

**THE STRUGGLE AGAINST
ABSOLUTE POVERTY
IN MOZAMBIQUE**

EXECUTIVE SUMMARY

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What have we learnt from development?
Development leaves the great bulk of
the population unaffected.

- Sir W. Arthur Lewis

The ultimate purpose, measure, justification
and test of development is man.

- Mwalimu Julius Nyerere

We see the future
In the shining faces of our children,
The flowers that do not wither.

- Samora Machel

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CHAPTER I.

AN HISTORICAL AND CONTEXTUAL SKETCH

Mozambique and Mozambicans are very poor. Output per person is of the order of \$ 150 as the 1990s begin - half its level of the early 1970s. About two-thirds of all Mozambicans exist in absolute poverty. The devastating fall in output per person of 1980-1986 has been halted and to a degree reversed. But the recovery is partial, limited by both security and revenue plus import capacity constraints, beleaguered by physical food shortages and dangerously dependent on external assistance.

From Independence To 1986

The pre-independence as well as the post independence history of Mozambique is relevant to seeing how the present situation came to be and how it can be altered. Portugal built up very little infrastructure for the territorial economy of Mozambique - either physically or embodied in skilled and professional personnel. (And 90% of the personnel were Portuguese of whom about 91% left within the 24 month period surrounding independence.) Colonial Mozambique's economy depended largely on selling workers, tourism and transport to South Africa, Rhodesia and Malawi. Its second main sector was agricultural and marine exports (cotton, tea, sugar, cashew, prawns). While investment rose sharply over 1955-70 and there was a good deal more urban and enterprise construction than before, Mozambique at independence was a fragile, externally focused economy with few internal linkages even by Sub-Saharan African standards.

Independence led to great shocks to the inherited economy. The Portuguese settlers left, Portugal nationalised the parent companies of many enterprises leaving the Mozambique government to keep their local branches running, South Africa cut both employment of workers and use of Maputo, sanctions against Rhodesia came into force and Rhodesia unleashed its newly created Bandidos Armados (MNR).

After transitional declines in the late stages of the liberation war, the interim government and early independence, the Mozambique government achieved economic stabilisation and - by 1980/81 - 5% annual growth. Achievements in health, education, water and sanitation were rapid. With

Zimbabwe's independence ending the Rhodesian menace the 1980s looked set to be a period of full recovery.

For three reasons the reverse has been the case. The massive acquisition/intervention of enterprises and farms by the state created a burden which was institutionally, financially and technically unsustainable - especially because retraining of Mozambican personnel promoted beyond both formal qualifications and experience lagged. The early 1980s Southern African drought cycle (with occasional typhoon floods) shook the always precarious rural food balance in several provinces. But above all South Africa's war of economic destabilisation, selective sabotage and mass terrorism had a shattering impact.

By the end of 1990 over 1,100,000 Mozambicans (660,000 infants and young children) were dead who would have lived if there had been no war. Over half the rural population had been forced out of their homes at least once. National output was very much under half what it would have been had the 1980-81 rate of advance been continued - \$ 22,800 million lost over the decade. Normal operation of public services, of markets, of production and of civil society (while slowly recovering over 1988-90) had been catastrophically disrupted for some period in over 80% of rural Mozambique.

Recovery, Prospects and Requirements

Recovery after 1986 has resulted in food and overall output growth approaching 5% and significant recovery in health services. But it is dependent on foreign finance, still limited in geographic coverage and does not involve more than a third of all Mozambicans.

The approach of peace and the first results of winning enhanced security open new opportunities. Rural life and services as well as agricultural production and transport can be restored. Over 6,000,000 refugees, dislocated and affected people can return to rebuild their homes and livelihoods as can perhaps 2,000,000 pauperised but still in their home districts.

However, to state the opportunity is to pose the challenge. Over half of the people of Mozambique need to rebuild their homes, livelihoods and lives. Over a third need to move - in many cases long distances to do so.

Most face that task with little more than the clothes they wear and their bare hands.

Similarly, to restore and expand basic rural health, education, water and sector familial agricultural services and to rebuild infrastructure requires a nationwide network of public servants with skills, materials and finance.

CHAPTER II.

ABSOLUTE POVERTY REDUCTION: A STRUCTURAL PRIORITY

Absolute poverty and its persistence are not unique to Mozambique nor to Sub-Saharan Africa. They are major challenges to development far more generally.

Development is about people - as ends for which it is attempted and who benefit (or suffer) from its successes and failures and also as the primary means for its accomplishment. Certainly output of goods and services is important. In poor and lower middle income countries no realistic economic or political scenario does not require more resources per capita to meet needs (including that of political viability) and to provide incentives. Stability (or sustainability or balance) is also important because without it increased output of goods and services will not continue and because many kinds of instability - of law and order, of public policy, of food entitlements, of employment have very adverse affects on human beings. But there are crucial intermediate ends because of their impact on the ultimate end of human welfare (individual, household, community, social).

But over 1945-1970 the poorest 25% to 50% of the households in all but a few poor and lower middle income countries made limited gains - if any - even though, on average, GDP per capita rose 1% to 2½% a year. Therefore, it came to be argued by conservative economists (e.g. Arthur Lewis) and major agency heads (e.g. President MacNamara) that development strategy needed to incorporate components specifically aimed at achieving the reduction of absolute poverty.

As very general principles, the foregoing paragraphs are rarely denied. However, attention to intermediate ends has a tendency to shove the underlying ends either to the periphery of actual operational strategy, policy and resource allocation or to be used to justify their deferral to

the distant future. This is illustrated by the World Bank's recent Long Term Perspective Study. After demonstrating that over 1970-1990 many African economies and people have endured output, public service access and/or household consuming power declines of the order of 25%, it articulates a transformation to sustainable growth strategy with under 1% annual rise in per capita output and 0% in per capita private consumption for 1990-2010. The difficulties of demonstrating the feasibility of even this high a growth rate are very real and it does represent a turnaround. But is it humanly acceptable? In particular will it be acceptable for two decades to African people either as to social and political cohesion or as to providing adequate incentives?

Equally it would be disingenuous to suppose that any government ever valued the welfare of all residents/citizens equally. By and large it will (of necessity) place a particularly high weight on those of its present or potential supporters. It will also need to consider the needs/demands of groups able to block programmes or policies. For example, demobilisation support for ex-combatants is necessary insurance against pre- or post-demobilisation violence as well as a way to protect a vulnerable group. This is not to deny that some governments do have a genuine concern for all their citizens and that for them "public interest" has a meaning. Nor is this public interest concern linked to any single political perspective. The political projects of the governments of Botswana, Mozambique and Tanzania vary significantly but a high priority to the public interest and to poor household welfare is apparent in each governments policies and resource allocations. It is to say that unorganised poor people not perceived as supporters of a government nor relevant to its achieving its policy aims, including staying in office (whether by elections or otherwise), are unlikely to receive systematic priority attention in operational strategy, policy, programme and resource allocation decisions.

Structural adjustment - or at any rate sustainable structural adjustment with growth - is about development and at the very least is a medium term, systemic approach. It does seek to comprise major macro and sectoral strategic, policy, programmatic and resource allocation decisions. To suppose that development objectives not embedded in a structural adjustment strategy can be pursued effectively in parallel to a seriously pursued comprehensive structural adjustment strategy/programme is exceedingly naïve. To attempt to do so by limiting the scope of the SAP is a recipe

for confusion, incoherence, constant conflict and probable limited success (or failure) on all fronts. To attempt to add on social priorities runs a very high risk of peripheralisation.

Absolute Poverty And Development

Absolute poverty afflicts about one-third of the people of Sub-Saharan Africa according to the estimates contained in the 1990 World Development Report - Poverty. In proportion - not in absolute numbers - this is comparable to South and Southeast Asia as the highest incidence in the world. In SSA - unlike the Asian region - the proportion has been rising during the 1980s. Nationally the proportions vary from 60% or above in Mozambique, Ethiopia and Sudan to very low in Cape Verde, Mauritius and Botswana (after transfer payments).

On a household income basis, absolute poverty can be defined as an income level (cash and self-provisioning) over a minimum nutritionally adequate diet or as comparable to the poorest 40% of the population of India or by a more complex basic consumption needs yardstick. Neither the definition nor, especially, the 'count' (more accurately rough and ready estimates) are particularly precise. Nor is the borderline between absolutely poor and plain (or less) poor precise. But the category does mean something and is identifiable - not least by those locked into it.

While global data tend to concentrate on the household income aspect of absolute poverty, access to basic services including health-education-water, extension, infrastructure (e.g. transport and communications), markets and family planning are no less relevant. In the first place they do affect household welfare - as perceived by poor people. In the second, their absence is often a major contributory factor to present low household incomes and an even greater obstacle to poor households raising their real incomes in the foreseeable future.

If development is about people and on average a third of the people are absolutely poor - and that percentage is stagnant or rising - development needs to address the issues relating to how these households could share in gains in output. And if development is being conducted within a structural adjustment with growth and transformation frame, then the SAP also needs to address reduction of absolute poverty seriously if any serious results are to be attained. That is not to say either that SAPs cause absolute poverty

nor that SAP negative impacts on absolutely poor people should be offset by special measures limited to this sub-category. It is to assert rather more - that absolute poverty represents an unsustainable structural imbalance (on the productivity-production-consumption and on the access to basic services fronts) which it should be a priority of any comprehensive SAP to reduce just as much as fiscal, food or external account structural imbalances.

Who Are Absolutely Poor?

Absolutely poor households are not homogeneous as to location, sources of income, degree of poverty. That is true in any country and among countries.

For SSA as a whole about 90% of absolutely poor households are rural. About 75-80% of SSA households are rural and the proportion of rural absolute poverty is higher than of urban. Rural socio-economic groups (overlapping) with high proportions of absolute poverty include households which are:

- a. landless or near landless without substantial, regular remittances from urban working household members;
- b. female headed;
- c. aged or crippled headed;
- d. without significant sources of cash income other than food crops;
- e. isolated (physically or socio politically);
- f. in hostile ecological zones;
- g. victims of natural disaster;
- h. victims of war.

Urban absolutely poor households are perhaps 10% of the total in SSA as a whole. However, this varies widely. In Zambia, which is 60% urban and peri-urban, they may well be of the order of 40% because peri-urban and compound absolute poverty rates - except for access to health and education services - appear comparable to many rural districts. In any case 10% of

the total implies of the order of 10-15% of urban households which is not negligible. The perception that urban absolute poverty is negligible has been untrue in some areas - e.g. the exurbs of Dakar, Mathare Valley and its successors in Nairobi, Kinshasa's bidonvilles - for at least 20 years. But it is also true that the 1980s have caused it to increase as a proportion of total absolute poverty: urban economies have often fared worse than rural in output terms, victims of rural disaster have often fled to urban areas, traditional security systems have eroded faster in urban areas under the excessive strains imposed by 10 (or in some cases nearly 30) years of economic unsuccess.

Urban household absolute poverty tends to be concentrated in the following groups:

- a. drawing on only one income source (excluding salaries and business proprietorships);
- b. lacking any formal sector wage earner;
- c. female headed;
- d. aged or crippled headed;
- e. victims of natural disasters, sacking (including 'redeployment') and war.
- f. gaining primary income from informal sector employment or urban petty commodity production.

What Is To Be Done? A Strategic Overview

The details of activities which reduce absolute poverty are frequently very context specific. To attempt to articulate them in simple, homogeneous terms even for a whole province or region, let alone a country and least of all SSA (or the world) is likely to be highly counterproductive. The only simple, concrete, universally applicable answers at that level are wrong ones. At the level of strategic formulation matters are somewhat different - a general model can usefully be attempted.

In SSA its main elements are:

- a. enable absolutely poor households to produce more;

- b. provide increasing access (toward universality over a finite period) to basic services including "human investment" (health-education-water), extension (not only in agriculture), infrastructure (especially transport and communications) and commercial;
- c. restoration of peace and of law and order (which however inadequate as sufficient conditions for development have tended to be grossly underemphasised as virtually necessary ones);
- d. provision of safety nets (survival support) for these households and isolated individuals who temporarily or permanently cannot produce enough to survive or escape from absolute poverty.

This formulation - except for its third element as a separate strategic component - is not particularly novel. WDR-1990: Poverty's is relatively similar. However, it is uncomfortably true that the emphasis - verbally and in resource transfers - on "b" and - more recently even verbally and except for disaster, including war, victims still with little resource backing - on "c" has rather obscured that a - more production by absolutely poor people - is central. It suffers not so much from conscious rejection but from the apparent near invisibility of absolutely poor people to programme and project designers - with the very partial exception of rural public works. Similarly "b" has here been reformulated to link basic human services with production enhancing services (albeit extension could also be linked with primary and adult under basic education), with physical infrastructure and with access to reasonably functioning markets (commercial infrastructure).

Absolutely poor households do not exist in vacuums. Many programmes (most excluding safety nets) benefiting them will benefit other households. But five points are relevant:

- a. in the case of basic services a drive toward universal access is almost the only way to reach absolutely poor households (and women more generally);
- b. some programmes - e.g. basic agricultural input supply, extension and training services for urban artisans - do benefit absolutely poor households more;

- c. in others - e.g. credit, extension - it is necessary to articulate how the absolutely poor will have access at the design stage or they will in fact be excluded during implementation;
- d. increases in less poor and not so poor incomes are not inimical to the welfare of the absolutely poor if within a context informed by the first three points;
- e. one need not quite go as far as Joan Robinson's comment that the only thing worse than being exploited is not to be worth anyone's time and effort to exploit to recognise that effective market access is needed to reduce absolute poverty (as is more formal and informal wage employment) and that most commercial business persons (employers) are not poor unless they are failing and unable to deliver the goods (literally as well as figuratively). Safeguards against exploitation are often needed but so are successful non-poor merchants and employers are at least as essential.

Poverty and Structural Adjustment: What Linkages?

If structural adjustment is about development, development about human beings and absolute poverty a major obstacle to development, then the appropriate linkage of structural development strategy and policy with absolute poverty is clear. The reduction of absolute poverty enabling absolutely poor people and households to produce more and to have less constricted access to services and to society is a key goal. The structures creating and enforcing absolute poverty require adjustment now and transformation out of existence over a finite time period. In that case the appropriate debate is about ways, means and side effects.

Poverty in Africa - as elsewhere - is not new. It has changed in immediate causation, in who is poor, in some cases in location but not in the fact of its widespread existence. Some - not all - present forms of poverty flow from the structures of the colonial era, as do some present forms of being not so poor. But poverty from drought, war and limited technological capacity for dealing with food storage, unfavourable climates and soils and health has been recorded as far back as records exist (e.g. for over a thousand years in part of the Sahel, Sudan and Ethiopia).

The present forms and levels of absolute poverty include three elements which have little or nothing to do - in origin - with structural adjustment. The first is continuing absolute poverty enhanced (or pushed down and expanded) in some cases by expanding populations overloading and degrading (by necessity not greed or folly) passable land and pushing out into areas of poor soils (and pastures) and/or risky rainfall. The second is those once vulnerable, now absolutely poor, who have been hit by economic stagnation, decline and/or disintegration. Falls of a quarter or more in per capita output necessarily push down the livelihoods of most households. The vulnerable - low wage, low skill employment whether formal or informal; living in areas of poor soil or climatic risk; dependent on crops whose prices fell or transport routes and commercial networks which fell into decay - households have more or less by definition, fared badly. So have many new young households setting up in a hostile economic climate and those whose particular losses (drought, fire, illness, crippling, death of an adult household member) might have been transitory in good times but have been rendered permanent by the declined caused weakening of family community and state safety nets (survival) and helping hands (rehabilitation of livelihoods). The third are the victims of war - refugees, internally displaced, severely affected - or of parallel war and drought.

In most SSA states the largest category of absolutely poor households is the first. Overall they may well number up to 75 million persons in 12.5 million households - including new absolutely poor households born into that structural context. The second category may be of the order of 40 million persons as may the third but which is largest depends very much on the country. The third group are concentrated in Angola, Mozambique, Sudan, Ethiopia, Somalia, Malawi (including refugees and their fellow poor Malawians who, unlike the Malawi government, bear a heavy burden in helping them survive), Uganda, Zaire, Burundi, Chad and Liberia.

People in these three groups are of the order of 95% to 97½% of absolutely poor people in SSA. And it is enabling them to escape from absolute poverty which is a central challenge to and priority for rehabilitation and development strategy and praxis.

To argue about whether Structural Adjustment does have negative effects for some poor people is as beside the point as to argue whether overall growth

is necessary for sustainable efforts to reduce absolute poverty. The answer to both questions is yes, but the basic issues are more complex:

- a. most absolute poverty is not a social consequence of structural adjustment;
- b. therefore mitigating the social consequences of adjustment cannot - taken literally - touch the core of the problem;
- c. there is a systematic tendency to concentrate on health, education, water and - in some cases - labour intensive infrastructural work (seen as a consumption subsidy with employment and output mitigating factors more than as an efficient way of creating an enabling environment for production) and, with that partial exception, to pay little attention to enabling poor households to produce more;
- d. and in parallel to concentrate resources on livelihood restoration on terminated ("redeployed") civil servants who are often not absolutely poor and are in no case more than 2% of absolutely poor households. The poor design (as to entrants' interests and abilities, the market for the livelihoods promoted and, in some cases, the technical programme content) of most of the schemes is a secondary but additional defect;
- e. with little effort and less success in making these programmes central to SAP strategic design and implementation - even when some other elements of health and education have been integrated.

Three Basic Elements

If the main thrust of absolute poverty reduction is to be on self-sustaining lines, it must increase poor households production, incomes and consumption. If it does that, parallel public expenditure increases on basic human and extension services and infrastructure can be largely offset by increased taxes collected - assuming a plausible indirect tax system. No other approach is feasible, on a scale which would enable large erosion of the numbers of absolutely poor household units, in more than a handful of Sub-Saharan African economies. The question is - how?

Articulated answers can be thought out and acted upon group by group. One example relates to female headed households and to women more generally.

Women's income is constrained by total workload and by limited access to employment, land and credit. These constraints are particularly binding on rural, female headed households but are by no means absent in urban low income areas with poor and time consuming (or expensive) access to water, health services, fuel and transport.

The workload problem is very easy to describe: collecting wood and water, tending the sick (especially but not only children) and taking them to medical facilities, household and clothing cleansing and maintenance and cooking are seen as "women's work". In the absence of nearby drinking water, easy access to health posts and reliable, cheap public transport they can take up to 10 hours a day. That leaves inadequate time to produce much to eat or to sell and virtually precludes a full time formal sector job unless children are left on their own or child minders found (e.g. grandmothers or 'grandmothers').

One immediate consequence is that the first step to raising women's incomes often needs to be reducing workload. For this purpose raising productivity e.g. in agriculture - and reducing time spent on wooding and watering (e.g. village or household woodlot development, broadening access to stand-pipe water) can be equally effective. One raises output per hour in the field and the others raise hours available to spend in the field.

Traditional land tenure normally gave wives and widows secure access to land to raise food for household provisioning but does so within household allocation because virtually all women were in one or another way members of male headed households. Modernisation has often eroded security within the household without evolving tenure to give adult females (especially heads of household) direct access to land use rights. The policy needed is not so much "modernisation" of tenure but evolution - direct female access to land use rights on the same basis as male. This is especially true for women who need to produce not only to provision their households but also to earn an income by producing with the intention of selling (i.e. cash cropping).

Access to employment for women is constrained by their non-income generating workload, socially or historically determined gender divisions of labour and near literal 'invisibility' to potential employers as well as by educational and experience gaps related to (flowing in large part from) the 'accepted' division of labour. How strong customary social objections

to women's waged employment are, and how difficult it is to overcome invisibility varies. Purdah is an extreme case (albeit it does not prevent home based production and trade in goods and services) but is not the norm even in a majority of SSA Islamic communities. Elsewhere domestic and seasonal agricultural labour for cash are normal. As the case of Botswana's rural supplementary employment programme demonstrated the supposed failure of women to seek public works jobs often related largely to well-founded belief they wouldn't be hired or invisibility to hirers and vanishes when the women and the hirers know that hiring a substantial proportion of women is required (advised may not pierce the veil of invisibility). The appearance of women to employ and the absence of significant negative reaction to their being hired suggests that "social norms"/"community values" as a general barrier to employing women are more often asserted than real.

Lack of skills is partly real - artisanal and related secondary and adult education courses have few women enrolled except in traditional "women's work" largely because that is their open or subliminal enrollment policy. But much is "social custom" (by women including educated women responsible for promoting women's employment!). Unskilled and semi-skilled construction work does not require formal training - learning is on the job, informal and brief. In Asia women are employed in this work (as they now are in Botswana). Yet the "not suitable"/"not trained" excuse is still raised and still accepted by women.

Livelihood Rehabilitation

A special set of enabling measures are needed in livelihood rehabilitation cases. These relate to households (urban and rural) whose livelihoods have been wiped out by economic collapse, natural disasters or war. They may well number 30 to 50 million (e.g. 6 million refugees, displaced persons and severely war affected persons in Mozambique, over 2 million in the exurbs of Khartoum - Omdurman - Khartoum North). Because they have lost their assets (e.g. access to cleared land, houses and household equipment, tools, working capital inputs whether seed for farmers or wood for carpenters, livestock) they cannot make a new start without funding beyond that needed by an absolutely poor household which already has a real - even if inadequate production base. Transport home, tools to clear and build as

well as till, core livestock, artisans tools and initial materials, food until harvests - or artisanal sales - are among the requirements.

Unfortunately livelihood rehabilitation falls in a deep ditch between two established fields: survival relief and development promotion. Aid agencies and - to a slightly lesser extent - domestic disaster-calamities-emergency operations concentrate on the former while the latter is outside development strategy as defined in SAPs or national macroeconomic strategies. UNHCR and WFP have some experience in this field but in SSA perhaps 80% of the persons are not formally refugees and neither UNHCR nor WFP have the resources (logistical and personnel as well as financial) to do more than play supporting roles in nationally devised, international consortium funded strategies when - if - they emerge.

Absolutely poor households have in practice absolutely poor access to health and education as well as to nearby pure water. They are - even in urban poor areas - afflicted by inadequate to near non-existent access to infrastructure (especially transport and communications) and to extension services. These lacks of access combine with low selling and purchasing power - plus war and local level oligopoly/oligosity - to deny them effective and adequate market access; a weakness sometimes exacerbated by regulations designed to protect public sector (or on occasion - e.g. Tanzania co-ops over 1986-90 - private sector) commercial bodies intended to improve equitable market access but failing to do so.

These gaps are neither of purely welfare nor only of longer term economic significance. People who are malnourished, uneducated and in poor health cannot work very long, very hard or very productively. Producers who find they cannot sell or - if they can - cannot buy desired goods will not produce. Women tied down by watering and caring for the sick have neither time nor energy to produce for self-provisioning or for sale. These points may appear self-evident. Unfortunately they do not, in practice, form part of the built-in background to most rehabilitation, structural adjustment and development discourse.

Infrastructure rehabilitation is another area of agreement in principle but problems of organising ways and finance. The approach of labour intensive construction and maintenance has been discussed above. So long as large national food deficits, concentrated in urban areas, remain the use of the

counterpart funds of additional monetised food aid may be one practical avenue for augmenting finance.

Commercial infrastructures (vehicles to transport, cash to purchase, goods to sell, shops and warehouses and - above all - businessmen) are vital to absolutely poor households. In much of rural SSA that lifeblood of the commercialised economy has been thinned or virtually drained away. Exploitation is a problem but low volume of trade and low numbers of traders worsen it. Therefore, encouraging (allowing) more commercial units and more competition (possibly with fair price shops and buyers of last resort as back-ups) is the first step toward limiting exploitation.

Safety nets are needed for those absolutely poor households who either temporarily (e.g. orphans, calamity victims) or permanently (e.g. aged, disabled), are, and will be, unable to raise their production to levels compatible with passing the household consumption absolute poverty line. The case for safety nets is normatively absolute and has an economic front in respect to those who can in the future be productive. The main debate is about affordability and practicability.

For calamity victims the three crises points are: averting the need to leave homes (by prompt food or employment provision); organising facilities and flows of goods to camps for those who do need to leave home; livelihood restoration after the calamity. The weakness of the last has been cited earlier. The weakness of the first two appears to lie in the efficacy or otherwise of early warning systems broadly defined, e.g. in 1990 Tanzania flood relief was prompt, effective and scheduled to cover the period to the next harvest; Zambian and Zimbabwean information flows were disastrously slow so that, even if grain, vehicles, finance and a high level will to act were present (as all were in Zimbabwe), action did not happen until triggered by reports of actual calamity and was then hampered by logistical bottlenecks which an earlier, phased response could have averted.

The Struggle To Reduce Absolute Poverty

To reduce absolute poverty rapidly requires acting on a broad front, within other main line strategic objectives (not primarily in separate programmes), contextually and at a low cost per household served or enabled. The first three conditions relate to the logic of reducing

absolute poverty and of coherent economic strategy and resource allocation - the last to resource constraints.

The LTPS sets out a broad - albeit incomplete set of public expenditure programmes and targets. These adjusted for rather austere levels of administration, emergency/survival and security expenditure come to about a third of GDP or \$190 per capita on average for SSA. As most of the programmes are ones required to enable growth, and have minimum levels per household or area to be effective at all, they are - unfortunately from the resource mobilisation point of view - not readily reduced in cases of below average GDP. For countries with \$150-200 per capita GDP estimates (which probably reflect inaccurate pricing of domestic GDP after massive inflation, parallel marketing and devaluation with more realistic estimates in the \$200-250 range) the figures would imply, say, a 25% recurrent domestic revenue to GDP ratio plus up to \$100 per capita net soft inward external resource transfers. No large SSA state has ever achieved the latter - and only a few the former. This very real problem is exacerbated because the \$140 does not include debt service and while a roll-over of principal is a plausible assumption interest will not be insignificant.

Of the \$140 about half will necessarily go on very general heads (law and order, i.e. security and administration, housekeeping, large infrastructural projects) which can create a macroeconomic context for reducing absolute poverty but cannot by themselves do so. If, of the remaining \$70 per capita one assumes - optimistically - the same proportion is absolute poverty reduction oriented as absolutely poor households form of all households and then \$20 per capita on basic services, \$5 per capita on research and extension, \$15 per capita on public works and other infrastructure (including commercial sector), \$5 per capita on emergency survival and income supplements and \$25 per capita on enabling additional production per absolutely poor person are more or less maxima. In fact \$140 is not attainable in many countries in the short run - under half that in some cases so that \$25-50 per capita (\$150-300) per household addressed to poverty reduction is the maximum realistic range in most poor countries if high priority is given domestically and if external sources of finance are responsive. The case for broad access is, therefore, necessarily a case for low cost per household served/enable programmes, not high per household cost projects (including traditional agricultural development projects, especially most large scale irrigation ventures). The latter may

or may not enable some households to escape from absolute poverty (given actual clientele selection success rates rather few in practice), but cannot be generalised to broad access because of resource constraints.

But broad front, low unit cost programmes articulate into contextually differentiated sub-programmes and micro projects are not readily compatible with existing planning and design practices especially if they are to be within a coordinated national strategic framework. The instant answer of decentralisation to regional/provincial and district levels is partial. It may deal with contextuality (albeit as a necessary not a sufficient condition). It cannot by itself result in a national strategic framework or inter-regional allocations. Nor given the extreme shortages of high and middle level personnel (nationally and therefore - necessarily - a fortiori at district level) can it provide effective overall design and technical back-up services.

Further, absolute poverty reduction programming is even more dependent on detailed substantive content of activities than most economic 'sectoral' work. A macroeconomic body which seeks to do more than set a frame for and coordinate specialised operational body (ministries, regional and district analogues, local government and domestic civil society organisations) will be unlikely to be effective even if it is fully decentralised. The actual present framework is one of anarchy not over-centralisation, especially where external governmental and NGO operation of autonomous projects and pseudo governmental units has emerged as a major decapacitating force against local, regional and national government. For example, one district in northern Mozambique had over 60 rural projects responsible to half as many agencies (over half foreign) with non-coordinated and often partly inconsistent objectives none of which corresponded very closely to what poor peasant households stated to be their priorities.

Accountability and coordination both require quantifying and dating inputs and intermediate outputs plus at least order of magnitude targeting of final outputs plus accounting/auditing mechanisms to keep track of the flows and cumulative results. Even on universal access programmes such exercises are possible and relatively easy conceptually and given present data processing methods actually if initial entries are appropriately cross-coded. Quantifying and dating - apart from more evident operational pay-offs - should help prioritise and sequence. At present there are

tendencies to look at programmes in isolation and either to seek universal coverage within five years or to start at such small levels that by year 6 coverage would still be below 10% (which may make sense as pilot testing but not once main line programmes are begun). The former approach is unrealistic given instrumental, institutional, personnel and finance/forex constraints; the latter either represents low prioritisation, technological/technical caution run rampant or a failure to recognise political reality.

Absolute poverty reduction targets are no less logical than GDP growth or budgetary balance ones (and no less problematic and subject to misuse). What is practicable will vary widely. In the 40% to 60% absolutely poor households cases a 6% a year trend reduction until 25% is reached and 5% a year thereafter might be a starting guide-line and for others 5% a year. However, given lags this might be a target to be reached in year 3 after serious implementation begins.

CHAPTER III.

POVERTY IN MOZAMBIQUE - A THEMATIC OVERVIEW

Poverty is central to the society and economy of Mozambique. Most Mozambicans are poor and Mozambique is one of the world's poorest countries.

Poverty is a central social, political and economic challenge to Mozambique. Because its base is low productivity per household and per employee, poverty is the mirror image of low national output. Because it denies most households access to humanly acceptable levels of consumption, access to basic services and ability to participate in civil society poverty weakens and distorts society. Politically, continued mass poverty is a denial of the basic goals of the government of the Republic of Mozambique.

Adam Smith's warning that no nation can be great and prosperous the majority of whose people are poor and miserable applies very forcefully in Mozambique. At the same time it points to a way forward. The majority of poor Mozambican households are not producing much because they lack access to tools, to wage employment, to land, to basic health-education-water-

extension services, to infrastructure and to markets. Enabling them to produce more - and acting to provide services and infrastructure as well as security as part of that enabling strategy - is central to any government development strategy that is to be economically or politically sustainable beyond a relatively brief time frame.

Absolute Poverty In Mozambique

To say that almost all Mozambicans are poor is true but also trite. In a country with a per capita output of US\$ 150 or less and the highest common citizen annual salary (earned by 150 odd persons) US\$ 2,150 (and only 24,250 estimated to earn over US\$ 1,000 a year or more from salaried employment) the ubiquity of poverty is inevitable. But to identify 95% to 97% of Mozambicans as poor is to make it impossible to focus on priority steps to safeguard the human condition and augment the earning/producing power of the very or absolutely poor.

It is necessary to attempt to separate poverty from absolute poverty (or extreme poverty) and to identify structural and conjunctural causes of poverty to achieve an intelligible, articulated picture and a basis for identifying possible policy approaches to absolute poverty reduction. To do so in Mozambique is difficult for three reasons:

1. the war has made rural data collection incomplete and rural social conditions unstable as well as worse;
2. urban and institutional data surveys, collection and - especially analysis - have been fragmentary, discontinuous and sometimes inconsistent;
3. studies have been carried out on various aspects of the social condition and of poverty in isolation from each other not merely without prior co-ordination but largely without subsequent joint consideration or consolidation.

The main absolutely poor groups are:

- a. urban households with cash incomes per family member of below MT 6,000 per month (US\$ 6 odd) combined with lack of access to a productive machamba (small farm plot);

- b. peri-urban residents with limited access (usually for security reasons) to farming land, substantial food purchase requirements and very limited potential for cash income earning;
- c. displaced and severely affected persons and refugees who are victims of the war and the consequential destruction of normal rural life in many districts;
- d. other rural households with limited access to seeds, tools, markets or goods to buy.

While absolute poverty map sketching as carried out above does identify categories of households likely to be in absolute poverty and also - to a degree - "target groups" for certain policies and programmes it does not lead to differentiated causal explanations or sub-group identification.

Two broad categories of poverty (and of absolute poverty) exist - structural and conjunctural. Structural causes are relatively permanent and conjunctural (unless the negative exogenous event puts them in a structural poverty category, e.g. blind, crippled) are more likely to be transitory and readily reversible.

Structural poverty in Mozambique includes many persons who are:

- a. crippled and blind;
- b. orphans;
- c. aged without support of relatives;
- d. in households with low labour power relative to household size (e.g. female headed, larger than normal numbers of children);
- e. with poor access to employment (location, absence of skills) or land (location).

Conjunctural poverty includes:

- a. deslocados, afectados and refugees (victims of war);
- b. many urban employed (at least as of mid-1988 victims of relative price and charges/wages changes);

- c. drought distressed households;
- d. unemployed who lost their job as a result of world economic context or domestic economic policy changes.

Vulnerable Groups

Vulnerability means being at severe risk of further falls. For present purposes the relevant vulnerability is descent to the margin of, or into, absolute poverty. Virtually all absolutely poor people must be considered vulnerable. Their vulnerability is to abject pauperisation and higher mortality rates (i.e. death). Their margins of living above survival are at best slim - indeed many are not well nourished or healthy enough to work long, hard or productively. Any negative external event endangers their ever being able to escape from absolute poverty and increases their morbidity and mortality rates.

However, vulnerable households also include those whose initial position was above the absolute poverty line. Many former Mozambican mine workers in South Africa are absolutely poor; those still with jobs (expected to fall by at least 50% over 1988-93) are vulnerable. In 1987, 20,000 odd central and provincial government employees were vulnerable. In 1988 they largely became absolutely poor when government employment contracted by 21,114 (dominantly at provincial - 16,577 - and district - 3,433 - levels) since most appear to have been low skill workers with little chance of securing jobs in an at best slowly growing enterprise employment total, of carrying out productive or adequately remunerated self-employment or of returning to the land in the prevailing security situation.

Vulnerability at household level can be summarised under seven causal characteristics:

1. a high dependency ratio (few working hands to feed many hungry mouths);
2. female headed (with lesser employment opportunities and a conflict between income earning and other necessary activities);
3. lack of any household member in wage employment;
4. lack of access to adequate, secure, suitable land (whether for sector familial farming or income augmenting zonas verdes production);

5. recent - usually forced - migration to urban areas, limited opportunity rural areas or deslocado camps;
6. location in an area currently or recently severely affected by natural calamities and/or insecurity emergencies (usually associated with destruction of services and infrastructure and weakening or collapse of market access);
7. lack of links to social networks with ability to support (most severe for isolated orphans, aged and crippled persons).

PRE and Poverty Reduction, Social Conditions Gains

One element in PRE policy and practice should be to counteract the absolute poverty increasing impact risk of certain of its instruments. In respect to household incomes in urban/suburban areas the main identifiable instrument is the minimum wage supported by action to increase employment, selective, targeted support measures where these are identifiable and feasible (e.g. drug charge capping). In respect to basic services the thrust needs to be threefold: a) restoring real government allocations over time; b) mobilising and deploying additional funds from external sources and c) increasing efficiency of resource management and utilisation (e.g. reduction of probable drug wastage and inappropriate use through inventory and flow control plus use monitoring).

However, the proper concerns of PRE in respect to absolute poverty reduction and social welfare enhancement must go far beyond damage limitation. Enhancing the human condition in particular by increased access to basic services (especially health, education, water) of acceptable quality, ability to produce or to afford to buy adequate food and employment or self employment adequately productive and fairly remunerative to cover basic household costs have been and remain central to Mozambique's development goals.

One central thrust towards achieving them has to be increasing the quantity and quality (productivity and resultant wage or income) of employment (especially in urban and peri-urban areas) and self-employment (notably but not only in the agricultural familial sector). Specific policies and programmes as well as economic expansion more generally are needed to achieve this. In particular rehabilitation of infrastructure, housing and

directly productive assets can use significant numbers of workers at least temporarily or seasonally, provide demand to reactivate certain sectors of industry and be financed via external recovery/rehabilitation assistance including food aid. The rural familial sector requirements are more complex including in many cases enhanced security but also including access to inputs, to transport, to markets and to goods to buy over time increasingly complemented by research and extension and general (health, education, pure water) services.

Augmenting the public revenue base as the economy recovers and restoring the share devoted to recurrent health, education, pure water and extension (agricultural and other) services as subsidy requirements are pruned (and the still unsustainable debt service burden negotiated downward) is of comparable importance both for absolute poverty reduction in the present and future generations and for increasing labour productivity and the human capital base. Given the limits to possible gains in the short term - and the continuing security expenditure burden - additional resource mobilisation measures will need to be identified and applied within the PRE context.

The extent and nature of potential domestic mobilisation is unclear. As World Bank consultants in both the Health and Education sectors have noted, most Mozambicans are poor enough that standard user charges cannot form a major source of finance for them. In the case of stand-pipe water the case may be somewhat different, at least in areas now dependent on purchases from water carriers. Under certain conditions in other SSA economies substantial supply of furniture, materials plus maintenance and construction labour for basic facilities have been by the user communities.

- However, realistically targeted mobilisation of foreign resources for specified purposes - recurrent as well as capital - is needed. In respect to recurrent expenditure, foreign exchange intensive items e.g. paper and ink for textbooks, drugs and medical supplies, spare parts for equipment and vehicles maintenance are priorities because maintenance and supplies - despite some restoration in the 1989 and 1990 budgets - have apparently been severely squeezed since 1981 and especially over 1985-88. The appearance is worse than reality because of off-budget commodity aid but only in the case of drugs is a confident assertion that physical quantities have risen possible.

Third given the limits on practicable resource mobilisation, efficiency in use must be increased by more tightly focused priority objectives. if necessary with elimination of certain desirable but unsustainable services (e.g. perhaps urban funerals by health). Similarly, changes are needed in allocation, control and use of resources to limit wastage and straggle and to reduce wastes resulting from imbalances of resources (e.g. vehicles and staff without petrol) and inadequate maintenance.

On balance the evidence points strongly to three interim conclusions:

1. By helping to halt generalised economic decline and contraction of basic services PRE has virtually halted or slightly reversed the upward trend of 1981-86 in numbers of absolutely poor people;
2. A large proportion of this gain turns on increased Food Aid;
3. PRE may have created a base from which to mount future strategic struggles to reduce absolute poverty levels significantly. To date it has not actually had such strategies adequately conceptualised, articulated, funded or staffed to launch such a struggle on a broad front, much less to reduce numbers of households afflicted by absolute poverty.

CHAPTER IV.

URBAN ABSOLUTE POVERTY

At present attempts to identify a poverty line and poverty mapping must build on the Tete and Maputo 1988 Household Surveys which are primarily nutrition studies and whose key tests of poverty are high percentages of low birth weights and child growth faltering.

The 1988 Tete study had rather better budget study data and found MT 4,000 (in 1988 prices perhaps MT 6,000 to 6,500 in end 1990 prices) per household member per month expenditure to be the level above which child growth faltering declines rapidly. This level has been used for Maputo on the basis that while Tete food costs are moderately higher energy costs are moderately and urban transport costs (because of much shorter distances

almost all walkable) radically lower and those of basic consumer goods not markedly different.

From data culled from several sources, a MT 32,000 (1988 prices) household budget (an eight person unit which is the urban average) for Maputo can be sketched on a stylized basis:

Abastecimento	MT	16,000
Other Food	MT	2,000 - 6,000
Fuel-wood/Charcoal	MT	4,000 - 6,000
Transport to work	MT	4,000
Fees (especially school)	MT	2,000 - 4,000
All other consumption (Clothes, Household Goods, Rent)	MT	1,000 - 4,000

This is for a canisa household living in a self-constructed house. The lower other food figure would be with possession of a productive machamba (for self-provisioning or sale - held by perhaps 10% and 5% of such households respectively). A concrete city household would have a different pattern. Rent would probably be MT 5,000 - 7,500 offset by elimination of urban transport and by income from sub-letting (or for sub-tenants perhaps MT 2,000 - 3,000 offset by the transport exclusion). Energy costs could be half as high or one-and-a-half times depending on economies from using electricity or kerosene and/or pooling cooking of two or more households and extra costs from using charcoal. Access to productive machambas would be less or would incur either cash, transport or long walking time costs while access to other secondary (including informal sector) incomes would probably be somewhat better than for a canisa household.

Estimating incomes is more problematic. Nationally it is estimated that there are as of mid-1988, 580,000 formal sector jobs about 400,000 of which are urban. On the basis of Maputo's virtually 50% share in urban population this would suggest 200,000 odd in Maputo. The Urban Survey however, suggests about 140,000 - 150,000, a serious discrepancy for purposes of estimating absolute poverty. A different employment estimate for January 1988, shows 500,000 categorized (by type and income distribution) of which perhaps 350,000 are urban. This suggests 160,000 for Maputo which is much closer to the survey result. Employees showed

about two-third at or above MT 22,500 a month. The Urban Survey indicates about a quarter of households had no modern sector wage earner, a half one, and a quarter two. Fairly clearly households with no salario are - except for self-employed businessmen of some substance - almost certain to be in absolute poverty while those with two are certain not to be. The 50% group is the problematic one. Several schematic income structures to reach MT 32,000 can be constructed:

	<u>No Salario</u>	<u>1 Salario Minimo</u>	<u>1 Salario 22,500+</u>	<u>2 Salario Minimo</u>
Salario	0	17,000 ¹	22,500	32.000 ²
Secondary/ Informal income	<u>32,000</u>	<u>15,000</u>	<u>9,500</u>	<u>-</u>
<u>Total</u>	<u>32,000</u>	<u>32,000</u>	<u>32,000</u>	<u>32,000</u>

(¹ Operario - ² Empleados)

Except for business households the first column requires secondary and informal income levels (of head of household and other members) which are highly unlikely to be attainable. The third column and the fourth are clearly likely to be attainable. The question is on the second. To reach MT 15,000 would require say MT 5,000 casual and after hours income by the salario earner, MT 6,000 to 8,000 by one or more other informal sector adults and MT 2,000 to 4,000 by children or largely unemployed or semi-crippled or aged adults (or receiving a pension or sub-letting parto fo a house or flat income). The best that can be said is that this is probably possible but not universally attained.

That suggests Maputo (and, by analogy in the absence of any hard data, other cities) absolute poverty in early 1989 was about 30%:

No salario Households	90%	(22,5)
One salario Households	16%	(8.0)
Two salario Household	0%	(0.0)

Changes over time in absolute poverty percentages are speculative and qualitative as the Tete and Maputo 1988 surveys have no comparable predecessor or successor. On the whole it can be argued:

- a. at any time since 1980 (and probably much earlier) urban absolute poverty cannot have been much below 15%. (The quarter with no salarios may have been 15% when the city was much smaller and up to 1980-82 one

salario minimal and quite attainable secondary income levels would have kept total household income above the absolute poverty line.);

- b. absolute poverty rose from 1981 through 1983 as 5% growth gave way to at least as large a rate of decline as a result of the war. By 1983, it may have been 25% - 30%;
- c. 1986 may have been about the same as 1983 and 1987 better because abastecimento availability rose replacing candonga sources and minimum wage/abastecimento ratios were relatively well maintained;
- d. the sudden April 1988 fall in the minimum wage/abastecimento ratio caused a leap to 50% largely reversed by October 1988 wage increases and increased abastecimento take-up flexibility in early 1989;
- e. little change took place in the second part of 1989 or in 1990. Some employment gains and increased artisanal and zonas verdes sales could be noted. However, much of these gains went to less poor or not so poor households and their overall magnitude can readily be exaggerated. On balance there was probably a very slight fall in absolute poverty incidence.

This impressionistic scenario (which fits reasonably well with what some acute observers said at these periods) is corroborated by low birth weight ratios in Maputo Central Hospital. In 1980 they were 12.5% and falling, reaching a low of under 10% in 1981 (by no means good but not unusual in a low income country). By 1983 they exceeded 14% and stayed there until 1987 when they fell to about 13% before rocketing to almost 16% in the first half of 1988. Over 1989-90 they reverted to 13% to 14%.

The data and its interpretation hold out several implications as to what can hold absolute poverty at 30%, shrink it to 20% or allow it to rise to 50%:

- a. the minimum wage/abastecimento ratio is the most dominant policy instrument;
- b. productive machamba access is secondary but crucial for perhaps 5% of households near the absolute poverty line;

- c. a selective cross subsidy on unmilled or yellow maize (a nutritious, unpreferred but not unacceptable) recovered from higher rice and sugar prices might lower absolute poverty by perhaps 3% to 4% (and cases of serious malnutrition by more);
- d. putting more goods (at full cost) into the abastecimento "fair price" channels (whether formally on ration or not) could be useful to low income households. Major examples are bread, beans and - perhaps - dried cassava.

However, it is unlikely that these measures (however skilfully implemented) can reduce absolute poverty in Maputo below 20%. The conclusions of the 1989 World Bank Food Security Study are not dissimilar - 30% urban absolute poverty with a hard core of 15% near destitute.

Urban Public Services and Housing

Urban poverty goes beyond income levels to access to basic services. The two are inter-related: better access to health services reduces loss of income from illness; education (with a lag, long for primary and academic secondary, but less so for adult and in service specialised secondary) raises both social and individual productivity and earnings; pure water supply reduces illness and nutritional wastage (i.e. cost of any effective level of nutrition); transport and energy may be able to reduce urban transport and fuel costs in real terms. Services aspects deserve attention for these reasons and because PRE has sought to tighten budgetary constraints requiring as a matter of urgency:

- a. increase in efficiency of resource use (including external assistance);
- b. mobilisation of additional external support especially for selected recurrent cost items with special reference to health and education (special but not unique - it might be possible to convince a Gulf state to donate 20,000 or 30,000 tonnes of kerosene a year for three years or a coal producer with surplus capacity to do the same for coal with sales revenues used to finance recurrent energy or other ministry costs);
- c. viable, cost-efficient cost recovery not limiting poor household access to basic services needs to be explored.

Health

Health's immediate substantive priorities are:

- a. to maintain present levels of coverage and quality in Maputo and extend them to other cities and towns;
- b. to extend coverage of priority services (e.g. MCH, immunisation) where take-up is known to be lower among poor households;
- c. to restore real resource for preventative and community outreach medicine which have been falling for several years;
- d. to follow on from its excellent nutrition monitoring and survey work to a package of interventions which will be practicable, financeable and effective and to establish a coordinating and evaluating role in respect to all nutritional interventions in order to ensure that the limited actual and mobilizable resources available are devoted to priority ends or projects which have other justifications are clearly labelled as such.

Three quantitative tests of success will be:

- a. a halt to the fall in consultations which appears to have begun as long ago as 1985 and was over 50% at many postos and centros in urban areas;
- b. a continuation of the increases in MCH consultations and vaccinations;
- c. a sustained fall in underweight births and growth faltering percentages as well as in incidence of young child malaria and "at risk" pregnant women/anaemia and underweight).

Available data do permit a few tentative preliminary conclusions:

- a. health professional levels have held up well and overall probably grown slightly;
- b. drug imports are dramatically down on 1981 levels but significantly better than 1984 and on a rising trend;
- c. equipment and vehicles have probably exhibited the same pattern;

- d. maintenance expenditure and domestic supply purchases have been cut draconically in real terms in 1985 and 1986, somewhat in 1987. Moderate increases in 1987 and 1990 have not fully offset the cuts and coherent external support generation has (in contrast to drugs) yet to take place;
- e. therefore overall resource levels have probably risen slightly since 1985 with further increases likely in 1989;
- f. but the cuts in domestic supplies (including food) and maintenance availability have prejudiced the efficient use of the other resources and, unless corrected, will do so even more in the future.

Housing

Concrete city public housing (19%) and other (81%) residents face very different problems.

From 1986 to 1988 rents in the concrete city are said to have risen from 18% to 33% of occupants' average salaries. They are also said to have risen 100% which would imply a fall from 18% to 7%! The former data based on the Maputo Survey appears more accurate for 1988 and it is scarcely credible that 1986 rents were 75% of average occupants salaries as the other study seems to suggest, if one takes present actual rents paid and salaries received from the first study as accurate. Several fairly agreed facts are:

- a. 1988 rents bore heavily on lower income concrete city tenants;
- b. they were to a substantial degree offset by inevitable (even if illegal) sub-letting leading to overcrowding;
- c. transport charges from the canisa since 1988 fare increases and 1989 liberalisation (opening to private transporters) (together with sub-letting) offset higher concrete city rents;
- d. present rent levels at best cover administration and part of operation and maintenance, i.e. they are not adequate to restore and maintain the urban housing stock;

- e. higher rents mandated after rehabilitation under the World Bank project, if in fact fully implemented, will force present tenants to stay in their interim houses as they could not afford the new levels.

Canisa housing problems are different. On the face of it construction costs of MT 600,000 to MT 900,000 (1988-89 prices) for simple, small traditional or modern material houses are prohibitive (albeit at \$ 650 to 1,100 at late 1989 exchange rates they are not absolutely particularly high). Yet informal and builder occupier construction does proceed and indeed plots are at a premium leading to sale (illegal) of machamba allotments as housing sites.

Water and Sanitation

Urban safe water coverage has fallen from around 50% in 1980/81 to 35% today because population has grown faster than facilities. In Maputo about 20-22% have access to piped water and 10-12% to stand-pipe water. The source of the other 65% to 70% is unknown but is likely to be polluted shallow wells, unprotected and often stagnant open sources and up to 20-25% candonga water from water sellers. The last may come from main sources and be safe, but is also very much more expensive per litre than piped water, another case in which poor households pay more for a basic need than less poor households.

Water pollution, water-borne disease incidence and disease caused loss of ability to use nutrients reducing effective calorie intake levels by up to 30% in extreme cases are known to exist - especially in the canisa - but have not been surveyed or analysed. A study to this end is now proposed by Water coordinating with the Nutrition Unit of the Ministry of Health.

Sanitation has also faced eroding coverage. In the late 1970s early 1980s a 60% level was attained in Maputo on water-borne sewage and improved latrines. Today water-borne is 25%, improved latrines 15% , earth latrines 40%, unknown or no facilities 20%. This does not appear to represent loss of existing facilities but rapid population growth and much less rapid sanitation facility growth. In other cities the first two rates are distinctly lower.

A related problem in Maputo is the very visible build-up of both rubbish and garbage in both the Concreto and the Canisa. In other cities - e.g.

Rio de Janeiro - similar build-ups have recently been found to be causal factors in rising malaria morbidity and mortality rates.

The restoration of rubbish collection by the Cidade in 1989 (following concern over malaria case growth and the danger of cholera or other epidemics) is an example of action on a priority problem of special concern to poor people. In addition it is labour intensive with large crews fanning out from lorries and employs a significant per cent of women. However, it remains largely a concrete city service. Extending it to the canisa remains to be accomplished.

Agriculture

In Maputo about 30% of households have formally allotted machambas of which one third (10% of households) are productive as to grain (over 150 kg). At least another sixth (5% of households) are productive in crops other than grain, e.g. well watered ones are usually devoted to vegetables for sale and own use because under well watered conditions this use is substantially higher return than grain. Percentages for other towns are higher but probably none approaches 100%.

Two problems are central:

- a. increasing productivity on existing non-productive machambas (up to half in the Maputo Green Zone) by techniques including, but not limited to, small scale irrigation;
- b. increasing Green Zone sizes and giving preference in new machamba allotments to low income and especially female-headed household applicants (as was done in respect to new plots made usable as part of Dutch Water Project).

Agriculture has built up a very considerable body of knowledge on the Maputo Green Zone as well as of some of the others. On the first problem present approaches (including women's coop strengthening) appear sound. On the second the view - especially in respect to Maputo - that no expansion possibilities exist should be reassessed to determine whether some "waste" land within the Zone could be made productive at a reasonable cost or the Zone's perimeter pushed outward.

A corollary is to reject proposals which would encroach on machambas in present Zonas Verdes by turning present machamba land over to medium scale commercial farms. This has been under consideration in the Tete Zonas Verdes in an area in which machamba holders with NGO help have recently developed well-based small scale irrigation to make their machambas productive for the first time and a medium-sized commercial farming enterprise seeks reallocation of the improved land to it to grow vegetables (which it could do in a variety of reasonably secure areas near Tete but outside the Zonas-Verdes if it were prepared to put in its own small scale well or river pump irrigation).

Transport

Transport's relevance to urban absolute poverty and its reduction has two branches - urban passenger traffic and intra-city/peri-urban goods transport. (Inter-city and rural issues are considered in the parallel section on rural poverty).

Urban bus rates at MT 100 a ride in 1989 (MT 200 a day for a commuter from the canisa) are high relative to incomes (30% a month at salario minimal level) but without bus service people could not live there and work in the city centre. Further it is unlikely that they can be reduced consistent with enterprise viability. On balance liberalisation has increased volume and convenience of service, saving valuable time for low income household riders, but has slightly raised average costs.

A basic question for the public sector is service enhancement. The urban bus company has about 60 operational busses whereas roughly 260 are probably needed to meet demand in a city of the size, income structure and population of Maputo. Securing external aid for 200 busses might pose few problems. Keeping them supplied with spares would as would maintenance.

A three-pronged approach might be tried to this problem:

- a. negotiate a five year spares commitment (including tyres, tubes and batteries given present local production constraints) in aid financed bus procurement contracts providing for four preset deliveries a year;
- b. also negotiate provision of two mechanic trainers one for one year and one for two;

- c. recruit ex-miners who have learned basic technical and engineering skills on the Rand and are now unemployed or not very gainfully self-employed in Maputo (as the Ministry of Health Equipment Maintenance Unit has done successfully).

The opening of urban passenger transport to the private sector has been successful in Maputo. Casual observation suggests that time savings to workers and late arrival reduction savings for employers are significant. So is the reduction of pressure on the public sector for unsustainable expansion, i.e. a mixed sector with a modest expansion of the public sector urban bus company (or a joint venture successor) to 100 to 120 operational vehicles is probably a better option given scarcity of finance and mechanics than a drive toward 260. Whether the private vehicle pool, savings and access both to rand and to South African vehicle and spares markets which lie behind this success exist in other cities is somewhat doubtful so that generalisation of results may not be attainable in the short term.

Energy

Energy's relevance to urban poverty reduction (or the reverse) relates to fuel and lighting costs. Here the problem is that insecurity, increasing population and retreating forest margins have caused wood and charcoal costs to sky-rocket to MT 10,000 as for 1989 for a fully adequate month's household supply. This hurts the poor worst as the costs of comparable kerosene and coal supplies would cost MT 20,000 to MT 2,500 and of electricity MT 1,000 to 1,250 a month but the facilities to use them are rarely present in the canisa.

Small scale wood-lots and agro-forestry are strategic medium term options. However, security conditions and pressure on land may make them unsuitable for Maputo. If secure areas can be found trial projects in respect to Beira, Nampula or Chimoio might be more promising. Until supply and access to wood/charcoal increases, improved wood stoves and charcoaling techniques - which have been developed - are unlikely to do much to mitigate the prohibitive level of wood-fuel prices.

Education

Education faces challenges to maintaining its relatively high enrollment rate in Maputo and other major cities while halting the decline in quality which has marked recent years, the shortages of texts which have been one of the causes of qualitative deterioration and avoiding massive deaccessing of children of poor households by present fee and charge levels. Unlike Health, Education's available real recurrent resources have unmistakably shrunk because there has been no substantial donor support for recurrent budget items beyond textbooks. Recent World Bank and Scandinavian Funding may help reverse this as may authorisation to allocate USAID counterpart funds to recurrent education costs.

Quality declines in Maputo appear to have three main causes:

- a. the abandonment of the pre-primary year to teach Portuguese (the language of instruction of which a majority of children do not understand on entry, i.e. those from households where the mother does not speak Portuguese which is a very high proportion of absolutely poor households) and social interrelationships, and the failure to achieve these goals in the first primary year;
- b. the absolute scarcity and absolutely prohibitive price for poor households of textbooks;
- c. the three shift system which gives too brief a school day - particularly in the context of the two previous barriers to effective schooling.

The results are massive repeat and dropout rates. These are so high that educational efficiency (measured in years taught per graduating pupil divided by the number of course years) is only about 20%. Even those who do complete do not have an adequate educational base resulting in almost equally high repeat and drop out rates at subsequent levels.

Industry

Industry's relevance to reduction of absolute poverty lies in job creation generally and small, informal, labour-intensive enterprise employment in particular. Related roles include increasing production and lowering real cost of building materials (for housing) and of producing more consumer

goods, agricultural inputs and construction materials for the rural familial sector which (if deliverable) will validate and make effective price incentives leading to reduction in rural absolute poverty and to better (and possibly lower real cost) urban food supplies.

Artisanal production - probably concentrated in food processing, tailoring/garment making, footwear making and repair, carpentry, metal working, small scale construction, vehicle repair - is weak in Mozambique compared to other African countries including its immediate SAUCC neighbours. Until 1975 this related to Portuguese small enterprise policy and to competition from Portuguese small enterprise craftsmen. Some accounts suggest an expansion to 1981 reversed by war and loss of demand as real wages declined. Whether there has been a recovery since 1986 is unclear - supplies of raw materials from the countryside (normally important to many artisanal enterprises) remain low and erratic for security (or more accurately insecurity reasons) and wage earner purchasing power remains constricted.

More accurate or more detailed statements are not possible as no artisanal ("informal industrial") sector survey exists. Not merely are product composition, markets, number of proprietors - family workers - employees, typical incomes, main buyers, etc. unknown; so are constraints which might be loosened by policy reform. These include access to raw materials and to markets (e.g. by "fair price" shops or Co-ops), appropriate adult training on a part time basis, provision of technical services (e.g. bookkeeping), reduction of bureaucratic rules and fees (to the extent these are enforced or fear of their enforcement deters production), conceivably access to credit via neighbourhood or craft associations. The first priority action is - therefore - a survey designed to find out what is, what trends are and what constraints could be removed or reduced now.

Commerce

Commerce's basic ministerial urban poverty roles relate to food security and are discussed in the next section. However it also has had the role of providing the basic surveys used for urban absolute poverty mapping and should follow them up with 1991 surveys for Maputo, Tete, a peri-urban rural area, and Nampula.

The urban commercial sector is functional and relatively competitive. It does not constitute a major barrier to livelihood restoration and improvement of absolutely poor households as does its much weaker rural analogue.

Small scale (petty) commerce from stall and pavements is a rather small proportion of poor household livelihoods in urban Mozambique compared to most other Sub-Saharan African countries. Why is not entirely clear but one reason is that lack of rural security has severed or attenuated urban/rural links depriving the urban petty traders of farm products and also of artisanal production dependent on rural raw materials. There has however, been visible - if limited - expansion over 1989-90 which may relate to improved road access from some districts to Maputo.

Food Security

Urban Food security's two main aspects are micro or household level and macro. The barriers to household level food security is almost totally financial in Maputo, dominantly so in Beira but sometimes includes substantial physical unavailability elements in other urban areas while the macro level is physical and institutional as well as financial.

The household financial access issues have already been addressed in the section on Prices/Incomes/Employment aspect of Urban poverty. Because the majority of cases turn on lack of salario incomes; inadequacy of the minimum wage over April 1988, February 1989; lack of a productive machamba and limited self-employment opportunities at levels of productivity or remuneration providing adequate primary and supplementary households incomes, the solutions must be sought primarily through reversing these conditions.

Targeted supplements or subsidies - as discussed in that section and in relation to health and education - are possible in respect to:

- a. orphans (existing programme)
- b. old age pensioners of modern sector (partial and expanding existing programme)
- c. disabled persons (partial existing programme with primary emphasis on war victims)

- d. primary school children (limited school feeding)
- e. hospital patients (proposed programme)
- f. malnourished young children - basically 18 months to four years (attempts in progress to define programme parameters and render operational)
- g. underweight pregnant women (as with "f" pilot work in progress)
- h. underweight infants of mothers experiencing lactation problems (small existing programme)
- i. enterprise workers with low wages and large household size (programme under implementation)

There is also a potential especially outside Maputo and Beira for reducing food costs by increasing volumes actually available at abastecimento fair prices which even when fully cost covering and through private retailers are significantly below parallel market ones. For the same reason introduction of additional basic foods - e.g. bread, cassava - into the abastecimento network might (especially in the case of bread) substitute fair prices for seller's market high prices, at least for those without access to bread at subsidised prices in their workplace.

Employment creation in economic or social infrastructure and productive capacity maintenance rehabilitation and expansion is government policy and should contribute to food security. Unfortunately to date it has been hampered by problems in project identification, procedure specification and - in particular - the 90% under-pledging of the food bank facility included in the 1988 Emergencia Appeal. (Similar approaches are relevant to rural food security.)

Physical availability problems have four main causes:

1. the impact of war and the (not unrelated) impossibility of sustaining colonial large scale and settler farm production on domestic marketed output which has for several years been of the order of 10% of commercial and emergency requirements;
2. donor failure to pledge, or to deliver fully and promptly on pledges, in respect to food aid requirements conservatively estimated at 900,000

tonnes in 1988/89 and exceeding 1,000,000 in 1989/90 and especially the large shortfalls in non-grain products including sugar;

3. logistical difficulties arising from war risk, war damage to and inadequate maintenance of transport infrastructure and vehicle fleets;
4. institutional weaknesses and rigidities of commercial food sector enterprises (both public and private).

It remains urgent - and only proposed rather than scheduled - to act to bring the Beira abastecimento system's logistical capacity up to Maputo levels and to extend the system to two or three further major cities on a phased basis probably with priority to Nampula, Vila de Tete (plus Moatize) and Inhambane.

An aspect of food security which has received little attention is nutrient loss resulting from diseases related to impure water and inadequate sanitation. Such losses can be as great as 30%. The Ministry of Health's nutritional and epidemiological units lack the technical capacity to survey and analyse the situation (which is probably especially severe in Maputo but probably also affects at least Beira, Nampula, Quelimane and Inhambane) while the Water Department lacks the financial resources which it is now seeking to mobilise.

Food security - and more specifically targeted nutrition interventions - have suffered from a lack of coordination, designated lead ministry or coherent priority setting. The Nutrition Unit of Health and Food Security Department of Commerce have developed increasingly close coordination and cooperation, which is an important first step. However, targeted interventions have been independently designed and promoted by a number of ministries without reference to Health and Commerce. This is unlikely to result in optimal project design and may lead to less than optimal prioritisation even if individual projects adopted are of some value. For example, full scale primary school feeding projects could easily have a combined annual costs of the order of MT 6,500 million (for Maputo alone, perhaps MT 12,000 to 15,000 for all main urban centres) which would be a less than optimal allocation given that primary school students are not a category of person particularly malnourished or at nutritional risk (perhaps 33% fall in this category which is at or below the over-age incidence in the population of Maputo).

CHAPTER V.

RURAL ABSOLUTE POVERTY

Prices, Income, Production

A majority of the absolutely poor are rural - indeed perhaps 90% counting peri-urban rural areas and over 80% even excluding them. Further, the proportion of rural households in absolute poverty is probably of the order of two-thirds versus one-third to at most one-half in urban and suburban areas.

Emergencia should in fact have been seen within the human dimension frame including urban, overall ministerial programme and less severely affected familial sector household aspects. The case is five fold:

1. Emergencia at present represents the bulk of the resources which are available for rural poverty reduction/production enhancement;
2. it involves almost all Ministries and Provincial Governments in a way which is broadly coordinated in itself and could be broadened to cover other aspects of rural absolute poverty;
3. many Emergencia programmes are by their nature parts - and in some cases, e.g. secondary town and rural transport, very large parts - of comprehensive approaches to key rural sectors and constraints;
4. the rehabilitation (re-integration of households into production) aspects of Emergencia require increased emphasis and coherence of analysis both to attract less inadequate resource flows now and to become central when security and rural output improvement allows phasing down of the direct food aid and food aid logistics requirement;
5. while at the same time Emergencia rehabilitation and re-integration projects are directly relevant to similar issues in respect of less affected and stable rural households.

However, it may be desirable to narrow Emergencia to deal only with survival needs (including those of victims of natural calamities as well as war) for food, shelter and basic services and to logistical operations/institutions directly related to them. A new strategic programme - Rehabilitacao - would then be needed to cope with transport,

land re-clearing, home construction, agricultural inputs and food to harvest needs of over 6,500,000 refugees, deslocados, afectados and households of demobilised combatants likely to need substantial assistance over the next five years. The programme would need at conceptual, coordination and fund mobilisation level to include basic service re-establishment, infrastructure reconstruction and market access promotion elements. The programmatic case for such a division is moderately strong - Emergencia's capacity does not lie primarily in rehabilitation and survival requirements are significantly different from those of livelihood rehabilitation. However, the resource mobilisation case is even stronger - funding up to \$ 250 million a year of resettlement and livelihood rehabilitation is unlikely to be possible from or through the emergency and disaster relief sections of aid agencies. For them the Mozambican emergency has already lasted longer than their time frame and should "run down" rapidly parallel to or soon after the war.

Rural absolute poverty probably changed little over 1985 to 1988. This is especially true if the improvements in nutrition resulting from the steady increase in the main (DPCCN) food aid free distribution channel flows from about 70,000 tonnes in 1986 to 80,000 in 1987 and nearly 200,000 in 1988 are set to one side as not reducing vulnerability nor creating a sustainable base for remaining outside absolute poverty. There are rather mixed perceptions on the direction of change probably partly because levels and trends have varied widely from district to district and partly because post 1986 security and Emergencia logistics improvements have allowed more rural absolutely poor people to be reached (or to reach deslocado sites in Mozambique and refugees camps abroad), to be counted and to be both perceived to exist and (now that they can be served) become a priority call on available resources.

1989-90 probably saw significant though uneven gains. This is apparently particularly true of Tete Province. In general the causes have been improved security linked with good weather and, therefore, in districts where either was absent no improvement took place.

Between 1980 and 1986 estimated familial sector food production in constant value terms fell by 25%. However, the natural increase of 15% in their numbers was more than offset by their declining from - say - 90% to 55% of the rural population assuming dislocated and affected total rises represent

more access and better data not a radical change in truly stable households. Assuming that they accounted for 80% of self-provisioning output in 1986 (15% by peri-urban, 5% by afectados and deslocados) that implies a per household food output ration of $.8 (.75) = .6$ divided by $1.15 (.55) = .6325$ or about 95%. If true this would suggest that less affected and stable rural households were - in respect to self-provisioning income - not radically worse off than in 1986 than in 1988. Unfortunately that assumption is clearly unsafe. The estimates are necessarily speculative even though based on a plausible model and appear to take less than adequate account of the decline in numbers of productive rural households. Taking account of partial dislocations (e.g. moves to Beira and Tete corridors) a more likely estimate of food output for own use fall would seem to be 20% per household over 1980-86.

Sale of crops by familial sector households fell (in constant price terms) about 80%. Adjusting as above for population changes and for 10% of commercialised output being from peri-urban cashew growing (or at any rate collection) gives a 72% per capita fall. In the absence of contrary evidence, a similar fall in incomes from livestock sales would appear to be a reasonable estimate. Artisanal fishing sales have almost certainly risen significantly for the relatively small number of households with access to fishable water, a canoe and a market (perhaps five to 10% of this sub-sector).

Remittance incomes had fallen (whether from urban and plantation Mozambique or from South Africa) in terms of number of households benefiting and - except for parallel market or goods remitted rand - in purchasing power per income.

Other non-farm cash incomes have probably fallen in real per household terms by 70 to 80% since both casual rural employment and non-agricultural (including livestock and fish production) goods sold by familial sector households appear quite limited.

What this means for overall household incomes is unclear. If one assumes the total familial sector cash and self-provisioning income in 1980 was:

Self-provisioning	70% - 75%
Agricultural sales	10% - 15%
Remittances	10%
Other	5%

then in 1986 it would have declined about 35% below its 1980 per household real level.

Familial sector households in Portuguese African colonies were notoriously poor and ill-nourished (as indeed was Portugal's own metropolitan familial sector which also depended heavily on injections of migrant remittances). Over 1974/75 - 1980/81 there were probably self-provisioning gains but losses on cash sales (rapid deterioration of rural trading system only very partially restored) and on remittances (RSA reductions of migrant numbers). At best in 1980 the average familial household was slightly worse or about the same off as in 1973/4. Thus a 1989 estimate of 50% absolute poverty is conservative. The high typical malnutrition figures tend to bear out this contention just as their scatter supports the contention of very different levels and types of change from district to district.

Equally it is clear that PRE has had, and could have to date, a very limited effect on the incomes in real terms of these households. Cashew nut growers have responded because they could (trees were still there, nuts could be collected by day) and because additional goods supplies gave reality to the otherwise theoretical incentive of a higher grower price. Most other rural households have not been so well situated albeit some maize growers in Cabo Delgado, Niassa, Nampula, Zambezia, Tete and Manica clearly were able to produce and sell more and presumably had access to goods to buy with the proceeds. Similarly transport availability and security over 1989/90 benefited some growers in Gaza and Inhambane provinces. But one is talking of small totals - e.g. in 1989 - 19,000 tonnes more maize worth at grower prices about \$1.9 million in a sector comprising 800,000 odd households.

The present barriers to recovery by this sector and especially its absolutely poor households are easy to sketch:

1. lack of seeds, tools, livestock, household equipment or money to buy them (even when actually available) by many (most?) absolutely poor households in the familial sector and the lack of a parallel to or extension in coverage of Emergencia's deslocado/afectado economic rehabilitation programme to cover them;
2. lack of market access because of deteriorated or destroyed transport infrastructure and vehicle (including small and cabotage vessel) fleets limiting not only familial household access to small towns but equally movement from many of these to larger towns and provincial capitals. Again Emergencia is tackling this gap in logistical and infrastructural components basically designed to get grain to deslocados and afectados. These do serve some stable familial sector households if they are near or en route to deslocado and afectado concentrations. But without integration into a national rural and small town transport programme it can hardly be a coherent or complete approach to this sector's transport constraint;
3. lack of access to a well-articulated network of buyers has been a problem since the Portuguese exodus albeit recent improvements in security and post 1983 liberalisation of authorised buyers may now be improving this slowly;
4. lack of access to physical inputs plus research and extension is a continuing problem. Services to the sector familial (with a few localised or personalised exceptions) had little place in Portuguese policy (albeit the rural trading net did stock some inputs). The initial Mozambican emphasis on saving the large and medium scale enterprise/commercial far sub-sector de facto continued this sector familial blind approach. Communal production villages were unpopular and in theory diverted resources from the sector familial but were so thin on the ground and so little supported as to suggest very little actual impact. Policy shifts since 1980 and especially 1983 have had nearly negligible results because of the direct effects of war and its erosion of foreign exchange and fiscal resources. Further donor controlled as well as funded large scale, low coverage enclaves have engrossed most resource flows at the same time that they generated them. The opportunity cost of concentration of resources into even the less unsatisfactory of these - e.g. MONAP - may be high and the

marginalisation of national field and strategic level personnel has been gravely decapitating, but many of the resources were not fungible so to date the loss is more in terms of lost opportunities than of actual damage. Emergencia's experience - beyond seed and hand-tools - is limited and has encountered resource mobilisation problems. Research and extension - given the always weak familial sector data base and Agriculture's inability to update let alone expand it since Independence - probably needs a household survey (if only in selected districts) to articulate priority problems and themes;

5. lack of goods to buy (inputs, consumer goods, building materials) make price incentives meaningless in many districts. The EEC cashew nut and hopefully its Mueda Plateau grain projects which include such goods as well as inputs, buyers and transport show that if this element is provided initial results can be achieved rapidly for some crops in some districts; Emergencia by its nature does not provide experience or a base in this segment of agricultural rehabilitation;
6. lack of adequate prices was an increasing problem over 1980-86. Because the Portuguese buying/trading network did exploit, until 1980 post independence grower prices may have been adequate. 1987/89 ones appear reasonable relative to retail and border prices but on present data this cannot be asserted too confidently on a crop by crop or district by district basis. Further, the transport and marketing cost margins used in border price calculations are alarmingly high even in cases in which security does not appear to be the main cause. In any case until the other five problems are tackled to some effect price changed alone (which on World Bank evidence explain only about 10% of differential agricultural production growth in Africa) cannot be expected to result in rapid output/income increases.

The basic requirement for serious struggle against absolute poverty is not to devise programmes only for absolutely poor households. Rather it is to ensure that they (and especially female headed households) are visible to programme articulators and operators and are represented in participation (especially in design) so that they do share in/have access to services, markets and benefits rather than being overlooked while the not so poor and less poor benefit.

Rural Service Deterioration And Revival

Rural poverty has been significantly affected by the deterioration of rural service quality and coverage since 1981. This is true of its social dimensions, future prospects and to some extent present output levels (the sick cannot work and require healthy person time to tend them, time spent watering because rural improved well/stand-pipe coverage is about 13% cannot be used to grow crops).

The cause of this negative trend - which reverses a very substantial achievement in these fields over 1976-81 - is obvious: war and war-caused budgetary and foreign exchange constraints. PRE to date may not have had a significant negative effect albeit reports of class and even school closings because of Provincial Budgetary constraints are alarming. What PRE will do - unless substantial external recurrent as well as rehabilitation finance can be mobilised from external sources on grant or near grant terms - is to prevent restoration of either coverage or quality (except for projects covered in Emergencia) let alone progress toward full coverage.

Cost recovery in its traditional cash fee form - except perhaps for some aspects of rural water - cannot play a significant role in service restoration either for absolutely poor households (about two thirds) or the rural areas as a whole. Too few people can afford to pay even minimal amounts until they can restore both household self-provisioning production and cash incomes. De facto if not always formally this seems to have been recognised for the familial sector as well as deslocados and afectados although it is less clear in respect of the peri-urban rural sector some of whose households probably can afford to pay as much as the urban not so poor as indeed can limited number of sector familial households with crops to sell and buyers to whom to sell them.

Health

The medium term problem is one of coverage. About 1,120 primary health care units (urban and rural) now exist versus perhaps 350-400 urban and 2,000 to 2,500 rural needed for complete coverage. Because of armed bandit priority target of health facilities the number of inhabitants per facility has been rising since 1983 and the recent budgetary constraints (and low donor support) have meant that from 1986 through 1988 on primary unit

rebuilding and rehabilitation fell behind armed bandit destruction though this has been reversed largely because bandit facility destruction rates have fallen by over 80%.

In terms of total health contacts (consultations, MCH visits, immunizations) at least a trebling of present numbers would appear needed for one to assume attainment of minimum adequate coverage. This implies at least a doubling of medical professionals and substantial increases in pharmaceuticals, other supplies, vehicles and spares (plus fuel) and maintenance funding.

Present rural health coverage is perhaps 50%. It is higher in the peri urban, deslocado and afectado sub-sectors and - ironically - apparently lower in the less affected and stable familial sector. The reason for this paradox is the greater ease and security of access to peri urban residents, deslocados and afectados huddled near towns and in the latter two cases some Emergencia and related technical assistance funding. That said, Health has the broadest rural presence of any Ministry.

Resource utilisation efficiency is a critical in rural as in urban areas. So are better information flows and in particular the development of a drug and supply stock, flow, use, wastage, inappropriate use and unmet demand identifying reporting system.

Water

Because of lower population density, health (and nutrition) risks for improper sanitation and impure water supply may be less in sector familial than in canisa, suburban and peri-urban rural areas. Little is known of present conditions: latrine use is probably down on its early 1980s high of 40%. Improved/pure water coverage within 500 metres has been raised but only to 13% of rural residents. This gain seems to relate largely to an ill coordinated set of projects under the Emergencia rubric. Natural pure water sources may raise this over 25%. In many areas long walks (one way with heavy loads) are necessary (and a heavy burden on women's and girl's time) to secure even limited supplies of impure water.

Education

Like Health, Education has seen its rural coverage - both as to undestroyed classrooms and enrollment at primary level - decline. From 1984 onward

war-damage to schools and inaccessibility of many pupils have reversed progress toward full primary education cover. In some provinces rural enrollment fell by over 50% between 1981 and 1986-88.

The initial 1988 national education model posited constant national primary enrollment to the mid-1990s based on recent past trends. However, that would (as was not realised) imply continuing rapid rises in urban and rapid declines in rural enrollment. Such a result would not be consistent with rural rehabilitation and recovery - nor with stated governmental priorities. Therefore thinking out strategic revision (perhaps involving static urban and rising rural enrollments) is in progress.

Housing

Rural housing is in general inadequate as to space and quality albeit this varies sharply from area to area and the average standard is probably not worse than - and the crowding less bad than - in low-income canisa housing. Exceptions exist in areas of severe war-stress where several households are crammed into one surviving house or households camp out at night for safety reasons.

Costs are lower because most materials and constructions are gathered and carried out by the householders, sometimes on a community mutual co-operation basis. Therefore, the possibility of and need for direct intervention including job creation appears low. The variety of standards and of uses of the same basic materials suggest that research into improved traditional designs and use of traditional materials would be desirable but this hardly seems an immediate priority.

Fuel

Most rural households are self-fuelling. The cost of fuel is time of collection which may or may not be a heavy burden on women's time budgets/workloads (and thus on ability to produce food, care for the sick, or collect water). If the household is in a relatively densely settled area with tree and bush areas over a mile away, but not otherwise, a real problem does exist exacerbating the weakness of labour scarce (usually female-headed) households.

The most promising approach to this aspect of poverty also offers an opportunity to raise rural cash incomes including those of absolutely-poor

households. It is promotion of household and/or small co-operative, community or household wood lots of fast-growing trees appropriate to the locality first to provide an accessible own or local use source of fuel-wood and building poles and second to provide a secondary source of cash income through sales to town and cities. The co-op route might also be appropriate for small, technically efficient kilns for conversion of fuel-wood to charcoal which is a preferred urban fuel and more cost-efficient to transport.

A sole focus on energy (fuel) may not be appropriate in all cases. Successful household or small community level agro-forestry (silviculture) usually requires a mix of trees providing fuel, building materials, fodder, household food and food for sale. Which are appropriate depends both on household needs and past patterns of production and on knowledge of technical possibilities - e.g. for new varieties which have been locally tested, for provision of seeds or seedlings, for care to maturity. Seeking to impose single tree, single purpose wood lots as a complete strategy in all cases (rather than to offer support for it as a component in some) is a standard error in many SSA reforestation and wood fuel programmes - especially where these have turned on massive plantations in ecologically dubious zones (e.g. near Maputo).

Transport

The crucial negative impact of transport gaps on rural poverty and the absence of any coherent rural transport policy (beyond the piece in Emergencia for facilitate inward movement of relief supplies) has been cited in the previous section.

The problems to identifying such a strategy include:

- a. limited analysed and systematised data on intra-city through rural road conditions (with special reference to bridges) and repair costs;
- b. an overlay map (or analogue) relating rural roads to present and potential agricultural production to identify economic priorities among such roads;
- c. an estimation of the current operational and repairable lorry fleet by size, location, ownership and uses (e.g. intro-urban, sub/peri-urban,

inter-city long distance, international, urban to rural and intro-rural) and an analogue for lorries;

- d. from a-b-c- an estimate of priority route and fleet restoration costs which by another "overlay" with Emergencia could be used to identify remaining priority projects for which finance needed to be mobilised;
- e. a parallel exercise in respect to small and medium (down to third grade) ports which can provide access to about a third of the rural population when combined with fairly short road trips. Again infrastructure (landing stages, cranes, godowns rehabilitation or rebuilding) and floating stock (cabotage and passenger vessels plus artisanal sailing and rowing craft) requirements, stocks, cost of gap closing and coverage in Emergencia require assessment to set out the balance of the priority programme which might also include provisioning Tete and restoring access to Zambezi River familial communities by Chinde-Tete small barge service.
- f. rebuilding the local level, largely private rural commercial network of produce buyers, transporters, input and consumer goods suppliers needed to link rural households with main towns and commercial channels.

Rural transport costs are too high - worsening effective terms of trade by reducing rural selling and increasing rural buying prices. Part of this is security caused, part by poor infrastructure conditions which increase vehicle wear and tear and some by limited lorry fleet (and cabotage passenger lack of alternative ways to many destinations) allowing very high private sector prices - perhaps two times official public sector company ones. Seeking to cut costs by order will not work and doing so by petrol or spares subsidies would be fiscally unattainable. In the public sector better vehicle control and more intensive use (reduction of down and waiting time) could reduce costs but needs a myriad of small steps (including staff retraining) over two to three years to achieve. However, infrastructure restoration and fleet (of lorries and vessels) expansions might well cause increases in rural and inter-city connecting route transport costs to rise less rapidly than inflation or grower prices.

Agriculture

Because the key to rural absolute poverty reduction, rural food self-sufficiency and national percentage of urban provisioning from domestic sources plus restoration of exports and of domestic manufacturing and processing agricultural raw material sources is raising rural - and probably familial sector in particular - production Agriculture is a key Ministry.

Unfortunately - as sketched in the previous section - it has been unable to have effective access to many rural areas for at least five years and has never had an adequate data base especially in respect to the familial sector. Further, many large scale rural schemes have become increasingly donor driven and operated, marginalising ministry activities while the activities of empresas and the cotton and cashew authorities have not been coordinated into any overall strategic frame.

Priority District Programme

The Priority District Programme is independent Mozambique's first articulated, phased strategic initiative toward creating an expanding dynamic of increases in production by and services to the sector familial. Of necessity - given personnel, resources and physical access - it would start in a limited number of districts with an early (say year 3) target of the 40 districts with over half the rural population and the best prospects for short term results and a longer term (say year 8) of reaching all districts.

Because infrastructure - services - production expansion need to grow in parallel for any to be attainable, or at least sustainable, coordinated action is envisaged. Because history with enclave, donor run projects is bad neither parallel government multi purpose institutions nor large numbers of foreign personnel at strategic planning or local operational level are envisaged. Because both contextual divergence and sector familial participation in design and monitoring require it, decentralisation is seen as crucial. Because District level personnel are thin on the ground (perhaps 150-250 per District on average) and few are highly trained, operational coordination and provision of technical services would need to be Provincially based.

For a series of programme inputs to be focussed on the same districts with linked times frames and sequences and for them also to be decentralised requires coordination from District, through Provincial to National level albeit preferably primarily by working parties of senior operational unit personnel serviced by small Planning Directorate Secretariats provincially and nationally. A check list of programmatic components (based on district level surveys and a subsequent conceptualization Working Party study) includes:

- a. timely access to agricultural inputs and tools;
- b. strengthened access to commercial units (private or public) which are able to buy, sell and transport;
- c. enhanced agricultural extension services more closely related to sector familial needs and capacities;
- d. restoration and extension of access to primary and adult education, accessible pure water supplies and primary health programming (APEs, MCH clinics, immunization, posto and centro basic curative);
- e. rebuilding or repair of basic rural infrastructure for transport, basic services and administration (including staff housing);
- f. development of secondary income possibilities, not least use of labour intensive, seasonal techniques hiring sector familial members to carry out the infrastructure work;
- g. flexible attention to localities or household groups (notable female headed households) with special requirements.

Refining PDP to a form which is implementable, technically sound and financeable without narrowing it into a string of high cost per household benefited, limited access, enclave projects or dissipating it into a handful of uncoordinated, parallel programmes in different sets of districts has - over 1989/90 - proven distinctly difficult. Further delay will gravely prejudice the possibility of major breakthroughs against rural absolute poverty in the first half on the 1990s.

Rehabilitacao has already been sketched above. Its agricultural aspects would need to centre on timely provision of tools (to clear long abandoned

fields and rebuild destroyed hoes as well as to plant and till), inputs (especially seeds) and food until harvest (9 to 18 months after return depending on timing of return and amount of clearing required). Extension would, at that stage, probably be less crucial than in the PDP because these will largely be literally returnees - to own districts, homes, farms and previously functional (at least to ensure survival) techniques of production.

Rural Food Security

The rural food security crisis has three distinct aspects: physical availability, macro financial availability and household access through production or purchase. All are distinctly unsatisfactory and vulnerable to localised or broader breakdowns which, unless speedily corrected, would lead to direct famine deaths (as opposed to high death rates from diseases related to, or fatal because of, the presence of malnutrition). In fact what is surprising is that famine (except in respect to those enslaved by the bandidos armados or in totally isolated areas) has been averted since 1983 by the combined efforts of the Government of Mozambique, the international community and - especially - the Mozambique sector familial.

Rural food supply as of 1988 appears to have been 60 to 70% familial sector self-provisioning (including partial self-provisioning by some deslocados, almost all afectados and most peri-urban rural households), 30% by Emergencia free distribution and perhaps five to 10% by commercial sales (largely in peri urban areas). It is necessary to bear in mind that the aggregate supply is not over 70% of the minimum desirable level of calorific intake so that the ratio of self provisioning to need is under 50%. Without massive food injections there would be widespread deaths consequential on starvation.

The physical access constraints on the household sector share of supply relate primarily to the war and its consequences:

1. physical insecurity of many rural areas (especially at night);
2. the consequential creation of an artificial land shortage limiting production by at least half the rural population;

3. the forced flight of some 6 million people into deslocados, afectado and peri-urban rural settlements virtually none of which have adequate safe land access to be fully self-provisioning;
4. lack of adequate resources for rehabilitation and reintegration of dislocated, severely affected and even less severely affected into production (in the physical as well as macro and household financial senses);
5. radical destruction and/or deterioration of rural infrastructure.

Rural household food security turns in part on production for most households, virtually all except deslocados. For perhaps half the rural population it is 100%, for another third 30% to 75% and for a sixth under 30% and in these cases usually under 10%. The constraints on household production have been discussed above in relation to rural incomes.

The responses to the overall physical and household income access security issues turn on reviving food production and rehabilitating rural households in a process of restoring their productive capacity as discussed in the two previous sections. A secondary consideration - which can however be large in adverse weather years especially in the three Southern provinces and parts of Tete and Nampula - is crop failure related to drought, flood typhoon, ill-distributed rainfall or excess heat at certain points in the growing cycle. This, however, requires the same Emergencia plus Rehabilitacao type response as the war situation but on a smaller, less general and shorter duration basis (i.e. the issues which confronted the pre-Emergencia Provincial Calamities Commissions).

Macro financial security can in the longer term only be secured by restoring domestic self-provisioning capacity first at district and then at provincial, zonal and national levels supplemented by export recovery to make at least modest commercial imports possible. In the short run it depends on sustaining not merely the recent past levels of food aid at around 500,000 tonnes a year, but also raising the level to nearer the 1,000,000 tonne (perhaps 600-650,000 rural directed) level now needed for actual national food security at barely acceptable nutritional levels. Over 1991-92 domestic production gains can hardly reduce that requirement to under 900,000 tonnes a year. 1990-91 is, at best, likely to be a mediocre crop year. Rapid improvements in security, if they occur as

hoped, will result in the return of up to 500,000 refugees (over the two years) most of whom will require food support for 9 to 18 months while they clear long abandoned fields and bring a crop to harvest while a similar lag will occur before most afectados and deslocados returning home can regain substantial output levels.

Physical availability for aid and commercial food supplies in rural areas turns on military security, transport infrastructure, vehicle fleet and institutional capacity rehabilitation and expansion. Inputs into these programmes, except for military security, do appear in Emergencia appeals but have in general been notably underfunded with respect to all items except short term logistical support (fuel, spares) and to a lesser extent vehicles and with minor port and - at least until 1988 - cabotage fleet restructuring notably ill-supported.

CHAPTER VI.

POLICY IMPLICATIONS: MACRO

A.

The purpose of poverty and human condition mapping cannot be primarily academic - the need to know more is primarily to allow action to be informed by knowledge. Nor, in the context of human condition crises as severe and absolute poverty levels as high as in Mozambique, can all action be suspended until optimal data collection, interpretation and analysis is achieved.

In fact, the present state of knowledge does identify a set of policy implications and priorities, only one of which is collecting, analysing, interpreting and coordinating more data. Some of the policy implications are general, others relate to specific sectors and/or ministries.

Enabling Higher Production And Incomes

The role of earned income in avoiding or escaping from absolute poverty at the household level is central. In urban areas (and, with the return of security, in rural areas as well) probably 85 to 90% of households could earn incomes above the minimum necessary to avoid absolute poverty were

employment and reasonably productive self-employment opportunities open to them. Therefore, increasing levels and productivity of employment/self-employment and ensuring that - especially for low income groups - it is fairly remunerated, is central to any serious strategy for reducing absolute poverty in Mozambique.

Policy implications of special significance from a human dimension aspect include:

1. Minimum wage setting to defend real purchasing power in terms of basic consumer goods (and especially food). Failure to achieve this between the April 1, 1988 basic food price doubling and the payment of the minimum wage increases promulgated at the end of October 1988 very substantially increased urban absolute poverty and may have virtually doubled it.
2. Similar defence of real producer prices for agricultural commodities in the basic food, industrial input and export categories so that the familial sector can meet its basic needs for inputs, consumer goods and foods (e.g. sugar) it cannot produce and services. Not inconsequentially this is also necessary for industrial sector demand expansion and thus for growth in urban wage employment.
3. Expansion of employment/self-employment levels both through policies leading to macroeconomic expansion and more selective measures. Building and infrastructural rehabilitation should be organised on a labour intensive basis (as has not been true in Mozambique, and especially urban Mozambique, over the past four decades). Where feasible, economically and socially viable projects of this kind should be organised so as to provide supplementary urban and seasonal rural employment (as, for example, in Ghana's PAMSCAD and several ILO pilot projects in Sub-Saharan Africa).
4. Agricultural output and commercialisation capacity (including access to inputs, to transport, to buyers and to goods to purchase plus extension services as well as to security and remunerative nominal prices) must be increased. This is essential to increase household and national food self-sufficiency and to expand both the market for urban sector production and the levels of export earnings. Action needed includes raising access to and productivity of Zonas Verdes and other peri-urban

machambas to supplement low-income household direct food suppliers and/or cash earning for urban - especially female headed - households.

5. Basic service access is of direct relevance to raising earned income. Health (especially but not only preventative) services and pure water reduce sick time and increase ability to work hard while education increases average and individual productivity - albeit except for adult education with a time lag between investment and output.

Related to the general earned income expansion imperative is the shorter term one of managing emergencia and rehabilitation programmes to maximise opportunities for low-income households to increase their earned incomes:

1. rehabilitation related temporary and seasonal jobs;
2. access to machambas for urban households with a bias in favour of allocation to low-income households (especially female headed ones without a salario) and of increasing productivity on the one-half to two-thirds now classed as "non-productive" (less than 150 kg of grain per year).
3. Using aid raw material supplies and government contracts to increase productive capability and market access of labour intensive, small-scale service (e.g. repair) and manufacturing enterprises.

A parallel role in social condition improvement and absolute poverty reduction is in provision of basic services (especially primary health care, primary-technical-adult education, pure water, familial and small enterprise extension services) which are physically available, adequate in quality and accessible in cost to poor households. This requires:

1. extension of coverage to provincial capitals other towns and secure rural areas to bring them closer to the coverage and quality levels of Maputo;
2. rehabilitation of services in less secure and newly secured rural zones to restore the interrupted 1977-81 dynamics toward full national accessibility;
3. improving managerial and cost-efficiency to lower unit costs and facilitate quantity expansion and quality bettering;

B.

Coordination And Integration

If absolute poverty is seen as a major structural imbalance and its reduction as a strategic priority, then struggling against it cannot be relegated to a few peripheral projects - nor even to one or two large programmes isolated from the rest of the budgetary and public process:

- a. small projects will not accomplish much given the scope of the challenge;
- b. isolated programmes are unsuitable except for emergency survival activities (and even there, their isolation limits them) because enabling poor households to produce more and creating a capacitating climate of services, infrastructure and market access to support that enabling inherently includes tasks which are (or ought to be) part of the work of every Ministry, Province and District;
- c. thus an isolated programme will fail either for lack of adequate support by other governmental institutions or by trying to duplicate and oust them from their functions in respect of absolutely poor people;
- d. the latter is particularly inappropriate because - with some significant exceptions - the main requirement is not creating programmes for absolutely poor households, excluding all others, but to ensure that absolutely poor households do have access to basic services, to infrastructure, to markets, to inputs necessary to increase productivity.

Therefore, if the struggle to reduce absolute poverty is to be won, then it must be understood and waged by each Ministry, Province and District. In other words the principles outlined in this paper need to be understood, used in formulating policies and programmes and acted on throughout the public service if they are to be real guide-lines toward development and not yet another forgotten essay on planning and development concepts with little relationship to actual practice.

Integration of the struggle to reduce absolute poverty into the normal governmental working process is a condition for real success. For example,

ensuring that urban rehabilitation, services like refuse collection and rural works are organised on a labour intensive basis and that there is effective access to such jobs for women; checking that proposed service fee or input charge levels do not exclude absolutely poor urban worker (formal or "informal" sector) and rural ones do not exclude the poorer half of sector familial households.

But integration in many institutions cannot by itself result in a unified approach - except by very good luck. This is especially true because of the high degree of decentralisation to Provinces and the obstacles to frequent communication, especially to district level. Coordination is equally important.

Coordination has three aspects or levels:

- a. in respect to major strategy, programme and policy decisions it rests with the Council of Ministers and the Planning Commission;
- b. in respect to cross-sectoral (or ministerial) coordination and articulation it rests with the National Directorate of Planning;
- c. and within sectors it rests with the unit of the Ministry responsible for planning and programme development acting together with the Provincial directorates.

In this context the SDA-Project is somewhat mis-titled. It is a means to increase the coordinating capacity of the NDP, to provide it with analysis of poverty and how it can be reduced and evaluation of proposed policies, programmes and projects. The funds it has for actual projects are very limited and intended to support small pilot projects to develop broader scale approaches which can then be funded through the main stream budgetary process.

C.

Budgetary Coordination, Limitation, Allocation

Mozambique has very limited public finance resources and the bulk of them are received from donors. Overall government expenditure is of the order of \$ 85 per capita if the Recurrent, Capital and Emergency Budgets are

combined and direct to project or commodity aid not now passing through the budgetary process added to them.

In absolute per capita terms \$ 85 is very small. It is about 60% of the \$ 140 a year per capita which the World Bank's Long Term Perspective Study strongly implies is the minimum expenditure needed for basic service, infrastructural investment and general administration. Unfortunately \$ 85 is very high relative to Mozambique's GDP of perhaps \$ 150 per capita. On that basis it is over 55% of GDP whereas the LTPS target is about 35%. Further, of the Mozambican governmental/Emergencia expenditure of \$ 1,275 million, of the order of 65 to 70% represents external grants and loans.

There is no simple way to raise the \$ 85 toward \$ 140 nor to reduce the external support required from 65 - 70% to a more acceptable level of 25 - 30%. Over 1990-95 there is little reason to project either domestic or external governmental revenue growth at over 5% a year. And, if over that period, most of the 1,500,000 refugees from war return, resident population could well grow 4.5% a year. That would imply \$ 87 per capita in 1990 prices in 1995.

Therefore, improved allocation must be a central means of increasing funding available for priority uses. Improved allocation does mean greater efficiency in terms of progress toward priority objectives. It does not mean cost cutting in the normal sense - priority recurrent programmes do have possibilities for getting more out of present allocations (as noted in the following sectoral chapter) but they also need more resources - not less.

At present Mozambique's government sector - as a result of war - spends about 350% of LTPS implicit norms on emergency survival and about 450% of them on defence. Other recurrent expenditure and capital expenditure are only 36% of those norms (Table V).

With peace (however achieved) radical shifts in allocation:

- a. from Emergencia to Rehabilitacao
- b. from Defence to Other Recurrent
- c. within Capital from rebuilding war damage to permanent rehabilitation and expansion

would become possible cumulatively over time.

These (Table VI) could take both Capital and Other Recurrent from 36% to 61% of LTPS norms. That would be a significant improvement. To achieve it, however, requires convincing donors to switch support from Emergencia to Rehabilitacao as the need for the former and the possibility for the latter rise, and, similarly, to maintain a rising trend of support for capital and general recurrent spending.

However, there are more painful choices to be made under the allocation rubric. Some large capital intensive projects are needed - e.g. rehabilitation of the three main rail corridors and the ports of Beira and Maputo. But if PDP and similar initiatives are to be funded some existing or proposed projects, e.g. in respect to large scale irrigation, will need to be dropped. Similarly even in priority areas a set of hard decisions will be needed on possible speed of expansion, e.g. universal primary education and universal access to full posto/centro level health care cannot be funded (or staffed) by 1995.

But effective allocation requires a more coordinated and transparent budgetary process than now exists:

- a. bringing all foreign project support and counterpart funds on budget (both as to sources and uses);
- b. recasting Ministerial (and Provincial Directorate) accounts in ways that would tell more about spending by programme and by type of expenditure (e.g. operating supplies, fuel-spares-vehicles, training);
- c. development of at least rough price indices for each type of expenditure to allow constant price (real input) comparisons to be made among years with some degree of accuracy;
- d. carrying out a budgetary exercise analogous to the Recurrent and Capital Budgets for Emergencia;
- e. producing - primarily for planning and allocation of resources purposes, not day to day recording and control of spending - a consolidated budget (sources and uses table) for Recurrent - Emergencia - Capital;
- f. allocating resources to priority programmes first and then working out the optimal sub-allocations to Recurrent, Capital and Emergencia (and

possibly to Rehabilitacao if some elements in it are financed separately from standard Recurrent programmes).

These are areas in which Planning and Finance - as the central economic policy and resource allocation coordination and determination bodies - need to take the lead. However, a comparable exercise is needed within (and would be valuable to each Ministry and Province). In two respects, indeed, these units need to take the lead:

- a. in spelling out quantitative goals to be achieved as a result of policies and of expenditures both ex ante (sought) at the time of the Annual Budget exercise and ex post (achieved) within six months of the close of the fiscal year;
- b. in relating capital projects to recurrent operations (both as to goals and costs) and in providing specific identification of projects needed to implement proposed Recurrent Budget programmes.

D.

Broadening Community Support

Mozambique needs more domestic revenue both to increase government capacity to fund programmes (e.g. MCH, agricultural extension) and projects (e.g. Nampula Hospital, Cahora Basa-Maputo power transmission line). The present tax levels are relatively high. Raising them further would have significant potential negative effects - on professional, skilled and business personnel's morale if via direct taxes, and on low income group consumption levels if via indirect. Basically, increased tax revenue will need to be achieved out of increased commercialised production, more effective collection of existing taxes and rationalisation of the indirect tax system.

Therefore, a case exists for broader community/user support for public services going beyond the tax system proper. The arguments usually advanced - notably in the Bamako Declaration of African Ministers of Health on how to achieve Health For All By The Year 2000 - include, but are not limited to enhancing resources available:

- a. broadening the revenue base in a way which causes increased service use (e.g. households supplied with water, patients treated, students enrolled) to cause an automatic increase in revenue;
- b. demonstrating to users the direct link between their paying and the services they receive; thereby
- c. broadening interest in and concern with the quality and appropriateness of the services; and
- d. because service providers are now more directly dependent on users increasing the degree of user participation in service programme design and monitoring and of provider accountability directly to users and their communities.

These goals are, in themselves, sound. However, the standard instrument used to attempt to attain them is that of centrally set fees, collected from individual users locally and wholly or largely remitted to the centre. That approach has a number of problems:

- a. small fees are very cost inefficient to collect, bring to book and account for - especially if the receipts have to go up to Provincial or Ministry level. At a rough estimate 60% of the gross collection for MT 100 fees would be needed for collecting/accounting for them. The personnel requirements also pose problems as specialised professionals' time (e.g. nurses, teachers) is not well allocated to petty cash collection, storekeepers do not know bookkeeping and bookkeepers are a scarce resource;
- b. fixed fees are regressive as to income (i.e. bear most heavily on poor persons) unlike taxes (including indirect taxes which are progressive (bear less heavily on poor households) up to an income level well above the absolute poverty line;
- c. experience has shown that even modest fee levels reduce the use made of (access to) services by poor and absolutely poor households;
- d. fees set by and largely remitted to the centre do not, in practice, have any very visible link to quality or quantity of services provided;

- e. nor do they, in practice, result either in greater user participation or provider accountability to users;
- f. fees are usually set separately for different services with no attempt to see what the total burden of all fees on a household is likely to be, whereas household income is finite and all fees have to come out of it, if access to services is to be maintained;
- g. potential revenue from basic service fees probably does not exceed 10% to 15% of overall health-education-water spending or rather under 2% of total government revenue requirements.

In the case of Health, two further problems arise. The most cost efficient means of improving health/reducing morbidity and mortality are preventative (e.g. MCH clinics, vaccination) and educational (e.g. APE). Yet because these are services used largely by well people they are the ones whose use would be most deterred by fees. Further, it is a sound economic principle to collect when income is highest and extraordinary expenses lowest. User fees for health services breach that principle: illness reduces income and imposes time (home care, assisting to medical facility) and cash (e.g. transport) costs. In other words point of use health fees fall at times when income is lowest and other extraordinary costs highest.

This set of criticisms does not mean all fees are unsound. To the extent the services are used primarily by not so poor, or not poor persons, the individual bills are large enough to allow low ratios of collection/accounting costs to collections and/or the households paying the fees would otherwise pay more to get the service from another source, fees are appropriate. It is their generalised use which is open to doubt. In theory, exemption systems could reduce the access problems for low income households. In practice, the administrative problems in a country with as many poor households as Mozambique either make such an approach non-workable or nearly totally wipe out anticipated collections - or both.

Is there an alternative approach to the resource mobilisation - participation - accountability goals? If so, what are its constituent elements? And is it practicable in Mozambique?

Six constituent elements can be set out:

1. the contribution to cost should be set (negotiated) between a community and the actual service providing unit it uses;
2. the community should be responsible for collection (and for using annual household charges or user fees or both, deciding on whether not poor households should pay more, determining who should be exempt, etc.);
3. the entire contribution should be used at the level of the unit which the community uses (including payments for higher level services it actually receives, e.g. spares and technical personnel to repair a borehole or fontenario);
4. the contribution should be in the form of resources which the community finds it least difficult to mobilise and which the unit can use (e.g. labour for maintenance and construction), certain equipment (e.g. chairs, desks, book cupboards for schools), food (for unit use in school or patient meals or to supplement staff's cash incomes) as well as cash.
5. the negotiated setting of the contribution should include discussion of community priorities for the service and criticisms of its existing availability and/or quality;
6. The Ministry of Finance should conduct a rough check annually of total community support (especially in cash) being sought to ensure that individually reasonable targets do not add up to a disproportionate burden on household budgets.

This approach is not particularly complicated in principle. There are a number of specific cases in which it has worked in Africa - including APE's in Mozambique until war devastated village household incomes. But it does pose several problems:

1. massive decentralisation is needed because neither at National nor Provincial level is it possible to negotiate nor to aggregate non-cash contributions;

2. the resource contribution potential of communities varies widely among and probably even within districts;
3. the system is very vulnerable to failure of communities to collect and 'pay over' agreed contributions, to failure of the Ministry or Directorate to provide agreed levels of complementary inputs and to calamities (e.g. drought, bandidos attacks) which make meeting the budgeted contribution impossible for certain communities.

Nevertheless, this approach appears more promising than the centrally prescribed fixed user fee one. Experiments along these lines are envisaged in both the APE rebuilding and the canisa fontenario water extension projects partially funded by the SDA Project.

Somewhat different considerations apply when even the basic levels of a service are beyond government capacity to supply over a 5 to 10 year time perspective. For example, the maximum 1995 primary school enrollment ratio - both in budgetary and on qualified teacher availability grounds - would appear to be 60%. If by that date rural enrollments are to regain 1980 levels a freeze on urban enrollments would be required. That would imply rapidly growing numbers of urban primary school candidates unable to secure a place.

In principle these could attend "informal" or community primary schools. These do exist and achieve useful results in some African countries. However, again certain obstacles exist:

1. where would such schools locate competent teachers?
2. could poor households bear the costs of even minimally adequate school funding?
3. would, in fact, nearly all children from absolutely poor households be excluded (ability tests at primary school entry age are not practicable; tests in ability to speak Portuguese, are but would discriminate against children from poor households)?
4. if increased dropping for poor performance is instituted before the first year is made more effective in teaching the language of instruction, would this add a further bias against children from absolutely poor households?

If the answers to these questions are unsatisfactory what actual options exist?

CHAPTER VII.

POLICY IMPLICATIONS SECTORAL

A.

Health

1. Maintenance of urban coverage in Maputo and increasing coverage in other cities and towns to the same level;
2. restoration of rural coverage as security permits - possibly using mobile or temporary units rather than immediately rebuilding still at risk postos, clinics and rural hospitals;
3. rehabilitation of building, vehicles and equipment and strengthening of maintenance and stock control (partly covered in World Bank Sectoral projects and discussions);
4. Organisation of effective estimation and active mobilisation to finance medical stores - including but not limited to drugs -, equipment, spares, vehicles and fuel;
5. re-estimation of personnel requirements for the above programme and re-organisation of training facility throughput to match, with special attention to restoring the preventative health cadre (APE) which has declined since 1980, and developing an urban quarter parallel to the rural village health worker cadre (related World Bank sectoral projects and discussions plus SAD-APE project);
6. costing of above programme followed by systematic resource mobilisation (Government budget, external support, community support, user charges) to meet the cost;
7. study of present fee and user charge systems (including their effect in limiting access by poor households) with a view to simplifying, consolidating, establishing clear exemption criteria and workable cost

offset provisions, better administration and collection (on a cost-efficient basis, i.e. 10% or less of collections) by 1992/3 (World Bank supported study in process);

8. not raising charges or fees substantially until the study is concluded and, if new or increased charges are seen as appropriate, identifying and taking measures to offset probable denial of access effects as well as pre-introduction production of guidance manuals and forms and education of relevant personnel. In this context setting drug prices at 50% of cost (CIF plus mark-up) on the current exchange rate would avert a 140% price increase to users (making it about 20%) but might facilitate increased actual collection by allowing a less open-ended inability to pay exemption;
9. determining donor coordination, improved purchasing patterns, improvements in storage and stock control and reduction of wastes in use of drugs which could probably reduce costs by 30 to 40% (a multiple of any plausible estimate of drug charge collections). A key element is determining actual drug use patterns and the appropriateness of present mix of pharmaceutical supplies (should be related to World Bank Sectoral Programme);
10. identifying operationally accessible individuals, households and or groups who are priorities for nutritional support with the identification process via normal health service operations (especially MCH) and with food security subsidy paid via a finance managed food subsidy. Coordination needed with commerce food security Unit; with Education (primary school feeding programmes for bread plus energy foods) and with the unit responsible for support to improved work-place canteen meals (albeit this is more an incentive and morale programme to raise key enterprise productivity than a targeted nutritional security one);
11. developing a data collection and analysis system allowing evaluation of all personnel, physical and financial resource sources and uses of the Mozambican public health system including but not limited to cost and resource balance calculations (in part included in World Bank Sectoral Programme and other funded projects);

12. if - as appears likely - the data analysis reveals an imbalance has emerged against maintenance, spare parts, operating supplies (including petroleum products for mobility) non-pharmaceutical medical supplies and food relative to personnel, pharmaceutical supplies and equipment, seek to establish and maintain reasonable balances including by re-prioritising types of requests to donors. In the specific context of food for patients in hospitals distant enough from household abode to prevent relatives providing food, seek project food (and logistics) aid as a step toward reducing imbalance in relative resource availability;
13. to develop a medium term strategy of prevention and care in respect to HIV/AIDS. This syndrome will sharply increase numbers of terminal patients and of non-war orphans over the 1990s even if the adult HIV infection rate can be held below 6%. It is crucial to educate and take related preventative measures to avert an explosion to the 17% to 22% adult HIV positive rates of Malawi and Zambia.

Water/Sanitation

1. Conduct studies on incidence of water pollution, water and sanitation inadequacy-related diseases and nutritional implications (in collaboration with Ministry of Health) initially with particular reference to canisa, suburban and peri-urban areas;
2. reverse fall in safe water accessibility by increasing canisa - suburban - peri-urban stand-pipe system primarily by boreholes and (where population density and pollution levels require) extension of pipelines from urban systems (pilot project under SDA-Project);
3. continue and - to the extent practicable expand - the rural pure water provision programme based on the lowest cost techniques suitable to particular localities;
4. experiment with community-based maintenance and operating cost recovery systems for stand-pipes (and some rural supply systems) with a view to achieving significant cost recovery by flexible systems - or opportunity - collection time-costs). Back up this approach with providing training in maintenance and simple repair to user committees (probably predominantly made up of women who bear the primary responsibility for household watering);

5. participate with Health, Education, Housing Directorate, Agriculture and Transport in identifying means to extend canisa areas with additional plot and machamba allocation, provision of basic health-water-education services and extension of accessible cost transport (by bus or - in the cases of Maputo and Beira - perhaps by introduction of commuter rail services on existing lines);
6. build on the experience with the re-launched Maputo refuse collection system to restore comparable services in other major cities and to extend their coverage to meet canisa requirements.

Education

1. Continue high level of primary education access in Maputo and develop comparable levels in other provincial capitals and towns but in an overall frame compatible with full restoration of past (usually 1980 to 1982) peak rural enrollments;
2. address the three key constraints on educational quality - initial lack of ability in language of instruction (especially for poor household children). Lack of textbooks (again especially severe for children of poor households) and too short a school day (in triple shift cases) - leading to high repetition and dropout;
3. address the facility, equipment, text, personnel and other requirements of the two previous policy implications and seek to augment Government funds with coordinated (by the Ministry) donor support to selected recurrent as well as to capital expenditure;
4. review present education charges and other costs with a recognition that for poor households their current levels virtually preclude attendance of more than one child beyond the fifth class and for rural an additional cost burden (compared to urban) is imposed by boarding charges since secondary schools are rarely within walking distance;
5. review the high cost, low volume, inefficiently privatised text book system with a view to utilising donor aid for materials and press rehabilitation to create a stock of texts which would be owned by the schools and "rented" to pupils for an annual charge (based on a life of - say - six years) with full cost charged only on lost or destroyed books;

6. restore levels of basic adult literacy and applied continuing education with special attention to skills and techniques of value to poor household heads (especially female ones) in augmenting earned income;
7. develop a system for articulated analysis of resource levels, uses, trends and balances analogous to that to be developed by health. (Several, not all, of these policy implications relate to World Bank Sectoral Programme projects or discussions.);
8. evaluate operation of school feeding programmes (in conjunction with MOH) to determine impact on attendance, academic performance and nutrition levels and to assess cost efficiency relative to other nutrition support interventions.

Commerce

1. Improve the efficiency of operation of the Maputo and Beira abastecimento system operations and extend them to other provincial capitals and major towns (ongoing World Bank project relates in part);
2. consider whether other low cost staple goods (e.g. bread, cassava) could be sold (on a full cost/fair price basis) via the abastecimento shops;
3. monitor abastecimento sales to test whether increased flexibility in purchasing and increased minimum wages have significantly improved poor household ration take-up since mid-1988;
4. in conjunction with DPCCN seek to agree a system of national swops of donor supplied food to avoid situations in which staples for free distribution are available but none for sale or vice versa;
5. improve donor education on actual food aid requirements (including commodities other than grain) and the need for orderly, predictable inflow patterns;
6. cooperate with Industry, Agriculture, Transport in improving familial sector physical access to agricultural inputs and to basic consumer goods to make price incentives to produce for sale effective, in order to augment both domestic marketed food flows and familial sector real incomes (including self-provisioning food production);

7. jointly with DPCCN coordinate with Transport in regard to logistics issues involving roads, bridges, secondary ports and coastal shipping directly relevant to domestic urban and rural marketing and also on transport pricing and increased use of private lorry hauliers;
8. rerun the 1988 Maputo and Tete Urban Household studies regularly until Statistics is able to launch its broader study and seek to add at least one more provincial capital and a peri-urban rural area;
9. coordinate with MOH (nutrition) on nutritional studies to identify nutritional deficiency, vulnerability and priority for support groups especially initially in urban, suburban and peri-urban areas.

Housing

1. Identify and implement a sustainable cost recovery system for maintenance and rehabilitation of concrete cities without excluding low-income households now resident in them unless and until alternative adequate, cost accessible housing is made available to them (World Bank ongoing project relates);
2. complete study of actual range and distribution of present rents and their impact on low-income tenant households (taking into account the fact of re-letting which is inevitable even at present - and more so at increased - rent levels;
3. develop a flexible multiple choice approach to canisa and adjacent peri-urban areas housing (including upgrading of present houses and coordination with Health, Education, Water, Agriculture - in respect to machamba allocation - and Transport as well as additions to the housing stock):
 - i. site and service schemes (World Bank project relates but previous African experience suggests it will be accessible only to middle and lower middle income groups;
 - ii. rehabilitation and upgrading of existing housing in collaboration with community groups (as successfully supported by the World Bank in Lusaka "compound" peri-urban areas);

- iii. development of improved traditional or "new" low cost building materials and techniques to reduce present canisa costs for constructing either a traditional or a "modern" house (UNDP project relates);
- iv. allocation of delineated plots for informal sector construction with parallel provision of stand-pipes, primary schools and health posts, machambas and commuter transport. (On present Maputo/Provincial Capital experience, and that elsewhere in Sub-Saharan Africa the dominant way poor households can acquire access to any housing is by such informal construction or by renting rooms in such construction.) Possibly technical assistance and fair price supply of building materials (on full cost recovery basis) to informal building sector and (if financially viable and administratively recoverable) materials loans at subsidised interest rates to would-be home owners.

Energy

1. Facilitate effective access to lower cost (coal, kerosene) fuel sources for urban low-income households with introduction (to economic enterprise production preferably by labour intensive methods) of appropriate, user acceptable, low-cost stoves (World Bank project relates);
2. initial priority to Maputo (kerosene), Nampula (kerosene), Beira (kerosene) and Vila de Tete (coal) with subsequent extension to other towns where inadequate access to nearby wood-fuel sources is leading to prices beyond low-income household purchasing power and to environmental degradation (World Bank project relates in part);
3. continued study of potential (probably varying by locality and lowest for Maputo) for enhanced, sustainable production (agro-forestry) from plantations, small wood-lots and/or the familial sector as well as for increased efficiency in wood to charcoal conversion (and where appropriate finance for improved kilns in secure rural or peri-urban areas). The agro-forestry implications include building pole supply which is relevant to canisa housing costs and in most cases food and fodder, as well as cash sales of - e.g. citrus, from a variegated tree plot.

Industry

1. Sustain expansion of basic consumer goods and agricultural inputs to provide effective incentives for familial sector production (World Bank import support projects relate);
2. coordinate with Transport, Commerce and Agriculture to ensure that such goods are in fact transported to and commercialised in rural areas (EEC projects in respect to cashew and Mueda Plateau grain relate);
3. coordinate with Housing on enhanced production of low-cost construction materials;
4. seek to identify artisanal and informal sub-sectors which are labour intensive, sell to poor households and - if they can expand - would probably add to low-income group employment opportunities and to channel import supported financed raw materials and tools to them (on fully commercial basis);
5. provide extension service to these (and to "modern sector" small and medium scale enterprises) to enhance their technical, managerial, marketing and accounting capabilities;
6. coordinate with Agriculture on possibilities for artisanal and small scale industrial development (especially but not only in food processing) in the Zonas Verdes (initially those of Maputo, Beira and Nampula) and adjacent peri-urban rural areas (initially those of Maputo and Tete Provinces and those adjacent to Xai Xai and Inhambane when security permits);
7. continue encouragement (via inter alia price and market liberalisation and selective privatisation) of small scale entrepreneurial expansion of output and employment and consider parallel efforts in respect to medium and large scale mixed enterprise development in respect to moribund state enterprises nominally capable of producing basic consumer, agricultural input or simple construction materials which are in scarce supply (and therefore often unavailable to the familial sector or in secondary towns and only at candonga prices in main cities);

8. coordinate with Labour in identifying returning or returned miners with skills needed in the industrial and service sector with a view to job placement (to increase efficiency and output as well as to reduce unemployment) with or without short retraining courses.

Labour

1. Improve labour (wage employment in formal sector) statistics as to coverage, articulation by type of employment and employer, and income distribution;
2. initiate studies toward developing systematic estimates of economically active population including familial sector, urban- peri-urban "informal" sector, casual employment with articulation by type of activity and income distribution (cash and total including self-provisioning);
3. conduct a sample personpower (manpower) survey to identify major skills, gaps and future requirements in coordination with Education's review of technical institution sectoral capacity by category (World Bank project relates);
4. seek to facilitate these data developments by liaison with Statistics on possible inclusion of relevant questions in the forthcoming National Census and its processing and analysis programmes.

Agriculture

1. In respect to Zonas Verdes:
 - i. build on existing surveys to identify research and extension priorities;
 - ii. seek to increase the present 33 to 50% of total machambas which are productive by means including, but not limited to, small-scale irrigation;
 - iii. identify areas in which machamba areas could be extended with a preference in allocation to absolutely poor, female headed, no salario income households;

- iv. implement a preferential policy for machambas, to poor households including self-organised co-ops of machamba holders and largely excluding allocations or re-allocations to medium to large commercial farms, in respect to existing Zonas Verdes machambas and any extensions to the Zones.
2. In respect to peri-urban rural areas (those at least nominally purchasing an estimated 40% of food from commerce network):
 - i. conduct studies similar to Zonas Verdes ones including question such as soil exhaustion in the areas and farming (by day walks to insecure farms) outside them;
 - ii. seek to establish extension and input supply programmes to augment production (primarily for household self-provisioning).
 3. In rural areas proper (initially primarily in relatively secure ones such as Cabo Delgado Plateau, Beira Corridor, selected districts in Niassa, Tete and Manica):
 - i. conduct a familial sector sample survey (or surveys) to identify farm/cultivated areas sizes, uses, crops, livestock, techniques (including rotation system, tools and inputs), housing/household equipment conditions, family income (including self-provisioning, produce sales, other income), in coordination with Commerce nutrition levels;
 - ii. on the basis of this study identify research, extension and input supply priorities;
 - iii. in parallel review research and survey results in relatively similar familial agriculture in adjacent countries (e.g. making use of SACCAR in Gaborone) to provide another guide to likely problems and potentially promising approaches;
 - iv. coordinate with Statistics on possible questions in Census to facilitate subsequent agricultural sector baseline data analysis and subsequent updating.
 4. Conduct sample surveys in densely populated (resettlement, peri-urban and limited secure zones) rural areas in which traditional familial

sector long rotation is not practicable to identify soil exhaustion and longer term ecological problems and possible new techniques, inputs or other measures to contain them;

5. coordinate with Commerce, Industry and Transport on issues relating to providing input, transport, market (to buy as well as to sell) access to increasing numbers of familial sector households to allow them to produce more for self-provisioning and sale and to incentivate them to produce more;
6. coordinate rural rehabilitation of nominally stable familial sector households production either with the Emergencia rehabilitation aspects or with a strategic Rehabilitacao programme (resettlement areas/farms; seed-tool-basic household equipment supply, interim food supply until a crop is harvested) components and seek to mobilise external finance (whether through Emergencia, Rehabilitacao or otherwise) to extend these to all familial sector households with an initial emphasis on newly secure or semi-secure areas (e.g. Angonia);
7. monitor the adequacy and equity of producer prices for the familial and small commercial farm sectors on an ongoing basis and seek improvements in Agricom and other marketing and transport sector enterprises' cost efficiency (private or public) to reduce the farm to market (domestic or export) cost share in the final price;
8. complete articulation and preparation for implementation of the agricultural aspects of the PDP (Priority District Programme).

Transport

1. Take rural income restoration and food security consideration into account in strategic project (Beira, Limpopo, Nacala Corridors and Sena Line) design and prioritisation while recognising that these will not normally be the dominant consideration in regional interstate route rehabilitation and development;
2. develop a phased rural transport infrastructure rehabilitation programme with rural production and food security aspects specifically addressed and encompassing Emergencia food distribution related infrastructural projects and - more particularly - with PDP and

Rehabilitacao (which potentially will, over 8 to 10 years, cover virtually all major rural areas);

3. pay specific attention to small and medium ports which provide the key to access for a significant proportion of the rural population with special attention to badly run down ones such as Mocimboa da Praia and Inhaca - a goal likely to be facilitated by separation of secondary and tertiary ports from Railways and Main Ports under a Domestic Ports Authority and attention to their needs within the structures of the relevant overall Provincial rehabilitation and development strategies;
4. facilitate build up of both public and private enterprise vehicle fleets and supporting access to spares and maintenance workshops including extension of existing programmes to secure externally soft-financed lorries to sell for MT on credit terms to private hauliers;
5. continue development of cabotage fleet and explore ways of assisting private informal sectors to re-establish small sailing and rowing vessel fleet which used to provide direct access for village and rural households near the coast or estuaries. This may require providing wood (e.g. from Cabo Delgado or abroad), other construction inputs and tools to reactivate artisanal shipyards;
6. encouragement to efficient use of public sector lorries by avoiding empty back-hauls (as grain supply lorries to Tete and Niassa do by securing Malawian export return cargoes and Charbomac coal export fleet by hauling grain from Zimbabwe to Tete) and by identifying ways to reduce waiting time between trips;
7. review of present regulated transport rates which appear uncoordinated with a range from impossibly low (some road traffic) to surprisingly high (coastal passenger traffic). Total deregulation may not be prudent given extreme scarcity of transport equipment and limited number of operators but if regulation is kept regular six monthly revisions are needed to cope with inflation and emergency ones to handle sudden, large (say over 20%) fuel price boosts;
8. subject to checking channel depth at the bar, re-instituting barge service on the Zambezi to Tete with 50 tonnes barges and pusher-tugs ferrying food up and coal (for domestic use), sugar or other products

back thereby restoring access to a not insubstantial population along the river. The barge route could terminate with transshipment to cabotage vessels at Chinde or (with four barge lashes) continue to Beira subject to weather conditions. (When the Sena rail line is restored to Caia, consideration could be given to transshipment at that point);

9. evaluate introduction of low-cost urban commuter transport (possibly using self-propelled cars) on the existing rail lines outside Maputo and Beira;
9. evaluate introduction of low-cost urban commuter transport (possibly using self-propelled cars) on the existing rail lines around Maputo and Beira to lower cost and facilitate ease of access to urban centres from canisa and peri-urban areas.

Planning/Statistics

1. Develop National Census question design and especially 1991/1992 Household Survey (UNDP project relates) in coordination with other Ministries to draw on their experience (e.g. Commerce Household Surveys) and to include key questions and processing facilities for providing them with processed and/or analysed information;
2. coordinating with Agriculture on the possibility of an early baseline sample census for the Agricultural Sector perhaps initially for Zonas Verdes, peri-urban and selected secure districts;
3. explicitly introducing human condition and absolute poverty reduction considerations into general analytical and programmatic work of Planning Commission staff;
4. develop its policy capacity to evaluate and coordinate Ministerial recurrent policies and operations - including in relation to absolute poverty reduction;
5. undertake overall coordination of the PDP at National and Provincial levels;
6. develop a capacity to evaluate total resource use in the Recurrent-Emergencia-Capital budgets in order to increase ability to analyse and

alter allocations in respect to national strategic objectives including reduction of absolute poverty;

7. introduce a broader set of criteria - notably in respect to direct and indirect benefits to poor and absolutely poor Mozambicans - to be applied to including, rejecting or amending projects proposed for the Investment Plan and for modifying, rephrasing or even dropping those now included where appropriate.

B.

Personnel: Numbers, Tasks, Retraining

Mozambique's public service is frequently characterised as too many, too little trained, too inefficiently allocated, too little paid, too expensive and too unproductive. Each criticism has a certain degree of truth but each is too simple.

The total non-uniformed government service is 100-110,000. That is not much over half the norm for a very poor country of 15,000,000. Further, outside health and education, the portion of norm is about one-third. Overall Mozambique needs at least as many civilian public servants as now - which is not to say in the same posts or all the same people.

Agriculture and Water need more at all levels and Works and Transport do at least at Provincial and District levels. Education may have enough teachers but not in rural areas. Districts may have wrong posts, but on the whole have so few staff - especially above very junior level - as to make decentralisation at design, technical and monitoring level to them a very long term process. Many Ministries may have too many posts loosely termed "administrators" but frequently operational administration (the getting system moving level between top level public service decision takers and action coordinators and lower level clerks/secretaries) is in fact absent.

Pay is too low. At the bottom it is a barely adequate foundation on which to erect a household income to stay out of absolute poverty. At the top it provides inadequate incentives for good public servants to stay in post rather than drive off to private sector and aid agencies or fly abroad.

Even 16 years after independence many staff have not been retrained to upgrade their knowledge and skills for the posts they hold. To begin doing that systematically and rapidly would appear urgent if existing, let alone expanded or new, programmes are to be run well. Each Ministry-Province needs to identify persons needing more training to do present or proposed new tasks and how this could be provided in Mozambique and - preferably - part time or night near work place.

These problems are not unique to absolute poverty reduction work but because much of it is new or represents a return to the countryside after an extended absence the weaknesses of public service capacities are likely to be peculiarly acute. New programmes should identify specifically:

- a. post required where, to do what, with what training and/or experience requirements;
- b. number of posts existing and capability and training levels of holders;
- c. what are minimum new post and training/retraining requirements looking five years ahead;
- d. what this will cost.

Overall issues - e.g. pay and other terms and conditions, "peace dividend" reallocations from uniformed to civilian public service financing - are not within the scope of this paper. They relate to overall public service review now in progress but evidently will effect the numbers and morale of public servants struggling against absolute poverty.

C.

Institutions for Decentralisation and Coordination

The structure of coordination - to allow both national frameworks and meaningful decentralisation - has been discussed in the last chapter. Because they are coordinative not conglomerative or parallel institution building, they depend on decentralisation in articulation, operation and on-going monitoring.

The key units in this are logically Provincial Directorates of operating Ministries plus those of Planning and Finance. If articulation, resource (including personnel), specialised service provision and operating level

coordination do not function at Provincial Level, then the struggle against poverty will remain a relatively empty slogan outside Maputo. There is no reason to assume each Provincial Directorate will need or want identical structure, but most will need more professionals and para-professionals and more training/retraining.

Decentralisation to Districts poses problems. With - usually - under 250 staff and (excluding Health and Education) very few professionals, Districts cannot be design-action-monitoring units with the same degree of decentralisation as Provinces. But they do need to be involved because direct user (including absolutely poor household) participation in design and monitoring - as well as implementation - can only operate in full at this level. How to structure it and to relate it both to public servants in district and to involved specialists from Provincial level requires painstaking attention and - once begun - an on-going review of effectiveness.

Building up District public service capacity is crucial to building up meaningful decentralisation to that level. While its general parameters fall outside the scope of this paper, some points can be made:

- a. over the 1990s both financial and training constraints will place severe limits on District staff build-up since Provinces are not so fully or comfortably staffed as to allow for massive transfers;
- b. Agriculture and Works are likely to need to enhance District capacity over the short run more than other sectors because cropping, grazing, agro-forestry, maintaining and constructing have more and geographically narrower contextual specificities than - say - Health, Education or even Water;
- c. installing over 100 planning units is totally unfeasible on staffing grounds. However, while the District Administrator should remain the central official, his non-Rehabilitation and Development workload may mean a Deputy RA specifically designated (and trained) to coordinate and monitor, e.g. PDP, Rehabilitacao at District level will be needed.

CHAPTER VIII.

AN EPILOGUE COMMENDING ACTION

The explicit and implicit requirements of the strategic and programmatic initiatives set out above are daunting. The tale of the swamp drainage worker beset by a flood applies: when you are on tip toe on not very firm ground with your nose barely above water and crocodiles are swimming toward you, it is difficult to remember you went in to drain the swamp. But - in respect to enabling poor people to produce more, to have access to infrastructure and to be provided with infrastructure to drain the swamp of poverty - that is what Mozambique and its public service set out to do. Now, when the waters of economic disaster have begun to subside and the crocodiles of war are being beaten back, is the time for the goal to be recalled and reasserted in practice.

The dream of development remains alive. Whatever their weaknesses, the amount of civil governance and the delivery of services that has survived protracted war and fiscal stringency are surprisingly high. The form a base for trying again (as the rabbit said when he set out to slay the elephant trampling on his family's homes - and, in the waSukuma folk tale, he achieved his goal).

But will alone is not enough. Knowledge, competence (including retraining), identifying priority programmes and sequences, mobilising and allocating resources matter. Each may be only one brick in the battlements of an overall strategy to overcome absolute poverty but without humble bricks no grand battlements can be raised and with half-baked ones they speedily collapse.

TABLE I.

POPULATION ARTICULATION: 1989

PROVINCE	U R B A N			R U R A L					TOTAL POPULATION
	URBAN (a)	SUB-URBAN	TOTAL	DISLOCATED (b)	AFFECTED (c)	COMMERCE CUSTOMERS (d)	OTHER (e)	TOTAL	
MAPUTO URBAN	1,050,000	-	1,050,000	-	-	-	-	-	1,050,000
MAPUTO PROVINCE	150,000	46,000	196,000	173,300	224,900	198,000	7,800	604,000	800,000
GAZA	50,000	41,500	91,500	38,500	657,800	87,500	324,700	1,108,500	1,200,000
INHAMBANE	120,000	77,500	197,500	187,900	425,000	152,000	347,600	1,112,500	1,310,000
SOFALA	212,000	43,300	255,300	125,000	195,000	142,538	524,162	986,700	1,242,000
MANICA	37,000	16,000	53,000	93,100	147,500	38,000	432,400	711,000	764,000
TETE	25,000	24,325	49,325 ^f	97,000	125,000	138,234	600,441	960,675	1,010,000
ZAMBEZIA	125,000	102,835	227,835	538,500	364,900	191,227	1,755,538	2,850,165	3,076,000
NAMPULA	287,515	42,500	330,015	200,500	535,900	209,185	1,667,400	2,612,985	2,943,000
CABO DELGADO	40,000	40,000	80,000	36,400	79,400	30,000	908,200	1,054,000	1,134,000
NIASSA	45,000	24,000	69,000	199,300	119,300	6,000	241,400	566,000	635,000
TOTAL	2,141,515	457,960	2,599,475 (3,597,159) ^g	1,689,500	2,874,700	1,192,684	6,809,641	12,566,525 (1,373,841) ^h	15,166,000

REFUGEES FROM MOZAMBIQUE - 1,200,000

a. INCLUDES CONCRETE AND CANICO AREAS BUT NOT NECESSARILY PERI-URBAN

b. ASSUMED TO BE 30% SELF-SUFFICIENT IN FOOD PRODUCTION

c. ASSUMED TO BE 40% SELF-SUFFICIENT IN FOOD PRODUCTION

d. ASSUMED TO BE 60% SELF-SUFFICIENT IN FOOD. LARGELY PERI-URBAN AREAS

e. RESIDUAL. INCLUDES STABLE RURAL HOUSEHOLDS BUT ALSO THOSE WHOSE STATUS IS UNKNOWN

f. TETE URBAN AREA SURVEY INCLUDES PERI-URBAN AS WELL AS URBAN AND SUB URBAN SO COVERS ON THE ORDER OF 100,000

g. 3,597,159 INCLUDES LARGELY PERI-URBAN RURAL FOOD CUSTOMERS OF MINISTRY OF COMMERCE COMMERCIAL NETWORK

h. 11,373,841 EXCLUDES LARGELY PERI-URBAN CATEGORY

SOURCE: ADAPTED FROM TABLE OF 30.1.89 PREPARED BY FOOD SECURITY DEPARTMENT MINISTRY OF COMMERCE

TABLE II.

ABSOLUTE POVERTY IN MOZAMBIQUE

<u>CATEGORY</u>	<u>% ABSOLUTE POVERTY</u>	<u>NUMBER ABSOLUTELY POOR</u>	<u>POPULATION</u>
URBAN	25-45% ¹	(535,000 (964,000)	2,141,575
SUB-URBAN	40-60% ¹	(183,000 (275,000)	457,960
URBAN SUB-TOTAL	30-50% ¹	(720,000 (1,339,000)	2,599,000
PERI-URBAN	40-60% ²	(477,000 (715,000)	1,191,684
URBAN/PERI-URBAN	33-57%	(1,298,000 (2,051,000)	3,597,000
DISPLACED	100% ³	1,690,000	1,690,000
SEVERELY AFFECTED	90% ⁴	2,587,000	2,874,700
OTHER RURAL	59% ⁵	3,405,000	6,809,239
RURAL EXCL. PERI-URBAN	68%	7,682,000	11,374,000
RURAL TOTAL	65-67%	(8,159,000 (8,397,000)	12,567,000
MOZAMBIQUE TOTAL	59-64%	(8,879,000	15,166,000
REFUGEES	100% ³	1,200,000	1,200,000
MOZAMBICANS TOTAL	62-67%	(10,089,000 (10,936,000)	16,366,000

NOTES:

- ¹ 30 to 50% range estimated from Maputo and Tete Household surveys. 30% is possible early 1989 improvement following increase in minimum wage of about one-third promulgated as of November 1988. 50% is mid-1988 position as surveyed. Sub-urban areas treated as somewhat poorer than urban proper.
- ² Rural residents purchasing food from Ministry of Commerce system. Partly standard peri-urban and partly ex-full scale farmers huddled in security zones. Low hectareage for cultivation and limited other sources of income.
- ³ Not all displaced persons and refugees have high rates of malnutrition or lack of access to health and education. But many do and in terms of other consumption and of income or the possibility of earning it virtually all are absolutely poor.
- ⁴ These are households which in general have lost almost all assets and have low levels of or opportunity for earned income like displaced persons some have fairly good nutrition levels from food aid and access to basic health and education.
- ⁵ Conservative estimate based on other low income African countries. Probably higher as in fact includes isolated and bandit enslaved households who are virtually all absolutely poor.

SOURCE: A POBREZA EM MOÇAMBIQUE, Republica Popular de Mozambique, Consultancy Report, February 1989

TABLE III.

RESIDENT POPULATION ('000)

Province	1980	1988		1990		1995		Area (km ²)
		N	E	N	E	N	E	
MAPUTO - CITY	755.3	929.8	1,047.4	979.4	1,143.8	1,425.4	1,425.4	602
MAPUTO - PROV.	491.8	605.4	420.7	637.9	441.6	873.7	498.4	25,757
GAZA	990.9	1,219.8	1,043.0	1,284.6	1,094.8	1,409.7	1,235.6	75,709
INHAMBANE	997.6	1,228.1	1,095.7	1,293.7	1,150.1	1,447.1	1,298.1	68,615
SOFALA	1,065.2	1,311.3	1,259.1	1,381.6	1,321.6	1,543.3	1,491.6	68,018
MANICA	641.2	789.3	723.6	831.2	759.5	923.7	857.3	61,661
TETE	831.0	1,023.0	867.1	1,076.9	910.1	1,213.9	1,027.2	100,724
ZAMBEZIA	2,500.2	3,077.8	2,594.6	3,241.8	2,723.3	3,619.5	3,073.7	105,008
NAMPULA	2,402.7	2,957.8	2,869.1	3,117.4	3,011.4	3,493.4	3,398.8	81,606
CABO DELGADO	940.0	1,157.2	1,122.8	1,219.8	1,178.5	1,372.9	1,330.1	82,625
NIASSA	514.1	632.9	479.3	666.6	503.1	751.4	567.8	129,056
COUNTRY TOTAL	12,130.0	14,932.4	13,522.4	15,730.0	14,237.8	18,074.0	16,204.0	799,380
URBAN AREAS	1,600.0	2,009.0	2,981.2	2,126.8	3,255.5	4,057.0	4,057.0	
RURAL AREAS	10,530.0	12,923.4	10,541.2	13,604.1	10,982.3	13,817.0	12,147.0	

Note: N - Normal
 E - Estimates discounting refugee and displace movements
 and estimated war-related deaths (Gersony Report)

SOURCE: Rodriguez, L.M./UNICEF 1989 - cited in The Situation of Children
 and Women in Mozambique, Maputo, 1990

TABLE IV.

POPULATION AND ABSOLUTE POVERTY ESTIMATES: 1990-1995

<u>Population(000)</u>	<u>1990</u> ²	<u>1995</u> ¹
Urban/Sub Urban	3,250 - 3,350	4,100
Peri Urban	1,150 - 1,250	1,300
Rural	10,000 - 10,500	12,200 - 12,400
Refugees	1,300 - 1,600	200 - 400
Total Population ³	15,700 - 16,700	18,000 - 18,000

<u>Absolute Poverty (000, %)</u>	<u>1990</u>		<u>2000</u>	
Refugees ⁵	1,500	100%	300	100%
Dislocated Persons ⁵	1,850	100%	350	100%
Affected Persons ⁵	2,850	90%	225	75%
Pauperised in Home District	1,000	100%	200	100%
Peri Urban	625	50%	390	30%
Other Rural ⁴	2,200	50%	3,450	30%
Urban	1,000	30%	615	15%
Total (of 16,500)	11,025	67%	5,530	31%
	(of 16,500)		(of 18,000)	

NOTES: ¹ Revised and adapted from Tables I, II, III for 1990. 1995 'Target' Assuming Peace and Absolute Poverty Reduction Strategic Priority.

² End of year.

³ Probable overestimate. Indirect loss of life - especially Under 5s - not adequately adjusted for unless an off-setting rise in fertility is assumed.

⁴ Includes sector familial households operating normally but also isolated/whereabouts unknown households and those under bandit coercion.

⁵ For 1995 those who have not yet returned home, resettled, restored output.

TABLE V.

**BROAD GOVERNMENT/PUBLIC UTILITY SPENDING:
MOZAMBIQUE 1990 VS WORLD BANK LTPS 'NORMS'**

	A. <u>Mozambique</u>	B. <u>LTPS</u>	C. <u>(%)</u>
	(\$ 000,000)		
Emergency	<u>350</u>	<u>(100)</u> ²	350%
Defence	225	(50)	450%
Other Recurrent	<u>325</u>	<u>900</u>	<u>36%</u>
Total Recurrent	<u>550</u>	<u>950</u>	<u>61%</u>
Capital	<u>375</u>	<u>1050</u>	<u>36%</u>
Total	<u>1275</u> ³	<u>2100</u>	<u>61%</u>
Per Capita ¹	\$ 85	\$ 140	61%

¹ For 15,000,000 Population

² () are interpolated estimates for sectors for which LTPS does not provide specific targets but - implicitly - assumes will exist at some level.

³ Not comparable to formal budgets because of incomplete bringing to budget of external finance. Also not comparable to Total Domestic Resources plus Total Aid because of approximate exclusion of Technical Assistance paid to donor's nationals not entering Mozambique national/external accounts (\$ 200-3000 million).

TABLE VI.

**RESTRUCTURED PUBLIC SPENDING
POSSIBLE TO 1995^{*}
(\$ 000,000 - 1990 PRICES)**

	Mozambique <u>1995</u>	LTPS <u>Norm</u>	% <u>M/LTPS</u>
Emergency	<u>100</u>	<u>(117)</u>	86%
Rehabilitation	250	-	-
Other Capital	<u>500</u>	-	-
Total Capital	<u>750</u>	<u>1225</u>	61%
Defence	120	(60)	200%
Other Recurrent	<u>560</u>	<u>1050</u>	53%
Total Recurrent	<u>680</u>	<u>1110</u>	61%
Total	<u>1530</u>	<u>2450</u>	62%
Alt. Capital ^{**}	500	1225	41%
Alt. Other Recurrent ^{**}	830	1050	79%
Per Capita ^{***}	<u>\$87</u>	<u>\$140</u>	62%

^{*} Assumes 5% annual growth domestic and external revenue and 4.5% resident population growth (including refugee return).

^{**} Transfers Rehabilitation to Recurrent Totals.

^{***} 17,700,000