50s upwards are beggars, most of whom are retired workers from rich companies but earn less than two US dollars monthly (*Metical* 11 July 1997). It is morally outrageous to know that they are fathers and mothers whose children are still alive and working. The problem of children staying out of school to sell anything on the streets is untold (*Metical* 03 July, 1997).

There is a concentration of wealth in towns, while the schools, the roads, the shops, the hospitals, the water wells, in rural areas remain destroyed or unoperational. Consequently there are startling manifestations of advancing polarisation. These circumstances are surely immoral. Structural adjustment and economic stabilisation are reshuffling individuals within Mozambican social classes, as the fortunes of others rise while those of others fall and the overall balance of interests and power is consequently being altered decisively. This is related to the measures of devaluation, inflation and capital flight. Given devaluation measures, the rich have become richer. In attempting to prevent capital flight the Bank and Fund coerced the Government to raise internal interest rates to high levels. This victimises those who borrow, but it produces windfall earnings for big savers. Those who have huge bank deposits eventually benefit from such huge returns that they once again engage in enormously conspicuous consumption.

### *3.6.2.1 Aspirants to bourgeoisie status*

There are those who have been for a long time aspiring to ascend the ladder to the status of bourgeoisie. They have been frustrated for a long time. Now the crisis of economic stabilisation and structural adjustment has come as a long awaited Messiah to relieve their frustration and lust for money and power. These people are usually directors of subsidiary companies of transnationals. In an article entitled *The Crisis of the 1980s in Africa, Latin America and the Caribbean: An overview*, Ghai and de Alcántara make reference to the centrality of association with foreign concerns and those among the African elite best able to weather the crisis successfully. These are

top executives in private business, linked with foreign capital, local agents of foreign concerns, and those among importers and exporters able to obtain special access to foreign exchange in a situation of scarcity. Thus, in a time of marked economic recession, areas of business linked with outside interests seem to have become

more privileged, in relation to those without such links, even when overall levels of foreign investment are shrinking. And in a period of privatisation, those able to buy up or buy into state-owned enterprises, usually at concessional prices, are also to be counted among the privileged (1991:27).

This is a perfect description of the aspirants to bourgeoisie status in Mozambican society. Hanlon speaks of this same group of people as he indicates that:

The aid industry, structural adjustment, and privatisation have forced a level of class and wealth difference unprecedented in post-independence Mozambique. And there is a new comprador group whose social and economic standing is entirely dependent on foreigners. If the donors leave, then this group loses the resources that give it political power, as well as the means to maintain its living standard. Thus this new comprador group has a vested interest in the donors staying and in the continuation of IMF involvement, privatisation, and structural adjustment (1992:226).

### 3.6.2.2 *Inequality*

It is indisputable that structural adjustment and economic stabilisation have fanned the presently fast growing inequality. Already in 1987, when PRE was introduced, there was evidence of growing inequality. The Instituto Nacional de Estatística conducted a *National Household Survey on Living Conditions* in 1997. The Institute found that of the total of 3 621 505 households nation-wide, 0.065 per cent had a monthly income of more than US\$2000, and of these there are those with more than US\$10 000; 0.3 per cent had a monthly income ranging from US\$860 up to US\$2000; 1.3 per cent had a monthly income ranging from US\$430 up to US\$860; 2.7 per cent had a monthly income ranging from US\$260 up to US\$430; 20 per cent had a monthly income ranging from US\$86 up to US\$260; 60.7 per cent earned less than US\$86 per month; 15 per cent earned less than US\$13 per month. Of the total working population only 0.79 per cent are foreigners and earn not less than \$US8000 per month (see **Table 3.3**). This reflects injustice in the distribution of economic benefits shown in the macro-economic indicators. These conditions fail to measure up to morally acceptable social criteria.

**Table 3.3**  
*The Distribution of Income*

The Number of Households (in Percentage)	Monthly Income per Household (in US Dollars)
0.065	above 2000 (2 to 6 times over)
0.3	860 to 2000
1.3	430 to 860
2.7	260 to 430
20	86 to 260
60.7	13 to 86
15	Less than 13

Source: *Inquérito Nacional aos Agregados Familiares Sobre Condições de Vida*, INE 1997

The wages of civil servants have fallen drastically since SAPs and EST were imposed. The current civil services pay scale ranges from US\$20 to US\$150 which is lower than it was in 1990. Salaries of teachers, nurses, and other civil servants fell below the poverty line in early 1992, below the abject poverty line in mid-1993. Nothing has changed yet. The UNDP and Unicef published a booklet jointly entitled *Pay, Productivity and Public Service* in 1995. In it they define the absolute poverty line as "household expenditure needed to fulfil the cheapest possible but nutritionally adequate diet and the absolute minimum expenditure necessary to cover non-food needs" (quoted in Hanlon 1996:54). For Mozambique the UNDP and Unicef said this was US\$75 per month by then. But more than two thirds of civil servants fell below this. The abject poverty line was \$US50, but more than one third of civil servants fell below this. Nothing has changed yet.

### 3.6.2.3 *The decline of civil services*

SAPs and EST measures have also caused a sharp decline of civil services. Work without compensation has caused low morale amongst the civil servants, as more than two thirds of them live below the poverty line. In reaction to this, service providers take a range of actions for survival including less time spent at work, less attention at their work, privatised user fee (such as tuition for supplementary lessons), corruption, use of public service time and facilities (such as cars) for private business, and the theft and sale of supplies. Work starts at seven in the morning and ends at five in the evening. A friend of mine, however, who is a criminal investigator at the Criminal Investigation

Laboratory in Maputo, arrives at work after ten in the morning and leaves for home before three in the afternoon. He does it at will. I inquired as to why he does it. "We all do it: they don't pay us anything," he said. Teachers no longer perform their duties and often ask for bribes from students if they want to pass. Some sell test and exam papers. Money is what counts now, not whether the student has mastered the material. In the hospitals nurses openly and boldly ask for bribes from pregnant women. If a pregnant woman does not have extra money under her skirts to bribe the nurses she is left alone vulnerable to death. Hospitals hardly operate. There are no medicines. Nurses steal them for sale outside. *Savana* reported cases such as these (10 September, 1999).

The UNDP and Unicef booklet argues that Mozambique needs more and better trained public servants. There are now 110 000 civil servants, more than half of whom work in health and education. The booklet argues that to provide universal access to basic civil services Mozambique needs 250 000 people. But the Bank and IMF squeeze means that the Government cannot employ more people (Hanlon 1996:54).

What aggravates this state of affairs is that donors, the World Bank and NGOs hire national skilled labour from the very limited labour supply, usually taking the people in question away from the public sector. The Bank blames the donor community as it says, "over the past five years, a high percentage of top civil servants have left public office, most of them either going to work for donors (directly or on donor-funded projects/activities) or abroad to study." Since the Bank and IMF squeezes have pushed doctors and engineers close to the poverty line, donors have responded by paying top-up salaries to key people to keep them in their jobs, and by providing foreign technical assistance to fill the gaps when Mozambicans leave. In any event the Bank insists that "the donor community, which largely causes this problem to begin with, is attempting to remedy this situation through . . . proaching [sic] competent staff from their current activities which further weakens the public sector" (in Hanlon 1996:53). Donors indeed hire Mozambicans away from the civil service at salaries ten times higher than the government can pay and then offer them to Mozambique as technical assistance. The complaints by the Bank are typical hypocrisy within the international community because—even worse—the Bank also does the same thing—unjust technical assistance. It hires civil servants to stay at their desks and do the same job they were doing before. As Hanlon notes, "The only changes are a higher salary and a new boss—

the World Bank instead of the government" (1996:53). This causes civil servants to have divided loyalty between donor or Bank and government. They bias time allocation toward areas of priority concern to donors or Bank. This has encouraged attendance at relatively unimportant donor-sponsored conferences, workshops and courses, as well as trips to overseas, at the price of reducing attendance at and attention to work at home (Adedeji et al. in Hanlon 1996:53).

Dr Brazão Mazula, the Rector of Universidade Eduardo Mondlane, argues that "In order to survive, it is not easy for the Mozambican intellectual to resist what we may call 'economic prostitution' in the face of low state salaries. The most serious consequence of this 'prostitution' is the danger of conniving with the steady decline in the level of teaching, research." A former minister of agriculture, Paulo Zucula, argues that "The real corruption problem is in our heads. We just accept jobs from the World Bank within the Ministry of Agriculture, or we go on a course. This is corrupt—we carry out the orders of the World Bank" (in Hanlon 1996:53). A UNDP and Unicef booklet states that:

UNDP and Unicef strongly believe that an efficient and effective public service—down to the primary school teacher, rural health worker, tax collector and police constable—is a *sine qua non* for human development and for reaching the global goals set for social development (quoted in Hanlon 1996:54).

One day a friend and I sat and discussed the problem of the economic squeeze. Vasco Banze, a former high school colleague of mine who is now a civil servant, said to me: "Matsinhe, if anyone tells you he lives on his monthly salary alone, know this—he's a liar! Once you understand that, then, your dissertation will be fine." Vasco also stated that "those who do nothing else to supplement their salaries live mysteriously. They eat one meal daily, and sometimes the sun rises and sets and they go sleeping without having eaten a thing. The following morning they wake up and go to work." He concluded, "Truly, only God understands how they survive." This is the main reason civil servants are corrupt. It is corruption driven by need. The UNDP and Unicef booklet also states:

The elements associated with the decline in public service quality are all elements of coping strategies designed to ensure household survival. They cannot be eradicated so long as additional incomes beyond government pay are necessary for survival of the majority of public servants who are front-line service deliverers (in Hanlon 1996:54).

The bottom line is that there are no living wages. The Organização dos Trabalhadores Moçambicanos-Central Sindical (OTM-CS—Mozambican Labour Organisation-Central) conducted a study on the workers' living conditions. They compared the prices of basic goods and the minimum wage. They found that the minimum necessities—rice, maize meal, cooking oil, brown sugar, beans, second rate fish, fruits—for the monthly subsistence of a household of five members amount to US\$90. According to OTM-CS the minimum salary of US\$25 is 3.6 times less than the current price of US\$90. The monthly minimum salary is equivalent to ¾ of 1 US dollar per day (FFE 1997:53). Note that these expenditure estimates are only for basic food. They do not include transport, clothing, education, health, water, electricity, rent, toiletries, etc., etc. Workers are being exploited and alienated from themselves and from their labour. There is no self-affirmation and dignity in working. Work is degraded to mere necessity for staying alive; it has become no more than the prerequisite for maintaining biological existence. The type of life workers lead, or would like to lead, or believe they ought to lead, is primarily secondary. Survival is primary. My people only feel themselves freely active in their primary animal functions—eating, drinking, procreating, etc. In their human functions they no longer feel themselves to be anything but animal. As Marx said in the *Economic and Philosophic Manuscripts of 1844*, "what is animal becomes human and what is human becomes animal" (Marx 1985:111).

### **3.7 Return to Colonialism?**

There are good reasons to believe we have gone a full circle from the last days of colonialism in the 1960s to re-colonisation strikingly quite similar to it: this is manifest in the way the economy is being managed; how peasants are being told to take all the risks; how only the better-off can gain from SAPs and EST; the extent to which corruption has been fanned; the social chaos and the degree of human sacrifice; the undue power that foreigners have and the extent to which they plunder the country; the pace at which Mozambicans are forced out of the cities and replaced by white expatriates; racism, etc. There is re-colonisation "from the cotton plantations<sup>1</sup> in the

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<sup>1</sup> M. Anne Pitcher explores the theme of recolonisation in the northern cotton plantations of Nampula where exporters monopolise the cotton trade, buy cheaply from the peasants and sell dearly in the international market: "They offer low prices to producers, and then export

north to the way the economy is being taken over by companies identical to those which ran it in colonial times" (Hanlon 1996:83). According to one entrepreneur, "We are giving our national heritage to big foreign companies in what is, finally, colonisation" (in Hanlon 1996:83). "It is strange that Mozambicans have the capacity to be president and prime minister. . . but are incapable of managing the country's wealth" (*Savana* 1 March, 1996).

### 3.7.1 *Strangers in Our Own Mother Land*

We have been observing some phenomena wrought by structural adjustment and economic stabilisation. It is obvious that socio-economic transformation in Mozambique is not in favour of Mozambicans. Since SAPs and EST were imposed Mozambicans are, as already stated, forced out of the cities. With the wages they earn they are incapable of paying water, electricity and rent. They cannot afford educating and feeding their children. And as Mozambicans move out of the cities, foreigners take over. The White colonial Lourenço Marques of the 1950s and 1960s is being recreated. Mozambicans have no space in their own mother land, they have become slaves and strangers in their own territory. The Catholic Cardinal, Don Alexandre, was moved to express his disillusionment with the present state of affairs. When interviewed he stated in *Savana*:

Foreigners are plundering the country. The Church cannot remain indifferent. I speak of exploitation . . . I warn the people that they will lose this land for indeed foreigners are dominating. The city was full of Mozambicans, but they were pushed to the jungle, for those who have money have taken everything. Mozambicans cannot afford the means necessary to maintain themselves in flats. They cannot afford paying water and electricity and rent because they do not earn enough.

There [in Europe] also they [Europeans] are losing jobs, and, then, they opt in coming to Africa. Look, in the land of the blind, the one who has an eye is king, then, those come here because there also is the same thing (*Savana* 6 August, 1999:1-4, my translation).

The Cardinal also went on to mention what everybody knows: blunt and ripe racism has returned in Mozambique:

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cotton on the world market at much higher price. . . . I found out that they were making about 35% profit as a result of the low producer price." See "Recreating Colonialism or Reconstructing the State? Privatisation and Politics in Mozambique," *Journal of Southern African Studies*, Volume 22, Number 1, March 1996.

Many times we were discriminated against, as if today we are not. I find people who cry, because their children do not study in the universities because of discrimination. There are those who believe that every good thing must be only for them, because for them colour of skin makes sense. It is not colour of skin that should give orders (*Savana* 6 August 1999:1-4, my translation).

Colonialism goes hand in hand with corruption, social chaos, dirty business, and irresponsibility of Government officials. Mozambique has turned into complete chaos. There is no law and order. Corruption is so ripe. The Government has been weakened. Thus the *Savana* editorial unwaveringly declares:

We have pronounced ourselves, for more than one time, against the fact that the government we have is selling the whole country to foreigners without looking to the fact that Mozambicans are the owners of the land and, therefore, they deserve priority in the occupation of the vital spaces of the national economy.

We have said, for more than one time, that Mozambique must be the country with the weakest government in the world in which any foreigner arrives, is received by a minister, lunches with the PM (prime minister), dines with the PM and, in the following day, gives a press conference saying that he will invest this much millions of dollars in area X and, oops, the government is on the move and removes, without prior discussion, the natural population and residents of the zones wanted by the so-called investor!

We have said, more than once, that the fundamental problem is not the foreigner who plunders our land. The fundamental problem is the high indices of corruption in the governmental machine that invites the foreigner to plunder the land in the disguise of bringing investment whose national partner is, many times, the minister himself or the governor who authorised the referred investment.

What kind of a nation do we want to build with this behaviour of savages lusting for money? Could it be that in the name of capital accumulation this government lost the notion of shame and subjects us all to the disgrace of feeling that theft is now open and blatant in this end of the mandate?

How is it that the foreigner will not plunder our land if the government itself is quite occupied in the plundering of businesses which would simply be for the businessmen?

How is it explained that, all of a sudden, all the historical leaders of the nation are precisely the presidents of the Administration Councils of mega companies of foreign capital? Could it not be to help those foreign capitals to plunder our land? By the way what are we here talking about when the problem is so very clear and obvious? (3 August, 1999:9, my translation)

Foreigners plundering the country is a public issue which is debated publicly in the newspapers, *chapas* (taxis), street corners, schools and everywhere. In exploring this subject, Jose Mucavele, a well-known musician, asserts in his own terms that,

. . . we allow that any European hobo have only Mozambique in his head. He arrives here and just a week later he is a businessman. He is somebody's boss. He is a shoeless-foot there in Europe. He arrives here and he has all the facilities because sometimes he comes with a small support from European institutions. We are no longer able to control. . . . Now what is happening here in our country is beyond the acceptable, and it is politically dangerous. I do not accept that a shoeless-foot come here to explore a spazzashop. That he should come here to explore a café, because we have Mozambicans trained in hotel management (*Savana* 10 September, 1999:2-4, my translation).

Writing in *Metical*, Hungulani Ba Ka Khossa, a formidable writer and a critic of the state, did not spare the President and has demanded justice and dignity from him. He unweavingly declares:

It's enough, Mr President!

. . . [N]othing I owe to my country. As a child, my father paid for my studies. In adolescence, he put me at the University. In adulthood, I got a job and I always pay my tax. What do I owe to my mother land? Little, or nothing, I respond.

This token is summed up as follows: Any country must give its citizen the right of his/her dignity. In other words, the pride of belonging to that country. I demand, Mr President, that you give us the dignity of being Mozambicans. We don't want the British to come to our home and tell us what we must do. We are Mozambicans. The land is ours. Give us dignity, Mr President. Our vote was not in vain. I will come back to this theme next week (*Metical* 1 March 1999, my translation).

Tensions are building up and Mozambicans have begun to talk. Some will even act if no one takes heed of what they say. José Mucavele stresses the need to challenge the IMF and demand justice. He thus declares:

It [would be] good to tell the IMF, the boss, that your policy, that demand of yours, will break my spine, and I will no longer be able to work. Another thing that I reprove is to tell me that I am paying debt. I do not accept any debt to any country. Those countries owe us Mozambicans, they have a lot of debt for the delay of this country, for the underdevelopment of this country, etc. I would like to ask, for example, if I have any debt with Portugal! Portugal would have the courage to demand any debt payment from me? Is what they plundered for 500 years little? (*Savana* 10 September, 1999:2-4, my translation).

Mozambicans are not historically unconscious. They know their history and they refuse to be detached from it. That is why they speak and question openly this blatant injustice. Frelimo's Government has lost its legitimacy and credibility. It has now come under heavy criticism from ordinary Mozambicans. "Frelimo is an empty drum that makes a lot

of noise," they say (*Savana* 3 September, 1999:6). Frelimo has become the weakest and most despised Government—a clear proof of successful accomplishment of the international community's (WB, IMF, NGOs and donors) mission of destabilisation in order to isolate Frelimo.

SAPs and EST are costly. It is the poor who pay the price so dearly. The Cereals Institute of Mozambique has been privatised in favour of South African investors. And workers there have been waiting for new orders since June 1998 without a salary. These are fathers and mothers of five and six. Most of them have turned into beggars to support their families. They wrote an open letter, pleading with the Government and with all Mozambicans for justice:

What a pity of Giramo who is serving as a scoundrel of the boer, until when this situation? Who is involved in this deal? Why make suffer a disgraced one who is already disgraced? Is this just?

Ouch! Ouch! Ouch! Mozambican, wake up, the land is yours! Workers dwindling and foreigners transferring bulky sums (billions and billions) to their lands while we are left paupers (*Savana* 6 August, 1999:6, my translation).

The Maputo Citrus Company was also privatised. Since then it has been inoperational for more than two years. And workers are left without a salary or a word. They, too, have written a public letter:

We are workers because we want to preserve our personality as children of this land; unanimously our "*Nnandhayéyó*", *hi ta ya ku mani?*<sup>1</sup> We lament the fact that all this happens at the sacred moment, preparation of elections. How can we vote with empty stomach? How can we vote with the child at home who cannot go to school for lack of this and that?

How to vote with a week of mourning for having lost a wife who was buried by the Municipal Council for lack of money? (*Savana* 3 September, 1999:6, my translation).

The return of the Portuguese is very symbolic. It is the return of ex-colonial masters. The Catholic Cardinal warns that this return of the ex-colonial masters should be subject to greater suspicion and scrutiny.

□

<sup>1</sup> *Nyandhayéyó* expression is a traditional Shangaan cry of desperation, a cry for help. See conclusion in chapter four for a detailed explanation.

Our rulers must see with well seeing eyes. They must see what sense this return has, this return of the ex-coloniser. It must be asked what this return means. If it is not well analysed, we might fall into what the South Africans have fallen into during the [sic] "apartheid", where the Black was put on poor places, on poor lands, without any possibility of producing and the more fertile lands, richer lands, were for others, the Whites (*Savana* 6 August, 1999:4, my translation).

It should be recalled that Portugal was the only colonial power that insisted in keeping its colonies under its control while the other powers had long withdrawn. Portugal was the last colonial power to withdraw from its colonies. We should therefore ask in this light what it means that they are returning.

### ***3.8 Whose Reconstruction and Development?***

The economic disaster in Mozambique is not accidental. The adversaries are not that stupid to understand and blind to see this economic catastrophe. Adjustment and stabilisation constitute an economic suicide in Mozambique. And since it is obvious for everyone to see that the Bank's and Fund's policies never worked anywhere in Africa, we can, then, conclude that the social circumstances they are creating work for their own benefit. Adjustment and stabilisation have failed and continue to fail in Mozambique. The Bank and Fund acknowledge this, but they simply tell us to go on. We are, therefore, compelled to draw this one logical conclusion: this economic suicide, this economic disaster, perhaps is a conspiracy. The Fund and Bank, donor community, and NGOs are carefully deliberating and engineering, as they did in times of destabilisation, the present processes to remake Mozambique in their image. As Hanlon (1996:107) asks, "Could it be that the IMF programme really is successful, but that it has different goals and a different agenda from what the Mozambicans are told?"

The head of OTM, Soares Nhaca, asserts that the IMF uses the same programme everywhere because it is trying to do the same thing everywhere—to create dependence on the North. Indeed, as Vallely (1990:73) observes, During the 1980s there were ninety-four IMF programmes in operation all over the Third World. In 1989 some seventy countries were struggling under the burden of IMF demands. IMF programmes abounded throughout the Third World countries. Vallely narrates the dramatic events:

In Santo Domingo women found cooking oil had doubled in price overnight. In Manila a bus driver had to greet his customers one morning with the news that fares had risen in one leap by 30 per cent. In the north-east of Brazil a peasant farmer arrived to collect his credit payments to pay for essential fertiliser, and found that these had been abolished in an IMF programme. In Santiago hundreds of small businessmen closed their workshops because their home-made products could not compete in price with mass-produced foreign imports, now that tariffs and duties had been scrapped at the behest of the IMF. In Mexico accidents and injuries increased substantially as the oil industry was put into overdrive to produce record exports to pay. [sic]. Even in the developed world, in Europe and the United States, more than a million workers found themselves caught in the wake of the IMF-created Third World recession when they were laid off after orders from developing countries fell and left their firms without customers. Countless personal tragedies were repeated throughout the world. Each one was nothing more than a statistic to the macro-economists who devised the 'adjustment' strategies. But each one brought trauma, heart-break and misery to an individual or family (1990:173-174).

The IMF is not trying to resolve the problems of hunger and underdevelopment in Mozambique, nor in other Third World countries, but to satisfy the needs of the Northern economies, which are themselves readjusting. And permanent dependence means that the IMF can always determine Mozambique's policies—in detail. D. Ghai (1991:7) also points out that SAPs and EST are calculated to defeat "the nationalist project by international capital and represent an attempt by external capital to seize control of the national economy." We do not think that this failure is accidental. A new market composed of the newly created rich is being forged for Western goods and plays a key role in administering re-colonisation imposed by the Bank, the Fund, the donor community and NGOs. As Hanlon observes the phenomenon: "A tiny elite increasingly serves foreign masters, both aid agencies and private companies, and is rewarded with dollar salaries, fancy cars, and *foreign trips to cultivate their taste for imported goods*" (1996:83, italics added). Father Francisco Ponsi writes:

Contrary to what we would like to believe, Africa belongs not to the various African countries, notwithstanding their proclamation of sovereignty and independence; nor to one or other of the former colonial powers. Africa belongs to the World Bank! Africa and Mozambique belong to the WB (and the IMF). Its program is to force Africa into the system of neo-colonial economics, without taking people's necessities into account. What counts is the free market and its god—money (quoted in Hanlon 1996:108).

What raises suspicion, as Hanlon observes, is that the World Bank and the IMF always make impossible demands and expect immediate concessions. ". . . [I]f economists in the private sector made such blatant mistakes," argues Hanlon, "they would be dismissed. This suggests that these are not errors at all" (1996:108).

NGOs and the donor community are equally implicated in this conspiracy. They are guilty of conspiring against the poor and plundering their land while pushing them to the jungle. As a provincial education director observes:

It's identical to what happened 100 years ago. After the Berlin conference there were wars to establish colonial control of the continent. Then in came the missionaries, and they cleared the way for the capitalists. Again we have wars, this time followed by non-governmental organisations. They are the new missionaries (in Hanlon 1992:203).

The new missionaries also come from the donor countries and international NGOs. Their paymasters' goals have nothing to do with the reconstruction and development of Mozambique. Bishop Pinto points out that their goal is to keep Mozambique dependent on food aid, both to ensure exports for their surplus food, and to keep Mozambicans dependent (Hanlon 1996:55). Indeed, Hanlon mentions a study conducted for the US government which confirms the veracity of the Bishop's allegation:

[A] US-funded team funded in the Ministry of Agriculture actually did a study of who eats yellow maize supplied by USAID (which is traditionally less popular than locally produced white maize) and concluded that even after aid is ended, Mozambique ought to import US yellow maize commercially because it will be cheaper than locally produced white maize and thus, it alleges, will benefit poor people. The US has used aid to create a new market (Hanlon 1996:110-111).

Assisting Mozambique is not a priority for aid-workers, who are more preoccupied in guaranteeing job security and personal satisfaction, "or have very narrow horizons." Aid is a massive poverty industry for non-profit transnational contractors, and what they do is "for governments and international agencies ranging from the European Commission to Unicef." They have as their first priority to keep money flowing, and this more often "means that effective tendering and reporting are more important than helping the poor." They have as their second priority "ensuring their own comforts and smooth operation, with four-wheel-drive cars, computers, photocopiers, air conditioners, flights home, and so on." They have as their third priority not to help the poor but to perpetuate poverty so that they can have reason to stay and maintain their livelihoods. These people "are looking for adventure and travel in exotic places." Since they must always persuade parliamentarians not to cut aid budget and thereby justify aid at home, they must show

"'success' and photographs of nice white people helping starving black babies;" they must buy "goods and services from the donor countries;" they must accept to be agents of the donor countries and use the money aid to induce "political changes which the donors consider good, notably free-market reforms and privatisation." Workers from the Bretton Woods Institutions and aid agencies are not stupid. "But they are—of necessity—wilfully blind or at least blinkered. They cannot afford to see" (Hanlon 1996:111-112).

The poor are currently feeding the rich in the North. We are not on equal footing to trade. The current economic transformation to which we are subjected in Mozambique is not meant to improve our living conditions. It is geared toward developing and feeding Western parasite economies at the cost of intolerable human sacrifice. Western money dealers have completely lost a sense of shame and humanity: the Bank, the Fund, the donor community, and the NGOs. What they are doing is morally flawed.

### ***3.9 Summary and Conclusions***

After the war, the resultant damages were properly diagnosed. Priorities and needs were properly identified and plans of rebuilding and developing were drafted accordingly. These included rebuilding social and economic infrastructures—schools, hospitals, roads, bridges, shops, wells, livestock, etc.—so as to ensure a smooth resettlement and integration of the returnees, and guarantee their livelihoods. However, the BWIs imposed policies which forced the government to abandon its plans of rebuilding and focus attention upon SAPs and EST. With SAPs and EST, the BWIs diverted capital from reconstruction and development, froze it and removed it out of the economy to debt servicing.

The World Bank and IMF policies resulted in socio-economic catastrophe: real wages collapsed dramatically; the government was pushed away from the economic activity, forced to reduce its budget and prevented from investing in social services; corruption was fanned beyond acceptable proportions; Mozambicans were and continue to be pushed away from their land; foreigners take over and, with their capital, they plunder the nation; conditions for re-colonisation have been created.

SAPs and EST are rapidly disintegrating Mozambican society. They are causing social and economic chaos and great human sacrifice. In short, this chapter showed that the actual socio-economic transformation represents pitfalls to reconstruction and development. In the next chapter I shall make an ethical appraisal of the BWIs' market ethics and their fundamentalist theological discourse which underpins these socio-economic processes. I shall, then, cast my lot toward the quest of a development ethic for just reconstruction and development.

## **Chapter Four**

### ***Towards an Ethically Meaningful Approach to Reconstruction and Development***

#### ***4.1 Introduction***

This chapter discusses the market ethic which governs the policies of the Bretton Woods Institutions, that is, the World Bank and International Monetary Fund. It is this market ethic which dictates the allocation of national resources. It is the same ethic which determines the priorities which these institutions impose for rebuilding war damages. The chapter also considers the right-wing (fundamentalist) theological spirit manifested in these institutions in defence of their positions. This fundamentalist theological spirit functions as a religious superstructure to sanction the sanctity of the SAPs and EST. An understanding of it will help unveil the covert manoeuvres used by the elite groups, TNCs, and money dealers who control the BWIs. The final part of this chapter discusses the possibility of a socio-ethically meaningful approach to reconstruction and development in Mozambique. It draws heavily from African sources in our development ethics.

#### ***4.2 Illusions of the BWIs' Market Ethics***

The Bretton Woods Institutions have a body of ethical principles which dictate the policies they design and impose on Mozambique, just as they do to any other Third World nation with which they deal. Their ethics is market ethics, or *First World Ethics*, as Vallely (1990) calls it. It should be stated that the definition and description of the market is out of place here. The intention is not to define or reconstruct market ethics. I rather wish to highlight those aspects of the market which seem to be the guiding principles of the BWIs. I place those market ethical principles under an evaluative framework to see if they do measure up to the ethically inspired social criteria that we have outlined in the introductory chapter.

In his *Bad Samaritans*, Paul Vallely (1990) identifies and describes six market principles which, according to him, constitute the ethical system that dictates the decisions taken by BWIs and which are imposed on the Third World Countries.

#### 4.2.1 Self-interest

The first market ethical principle identified is that of self-interest. Vallely observes that there is heavy reliance on self-interest by the BWIs. Self-interest in itself is harmless and good in its own right. To make it a sweeping market law as the BWIs do is, however, immoral. As Vallely observes, "there is a need to acknowledge the unhealthy extent of the reliance of the market system on self-interest as a motivating force. Admittedly this is not inevitably a corrupting influence, but it has a well observed tendency to be so" (1990:268). Self-interest can produce wealth, but it can hardly produce a fair distribution of that wealth. In fact, where it has been relied upon, it has created unjust distribution of wealth, as is the case in Mozambique.

Economics is "dominated by a conception of the human being as a rational egoist, motivated exclusively by narrow self-interest and pursuing this self-interest in a consistent and conscious fashion" (Rowthorn 1996:16). These economists "typically assume that [human] agents are both self-seeking and dishonest" (1996:18). This type of thinking is responsible for "a compartmentalised view of human existence whereby selfishness is morally acceptable in what might be construed as economic life, whilst altruism and cooperation are relegated to other spheres of life" (1996:19). So economics is construed solely in terms of selfishness and the pursuit of self-interest. We are not taken aback when studies conclude that economists are "selfish species beings," and that economics attracts selfish people to study it (1996:20).

Such heavy emphasis on natural instinct is responsible for worsening the conditions of the poor in Mozambique. Reliance on self-interest as an unbreakable economic principle "reduces men and women to mere economic units for whom everything except material prosperity becomes a mere peripheral issue. It turns into an absolute a single aspect of human life, which is a dangerous ideological distortion" (Vallely 1990:269). In terms of our African concept of community, it violates the very basis of human existence. It undermines and destroys the essence of humanity, the essence of *ubuntu*. It denies that

"I am because we are." Therefore, this unscrupulous reliance on self-interest is not an ethically acceptable social criterion for reconstruction and development. It allocates resources as self-interest dictates.

The duty of the Government, according to William Temple, is to order "public life so that self-interest prompts what justice demands" (quoted in Valley 1990:269). But the BWIs have weakened and pushed the Mozambican Government aside. They have let loose self-interest to govern unchecked. They have created conditions whereby one satisfies one's passions as one pleases. They create social circumstances in which there is no community ethic, and so as "In those days [when] there was no king in Israel: every man [does] that which [is] right in his own eyes" (Judges 21:25). In the end it is the poor, the weak, the vulnerable, the women and children, who are squeezed too tight.

#### *4.2.2 Myopia of Profit*

It is sad but true that profit, in fact quick profit, is another imperative "moral law" of the market which governs the BWIs and which is motivated by self-interests. This is an "area in which the market—motivated by the search for fairly immediate profit—is notoriously unreliable in its short-sighted perspective on investment" (Valley 1990:270). Conditions have been created in which long or medium-term investments are no longer attractive. Investment is attractive only if it is short-term and aimed at skyrocketing profits at once. For example, there is a proliferation of forex houses and tourist complexes in Mozambique. But there are numerous communities without schools, clinics or hospitals, and shops for basic goods. No one is willing to invest in these areas because the instinct for quick and easy profit discourages such investment. This is "the impersonal nature of the market which conveys information about the desires, resources and abilities of its participants in an impersonal way which makes it easy for participants to lose sight of human values" (Valley 1990:271). The Government cannot intervene. Its budget has been cut dramatically, its civil servants have been reduced and the remaining ones do not earn a living wage. At the bottom it is the poor who are crushed. Market ethics undermines our African ethical values of caring and sharing.

### 4.2.3 Individualism

Individualism is a well-known principle of capitalism. It has been adopted and given precedence in Mozambican socio-economic life. Individualism, however, "is not an unalloyed bad" in itself. "It brings a directness to our relationship with God and nurtures a sense of tolerance of dissent and even eccentricity." But Vallely also acknowledges that it has "a number of distinct and irreconcilable species of the outlook." "The inner goal. . . is. . . personal success. . . . the conspicuous consumption becomes the mark of self-fulfilment and individualism becomes egotism. Self-assertive individualists without moral roots seek a brittle kind of success with no thought for casualties" (1990:271-272). Self-assertive individualists without moral roots are the officials and share-holders of the BWIs who seek to (re)create Mozambique in their own image.

### 4.2.4 Perverted Economic Growth

Economic growth is another overwhelming principle and goal underpinning the market ethic as preached by the BWIs. Economic growth has almost become a god to be worshipped and at the same time a goal to be achieved at any cost. This means that the poor must often suffer for the sake of its achievement. It is a clear reflection of what Lewis has said some decades ago:

First, it should be noted that our subject matter is growth, and not distribution. It is possible that output may be growing, and yet that the masses of the people may be becoming poorer. . . . But our primary interest is in analysing not distribution but growth. Secondly, our concern is not primarily with consumption but output. Output may be growing while consumption is declining. We mention these problems so that pedantic reviewers shall not be able to say that we are not aware of them. We do not, however, have to solve them. For our concern is not with the measure of output, but with its growth (in Berberoglu 1992:15-16).

Indeed the BWIs are well aware of the injustice that their policies are engendering, but, as Lewis has said, their concern is not justice but economic growth. The BWIs do know that since their programmes have been implemented, the people of Mozambique have grown skinnier and tinier while the economy is growing. The poor Mozambicans are being squeezed out of proportion while the statistics of economic growth rise daily. This is the evil of the market ethic as preached by the BWIs. This is an immoral market system in which, as Herbert Daly observes,

We count the real costs as benefits—this is hyper-growthmania. Since the net benefit of growth can never be negative in this Alice-in-Wonderland accounting system, the rule becomes 'grow forever' or at least until it kills you—and then count your funeral expenses as further growth. This is terminal hyper-growthmania. Is the water-table falling? Dig deeper wells, build bigger pumps, and up goes GNP! Mines depleted? Build more expensive refineries to process lower grade ores, and up goes GNP! Soil depleted? Produce more fertiliser, etc. . . . As we press against the carrying capacity of our physical environment, these 'extra effort' and 'defensive' expenditures (which are really cost masquerading as benefits) will loom larger and larger. As more and more of the finite physical world is converted into wealth less and less is left over as non-wealth—i.e., the non-wealth physical world becomes scarce, and in becoming scarce it gets a price and thereby becomes wealth. This creates an illusion of becoming better off, when in actuality we are becoming worse off (in Vallely 1990:274).

At the bottom of this market ethic system it is the poor who are squeezed to produce, reproduce, sustain, and perpetuate such conditions. This kind of economic growth is fallacious.

#### *4.2.5 The Myth of Efficiency*

Another prescribed code of the market ethic preached aggressively by the BWIs is efficiency. The technical advisers of the BWIs are obsessed with the myth of efficiency. In everything they do, Mozambicans must follow the principle of efficiency. In this sense efficiency means to profit more and more while spending as little as possible, regardless of what this may involve. In other words, it means investing less and less while profiting more and more by any means. For example, it is considered very efficient that Mozambique is paying its foreign debt despite the human sacrifice that this involves, say the BWIs. But if Mozambique does not pay the debt and, instead, builds schools and hospitals, rebuilds war damages, pays humane and living wages, feeds the hungry and leads the blind, does justice to the poor and oppressed, etc., there is no efficiency. According to them, it is efficient that traders import those consumer goods that only a few members of society have the purchasing power to buy. Since the overwhelming majority of Mozambicans have their purchasing power completely destroyed, it is efficient that the market ships food away from those who cannot afford to buy it to those areas where purchasers have the necessary cash to buy. It is efficient that private investors unscrupulously exploit Mozambicans, plunder the country, pay no taxes, and repatriate huge sums of profits to their home countries. As Vallely notes,

There can, indeed, be evils in efficiency. War, theft, murder, and colonialism can all be efficient for the ruthless, but for the rest of us there is a moral code in which such efficiency is set. Slavery was efficient for those who were not subjugated but in the end the true Christian option was not for us to become kinder slave masters but rather to abolish slavery. Manufacturing processes which endanger the health of those who produce them—using abets or carcinogenic paints—may be cheaper than safe alternatives but civilised societies have quite rightly legislated against them. As Tawney said: 'To convert efficiency from an instrument to a primary object is to destroy efficiency itself' (1990:272-273).

In this light the true costs of reconstruction and development are terrifyingly high. Reflecting on his country's long history, the Chinese philosopher Lin Yutang observes that, "It is evident anyway that the Chinese as a nation are more philosophic than efficient, and if it were otherwise, no nation would have survived the high blood pressure of an efficient life for four thousand years. Four thousand years of efficient living would ruin a nation" (quoted in Goulet 1995:200). But the BWIs and other economic agents do not agree. Yet a social system cannot be deemed efficient if it merely improves the lot of a particular section of global society. That Mozambican socio-economic circumstances are efficient, as the BWIs claim they are, is a pure lie and it is politically a very dangerous ideological distortion.

#### *4.2.6 Illusory Neutrality*

At the heart of the market ethic is the illusion of neutrality. There is, in fact, no neutrality in the market ethic as maintained by the BWIs. Some things, like water and oil, do not mix and are irreconcilable. Likewise, neutrality in trade is irreconcilable with greed, lust, self-interest, profit, efficiency, and perverted GDP growth. It is very ridiculous that self-assertive individualistic agents, motivated by self-interest and the crudest lust for quick profits, which must be attained efficiently, should be procedurally neutral. As Vallely writes,

Most fundamentally there is a need for an acknowledgement that the market can only operate within a proper moral framework, to which its operations must be subordinated. Capitalism is at present in danger of sawing through the bough on which it sits. The smooth operation of the market depends on shared moral order. All [operations of the market] involved must value [positively or negatively] truth, honesty, bribery, fraud, and breach of promise. All [operations of the market] must acknowledge the sanctity of contract. All [operations of the market] must have respect for the law and feel able to rely on the probity of judges, officials and legislators. The market assumes a complex web of custom, taboo and moral bonds which were established in a previous era and are now being held in place by the vital forces of

inertia and the law which is now more often seen as the rules of a game than a vehicle for moral truths (1990:275).

These are the basic principles which constitute the market ethical system which underpins the socio-economic transformations imposed by the BWIs on Mozambique. Let us turn now to the fundamentalist theological discourse of the BWIs.

#### **4.3 The Fundamentalist Spirit in the BWIs' Economic Liberalism**

Lately the BWIs have been spoken of in pseudo-theological terms. For instance, according to one observer,

At one extreme, the International Monetary Fund, the World Bank and the Paris Club for debt rescheduling are presented as a secular Trinity, converting African countries from their sinful ways and showing the route to salvation to an ignorant and ungrateful multitude. At the other, the Fund, the Bank, the Paris Club and the commercial banks are portrayed as a modern Four Horsemen of the apocalypse complementing and completing the work of war, drought, epidemic and famine in a prostrate and defeated continent (R.H. Green in Mihevc 1995:21).

It should be understood that the objective here is not to argue that the BWIs' *modus operandi* is a derivative of fundamentalist theology, or that the BWIs have fundamentalist historical roots. The aim is not even to show how the tenets of fundamentalist theology inform the BWIs. Rather, the objective is to show the striking similarity between the BWIs' *modus operandi* and fundamentalist theological discourse. This leads one to believe that in as much as fundamentalist theology is characterised in a particular manner, the BWIs' *modus operandi* is likewise fundamentalist. SAPs and EST make up a clear agenda that is used by the BWIs "to tie together a set of policies, the effects of which are known and understood. It is an agenda and a discourse which is, at its core, a fundamentalist one which not only denies the legitimacy of alternatives, but has actively sought, over the past decade, to ensure that all of the options available to developing countries have been narrowed down to one" (Mihevc 1995:16).

In his *The Market Tells Them So*, John Mihevc (1995) shows how theological language throws new light into understanding the ethical procedure of the BWIs. According to him, behind the BWIs there lies a fundamentalist theology. In other words, there is fundamentalist religious faith, and not just economics, behind the BWIs. Mihevc quotes

Boone as she brings to light the relationship among the various elements of fundamentalist theology: "The authority of fundamentalism arises in the 'reciprocal relations' of text, preachers, commentators, and ordinary readers. And in studying these relations, one confronts the compelling power of the closed system, a power which cannot be localised but is of one cloth, a power woven in and through every thread" (1995:27). Mihevc underscores six fundamentalist threads woven into the BWIs' of SAPs and EST. These threads throw light into understanding the ethical *modus operandi* of the BWIs.

#### 4.3.1 *The Theology of SAPs and EST*

It is argued lately that the proponents of SAPs and EST "recipes, the neo-liberal recipes, have an enormous faith in their product, even in the face of much previous experience, much professional doubt and obvious political realities. In this it resembles more a brand of religious fundamentalism than a school of thought" (Hans Singer in Mihevc 1995:27). Indeed, Father Ponsi has spoken of the BWIs acting like a brand new Pope, and he could clearly see the similarity between that of his church and this new one (in Hanlon 1996:109). Susan George and Fabrizio Sabelli, in their *Faith and Credit* (1994), also speak of the BWIs in a similar way:

The supranatural, non-democratic institution functions very much like the Church, in fact the medieval Church. It has a doctrine, a rigidly structured hierarchy preaching and imposing this doctrine and a quasi-religious mode of self-justification. Or, to borrow from a wholly different tradition, the Bank is reminiscent of a centralised political party characterised by opacity, authoritarianism and successive party lines. Could the World Bank be the Last of the Leninists? . . .

In our society, the concept of development has acquired religious and doctrinal status. The Bank is commonly accepted as the Vatican, the Mecca or the Kremlin of this twentieth-century religion. A doctrine need not be true to move mountains or to provoke manifold material and human disasters . . .

Religion cannot, by definition, be validated or invalidated, declared true or false—only believed or rejected. Facts are irrelevant to belief. True believers, the genuinely pure of heart, exist in every faith, but the majority generally just goes along lukewarmly out of cultural habit or material advantage. When, however, the faith achieves political hegemony as well, like the medieval church (or the Bolsheviks or the Ayatollahs), it is in a position to make people offers they can't refuse, or to make their lives extremely uncomfortable if they do (cited in Hanlon 1996:109).

This is the spirit of theological and religious fundamentalism along which the BWIs move so smoothly. The discourse of the BWIs' analysis and policy prescriptions for Mozambique, as for any other Third World country in which they operate, closely resembles the discourse of fundamentalist theology. The BWIs, as Mihevc points out, represent "a wide variety of political interests, including the US Treasury Department, the finance ministers and executive directors of [their] member countries, [their] shareholders, as well as the multitude of international finance interests, from banks to transnational corporations to elites in Third World countries." However these institutions have been able to maintain "a remarkable degree of uniformity with regard to fundamental principles of development in [their] vision of the need for SAPs [and EST]." They have "succeeded in this regard precisely in this agenda by employing [their] army of technocrats, researchers and policy advisors as the new missionaries of development for Africa. The echoes of the colonial role of the missionaries is obvious" (1995:28). Another commentator observes:

. . . . [I]t is important to recognize the power, influence, and academic and developmental consequences of this historically unique contribution of funding development projects and development research (note here the echoes of the early imperial era, when the metropolitan governments funded learned societies that in turn supported the field work of missionaries and adventurers who like Livingstone, also saw themselves as geographers, anthropologists, and historians) (J. Samoff cited in Mihevc 1995:28).

The discourse of the BWIs as a fundamentalist one is thus exposed in theological and religious terms. This helps in further exposing the inner logic of their discourse. This exposure

challenges the [BWIs'] undisputed hegemony and self-confirming authority over development of the continent. This self confirming authority is achieved by employing the techniques and strategies of fundamentalist discourse. The fundamentalist strategies [are] employed . . . as the universal paths of salvation not only for Africa but for all the Third World, endowing SAPs with moral authority and superiority over competing claims, condemning opponents of SAPs as irrational, inefficient or self-serving and, finally, fulfilling its anointed role of establishing, controlling and maintaining the SAP agenda (Mihevc 1995:29).

### 4.3.2 *Servant of the Text*

The role of the servant of the text is a well known vociferous and undisputed technique employed in the fundamentalist religion and theology. This method is used in the fundamentalist interpretation of the Bible. It is, like all of them, a "most deceptive technique [precisely because it disavows] the interpretative role of preachers in reading the Bible" (Mihevc 1995:29). It is a fundamentalist technique that the BWIs have adopted to bless and sanction their policies. According to Mihevc, the BWIs

disavow [their] own interpretative role in what [they] pass off as the value-free scientific economic analysis of Africa's economic crisis. The fundamentalist thrust of the [BWIs'] arguments throughout the 1980s is revealed by the way [they] defend [their] positions. Rather than employing a careful analysis of the historical context or the lived experience of those affected by [their] policies, the [BWIs] consistently refer to ideological constructs to defend [their] positions (1995:30).

Indeed. For example, in Mozambique the BWIs categorically refuse to start from the fundamental historical causes of underdevelopment. They voluntarily and deliberately blind themselves to the historical fact of 500 years of colonial plunder, sheer brutality, and colonial legacy. They voluntarily and deliberately blind themselves to the historical fact of the war of destabilisation. Instead of taking these historical causes and applying the appropriate reconstruction and development programmes, they preach market ethics. They argue that the market will allocate the resources and do the rebuilding efficiently. "The [BWIs'] role remains unassailable in so far as [they are] able to fill the role of preacher or high priest whose authority derives from the text of perfectly competitive markets" (Mihevc 1995:30). The BWIs are saturated with cold predisposition against anything and anyone contrary to their market ethic dogmas. As another observer says,

. . . the most realistic proposals are set aside without being discussed. Everything has to be sacrificed for the sake of maintaining the prevailing ideas. Now this kind of rigidity and irrationality (which I would compare with the dogmas championed in authoritarian theologies) means that there is a sacred and therefore unassailable character from which taboos that cannot be infringed are promulgated. Those daring to suggest alternatives aimed at changes are regarded as dangerous or discounted as unrealistic. . . . (J. de Santa Ana cited in Mihevc 1995:31).

### 4.3.3 *Dispensationalism*

One other of the basic features of fundamentalist thinking is known as dispensationalism. It is also a method of biblical interpretation. According to this method the history of the Bible is divided into dispensational epochs, as for instance, Innocence, Pre-Fall, Law, Promise, Reign of Christ. As Mihevc points out, "These dispensations are distinguished by a change in God's method of dealing with humanity. Each of the dispensations may be regarded as a new test of the natural man [sic], and each ends in judgement—marking his utter failure in every dispensation" (1995:32). Dispensationalism is also characteristic of its adherence to premillennialistic thinking. According to this thinking it is utter futility to try effecting social change because the end is near anyway. Christians ought to evangelise souls and never engage in socio-political activism. As Mihevc explains its thrust: "While it is not possible to transform a lost society one can convert individuals in that society to the ethic of individual industriousness and personal virtue" (1995:32).

In their fundamentalist proceedings, the BWIs have charged their policies with dispensationalist undertones. According to them, as Mihevc explains, "the African state is beyond redemption." Therefore, the only thing at hand, writes Mihevc,

is to focus on few pockets of private industry in the continent and to bypass the state. This newly discovered problem provides a useful gloss for a sober assessment of the ability of SAPs to achieve their stated goals. Indeed, as SAPs continue not to work, the need to rediscover Africa's problems as rooted in the failure of its peoples and governments becomes increasingly necessary. By the end of the 1980s the World Bank had given up hope of converting African society and the state to the virtues of the free market and was content to save individual souls by encouraging investment in the private sector (1995:32).

This idea of dispensationalism explains why the BWIs have kicked the state out of the socio-economic scene, have ruthlessly opened up Mozambique for a new colonial plunder by foreign quick-profit seekers and pleasure hunters. Because the BWIs institutions believe that Mozambique is beyond redemption, they maintain that if there is any hope for Mozambicans, then, it lies in private plundering by foreign "investors."

#### 4.3.4 Theology of Sacrifice

Theology of sacrifice is another powerful stronghold of fundamentalist thinking. And Mihevc confesses that it "is embedded in our Western Christian tradition" whereby "The crucifixion of Jesus stands as the central symbol for Christians of a self-sacrificing God offered up for the redemption of humanity." However this aspect is used to justify oppression. Unlike liberation theologians who see this self-sacrificing God as acting in empathy with those who suffer injustice at the hands of the more powerful and seeks to liberate them, the fundamentalist theology of sacrifice rather legitimises "suffering and oppression as part of God's inscrutable plan for the greater good of maintaining the divinely-willed existing social order. The poor are told that their poverty is their cross to bear and that their suffering will be redeemed in the world to come" (1995:33). According to Mihevc, fundamentalist theology of sacrifice plays an important role in the BWIs' theology of SAPs and EST. He thus writes:

SAPs are presented to African countries as a form of economic behaviour requiring sacrifice to the discipline of the market. This notion of sacrifice is also rooted in the assumption that sacrifices are required in order to pay off debts incurred in the past. In the theology of sacrifice the morality of debt servicing is inverted. In a process that sacrifices the lives of millions in the Third World to pay the debt, the moral question that takes precedence is the one which asks whether it is lawful *not* to pay debts; what will happen to the international order if suddenly debts no longer needed to be paid? (1995:33).

It is this theology of sacrifice on which the BWIs heavily rely to impose their policies upon Mozambique. These unscrupulous money dealers squeeze us too tightly and those who suffer the most (women and children) are cast over to the mercy of NGO officials who devise special alleviation programmes. But most are left to sheer accidental luck. Nevertheless, in the meantime the Mozambican economy—the BWIs insist—"cannot escape the painful period of adjustment that is necessary before it can enter into the promised land of balanced budgets and high growth rates. This kind of expiatory theology . . . is indicative of a cultic piety based on tribute, expiation, guilt and conformity." And those "who do not conform to the body of prevailing prescriptions are dangerous and unclean and must be readjusted to become acceptable" (Mihevc 1995:33). When all theology of sacrifice is said and done in this way, "nothing is unlawful. Any human sacrifice, any violation of human rights is justified and no moral

conscience in the world can legitimately interfere," notes Hinkelammert (cited in Mihevc 1995:34).

#### 4.3.5 Filling in the Gaps

Another typical interpretative manoeuvre employed by fundamentalist theology is "the so-called gap theory, the practice of hypothesizing from what the Bible does not say in order to resolve textual difficulties." For example polygamy has been condemned and those who converted to Christianity as polygamous have been forced to divorce their other wives and remain with one. This was done on the basis that since the Bible does not say it is right, it clearly means it is wrong. In other words the Bible says polygamy is evil and forbidden by not saying that it is right. "This technique can degenerate rather quickly into disregard for determining the actual facts of the case, effectively closing off discussion once the main objective—the protection of inerrancy—has been achieved" (Boone in Mihevc 1995:35). So the real objective and agenda is not the logical coherency of the strained interpretation, but first and foremost the preservation of the *doctrine* of the text.

This can clearly be seen in the BWIs' defence of their positions, as Mihevc charges. The reason is that, he observes, "A closer examination of the African experience over the 1980s reveals that the World Bank consistently ignored or manipulated the evidence relating to Africa's economic crisis in order to preserve the inerrancy of the doctrine of structural adjustment." To illustrate the BWIs' use of the gap theory, he refers to studies done by the World Bank jointly with UNDP in 1988, *Africa's Adjustment and Growth*. According to Mihevc these institutions made successful and effective use of the gap theory. "The study crudely attempted to prove that African countries which were adopting SAPs were performing better than those which did not by means of very questionable statistical manipulations. The document demonstrates the value attached by the World Bank to preserving the inerrancy of the doctrine of structural adjustment" (Mihevc 1995:35).

This explains why the free-marketeers have been aggressively promulgating the incredible "successes" of the Mozambican economy. *Câmara de Comércio Portugal Moçambique CCPM* (Portuguese Mozambique Chamber of Commerce) is typical of this

practice. In its publications it conceals the fact that the IMF and WB are screwing Mozambicans too tightly and causing unbearable human sacrifices. It conceals the fact that foreign capital is plundering the country. It gives a truncated view of Mozambique's actuality. In *Mozambique* Nos. 21 and 22 issues, April and September 1999, it published information in which it completely lied, telling the world that Mozambique was performing better than ever, by means of very questionable statistical manipulations. Take for example the article *Mozambique, A Rare Case of Success* (*Moçambique* No 22, September 1999:68-70), in which it gives a completely false picture of Mozambique's socio-economic conditions. It also mentions Portugal forgiving(!) some of Mozambique's debt. Not surprisingly CCPM is an agency deeply committed to promoting Portugal's private interests in Mozambique.

#### 4.3.6 Justification by Correct Statement

The final technique in fundamentalist thinking is what is required to distinguish true adherents from those who have interpreted the text incorrectly. This is achieved by the use of "correct statement" (Mihevc 1995:35). This manoeuvre involves the use of "correct" terminology, catch-phrases and principles in interpreting the text. Great care is taken to shield believers from the wrong words or combination of words for fear that exposure to them can destroy their faith" (Mihevc 1995:36). This kind of attitude toward any alternatives to structural adjustment put forward is clearly revealed in the recent writings of the BWIs. For the BWIs other alternatives are invalid because they do not use "correct" terminology. "These alternatives, to the extent that they are even acknowledged, are subjected to the test of justification of correct statement. Because these alternatives do not employ the correct terminology and catch-phases (such as adherence to the market, getting prices right) they fail to meet the standard of being considered as realistic or viable" (1995:36). Correct statement must be in line with the moral principles of the market ethic as explained above. Mihevc writes:

The correct statements, in the development theology of the World Bank, champion the virtues of an individualistic, free enterprise "gospel of prosperity". This leads to a reductionist view of the human as *homo economicus*, the rational product of Western economic individualism. Many of the economic principles which form the basis of the World Bank's development theology are rooted in an ethical worldview predicated on extreme individualism. This extreme individualistic worldview grounds many of the ideals championed by the religious within the US (1995:36).

Thus the BWIs believe that failure to succeed can only be explained by individual or government shortcomings and not the fault of the policies themselves. According to Mihevc, the BWIs function no differently than the countless right-wing evangelical movements spreading the gospel of prosperity throughout Africa. The BWIs simply ignore the political and economic reasons for so much poverty in Third World countries.

It is also important to note that there are common interests of a particular elite group which cut across a number of institutions, think-tanks, transnational corporations (TNCs), and governments. They also cut across agencies like the BWIs, NGOs such as World Vision, and many of the fundamentalist Christian churches. And one of the most fundamental characteristics of these fundamentalist bodies is lack of historical or sociological awareness and, of course, lack of institutional memory. As a result these bodies are so ruthless and uncritical in reading into the "theological doctrines" which were developed later. They uphold the status quo and take it as a given and not as a result of unjust historical processes. They fondle and bless it. They give thanks and praise to the Lord for it.

In the final analysis, the BWIs are, indeed, religious institutions, except that they are based on a "pseudoscientific fog of superstition," cold predisposition, blindness and ignorance, undemocratic and dictatorial spirit, cruelty and brutality and, therefore, are not the kind of desirable institutions for human beings. That is why Walter Russel Mead suggests:

If we are going to have religions, then let us have real ones: religions based on things like love and human dignity, not on increasing the GDP. . . . We may not ever be able to build a positive science of economics based on empirical knowledge, but that is no reason to wrap the little we know in a pseudoscientific fog of superstition (cited in Mihevc 1995:39).

#### **4.4 A Brief Moral Evaluation from an African Perspective**

In chapter one I presented an ethical theoretical framework for this study, that is, our recommended ethical social criteria on the basis of which development conditions in Mozambique were to be evaluated. Chapter two dealt with the "development of underdevelopment" and highlighted its main causes. Chapter three dealt with the economic reforms (SAPs and EST) designed to remedy the crisis. These reforms have resulted in the current negative socio-economic transformation. The question before us now is: Does the current socio-economic transformation in Mozambique measure up to ethically acceptable social criteria? To make this ethical appraisal we must summon the socio-ethical values contained in our theoretical frame of reference.

##### **4.4.1 The Wholeness of Life**

If we consider our sense of the wholeness of life, with all its socio-ethical implications, the social circumstances created in Mozambique are very degrading, and constitute a human devaluation. They are a damning indictment on the competing actors in the economy. We have said that according to African custom religion is part of life, and it is all encompassing. In other words, all of life is sacred; it is tied up with religious and traditional values. Life must, therefore, be viewed as a whole.

We May add that our sense of the wholeness of life is as much about the quantity as it is about the quality of life. Wholeness of life means that, even in affluent societies, development is not narrowly about having more as it is about being more in life. Development and reconstruction must, therefore, create social circumstances in which people will live not only quantitatively but also qualitatively: they must create social conditions in which people will not only have more but also, and in effect integrally, be more in life. Is this not what Jesus recaptures when he says, unlike thieves and thugs who come "but for to steal [from us], and to kill, and to destroy: I am come that [we] might have life, and that [we] might have it more abundantly"? (John 10:10).

Writing on this subject, Denis Goulet accuses Western economists and technocrats of chopping down our life into pieces: "They analyze, prescribe, and act as *if* humans could live by bread alone, as *if* human destiny could be stripped down to its material

dimensions alone" (1995:205). Pursuing this subject further, Goulet points out that, "High indices of suicide in 'developed' countries hint at the truth that material [possessions] may be less essential—even for survival—than is the presence of *meaning*. . . . having a meaningful existence may well be the most basic of all human needs" (1995:206). Richard Falk has also asserted that "awe and mystery are as integral to human experience as bread and reason. . . the future prospects of the human species depend upon internalizing an essentially religious perspective, sufficient to transform secular outlooks that now dominate the destiny of the planet" (quoted in Goulet 1995:206).

There is perhaps nowhere in the world where these conceptions of life are better embedded than in our sense of the wholeness of life. If there are any people who believe in this very strongly, it is the African people. For them, life must be encompassed as a whole. However, our current social circumstances in Mozambique make it impossible for people to live life in its wholeness. With the lack of a living wage, we are surrounded by hunger and starvation. So life becomes a matter of petty economics. Life has been reduced to a mere flight from hunger and starvation to a chase after bread. People spend their time at work for another days' meal only to sustain their animal functions. They have no time left to spend with family, friends, and for recreation; or for cultivation of religion and culture, learning, researching, etc. Viewed through the lens of the wholeness of life, accordingly, current Mozambican socio-economic transformation does not measure up to ethically acceptable social criteria.

#### 4.4.2 *Human dignity*

When we consider human value or human dignity we are compelled to make harsh moral judgements about our social circumstances: people are reduced to a status less than they ought to be. As human beings, we have dignity because we are made in the divine image. Mozambican masses, however, are hardly treated as people made in the image of God, but rather as things made in the image of capitalists, technocrats, consultants, and money dealers, of the BWIs. As Nyerere once said, "under present circumstances we are creatures, not of God, but of our fellow men [sic]" (1987:119). In the present social conditions, the Mozambican masses are more like animals than they are people. If one considers that civil servants cannot afford paying electricity, water, or

afford bread for more than ten days after earning the monthly salary—if one considers that it is considered "normal" for a person to be hired for a day's work just for only one meal—if one considers all these social predicaments and more, then it is clear how much our people have lost their dignity. It shows clearly how much of our dignity has been swallowed up by an unjust socio-economic system. It shows clearly what price people have to pay to maintain this social system.

As I expressed to my friend my indignation at the extent to which people have been deprived of their dignity and no longer mind selling themselves to foreign capital to be used, misused, and abused, my friend said jokingly: "If dignity can't pay the bills, what do you do?" Implicitly he meant that obviously you trade it off! A person can be compelled to sell his/her birth right, his/her God-given gift, value and pride, so that s/he may eat, drink, pay electricity, water, and rent. Does development really mean that we must make a "cruel choice"<sup>1</sup> between dignity and material prosperity? Does development mean that material prosperity cannot exist side by side with dignity? This is the extent to which our society has lost its moral sense. The fact that even all the decisions to take the people's land and give it to foreign capital are made without any prior dialogue or consultation with them is a clear negation of their dignity.

#### 4.4.3 *Sense of Community*

If we consider our sense of community, the understanding that *munhu i munhu hi vanwana vanhu*, or *motho ke motho ka batho babang*, then it is obvious that we are currently becoming fragmented, alienated and made enemies to and against ourselves as a result of an unscrupulous pursuit of individualistic self-interests and profits. "In our traditional societies each individual accepted that he could not do exactly what he wanted when he wanted, but that instead he had a loyalty to other members of his community" (Nyerere 1970:222). For to be human means to belong to the whole community. It also means human harmony with nature and the departed members of the family. It means "I am because we are, and since we are, therefore I am." But current socio-economic transformations are undermining our sense of togetherness, they isolate us in order to better exploit us. Consequently it is also extremely difficult, if not

impossible, these days for people to live not only in community but also in harmony with nature. The socio-ethical values are brutally violated.

#### 4.4.4 Personalism

These conditions also undermine the value of personalism embedded in our sense of community. Let us take, for instance, a nurse or a teacher who is not paid a living wage. She or He finds it extremely difficult to acknowledge the patient or the student as his or her brother or sister in community who must be treated as a person. The patient is now treated as a source of income who deserves to die if she or he does not pay the bribe. The student is now an enemy who, although brilliant and a genius, deserves to fail if s/he does not pay the bribe. The spirit of brotherhood and sisterhood is dying out. What prevails instead is disregard of personhood. The inversion of values is the order of the day: Instead of loving people and using things for the sake of people, there is love of things and the use of people for the sake of things. On the surface there is social disintegration, as we saw in chapter three, which results on the deeper level from the inversion of socio-ethical values.

#### 4.4.5 Liberation

If we also consider our situation and the need for liberation, we come to understand that there is no intention or agenda for liberation on the part of the aggressive actors in the economy. It seems that the real purpose is to subjugate and subject us further to re-colonisation. Take for instance the claims of Portugal that it has forgiven(!) some of our debt(!); and consider the blatant plunder of the country by foreign capital. Consider also that the government has been weakened and kicked out of the economy, and now left unable to inspect the movement and activities of foreigners in the country. With their unrestrained power, the BWIs have constantly and systematically been ignorant about our historical and social situation. They have always shown voluntary and stubborn lack of *historical consciousness* and institutional memory. This can only lead to further oppression because our poverty and oppression is framed into an ideological value system of the oppressors. In so doing our *social context* is systematically disregarded or

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<sup>1</sup> See Goulet, Denis 1975. *The Cruel Choice: A New Concept in the Theory of Development*.

trivialised and thereby our liberation is rendered impossible or labelled as a utopian dream.

The aggressive economic agents have never shown a *preferential option for the poor and oppressed*, as required by liberation ethics. Since the current socio-economic processes never take the state of domination and dependency as their starting point, they can be of no use to us. A development ethic which takes the status quo as a given, and not as a result of unjust historical processes, cannot claim to be advocating for the interests of the downtrodden Mozambican masses.

#### 4.4.6 Other Values

In the current socio-economic processes the aggressive manipulators of Mozambican economy have not shown any *sympathy* or *benevolence* toward the Mozambican masses. There has been no sensitivity toward the current human sacrifices and concern for the well-being of the masses. *Fairness* and *duty* are hardly part of the moral rules in the current social circumstances. In the present social conditions the economic actors have not shown any *commitment* to the responsibilities entrusted to them in the Mozambican social contract. What is morally outrageous is not only that the poor suffer in such conditions, but also the extent to which the rich (nations and individuals, nationally and internationally) have become so inhuman that they no longer have any human feeling. They are emotionally empty, to such an extent that they have lost the ability to be moved by extreme human sacrifice and strife. It has thus become "normal" for a person to watch others die of hunger and disease while he or she is extremely rich, even if they die precisely as a direct result of his or her acquisition of these riches; or even if they die exactly because I have been sucking them directly or indirectly in order to get those riches. The poor, indeed, have become animals; but the rich have become even worse: they have become cannibals.

Since the current wild economic liberalisation (with its underlying ethos as advocated by the belligerent economic actors in Mozambique) presently subjects human beings to indignity—that is, turns them into entities less and other than what they are themselves,

turns them into slaves of impersonal laws of the market and inhuman GDP growth, fragments their life and makes it unworthy of living—the current socio-economic transformations do not measure up to ethically acceptable social criteria. If we take a serious consideration of what life means in African understanding, we may conclude that the kind of reconstruction and development currently carried out in Mozambique constitutes an extremely damning socio-ethical indictment to the actors in the economy.

To summarise, the market—or First World—ethics and the fundamentalist spirit in the *modus operandi* of SAPs and EST constitute the *National Reconstruction and Development Pitfalls* in Mozambique.

#### **4.5 Toward a Development Ethic for Meaningful and Just Reconstruction and Development**

It is important first to note the need to recognise the bankruptcy of the Western fundamentalist theology of development embedded in the SAPs and EST of the BWIs. It is also important to recognise that Western conventional ethics, moral philosophies and theologies have generally asked moral questions irrelevant to our situation, and have almost always answered questions that our situation does not ask (Tutu 1987:52). In his *The Challenge of World Poverty*, Gunnar Myrdal articulated the biases, opportunism, and self-interests of Western theories of development and underdevelopment, implying their impossible universality. He thus declares:

It is my view that our conceptions of underdevelopment, development and development planning as presented in most of the scientific and popular economic literature and, still more ominously, in the Plans of underdeveloped countries, is heavily biased in a direction that is basically opportunistic. Our policy conclusions, therefore, are founded upon ideas about reality that are systematically, though unintentionally, falsified.

This should not be surprising. *There is a tendency for all knowledge, like all ignorance, to deviate from truth in an opportunistic direction* (Myrdal 1970:21, italics in the original).

We need to refuse that the Washington DC fundamentalist right wing dogmas inherent in the SAPs and EST of the BWIs should resolve our problems. The BWIs' technocrats and money dealers have always related to us basically through tight squeezes. Our remedy does not lie in the heads of Western academicians or expatriate researchers, or

in the mercy of NGO officials, or donor community. We need to reject the market ethic because it relies solely on self-interest, quick and easy profit, individualism, anti-human efficiency, illusory neutrality, and inhuman hypergrowthmania. We must wage war against these evils.

Already in the 1950s the same Gunnar Myrdal could tell of the bankruptcy of Western economics and its inability to meet the demands of Third World Countries. Shocked by world poverty, and overwhelmed with consuming frustration, he stated that it would be best if Third World people themselves did the thinking and mended for themselves as they saw fit. This is what he said:

In this epoch of the Great Awakening, it would be pathetic if young economists in the underdeveloped countries got caught in the predilections of the economic thinking in the advanced countries, which were hampering the scholars there in their efforts to be rational but would be almost deadening to the intellectual strivings of these in the underdeveloped countries.

I would, instead, wish them to have the courage to throw away large structures of meaningless, irrelevant, and sometimes blatantly inadequate doctrines and theoretical approaches and to start their thinking afresh from a study of their own needs and problems (in Meier & Seers, eds. 1984:20).

It is surely true. The Portuguese taught Mozambicans long ago that if they behaved well, sacrificed themselves, lived as though they were Portuguese, and called their languages *línguas de cães* (or languages of dogs) and their traditions and wise elders *ultrapassados* (or outdated), they would surely become Portuguese themselves one day. As people with amazing faith, Mozambicans still hold on to this promise so fondly and dearly. This is especially true of those Mozambicans living in Maputo. President Thabo Mbeki refers to them when he says:

[T]hese see themselves having greater affinity with the former colonial power than with the villages from which they originate and where their extended families still live. They accept assimilation into the culture, the language, the mores and society of the coloniser as a mark of progress and civilisation (27 September 1999).

Mozambicans have become unaware of the unsearchable moral riches which lie unexplored in their African heritage. Perhaps we should begin to think that God is angry with us for demonising our traditions. The reason is that God seems to say to us, "Get up, Mozambicans. Kill and eat" from your tradition. And we say in return, "Surely not,

Lord! We have never eaten anything impure or unclean." But this same Lord charges us not to "call anything impure that God has made clean." I am saying that if we are to find solutions to our development problems we are to turn to the wisdom of our elders, we are to drink deep from the wells of African heritage. As Boesak said, in this search we "have to drink deep from the well of African tradition, to use what is good and wholesome for contemporary society." As Africans we must "sincerely believe that it is possible to recapture what was sacred in African community long before white people came—solidarity, respect for life, humanity, and community. It must be possible not only to recapture, but to enhance it and bring it to fruition in contemporary society" (Boesak 1981:152).

T. S. Maluleke (1996:9) also echoes the same point when he says, "Are we standing at the dawn of yet another round of Western arrogance in this era? If so, Black and African theologians will have to re-discover and clean up their own wells for they will have little choice but to drink from those." He later on makes the same remark, "I think that what Africa will need is the ability to drink from our own wells as it were" (1996:17). The late Dr Nyerere died hammering the same point: development "must come out of our own roots, not through the grafting on those roots of something which is alien to our society. . . we cannot adopt any political 'holy book' and try to implement its rulings—with or without revision." He then goes on to say, "social change will be determined by our own needs as we see them, and in direction to what we feel to be appropriate for us at any particular time. . . . we start from a full acceptance of our African-ness and a belief that in our own past there is very much which is useful for our future" (1970:316). Known to be a zealous advocate of the African Renaissance, Mbeki said further that if we are to resolve the problems of poverty and oppression in this continent "we must get ourselves into the right frame of mind." And this means:

We are Africans!  
We are not American!  
We are not British!  
We are not German!  
We are not French!  
We are not Belgian!  
We are Africans!  
[And for the sake of my fellow Mozambicans  
I would add:  
We are not Portuguese!  
We are Africans!]  
(T. Mbeki, 27 September 1999, in Dar Es Salaam)

This catechism has powerful theological over- and undertones. It has far-reaching and permeating socio-ethical implications for the development of our people. Uncritical consumption of Portuguese cultural and linguistic dross has caused Mozambicans cultural and identity amnesia. And it has happened at great cost. Denis Goulet acknowledges the importance of treating cultural values *non-instrumentally*. He writes:

[T]raditional values harbour within them a latent dynamism which, when properly respected, can serve as the springboard for modes of development that are more humane than those derived from outside paradigms. When development builds on indigenous values, it exacts lower social costs and imposes less human suffering and cultural destruction than when it copies outside models. This is so because indigenous values are the matrix from which people derive meaning in their lives, a sense of identity and cultural integrity, and the experience of continuity with their environment and their past—this even in the midst of change. A non-instrumental treatment of values draws its development goals from within the value system to which living communities adhere (Goulet 1995:210).

But with our deep and uncompartamentalised religiosity and sense of wholeness of life, our sense of humanity and community, our natural commitment to upholding human dignity, it is easier for us to think of economics as part of our religion and live as though all of life were sacred. African women have made themselves clear on this point. As Odudoye declares:

What has economics to do with Christianity? some may ask, forgetting that God is an economist. We are part of God's household and elements in God's housekeeping. Indeed as stewards of creation we cannot separate economics from theology. . . . The least in God's economy is always at the centre. In God's economy the margins are more important than the centre. Should Churches of Africa not take up the economic concerns of women and other church people? (cited in Mihevc 1995:264).

Erika Marke has also declared:

From women's perspective, a new understanding of development has to follow the vision of a just, peaceful and sustainable society whose primary concern is to care for the integrity of creation. As a result of their specific history, the gender-related role assigned to them by patriarchy, and knowledge and experiences gathered from that, women can take the lead in concretizing this vision (in Mihevc 1995:268).

Still another has unwaveringly asserted that:

[I]t is crucial to note that the African woman's ethical vision is rooted in African culture and spirituality which helps Africans to organise attitudes of resistance to repression

and rejection. It is within these organizations or basic communities that we find little steps of liberation (Njogore in Mihevc 1995:268).

The Western pool of ideologies is illusory to Africans and fails to live up to the African understanding of life and pressing demands. That is why BWIs would have us think of economics as a value-free discipline unrelated to social justice (who dares to say Africans think that way!). As J. De Santa Ana asserts:

At present the prevailing "scheme" is administered by the IMF and the World Bank. The real power is in the hands of the international bourgeoisie, especially those working with finance capital. This is where the violence is really centred in our time. The appearances may not seem to justify that statement. Yet it is in the hush of elegant drawing rooms where plush carpets muffle the tread of footsteps that the most violent actions affecting the life of peoples are devised. It is in places like this that the *economic readjustments* are imposed and they do not give life but take it away from the poorest sectors. This is where injustice is administered under the pretext that economic practice has nothing to do with social justice but is meant to generate wealth (as though the one were not closely linked to the other!) (cited in Mihevc 1995:35).

Now this is the modern economic system which allows the obscenely rich to co-exist beside the starving person, which we Africans must resist and must—with our religious understanding and sense of the wholeness of life—morally judge and theologically describe it as the "reign of Baal and not Yahweh."

As Africans we must think and mend for ourselves. And in this sense our hope lies in our transformation and cleansing from a delusional mode of thinking and ideologies that we have often accepted uncritically as impartial knowledge. We must drop the religiosity of poverty and the theology of passivity that we have inherited from Western fundamentalist Christianity. Our hope for reconstruction and development with a human face in Mozambique lies in our genuine religiosity. As Godfrey Mwereria declares:

Paradoxically, the most powerful instruments that Africa has in the resolving of the debt crisis are theological instruments rather than economic instruments. The crucial agenda implied in this theological task is a reconstruction of an African political theology that becomes the basis of African normative political economy, collective self-reliance and theology of development. This political theology should be based on African people's history, culture, anthropology, ontology and praxis. The essential elements and structures in the process of reconstructing African political theology should include:

- Rediscovery of popular religiosity of the African people that transcends institutionalized and denominationalized religion.
- Rediscovery of critical and political theology and faith that will bring about the birth of a new consciousness of faith, the true metanoia which stems from solidarity with people's praxis.
-

Rediscovery of the theology of development which becomes the basis of people's struggling, mobilizing and renewing faith (cited in Mihevc 1995:241).

In terms of liberation, the pioneers in the days of revolutionary struggle have emphasised political liberation. They did so because the times and historical circumstances required that they do so. While we still must emphasise the liberation motif of our development ethics, today, however, the circumstances require that we shift gears and put stress on the need for socio-economic liberation. Our ethics today must be coloured by the concerns of Mozambican women and men who are engaged in struggle against the BWIs' SAPs and EST in order to make life most fulfilling for themselves. In terms of our historical consciousness and African perspective of life, our ethics must serve our needs by promoting certain forms of human activities while suppressing others which are regarded as unsupportive of our fuller humanisation.

In articulating our ethical positions we must take to task the Mozambican Government officials and ministers for their abuse and misuse of power to gain undue wealth and advantages for themselves, their relatives and friends by illegal or immoral means<sup>1</sup>. They are the ones who are so eager to maintain the link with the colonial power through the export of raw materials and the import of manufactured goods (whose consumers it is they) as well as an intolerable debt burden which ensures that the poor are squeezed while exporting inordinate piles of capital to the rich countries of the North. In these manoeuvres they exercise power "accompanied by abstruse, solemn and meaningless state rituals, at times buttressed by the integration of fear-inducing superstitions within these rituals, to ensure that a great gulf is maintained between the rulers and the ruled" (Mbeki 27 Sep., 1999).

□

<sup>1</sup> Corruption has reached intolerable proportions within the government., and it causes vulnerability to the population. As Savana (March 11, 2000) editorial said: "it is not always by lack of internal material conditions that the country always throws shameful appeals to the International Community to come here and do what we ourselves, most of the time, should be doing with our own means.... For example, the money that the government squandered at the end of last year purchasing 'four by four – discovery' to award each of the leaving ministers was enough to buy some good helicopters [and boats] to rescue the victims of the floods.... That is, if there were a different attitude, we would have, at this stage, a good national infrastructure to intervene in dramatic situations, as is the case with these floods and earth-quakes. But, since the attitude does not exist, vulnerability will continue.... (my translation, see also MediaFax, March 16, 2000).

The quest for a development ethic for just reconstruction and development can only lead to a meaningful solution if, and only if, our ethics draws heavily from our African heritage. This includes several things. We must (1) uphold our sense of the wholeness of life; (2) affirm human dignity and equality; (3) honour our sense of community and humanity: *Motho ke motho ka batho babang*; (4) our development ethics must unwaveringly continue to stress the theme of liberation as its final goal. To do this, at least three conditions must be met: i) hold onto the motif of "historical consciousness" (Maimela 1993:54-56) or historical materialism that ethics, just as all social structures are human creations, has always been human work which is grounded in and reflects human historical events and experiences of a particular people; ii) stress the social context of our people; iii) take seriously the preferential option for the poor and oppressed—just as the God of the Bible does— as our point of departure in articulating our ethical treatise. And we must make up our minds and bring all these to their logical conclusions and implications. If we do this rather than accepting the dogmas of the BWIs' market ethic, I think we will have a meaningful national reconstruction and development programme in Mozambique.

#### **4.6 Conclusion: *Nyandhayéyô hi ta ya ka mani?***

*Nyandhayéyô! Hi ta ya ka mani?* (Help! To whom shall we Go?). This is a Tsonga expression and it is uttered in its abbreviated form: *Nyandha*. *Nyandha* is a cry of desperation. It conveys despair, distress and hopelessness. A person utters this expression at the highest pitch of his or her voice. He or She summons all the energy and power that s/he can possibly afford to utter the *Nyandhayéyô* cry. She or He screams it loud, hoping that somebody—anybody—will come to his/her rescue. The *Nyandhayéyô* is uttered when a person is confronted with disaster or extreme danger, being almost face to face with death.

An attentive observer can read the *Nyandhayéyô* expression in the eyes of the people of Mozambique. It is written in huge capital letters all over their faces. They display it in all aspects of life. When they talk, what really comes out is the expression of *Nyandhayéyô*. *Nyandhayéyô* is an expression of a dilemma. It is a cry of distress, a cry of danger. It is an expression of fear of death. In short, *Nyandhayéyô* is a call for help. The poor cry out as they get poorer while the rich get richer. They cry out loud as the

wages decrease while the economy “grows.” They scream it until their throats get sore as the IMF and the Bank screw them tighter and tighter. They scream because the old demon has returned to haunt them: Ripe Colonialism

Although the following poem is a protest against African women's oppression by SAPs, —through its emotive and functional genre— it recaptures in quite concise and precise terms the mood of the *Nyandhayéyô* cry of Mozambique's people amid SAPs and EST's squeezes:

### **The Story of Women**

*The story of women and economic justice  
is a story of life and death  
A story about endless agonies*

*A story about managing the unmanageable  
A story of endless hours of work and toil*

*A story of sleepless nights  
A story about destitution, squalor and neglect*

*A story of hearing about policies  
that determine our lives but never being  
there to participate*

*A story of the voiceless and powerless*

*A story of trials and temptations  
A story of lost personalities and dignity*

*A story of survival behind battle fronts  
as women and children flee bomb raids*

*A story of structural, emotional and physical violence.*

*A story of struggle and humiliation  
A story of dreams and visions unfulfilled*

*A story of hope*

*A story of combat and resistance  
A story of withdrawal from structures of exploitation*

*A story of innovation and creativity  
A story of breaking new frontiers for survival*

*A story of heroic people marching to  
the future with new alternatives for*

*the survival of the human race*

Agnes Chepkwony Aboum  
Taken from *The Market Tells Them So* (J Mihevc  
1995:269)

## **Chapter Five**

### **Summary and Conclusions**

We have come to the end of our critical analysis and evaluation of the Mozambican national development and reconstruction and their respective socio-economic aftermath. The Portuguese colonial system initiated and perpetuated the continuous existence of an economic system which systematically plundered Mozambique. This economic system was designed in such a way that Mozambique could not compete with but feed the Portuguese economy. Portugal created conditions and a spirit of chronic dependence which could reproduce and (re)enforce themselves on a sustainable fashion. Despite some successful reforms after independence, Frelimo could not reverse or brake this vicious cycle, for Mozambique continued to be dependent upon those economic mechanisms created by colonialism. Mozambique continued to produce what it did not consume and to consume what it did not produce. It exported men to South African mines for revenue; produced raw material for exportation; and depended largely upon foreign capital.

After independence, Frelimo partly failed to dismantle the colonial apparatus it inherited from the colonial master and to replace it with a just government. Structures of colonial economy were not eliminated and, in fact, most of them still exist. Decolonisation was not completed. Having come from the jungle, Frelimo was soon deep in administration nightmares, which were aggravated by the flight of many skilled Portuguese, and by the fact that the colonial system had systematically denied the right of education to Mozambicans. There simply were not enough skilled personnel to run the newly independent country.

In any event, Frelimo made some successful reforms especially in education and health systems which had received no attention during colonialism. These, however, were short lived. Renamo had begun its destabilising operations. Backed by former Rhodesia and, later on, by South Africa (sometimes with South Africa's direct involvement), Renamo managed to bring the national economy down to its knees. Further, working hand in glove with the donor governments, many foreign NGOs (or the aid or poverty industry, as they have recently come to be known) functioned in a destabilising manner.

As contractors to donor governments, they either used aid for political concessions or ran faster than the government in order to isolate and discredit it. The landing of aid itself in Mozambique was wrought in a destabilising manner. One bad result of these manoeuvres was the fuelling of corruption and the cultivation of hunger for luxurious consumer goods which, in turn, prompted disastrous consequences. The whole destabilisation mission was successfully accomplished. The final goals of destabilisation were achieved with great efficiency, costing Mozambique over US\$ 20 billion worth in damages.

SAPs and EST were purported to be put in place for the first time in 1987, at the peak of the war. The fact that, in those years, Mozambique was a war economy was completely ignored and provisions for defence were not made. Hence Renamo sabotaged humanitarian projects. SAPs and EST were intensified after the war, implementing unconditionally the whole package of pre-tailored policies imposed by the BWIs.

SAPs and EST were put into place in order to stimulate and unleash development and reconstruction. However, the result was the worsening of the Mozambican socio-economic conditions. The fact that Mozambique is a post-war economy was deliberately pushed aside. Quite naturally and of course, this added to the growing of corruption, opportunism, social instability and insecurity, exploitation of the poor, ripe racism and injustice, as witnessed in chapter three. National development and reconstruction programmes were abandoned along the way and left to the mercy and imperatives of the market. The market now, indeed, "tells them so." It dictates how the national resources should be allocated. There is not a single comprehensive, coherent, systematic and well organised development or reconstruction plan. Development and reconstruction are now left to *ad hoc* projects. How can we develop or reconstruct this country through arbitrary projectisation? Further, the growing dependence and impoverishment in which the majority of Mozambicans are damned to live are benefiting a few people who would not like to see progressive changes. Internationally, the certain beneficiaries are the share-holders, technocrats, etc. of the BWIs, the donor community and the poverty industry. Locally, the so-called "development" benefits exclusively the morally bankrupt Mozambican government and a few private individuals.

We have argued that under the present socio-economic circumstances, the final objectives seem to be contrary to what is the general claim of those who are in power. The objectives are hardly genuine development and reconstruction. There is a tendency to further disintegrate the Mozambican society, turn Mozambicans into prisoners of the earth for efficient exploitation, re-institutionalise socio-economic (even cultural) enslavement, re-colonise in order to feed Western economies, create a climate favourable to importing dirty and over-valued Western industry, and forge a new market for Western luxurious consumer goods, seeing that they are now hardly marketable in the saturated Western markets. We have argued that these conditions are immoral and have attributed the root cause to the market ethics on which the whole process of socio-economic transformation is based.

At the bottom of all these socio-economic circumstances lie the market ethics and the fundamentalist spirit by dint of which Western interests take precedence over reason as the *modus vivendi*, and dictate the *modus operandi* of the World Bank and the International Monetary Fund in formulating and imposing their policies and position without accountability for the social aftermath. We have argued that this can hardly be justified as an appropriate approach for a meaningful national development and reconstruction programme. The reason, as we have just witnessed, is that the whole approach is based upon perverted socio-ethical grounds. Consequently, it fails to be morally justifiable. It does not measure up to ethically acceptable social criteria.

Having disapproved of this approach, we have argued, in turn, that the first stride toward a meaningful development and reconstruction programme is to accept the moral bankruptcy of Western ideologies and its inability and failure to address our problems meaningfully. In fact, the very fact that we have suffered intolerable socio-economic, as well as political, atrocities can mainly be blamed upon our quick and often uncritical acceptance and consumption of Western ideological dross and their assumptions of exclusive superiority over the non-western world, and the consequent denial of our own traditional wisdom—a noble legacy—that our blessed ancestors have passed on to us. By refusing to acknowledge the ties that bind us (our sense of being) to the soul of Mother Africa, we have cast a spell of damnation onto ourselves. We cannot keep on blaming others. To a certain degree, we have been and we are the masters of our own lives and destinies. To some extent we do auto-determine ourselves.

We have also highlighted the need to respect, recognise, and embrace what is naturally ours: the African Heritage. An appropriate approach for a meaningful development and reconstruction programme will only be possible within the nobility of the African Heritage. As we have witnessed in chapter one, African Heritage is heavily loaded with latent and unexplored potential to fuel, unleash, and drive a meaningful socio-economic well-being with less ambiguities. There is the need to accept ourselves candidly just as we are and just as we have been meant to be by the Divine will: We are Africans! Is development about becoming less and less African (i.e. denying ourselves) and becoming more and more Euro-American?

The point is, the quest for a development ethic for meaningful development is possible only if, and only if, our ethics retrieves and drinks heavily from the deep wells of African wisdom. The wholeness of life would guard against any tendencies of compartmentalising life between the sacred and the secular and the danger of turning life into a collection of unrelated bits and fragments. For the African Heritage recognises that no human being shall live by bread alone. The sense of community, respect for humanity, guards against the tendencies to treat human beings as means to ends. The high regard of human dignity discourages any tendencies to create social circumstances which dehumanise human beings and remove the crown with which they have been divinely created. Given the oppressive nature of our socio-economic existence in time and space, we hold that liberation must be constantly stressed as our goal. In this process, our development ethics must uphold historical materialism, and acknowledge that ethics is also a human creation and is grounded upon and reflects human historical events and experiences of a particular people. Therefore, development ethics must stress the social context of our people. It must deliberately take sides with the poor and oppressed rather than ignore their conditions of poverty and oppression and the search for meaningful solutions within the ideological framework of the rich and the powerful.

When all is said and done, we would finally add that if the world were not governed by the first born of evil but by sound morals, then, no country would claim debt servicing from Mozambique without doing gross violation to the human rights of the Mozambican people. If international politics operated on sound morals and justice, then, it would not be Mozambique that owes Portugal, not Mozambique that owes the donor community,

not Mozambique that owes the BWIs, not Africa that owes the West, not the South that owes the North, not the poor that owe the rich, but actually always the latter owing the former. If the princes of evil were not in power within Mozambican politics, then our socio-economic conditions would be better than they are right now. Socio-historical amnesia, lack of socio-historical consciousness and lack of institutional memory have always victimised and led to the blaming of the poor and oppressed (countries and individuals alike). If we seriously consider the socio-historical reality in which the world is (in the present) and has been (in the past), that is, if we are true to history, there is only one perfectly clear, logical and inevitable conclusion. The very same history bedevils the West/North; the West/North is heavily implicated and guilty of continued international injustice against the poor; the West/North is indelibly indebted to Africa (or to the South). Mozambicans, as well as Africans in general, are at the harshest receiving end of the international injustice which is orchestrated by the West.

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