



Mozambique

Balancing Development, Politics and Security

Jeremy Astill-Brown and Markus Weimer

August 2010



CHATHAM HOUSE

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Chatham House
10 St James's Square
London SW1Y 4LE
T: +44 (0) 20 7957 5700
F: + 44 (0) 20 7957 5710
www.chathamhouse.org.uk

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Map of Mozambique



Preface

This paper was commissioned by the United Kingdom's Department for International Development (DfID) to help develop an improved understanding across the British government of the challenges posed to peace and security in Mozambique. It is designed primarily to contribute to the development of British government policy (and related influencing strategy) towards Mozambique, and to raise awareness of potential risks to the British government's chosen approaches to the provision of development assistance. Although the paper is to a large extent informed by the 2006 Strategic Conflict Analysis – and indeed many of its findings are similar – its scope is significantly broader. It deals with issues of conflict but overall it takes the form of a political risk analysis focusing on the changing political and economic environment. As such it touches on issues of interest to the wider British government community, and proposes synergies between them and the development programme. The paper confines itself to higher strategic issues and offers a starting point for discussions across government for what action may be both possible and appropriate.

The research began in February 2010 with a period of literature review. This was followed in March by visits to Mozambique during which interviews (to gather impressions and perspectives rather than data) were conducted with donors, government, political parties, civil society organizations, academics and other interested parties. The preliminary findings were presented in Maputo in May 2010. Research was led by Jeremy Astill-Brown and Markus Weimer, with the assistance of Carolina Hunguana and Alex Vines.

The terms of reference for this project cover eight areas of interest, which are reflected in the structure of this paper:

- The nature, dynamics and causes of conflict in Mozambique, including its structural and institutional features;
- The nature of the political settlement, the way in which it is adapting and its current and likely future impact on poverty reduction in Mozambique;
- The influence of continental, regional and international factors including drug-trafficking and illegal cross-border trade, terrorism and fundamentalism;
- The principal challenges that threaten peace and security in Mozambique, and may undermine the main principles of the constitution and the commitment of the government to multiparty democracy, human rights and the rule of law;
- The interlinkages and dynamics between the main challenges to peace and security;
- The current and potential impact of conflict and other threats to peace and security on poverty reduction and achievement of PARPA goals, including on aid modalities;
- The role of external forces, including donor aid modalities, on the factors that influence peace and security in Mozambique; and
- Approaches to conflict prevention, management and resolution, including how the international donor community in Mozambique may best address conflict in planning for development programmes in democratic governance and other areas.

The political, social and economic situation in Mozambique is dynamic, and its interaction with development assistance is therefore also constantly changing. This paper necessarily offers only a snapshot in time. Given the political nature of relations between donors and recipients generally, and specifically in Mozambique, development assistance programmes might wish to incorporate some form of continuous political risk analysis function in their day-to-day operations.

About the Authors

Jeremy Astill-Brown is an Associate Fellow of Chatham House and an independent consultant in security and development issues. He is a former British diplomat with a 22-year career serving the UK Foreign & Commonwealth Office, specializing in African politics. He has worked in Uganda, Ethiopia, Angola and South Africa. In his capacity as the UK Regional Conflict Adviser for the Horn of Africa (2003–06) and Southern Africa (2006–09) he was responsible for the coordination of British government security and development policy across the Foreign Office, the Department for International Development and the Ministry of Defence.

Markus Weimer joined the Africa Programme at Chatham House as Research Fellow in December 2008. Previously he was a project coordinator for the Chr Michelsen Institute in Bergen, Norway. He specializes in the politics of sub-Saharan Africa (particularly Lusophone Africa), development politics, governance and resource management.

Executive Summary

Development

Mozambique has long been cast as a donor success story. Levels of poverty have fallen significantly in recent years. At the same time, economic growth has increased and Mozambique has managed to ride out the global economic crisis relatively well. The government of Mozambique and donors can take a lot of credit for these achievements.

But the pace of poverty reduction now appears to be slowing, perhaps as the easy wins are increasingly being banked. This may also be associated with declining standards of democratic and political governance. Indeed, there are signs that democratic space is being monopolized as an elite element within the ruling party, FRELIMO (the Liberation Front of Mozambique), consolidates its political and economic hold on power to the detriment of both reforming elements of the party and other opposition groups, and with potential impacts on (human) security.

An ostentatious display of wealth is observable among the ruling elite and their associates. This is coupled with widespread suspicion among informed commentators that their business interests, to some degree enhanced by their strengthening grip on power, are fuelled by corruption and are beginning to overlap with the interests of both domestic and transnational criminal networks. That these networks have been able to flourish suggests a gradual corrosion of state institutions charged with promoting and protecting the rule of law. This process seems to be gathering pace and may become increasingly difficult to reverse.

A number of direct threats to peace and security may flow from the increasingly weak nature of governance and enforcement institutions. Corruption and organized crime may permit the operation in Mozambique of transnational trafficking networks, dealing in everything from drugs and people to weapons and cars. The existence of such networks alone is not the main problem, although they may pose a security threat to the region and beyond, and to a lesser extent to Mozambique itself. The real issue is that the culture of impunity that has grown up around these illegal activities and their sponsors is a countervailing force working directly against government-led efforts to deliver basic services and to reduce poverty.

There is a clear demand for improved service delivery from a population for whom poverty (characterized by pervasive social, economic and political exclusion) is a day-to-day reality and a potential source of extreme frustration. High levels of drift from rural to peri-urban areas (in search of both employment and service provision) leave a strong concentration of poor, unemployed and aspiring young people struggling to survive and particularly vulnerable to economic shocks such as fuel price rises.

Although the proximate threats to security are to be found in narcotic and criminal networks, as well as the high degree of vulnerability to social unrest, the long-term solution may well rest in a high-level, strategic and political dialogue rather than just technical interventions in the security sector.

Following a period of relative success, some donors are becoming concerned that deteriorating governance may now be limiting the extent to which further poverty reduction can be achieved. Donor/government relations recently reached a crisis point, with donors threatening a suspension of budget support and demanding concrete action from government on certain governance-related issues before further payments were made. Despite the government's initially angry reaction to the 'donor strike', it became clear it was making serious efforts to address these concerns, and in March 2010 its offer of a package of concessions led the donors to revoke the threat of punitive action. There was an expectation

among donors and the majority of civil society observers that these concessions would be the minimum the government judged necessary to persuade the donors to turn on the flow of funding again. Observers feared that this was to be achieved as much by threatening the consensus for action on governance within the donor group as by agreeing to meaningful reform. The government may believe that the donors need to disburse funds as much as, if not more than, it needs to receive them.

Politics

Donors and government are separately keen to restore good and cordial relations. The developmental need is clear, and budget support donors are uncomfortable with the relatively blunt conditionality they have recently felt compelled to employ. But the budget support environment is not as well balanced as it seems at first. By reaching a break point with donors and then apparently rescuing the situation through agreement to a very minimal package of concessions, it is possible that the political (if not economic) ethos of budget support as an aid modality has been weakened in the eyes of Mozambican observers and the government, and particularly the ruling party, FRELIMO. The high ideals of budget support are at risk of being slowly eroded.

Now that the hiatus in relations is resolved, a political opportunity exists for better engagement with government – if donors are willing to seize it. But it will require both continued conditionality and very subtle political engagement.

FRELIMO's apparent tendency to centralize power (and information) – to the detriment of other political groups – masks an internal capacity for strategic analysis and scope for policy change (mostly centred on political survival). Discussions inside the party, including over access to the wealth opportunities presented by power and a discussion about the presidential succession and the nature of the Mozambican state in the future, offer the opportunity to development partners for long-term strategic political engagement with the party, including with reform-minded elements. But in the recent past, discreet dialogue with any element of the party (as opposed to government) has proved increasingly difficult, particularly in contrast to the ease of access to other political parties and groupings. At best such dialogue is labour-intensive and entails a very long-term approach. At worst it is unproductive, verging on counterproductive in the short term. These difficulties are compounded by FRELIMO's party cohesion and discipline, its skill at diplomacy and an instinct for both short- and long-term survival.

Nevertheless Mozambique merits continued donor investment – both to ensure its own sustainable future and to contribute to regional peace and security. Indeed, abrupt changes to existing donor support would represent a threat to the country's (and region's) stability. The challenge is to remain engaged and to ensure that development assistance is effective. In deciding to embark on a strategy composed of short-term pain for long-term gain, donors need not – initially – fear either the commercial sector or the attentions of non-aligned donors, such as Brazil, China, India or Vietnam. Although they offer potential alternatives for income and partnership, none is in direct competition to fund the kind of service delivery that FRELIMO knows is required, both to secure its electoral base (a primary concern) and to pursue poverty reduction (a secondary concern).

Security

But what donors (and to some degree government and party) should fear is the passage of time. While democratic weakness may be slowing the delivery of services and widespread poverty reduction, the social and economic factors that underpin popular discontent may be translating conflict risk into unpredictable social unrest. At the same time, the weak security sector is increasingly unable to counter the transnational threats to regional and global security that transit Mozambique, increasing external pressures for action that is probably beyond its political or technical capacity to implement.

This suggests yet another area of potential risk for Mozambique. As frustration with the lack of progress grows within the development donor community, there is a danger that their political and

security colleagues may also lose patience as they watch the potential for transnational threats grow within Mozambique. Tackling such threats sustainably is a long-term game requiring a mix of poverty reduction, broad-based economic growth and improved governance. But traditionally, major powers with immediate security concerns prefer to strike up direct and short-term security partnerships in their own interests. Such partnerships, built as they are on poor foundations of security-sector governance and on weak institutions, may be effective in countering immediate threats, but they also risk providing support to an increasingly remote elite in its efforts to retain power and patronage.

As such direct and short-term security partnerships take hold, the erosion (across society) of respect for the motives and methods of the donors will reduce their ability to win arguments for the necessary improved governance – broadly and in the security sector. Indeed, it may be that only those partners with direct security concerns (as opposed to developmental interests) will retain any kind of effective access or influence.

Porous boundaries, relatively weak governance and the collaboration of elites with transnational criminal networks coupled with a community of long-term immigrants from South Asia in the north of the country might suggest to some an additional threat of transnational terror networks using Mozambique as a transit point. There is some evidence that they have done so in the past. But close examination suggests that the risk is generally low. The settled and indigenous (largely Muslim) communities are generally well entrenched with Mozambique's political and economic elite and know well that their best interests would not be served by cooperating with any systematic effort to use Mozambique as a base or transit point for transnational terrorism. However, the weakness of the security sector and its vulnerability to co-option or corruption do not rule out ad hoc attempts to do this in the future. As with other transnational security threats, denying terror networks access to Mozambique is best achieved through sustained improvements in governance and poverty reduction, coupled with the creation of an effective security sector.

All these factors combine to limit the extent to which poor people living in Mozambique can enjoy human security. The UN Secretary-General's *Millennium Report* describes human security as encompassing freedom from want, freedom from fear and the freedom of future generations to inherit a healthy environment. It specifically links national security with improved human security that helps to reduce poverty, increase economic growth and prevent future conflict.

Many of the key threats to human and national security in Mozambique have some roots in poverty, and in the relatively porous nature of the country's borders, particularly its maritime boundaries. Mozambique has declared an Exclusive Economic Zone (EEZ) equivalent to approximately 70% of its land area. Properly managed, marine resources have the potential to contribute significantly to solving the problem of poverty and reducing Mozambique's reliance on donor assistance. The marine areas would need to be appropriately governed and policed. Improved management and oversight of the maritime areas with a view to sustainable revenue generation offers the potential to help both reduce poverty and improve maritime security. Furthermore, it offers a forward-looking and positive framework for discussions between donors and the government of Mozambique with the prospect of genuine economic independence for the country.

Summary of recommendations for donor action:¹

- **Re-politicize the dialogue.** Donors need to open an informal political dialogue with FRELIMO to better understand how to influence the ruling party and to complement formal relations with the government. Transparency initiatives and gathering and publishing data – about both poverty and donor investments – will help re-politicize the dialogue via civil society.
- **Exploit the common ground.** Changing demographics suggest that basic service delivery is vital to both poverty reduction and the continued rule of FRELIMO. The party and donors have much in common. Donors should continue to seek to deliver their support as broadly and deeply as possible, but should make clear that improved governance is essential. This will involve work in peri-urban areas as well as in rural areas.

1 See also Chapter 9.

-
- **Hold out firmly for real change.** Donors should hold out for significant improvements in governance, including much improved accountability and effectiveness in the security sector. Symbolic gestures by donors will be seen for what they are by informed Mozambicans, the government and FRELIMO.
 - **Support the security sector.** Security and justice are basic services demanded by all Mozambicans, including the poorest. The security sector should be encouraged to put the safety and security of the citizen on an equal footing with national security, and donors should help them by initiating a high-level strategic dialogue about the importance of human security in the development relationship with Mozambique.
 - **Balance short-term gain with long-term change in the security sector.** Where donors have an immediate security concern taking action to tackle it is appropriate. But security-led interventions should take place in the context of a demand for improved governance and wider security-sector delivery for Mozambique.
 - **Support civil society more.** Civil society and opposition parties should play an increasing role in any dialogue about development and political priorities. They require capacity and resources – including from donors – to do this. (But civil society organizations note that donor demands on them for accountability and transparency appear to outweigh those made on government.)
 - **Avoid delay.** A window of opportunity may exist just now. Left unchecked, both the erosion of state capacity to deliver security and justice services to ordinary citizens and rising levels of criminal activity, coupled with increasing tensions in the peri-urban areas, risk creating a ‘perfect storm’ of poor governance and insufficient service delivery. Over time, there is an increasing risk of unmanageable instability.

1 Introduction

Without a doubt, Mozambique has been a development success, and its government as well as international partners can take credit for this. However, after the easy developmental gains have been won, a more holistic and integrated approach to development may be needed to ensure continued poverty reduction in the future. This must take into account the complexities inherent in attempts to improve human security. Human beings require basic services such as health care, education and economic opportunities, but they also need to feel safe to be able to use these services. Development programmes or interventions that do not take these needs into account risk undermining the very impact they seek to have. Furthermore, if the security dimension of human needs is neglected the effects of insecurity and a culture of impunity and crime will corrode state institutions. This in turn will adversely affect the state's ability to deliver services. If the ill effects of insecurity become so great that they require a response, this will usually take the shape of a militarized or police-oriented tactical intervention that is likely to have a negative impact on both poverty reduction and the well-being of individual citizens.

Security is a public good that citizens require. To quote former UN Secretary General Kofi Annan:

Human security, in its broadest sense, embraces far more than the absence of violent conflict. It encompasses human rights, good governance, access to education and health care and ensuring that each individual has opportunities and choices to fulfil his or her own potential. Every step in this direction is also a step towards reducing poverty, achieving economic growth and preventing conflict. Freedom from want, freedom from fear and the freedom of future generations to inherit a healthy natural environment – these are the interrelated building blocks of human – and therefore national security.²

Human security is therefore fundamentally about being able to command resources in a continuous and predictable manner. These resources may include access to basic services, to markets, to economic opportunities, to education and certain kinds of schools, to land and to housing, as well as security itself. Commanding these resources may come about through purchasing power (money), social capital and links, political connections, nepotistic or clientelistic networks, geography, government policy and schemes, legal claims, etc.

Human security and development are linked by the health of a country's security sector. According to the OECD DAC Guidelines on Security System Reform and Governance,

Security matters to the poor and other vulnerable groups, especially women and children, because bad policing, weak justice and penal systems and corrupt militaries mean that they suffer disproportionately from crime, insecurity and fear. They are consequently less likely to be able to access government services, invest in improving their own futures and escape from poverty. [...] Support for security system reform forms part of this assistance. It seeks to increase the ability of partner countries to meet the range of security needs within their societies in a manner consistent with democratic norms and sound principles of governance and the rule of law.³

2 Kofi Annan, 2000 speech, quoted in *Human Security Now*, Commission on Human Security, New York, 2003, p. 4, <http://www.humansecurity-chs.org/finalreport/English/FinalReport.pdf>.

3 DAC Guidelines and Reference Series Security System Reform and Governance, 2005, p.11, at <http://www.oecd.org/dataoecd/8/39/31785288.pdf>, last accessed 11.05.2010.

If human security is the aim for the citizens of Mozambique, then security-sector reform (SSR) is one means to achieve that aim. In a situation where the internal and external pressures on government and development partners are growing exponentially and as a result poverty reduction is becoming increasingly difficult, all means that contribute to poverty reduction should be explored.

2 The nature, dynamics and causes of conflict in Mozambique

Eighteen years after the peace agreement was signed between FRELIMO (the Liberation Front of Mozambique) and RENAMO (the Mozambican National Resistance), Mozambique does not apparently suffer from any ongoing and organized conflict. But latent, and at times overt, violence is a feature of Mozambican society. Recent population figures are unavailable but according to UN data, in 2003 the urban population of Mozambique was 30% of the total; and the urban population growth rate was higher (3.3%) than that for rural population (2.0%).⁴ In addition, 53% of the population of Maputo are defined as poor. Crime – both petty and organized – is an additional dimension that may exacerbate and feed peri-urban and urban conflict and violence.

Rural areas

Rural Mozambique is seen by many as peaceful. Although services are often minimal or absent, it is widely assumed that access to land provides subsistence for the majority and may even generate an income for some. Furthermore, it is assumed that social networks in the rural areas are intact and act as a safety net that deals effectively with conflict, poverty and destitution. This image is shared by government and donors alike, and is promoted by the ruling party, FRELIMO. The main interventions by donors and government in rural areas relate to increasing access to services such as health, water, electricity and education, as well as infrastructure, access to markets and decentralization.

There is, however, an element of the Mozambican success story that profoundly challenges this image of a rural idyll. Foreign investments and, more importantly, the allocation of land to (often foreign) investors undermine and threaten the livelihoods of the rural population.

Rural livelihoods are intimately bound up with the land people have occupied for generations. This includes not only the material aspects (such as the fertility of the soil, the yield and types of crops) but also a spiritual relationship that is rooted in the land. Ancestral burial sites, spiritually significant sites of worship, as well as other sites of social significance, are all present in the land. While traditional coping mechanisms exist and are often able to deal effectively with conflict, violence, crime and other social tensions, they are closely linked to the physical environment.

Access to land provides subsistence, income and social safety. The three are intertwined, and the loss of land by rural communities can have an impact on all three aspects.

Land can be lost through mining/forestry concessions, industrial/commercial farming projects and environmental degradation.

Large-scale mining and agricultural operations often attempt to take into account local concerns. But frequently this results in addressing only the loss of subsistence and income, and only compensates communities for these (for example through employment, repatriation, housing, other land or monetary compensation). Wider issues of social safety related to the land tend to be neglected.

The failure to take into account the holistic engagement of rural populations with the land that they work can lead to tension and the potential for conflict. For instance, it is very common for large-scale mining operations that do not take a holistic approach to suffer at night from widespread sabotage conducted by the same people who are employed by the company during the day.

Smaller-scale mining operations involving individuals who provide equipment and pay locals to mine in their areas leave the link between the land and communities largely intact. Such operations do not

⁴ Data available at www.unmozambique.org.

affect spiritual and social safety and security to the same degree as large-scale multinational operations, but they tend to do more environmental damage. While the immediate impact on land and society is more limited, both are compromised over the long term by environmental degradation.

(Peri-)urban areas

High levels of rural to urban drift (in search of both employment and service provision) leave a high concentration of poor, unemployed, young and aspiring people struggling to survive. This is an increasing problem as Mozambique’s population grows rapidly, with peri-urban growth outstripping that in rural areas.

Figure 1: Population growth in Mozambique, 2008–25

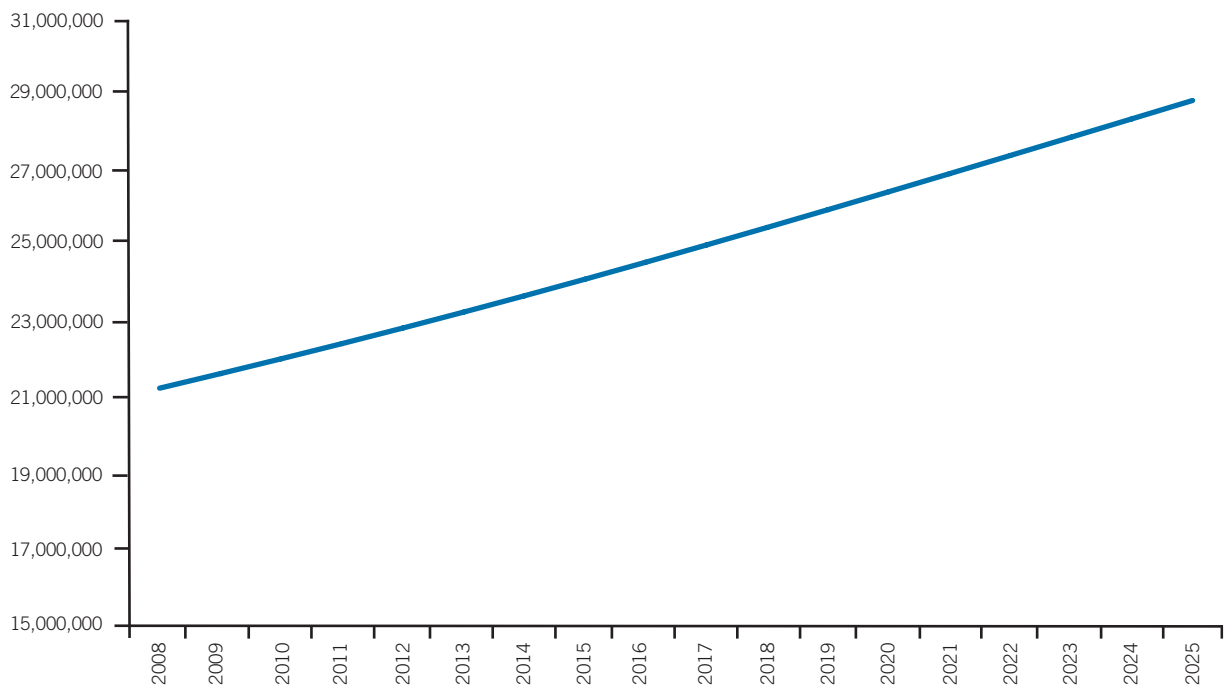
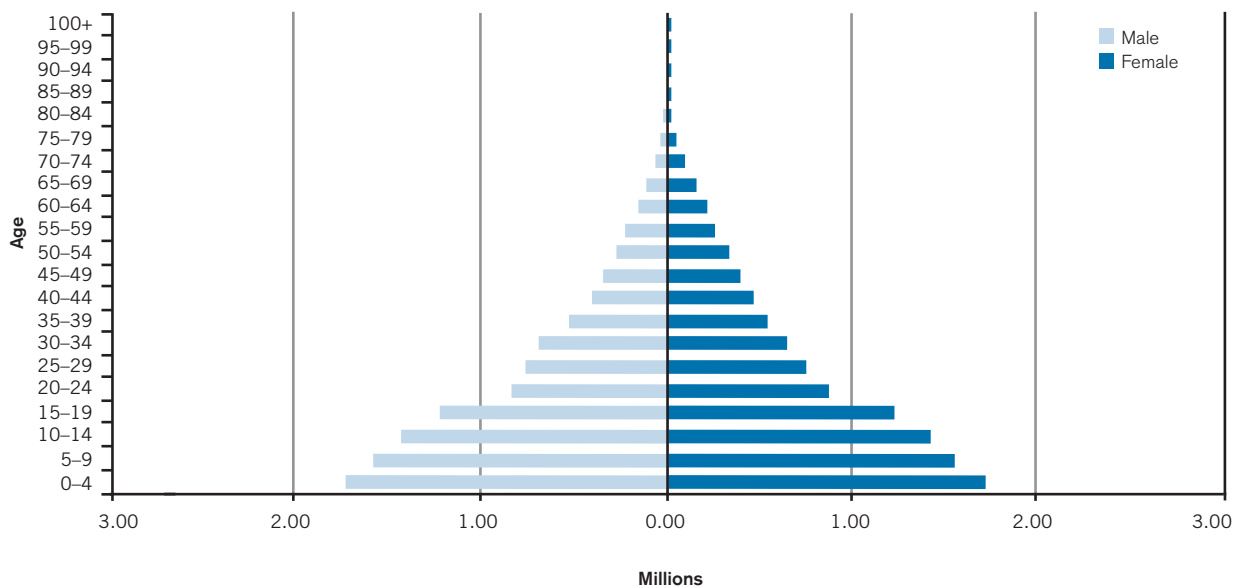
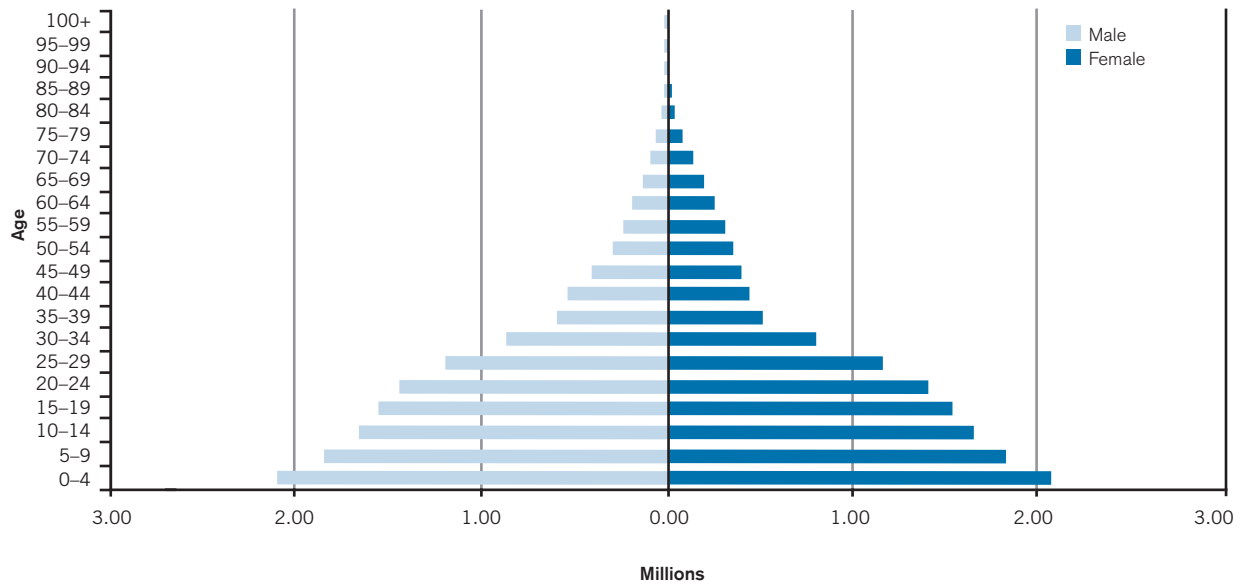


Figure 2: Population projections by age and sex, midyear 2008, 2020 and 2040

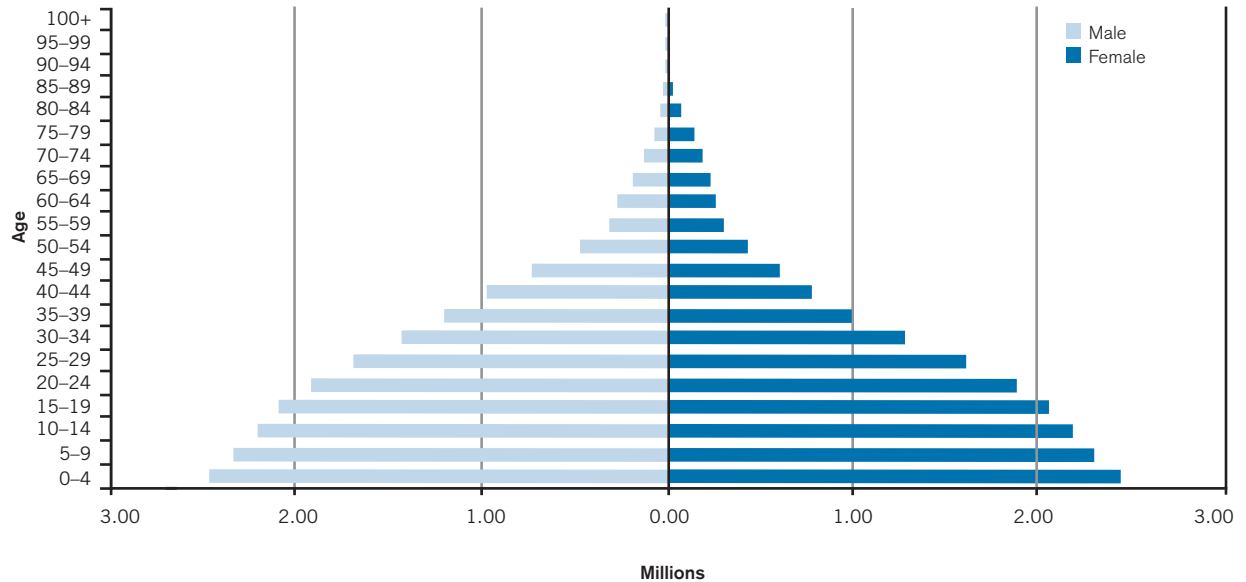
2a: 2008



2b: 2020



2c: 2040



Source: International Data Base, US Census Bureau.

Population growth and the drift to the urban centres are dramatically increasing the demand on state services and resources. Not only is there a clear demand for improved service delivery from a population for whom poverty (characterized by pervasive social, economic and political exclusion) is both a day-to-day reality and a source of extreme frustration, but the country’s projected economic growth may be too slow and too dependent on foreign investment to create sufficient economic opportunities for the increasing population, particularly in the peri-urban areas. An exacerbating factor is that while tertiary education has been expanded, it is sub-standard. This has further raised expectations, especially among the peri-urban youth, but the economy is unable to accommodate them and their skills set.

The peri-urban setting means that livelihoods are particularly vulnerable to shocks, such as increased costs of living resulting from increases in fuel prices or a reduction in food imports owing to supply constraints elsewhere. Such a large number of unproductive, disillusioned and impoverished young people is not only a source of potential conflict and crime in itself; it is also a ready-made constituency that can be mobilized and used for political or violent ends.

Crime and violence

In the urban and peri-urban areas, the main instances of violence are linked to criminal activity. For the purposes of our analysis, two broad categories of crime can be considered:

1. *Petty crime* involving gangs, informal criminals and ‘opportunists’. This type of crime is more or less constant but can spike – for example during election periods and holiday seasons, or during periods when large numbers of workers are subject to forced repatriation from South Africa. Petty criminals usually benefit directly from the criminal act (and use of force), and often make a living from it. This type of crime is also directly associated with poverty and the absence of economically rewarding alternatives to crime.
2. *Organized crime* involving criminal syndicates that often include personnel from the police and other law-enforcement agencies. The violence associated with this type of crime is usually targeted and is designed to achieve the group’s criminal aims. People or institutions not involved with the syndicate are not normally deliberately targeted. The type of activities can involve trafficking of all sorts, from humans to drugs.⁵

Crime is more or less constant in Mozambique, and has an impact on peace and security in the country. Although the level of all forms of crime is perceived to be rising, it is still relatively low by sub-regional standards. But there are other ‘latent’ factors that can feed and enable sporadic or even sustained conflict that is essentially not criminal in nature.

Sporadic violence involves citizens – usually very poor – who would not normally engage in any sort of violence or conflict but feel that they have no other choice. This type of conflict may be a response to shocks such as a rise in the cost of living above a level that people can meet, but it may also result from the mobilization of disaffected citizens by political agents and forces. This kind of conflict may include widespread rioting and looting, with economic, political or xenophobic concerns as its apparent basis.

Some instances of ad hoc and dispersed violence have been recorded during election periods, and violent crime is relatively common. During the fieldwork for this study four policeman were murdered while on duty, a women-trafficking network was uncovered, and a rigged motorcycle exploded in front of the house of a known drug dealer. The head of Mozambican customs was assassinated in late April 2010. One event of note was the outburst of public discontent – ostensibly over fuel price rises – on 5 February 2008, when all the roads into Maputo were blocked by rioters.

Sustained conflict will often initially look and feel like sporadic violence. Given the current circumstances, it is impossible to predict exactly where, when and why sustained conflict will break out. While the potential for political mobilization resulting in violence and conflict increases in line with peri-urban tension, we were unable to identify any individuals or groups currently wishing and able to exploit the situation. But this could change, for example in the context of a future election.

⁵ In actual fact the categories are fluid. For instance, petty criminals may also act at the behest of organized syndicates.

3 The political settlement and its impact on poverty reduction

Mozambique is still in a transition from a single-party state. Since 1975, the boundaries between state and party have become blurred and at times the two seem indistinguishable. A relationship between them undoubtedly exists; popular perceptions are that positions in the state apparatus are made contingent on party membership, and state contracts are often perceived to be awarded on political rather than technical merit. However, it seems that most donor dialogue with Mozambique assumes that engagement with the state apparatus is sufficient.

Although state and party are often conflated it may be more accurate to think of them as separate entities that overlap at certain points and for certain purposes. It is perhaps helpful to think of the state as a subsidiary of the ruling party. Just as a commercial subsidiary is linked to the parent company (e.g. through ownership, overall strategy or profits) yet is also independent (e.g. in planning, spending, operations and partners), the Mozambican state apparatus is similarly linked to – yet independent of – the ruling party.

At present it seems that party interests trump all, but it is important to remember that the logic of the party is different to the logic of the state, even if they appear similar. While both party and donors may share an interest in service delivery to poor people, for example, the motivation for this interest may well be very different indeed. Thus FRELIMO is content to see donor-funded service delivery programmes as well as donor funding in general, and clearly regards these as critical to ensuring the continued loyalty of its electoral base.

FRELIMO has been the ruling political party in Mozambique since independence from Portugal in 1975. The principal challenges to its primacy in Mozambican politics came from RENAMO – first as a rebel movement that waged a post-independence civil war against FRELIMO, and then at the polls, where as a party it nearly beat FRELIMO in 1999. Since the 1999 elections RENAMO has been on the decline as an opposition party and has not managed to significantly challenge FRELIMO’s hegemony.

FRELIMO has been steadily strengthening its position since 1999, eventually gaining an absolute majority in the 2009 elections. While voter turnout dipped after the 1999 elections, it has since risen again. This is largely due to efforts by FRELIMO to register as many new members as possible and get out their vote on election day.

Figure 3: Presidential election results

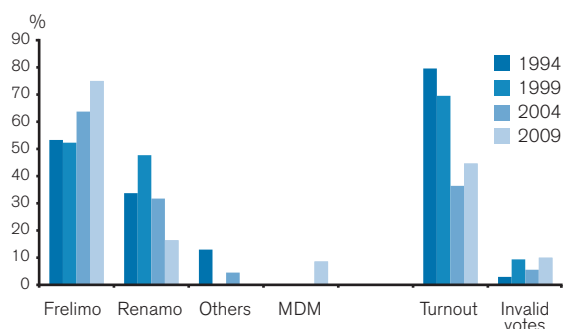
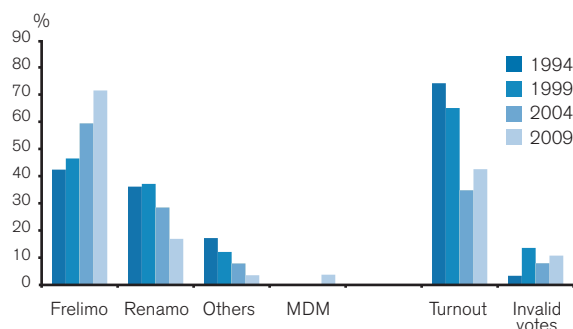


Figure 4: National Assembly election results



Source: EISA, Mozambique: Election Archive

RENAMO's decline since its 1999 heyday is largely due to the inability of its leader, Afonso Dhlakama, to manage the party's leadership succession. The party is still present throughout the country but its structures and networks are inactive and it is all but invisible. Dhlakama is holed up in Nampula, and probably has no political future. Yet he is extremely unlikely to step down, and his inability to reform the party led directly to the creation in 2009 of a new political party, the Mozambique Democratic Movement (MDM), a breakaway group of former RENAMO members led by Daviz Simango.

MDM was prevented from participating fully in the 2009 National Assembly elections, owing to an alleged failure to comply with regulations. It was excluded by the National Election Commission (CNE) in a move seen by many observers as politically motivated. The CNE is made up primarily of RENAMO and FRELIMO members, and arguably both parties had a vested interest in ensuring that MDM did not emerge strongly in the elections. As a result MDM was barred from running in nine of the 13 parliamentary regions. This caused concern among Mozambique's donors, who saw its exclusion as a violation of democratic norms. This created a rift between donors and government of Mozambique in early 2010, leading the former to threaten to withhold development assistance – the so-called 'donor strike'. Partly as a result of this, MDM is viewed by some elements within FRELIMO as a donors' puppet. Despite the legal obstacles thrown in its way, MDM won eight National Assembly seats in 2009, owing to its strong showing in Maputo city and Sofala.

MDM is not the first opposition party to have split away from RENAMO. Raul Domingos, a former RENAMO deputy leader, set up the *Partido para a Paz, Democracia e Desenvolvimento* (PDD) after being expelled from RENAMO in 2000. The PDD won 2% of the vote in 2004, but is now on the periphery of politics in Mozambique and is ignored by FRELIMO.

The opposition and most other democratic institutions in Mozambique are weak. The combination of FRELIMO's absolute majority in parliament and its tendency to centralize power has had a negative effect on poverty reduction as there are fewer voices to challenge governmental policies and to hold government accountable on promises made.

Since the country is in a state of transition, the exercise of power is not subject to sufficient checks and balances. While the fear of war and the need for peace acted as an internal constraint, this is rapidly diminishing with the consolidation of peace and the demise of RENAMO. The democratic institutions that would normally mitigate and limit the exercise of absolute power are in danger of crumbling under the FRELIMO party machine.

FRELIMO's desire to hold on to power might be considered normal. But in Mozambique, as a country in transition, it could be argued that different rules should apply, and that the party's absolutist tendencies are in danger of overrunning the limits and (timid) warnings of fledgling democratic institutions.

But all is not lost. As long as there is a demand for accountability by the people that stems from their desire for human security, and as long as FRELIMO feels the need to respond, the effects of such a dominant party can be positive.

There is hardly another institution in the country that is more pervasive than FRELIMO. The party is attempting to decentralize further and reach more people directly, while at the same time attempting to correct perceived and real regional imbalances, largely through political means. These deep-rooted networks perform an important function in the delivery of services and human security, and are perhaps unwittingly used by developmental partners and their programmes. The proximity of the party to the people also, in theory, allows it to listen to their concerns and grievances.

This is a direct benefit in the short term, and the party's urge to spread its power base as deeply and widely as possible may also yield positive longer-term results for democracy. With the ability to hear concerns directly comes the imperative to respond. This demand grows exponentially with the number of issues. FRELIMO's inevitable inability to deliver is precisely what opposition parties require in order to stage a challenge through the increased politicization of the population. Citizens will measure promises against delivery and if dissatisfied may look elsewhere. It must also be noted that it may be enough for the alternatives to be *perceived* as viable and real in order to have an impact on the policy and delivery of the party in power.

The forces for democracy and more accountable government are being forged at the local levels, and they filter up to the national levels rather than vice versa. In many respects, FRELIMO's strength is also its own weakness, providing opportunities for opposition parties to exploit.

This situation is exacerbated by the fact that increasingly people become members of FRELIMO not out of conviction, but out of (economic) necessity. If their interests are served better elsewhere they will chose that option instead. The party's ability to absorb an ever wider range of views and to satisfy an increasing range of demands will be tested over the coming years. As the development context in Mozambique continues to change, the easy developmental gains will have been won, and the demand for human security including employment, housing and security will increase.

While RENAMO is stronger in terms of parliamentary seats, MDM may nevertheless have a greater impact on governmental policy. RENAMO is perceived by FRELIMO as weak, divided, incompetent and with no political future. MDM, on the other hand, is perceived as potentially strong, held back from success by legal (and technical) obstacles and capable of forging a bright future. Whether this is true is irrelevant. The perception alone is enough to inject a sense of purpose and urgency into government processes and policies. There is an implicit concern that if the government does not deliver, MDM may win more votes in the next elections.

In this way, even though MDM is weak, small and associated with international donors, it is a force for better policies. The mere presence of a perceived viable alternative offers the potential for a positive impact on poverty reduction. That MDM is thought of as an alternative has of course much to do with the fact that it seems able to deliver services and other public goods to people in Beira, who elected an MDM mayor. MDM is thus a new and powerful democratic element in the politics of Mozambique and has introduced a sense of legitimacy into the equation.

In sum, while there are democratic deficits in terms of opposition parties, institutions and processes, there are also positive democratic forces at play. The risks to these centre on the perception of the likelihood of failure by the opposition forces (especially MDM). In this regard Mozambique finds itself at something of a crossroads. It is not a foregone conclusion that the transition in which the country finds itself will lead towards democracy.

4 International and transnational factors

Because of its geography and governance context, Mozambique lends itself as a transit route for a variety of illicit trafficking, ranging from drugs and weapons to humans. Although hard facts are scarce, some evidence is available. For example, during the fieldwork for this study a women-trafficking network was infiltrated and exposed by investigative journalists from South Africa. Mozambican women and children were lured by false promises of employment in South Africa, only to be sold on and forced into prostitution there. The gangs trafficked around 40 women a month, and charged the recipients ZAR 5,000 (US\$ 714) for each individual. The trafficking also included Chinese women who voluntarily travelled to Mozambique in container ships. According to the newspaper reports, the price for a Chinese woman was ZAR 7,000 (US\$ 1,000).⁶

Reports from the UK's Serious Organised Crime Agency (SOCA) also suggest that Mozambique is a major transit route for illegal drugs. Aside from a steady supply of Mandrax from India mainly intended for the South African market, cannabis (and derivatives), heroin and cocaine also transit through Mozambique. Heroin and other opiates can be traced from South Asia to Mozambique, where they are stored and shipped onwards. The major destination for these substances is Europe.

Increasingly, cocaine shipments from South America to Europe also transit through Mozambique. Some cocaine is smuggled into the country using 'mules' who carry quantities of drugs in their bodies. But far more is smuggled in by well-connected individuals who are able to ship container-loads of drugs through Mozambique. Consignments of up to a ton of cocaine have been traced leaving the country. While smaller traffickers who mainly use 'drug mules' rely on the general weakness of Mozambican enforcement agencies, criminal barons have the political connections to get such law-enforcement presence as does exist to turn a blind eye when their containers arrive. A Mozambican national has been designated a 'drug kingpin' by the US administration in June 2010.⁷

The dimension of the problem becomes clear when one estimates the values involved. In March 2009 the UK wholesale price for one kilo of high-purity cocaine from South America was £45,000. When diluted (cut) the volume is increased between eight and ten times, with a retail value of between £22,000 and £26,000 per kilo. If only two tons of high-purity cocaine transit through Mozambique per year their potential value in the United Kingdom is between £352 million and £520 million. By comparison, donor budget support pledges to Mozambique for 2010 totalled approximately £297 million. According to the UK Home Office, the total resulting economic cost to the British economy from Class A drug use in England and Wales in 2000 was an estimated £15.5 billion.⁸

Strengthening governance institutions, fighting corruption and generally reducing the susceptibility of countries to being used as conduits for drugs seem much cheaper alternatives than dealing with the cost of drugs on the streets of London and other European capitals. In Mozambique, although ad hoc low-level partnerships may improve the ability and capacity of the law-enforcement agencies to take action locally, sustainable system-wide improvements will require top-down political commitment and direction.

Mozambique occupies the place it does in the international drug trade because of its weak institutions and lack of control over its borders. These weaknesses are also exploited by people-traffickers (as mentioned above). The country's land borders are long and porous. They permit the easy and informal transit of goods

6 See 'Desmantelada rede de tráfico de mulheres', at www.savana.co.mz, last accessed 02/07/2010.

7 See 'O princípio do fim de um império', at www.savana.co.mz, last accessed 02/07/10.

8 Home Office Research Study 249, 'The Economic and Social Costs of Class A Drug Use in England and Wales', 2000, Christine Godfrey Gail Eaton Cynthia McDougall and Anthony Culyer, available at <http://rds.homeoffice.gov.uk/rds/pdfs2/hors249.pdf>, last accessed 04/05/10.

and people. (Examples of this include the transfer of large sums of cash to Zimbabwe, refugees from as far afield as Somalia and West Africa, informal fuel trading across the border with Malawi and illegal fishing on Lake Malawi.) Although in theory the customs and immigration authorities have the ability to be present at every formal point of entry, they cannot control the long stretches of open border between them.

In the national news, there are regular references to foreign nationals being found by police to be involved in criminal activity. The individuals concerned usually originate from across the continent, including the Horn of Africa, the Great Lakes region and even West Africa. The reasons for their presence in Mozambique are varied. Some seek to exploit weak border and immigration controls and to enter South Africa, while others (especially from West Africa) use Mozambique as a launch-pad for gaining entry into the EU (often with fake passports, including from Swaziland, Mozambique and other countries in the Southern African Development Community which are looked on more favourably in the EU). Some illegal migrants also seek out Mozambique as a destination for various activities ranging from unregulated/artisanal mining to trade.

There is also an influx of illegal migrants from South Asia into Mozambique. These are used as bonded labour by South Asians citizens/companies in Mozambique who usually also pay their initial transport costs. Many of these individuals (mainly poor, illiterate men) appear to originate from Bangladesh or the northwestern districts of Pakistan and then move to Islamabad. The main transit routes of these migrants are directly by sea to Mozambique but also increasingly by plane via Nairobi in Kenya.

It is possible that individuals with terrorist links and/or fundamentalist intentions also use Mozambique as a transit point. It is known that Jamaican-born Sheik Abdullah el-Faisal, the radical Muslim cleric who was expelled by Kenya in January 2010, travelled by road through Mozambique on his way to Kenya in an effort to avoid detection. El-Faisal is on a list of terror suspects who had contact with (and possibly influenced) Germaine Lindsay, one of the London 7/7 bombers. It is also believed that he radicalized Richard Reid, the failed 2001 'shoe bomber'. El-Faisal is thought to have had contact with (and possibly a role in radicalizing) Umar Farouk, the Nigerian man who attempted to destroy a US airliner in mid-flight on Christmas Day 2009. El-Faisal was expelled from Botswana for trying to radicalize young Batswana and allegedly attempting to set up a terrorist training camp outside Lobatse.

The fact that such an individual as El-Faisal has transited through Mozambique is not in itself a threat to Mozambique's security or peace. However, it raises the possibility that others with similar intentions might set up a training camp in Mozambique or attempt to radicalize Muslims in the country.

Mozambique seems to fit into a template of countries whose characteristics, according to some analysts, make them vulnerable to terrorist influence and operations (bases, training camps etc.).⁹ In the case of Mozambique these characteristics include a substantial Muslim population, a long 'undersecured' maritime and land border, being part of the 'Swahili coast' (stretching from Somalia down the eastern edge of Africa), an increasing influx of individuals from northeastern Pakistani tribal areas and (peri-) urban areas of Islamabad as well as from Swahili coast countries, state institutions strong enough to maintain order but too weak to prevent subversive operations, and a pervading culture of non-compliance – verging on corruption – within law-enforcement agencies.

In particular, the north of the country seems to fit this picture. However, by its very nature this type of formulaic analysis neglects the political dimension. For instance, it ignores the fact that all faiths present in Mozambique have had a stake and role in the peace settlement as well as the future of the country. However, this means a much lower putative risk that parts of the Muslim population might tolerate extremist violence, even if it were to be directed only at 'foreign' targets. Furthermore, given the country's history as a single-party state it is very difficult for any outside force to act without the knowledge and involvement of the ruling party. Local Muslim leaders are often also FRELIMO party members and rely on the party for their commercial, economic and political interests and success. Similarly, after decades of war, rural populations are extremely vigilant and report any unusual events or activities to their local authorities and thus to FRELIMO.

9 This is the view, for instance, expressed by analysts of the NEFA Foundation (USA).

Not only would it be against the interests of the Muslim community to undermine peace in Mozambique more broadly, but it would also run counter to its direct economic and political interests. Furthermore, it would be contrary to the interests of the ruling party to allow terrorists or fundamentalist forces to gain a foothold (or be perceived to be doing so) in Mozambique – not least for fear that it might expose some of their other business and political interests to unwelcome scrutiny.

However, terrorism, and in particular international efforts to counter it, may have indirect consequences for Mozambique. Whether or not terror camps are hard to set up in Mozambique, and whether or not it is difficult to radicalize Muslims who are also FRELIMO members, does not matter if the *perception* exists that this is possible and that Mozambique is a potential terrorist staging post. The typical international response to such a perceived threat will have an impact in Mozambique. In other countries along the Swahili coast, US-led counterterrorism efforts have tended to focus solely on ‘hard security’ means designed to promote Western interests first, rather than on genuinely collaborative security partnerships that seek to promote both local and global security interests. The result is usually an imbalance within the security sector that further undermines its legitimacy and credibility with the people whose interests it is supposed to serve – the citizens of its own country.

This issue is particularly pertinent with respect to the possible responses to the perceived or real threats from the sea. Mozambique’s maritime area (578,986 km² or 70% of its 784,089 km² land area) and long coastline (2,470 km) are largely ungoverned, permitting all sorts of illicit activity from trafficking to piracy and illegal fishing. A typical response would be to ‘harden’ the border through increased patrols, surveillance and rapid reaction capabilities. The natural local partner for such a response would be the national coastguard or navy, while the intended beneficiary is as likely to be the safety and welfare of the international community. While such a response might seem appropriate, focusing only on the ‘hard’ security dimension (for example naval equipment and special forces capabilities) neglects and ignores some of the other elements and aspects that support the wider security of the maritime environment (and that may also be far more effective). As a consequence, (i) maritime security is tied to – and limited by – the cost of the military operations, and (ii) the negative effects of ‘hard’ security responses are not mitigated by ‘soft’ security networks that shield and protect human livelihoods.

Rather than seeing maritime security as a threat that must be tackled by – often external – military means (requiring a great deal of money), it is far better, and cheaper, to take a more holistic approach to maritime security issues centred on human rather than state security.

Such a conceptual shift would take as its guiding principle the need to maximize and develop the national economic benefit that can be derived from the sea. Many of the ‘hard security’ threats present in the Mozambican sea space are also threats to human security and wider poverty reduction, and are therefore threats to the peace and security of the country. By conceiving of the sea as a complex and diverse economic resource which needs first to be developed and protected and then to be policed, the purpose of maritime security interventions can be moved towards Mozambican national development priorities and away from the narrow interests of international actors.

Maritime resources – including predicted oil and gas finds – are a substantial current and future source of revenue for the Mozambican state, but they need to be properly regulated and secured. Ultimately this may involve ships, drones and other military hardware in the hands of a capable and well-equipped coastguard or navy, but the rationale is a completely different one from a purely military threat analysis. The revenue potential of securing tourism and fish stocks alone is significant and would help to make the necessary enforcement capacities more affordable.

There are already moves afoot within Mozambique to take a more holistic view of maritime security and development issues. For instance, the idea of taking an integrated approach to maritime security is being developed at the Higher Institute for International Relations (ISRI), and a new centre on maritime security is being established at the Universidade Eduardo Mondlane (UEM).

5 Challenges to peace and security

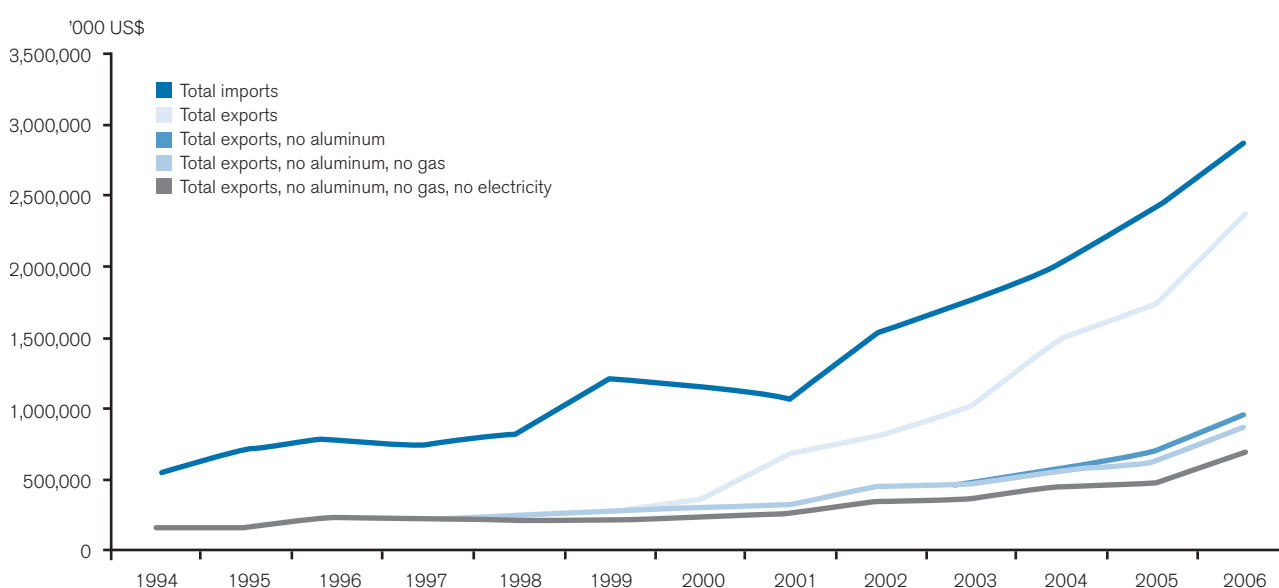
The principal challenges to peace and security in Mozambique relate fundamentally to a lack of *human security*. Furthermore, violence and conflict can flow from threats to human security, and the lack of such security gives rise to latent conflict-related tensions.

Contrary to perceptions, this is the case for both (peri-)urban and rural areas, though with different symptoms and causes. Ad hoc mechanisms may exist to enhance human security but often these are unpredictable and precarious, and they will be increasingly challenged as the population becomes more urbanized. Two other factors are important: first, the economic growth foreseen for Mozambique is premised on productive activity that excludes large proportions of the population (for example the so-called ‘mega-projects’) and therefore has little or no relevance for the average person; and, secondly, even if economic productive activity does become more inclusive, the growth rates (actual and projected) are unlikely to be high enough to sustain projected population growth.

Mozambique’s economy is to a large extent one of consumption (and increasingly also services) rather than production. Such production as exists and contributes to the overall positive macro-economic picture is largely based on mega-projects such as the aluminium exports from the Mozal smelter, and rents derived from natural resources (natural gas and hydropower). While exports are set to overtake imports in the near future owing to increased exports of commodities including coal, the fundamental dynamic and premise of economic production in the country remain unchanged.

If the risk of conflict, instability and insecurity in Mozambique is to be reduced by increasing the human security of its citizens, a fundamental change in the foundations of the economy will be required – away from consumption and towards production. This shift will need to be accompanied by a change in the nature of Mozambican politics, towards a more accountable and democratic system that is – in more than just theory – fairer and more efficient at delivering services and people-centred policies.

Figure 5: Mozambican imports and exports, 1994–2006



Source: Instituto Nacional de Estatísticas (INE)

Before and during such a shift, donors would have a key role to play in helping to secure the human security of Mozambican citizens, primarily through the provision of accessible services, including access to justice, but also by helping to focus the government's priorities, holding it to account, providing it with funds for programmes and policies, and being a partner for positive change. This support will be required until such time as Mozambique is able to generate sufficient sustainable revenue through a more diversified economy. The challenges are many and complex, but include many areas where donors are already engaged. Until then, radical or sudden reductions in spending patterns or changes in modalities may adversely affect the wealth and human security of Mozambicans and increase the risk of conflict.

The concept of human security as used here also relates directly to human rights. A person who can access the various resources described above – i.e. who enjoys well-being and human security – is also likely to be a free person with options and alternatives. At the other end of the spectrum are people who do not have the ability to command resources and are therefore also likely to have difficulty accessing the full range of their human rights.

In many ways the concept of human security is a positive description of the rights enshrined in the Universal Declaration of Human Rights as well as the African Charter on Human and Peoples' Rights (Banjul Charter), which has a particularly strong focus on social and economic rights, and to which Mozambique is a signatory.¹⁰

Thus a failure to promote human security for citizens and to provide a just framework of opportunities for them and their communities not only constitutes a failure to protect people from the risk of increased conflict and violence, but may also represent a failure to promote and protect their human rights.

The primary threat to the state deriving from a pervasive lack of human security is that of localized conflict, violence and instability, as seen during the February 2008 riots sparked by the rise in fuel prices. But such localized events are potentially contagious and are vulnerable to exploitation for political ends. In extreme cases, they can develop a momentum of their own. As they evolve, the protagonists can lose sight of the original causes of the conflict and adopt new grievances and issues, which in turn feed further violence.

The nature of the response to instances of conflict and violence – however caused – is extremely important. It can directly influence the length and intensity of the conflict. In the case of Mozambique, the security sector has little experience of managing this kind of violence, particularly using non-violent means. As a consequence, the chances of localized conflict, once started, becoming more entrenched are high, partly as a result of state efforts to prevent it.

If the absence of human security is a driver of conflict, and a democratic system is more likely to deliver human security than any other form of governance, then any undemocratic tendencies that undermine the rule of law and the constitution are likely to increase the country's vulnerability to instability.

For instance, there is an argument that a single strong party provides national cohesion, and that stability would be threatened if small parties became too powerful. Kenya is often cited as an example of a country where the competition for power was too finely balanced and led to a split; while, conversely, a stable, united and ultimately peaceful Mozambique under FRELIMO is often cited as an example of the benefit of a strong ruling party.

But this argument is flawed. Fieldwork for this paper suggests that FRELIMO's strength derives in part from its control of the state, and the extent to which the state delivers services to the population – largely using donor resources. (Indeed, this appears to be FRELIMO's own analysis.) The strength of the party is fundamentally related to how well it promotes the human security of its citizens, rather than its presence throughout the country. The assumption that the party's presence alone secures public harmony and peace is, at best, dubious.

In efforts to promote and protect human security, effective opposition parties, civil society organizations, trade unions and academic institutions are all just as important as the will of the ruling party. They question and test government priorities, policies and strategies with the aim of improving them. In this respect civil society may be ahead of both party and government in understanding the long-term benefits

¹⁰ <http://www.achpr.org/>.

of an effective, pro-poor security and justice sector. Multiparty democracy and the rule of law are therefore important elements of a peaceful and stable country where people can expect increasing rather than decreasing human security. Activity by the state or ruling party that undermines these important building blocks of democracy poses a direct threat to the peace and security of the country.

6 The interlinkages and dynamics between the main challenges to peace and security

A democratic system of governance, by its very nature, implies a fairer allocation of government resources and policies than any other system. This is primarily because the leadership relies on the electorate to remain in power. In order to be re-elected the government has to earn legitimacy in the eyes of the voter. The extent to which this is achieved is related to the government's ability, within its means, to deliver on the people's needs.

Many of Mozambique's democratic institutions are weak, embryonic or absent. This applies equally to the government, the political opposition and parliament. These weaknesses are compounded by an electorate that has low levels of literacy and is broadly unaware of its entitlements and rights.

Mozambique's democratic deficits represent the main challenge to peace and security in the country because they reduce government's ability to promote the human security of people through the development and implementation of appropriate people-centric policies, investments, measures and interventions.

In this country in transition there are, however, some democratic forces and institutions that have a positive effect. The media are vibrant, critical and broadly independent. As noted above, the fact that MDM is *perceived* to be a potential challenger to FRELIMO (however unlikely) has also had an impact on government policy. There is therefore a sense of urgency to ensure that the ruling party 'delivers', especially in the areas where MDM was seen to be strong (or might have been strong if it had not been barred from running in the election), i.e. urban and peri-urban areas.

Nevertheless a number of dynamics combine to undermine these vulnerable democratic forces. Various nexuses exist that provide small groups with the ability to appropriate resources (rent, contracts, power or influence) through undemocratic means. Sometimes this happens by default because of the lack of democratic checks and balances, but at times it is by design. These nexuses include the crime/state/economy nexus, the state/party/business nexus and the donor/state/party nexus. These three nexuses work together to stifle and restrict the emergence of democratic forces in Mozambique, which in turn reduces government's ability to deliver services to the population in an efficient, targeted and effective manner. This then increases the risk of conflict in the country.

The crime/state/economy nexus

Criminal networks operating in Mozambique are one of the greatest dangers to incipient democratic forces. The money that flows through these networks corrupts public servants (including the police force) and provides a strong incentive for individuals to substitute a public service ethos for personal enrichment. As a consequence the police (and other public servants) fail to perform their function of promoting and protecting the rule of law. This has a corrosive effect on state capacity. The resulting organized crime networks that have sprung up in the country are best seen as a disease that has the ability to infect elements of the state apparatus by creating a parallel or shadow economy of corruption and malpractice. Apart from potentially hijacking policy and government priorities away from the public good, illicit funding from organized crimes can also skew the democratic playing field when it is used to support political campaigns. It can also seriously undermine democratic institutions such as the media through 'brown-envelope journalism', intimidation and even assassination. In a worst-case scenario this can result in a state captured by criminal priorities.

This is a 'lose-lose' situation for everyone. Although Mozambique is a major transit point for various illicit goods and has seen violence connected to organized crime, the influence of crime on public policy still seems to be the exception rather than the norm. This is in no small part due to the large amount of

financial support the country receives from donors and the (stated) requirements for accountable public policy that this entails. There is, however, a danger that with receding aid budgets and reduced aid flows, the relative importance of criminal finance in Mozambican politics will increase over time.

The state/party/business nexus

Mozambique's transition is not yet complete. However, compared to the rather slow and difficult evolution of the democratic forces, the capitalist instinct seems to have been catapulted out of its historical stranglehold and is flourishing. This means that opportunities for enrichment abound but access to them is limited to a small group. It is very much tied to being part of the political elite, which usually means having access to or being a high-ranking member of FRELIMO. This is a factor that increases economic freedom for the elite and stifles democracy. Such a strategy of exclusive enrichment is not necessarily deliberate, but is in danger of becoming so, since vested economic interests mean some party members and public office holders have no stake in strengthening democratic forces in Mozambique. This force should not be underestimated as a hindrance to reform and democratization in the country.

The donor/state/party nexus

The relationship between donors and the state is important but is too often misunderstood, as is that between donors and FRELIMO. It is another potential hindrance to the development of democratic forces in Mozambique. This is because the government appears to be far more accountable to donors than to any other democratic public institution in Mozambique, with the possible exception of FRELIMO. Donors (or Programme Aid Partners, PAPs) have a contract with the government that obliges them to listen to each other, negotiate and reach consensus on a variety of highly important policy issues. PAPs have some of the best access to information, including from government databases and sources, and have long-term and predictable support and funding structures that lock them into partnership over extended periods. No other civil accountability or oversight bodies in Mozambique have the same relationship with the government. Although PAPs attempt to strengthen democratic forces in Mozambique, for instance by supporting civil society actors in the country and even including them in the negotiation and consultation process, these actors and the organizations they represent are rarely robust enough to play the role projected onto them by PAPs. They are consequently squeezed out of the policy space. Often the only option for such organizations is to allow themselves to be co-opted by the government side in the negotiations in order to remain part of the process and to continue receiving donor funds.

The effect of donors occupying most of the political space in relations with the government also leads to the situation where any actor or organization that raises important issues and demands accountability, fairness and reform starts to sound like the donors. In the case of an opposition party such as the MDM this can be a severe weakness. Already the MDM is seen by both government and FRELIMO as too close to donors, and it is even regarded by some as a PAP creation.

While the government is accountable to donors as described above, it is primarily accountable to the party (and the powerful groups and individuals within it), and there may thus be competing priorities. The main function of the government in the context of external relations appears to be to balance these potentially conflicting requirements. In this sense FRELIMO is the donor's biggest competitor and should be understood, in this context, as distinct from the state. Misreading the relationship between party, state and donors impedes the donors' ability to achieve their objectives.

7 The impact of conflict and threats to peace and security

Just as poverty and the lack of access to services can lead to conflict, conflict in turn acts as a brake on poverty reduction. Poor governance and inadequate security provision risk the creation of ‘no-go’ areas where conflict and violence are prevalent and services retreat. Traditional responses to conflict and violence (security force intervention, imprisonment and ‘crack-downs’) that do not address their underlying causes can easily compound grievances, leading to yet more conflict, and can contribute to an environment where poverty reduction efforts fail.

Likewise, insecurity and conflict have a negative impact on the poverty reduction goals described in the Mozambique Action Plan for the Reduction of Absolute Poverty (PARPA). When conflict and violence occur, the immediate focus shifts away from long-term poverty reduction and towards short-term conflict responses. In an extreme situation this might require a change in aid modalities that could further undermine PARPA goals.

In a situation of widespread conflict, traditional and ongoing assistance and aid modalities may well give way to humanitarian responses. Traditional modalities (including direct budget support) have long-term poverty reduction as their central aim. As noted above, future conflict in Mozambique may derive in part from a lack of services and perceived injustice. Development programmes work to address these underlying issues. Any resulting new focus (e.g. a more humanitarian approach necessitated by conflict) would be less concerned with poverty reduction and thus might be vulnerable to accusations of addressing the symptoms rather than the causes of the problem.

Changes in current aid modalities and priorities (resulting, for example, from conflict, violence and/or other external impacts, including political developments in donor capitals or changes in donor policies) will have negative consequences for peace and stability in Mozambique. The government (and more importantly FRELIMO) relies on PAPs for the provision of services such as health and education to the population, and the development of the country in general.

Reductions in future funding therefore need to be carefully calibrated and planned in order to avoid a situation where basic service provision previously reliant on donor funding can no longer be sustained. Such a situation would result in an immediate decrease in quality of life for poor people and an increase in the cost of living. This would be primarily due to lack of funds to support services, but also in the longer term to the increased cost of imports as a result of a weakening of the metical following a reduction in foreign currency receipts. In an import-dependent economy such as Mozambique’s, this would have a noticeable and immediate impact. The events of 5 February 2008 provide an illustration – and a lesson. On that day various factors combined to result in a rapid net increase in the cost of living for people in Mozambique. In a very short time protests were organized that cut off Maputo from its import routes and quickly forced politicians to reverse a planned cut in fuel price subsidies.

While the current need for development assistance is clear, it is inevitable that one day either donors or the government, or both, will wish to move to a new form of partnership characterized less by aid dependency. Mozambique needs to develop an economy that is more diverse and self-sustaining and not donor-dependent. Managing this transition will require agreement on the type of economy Mozambique wishes to have. It will need to be able to sustain and provide employment for the increasing number of young people, as well as providing for good governance and an improved security capacity. A successful transition strategy could include helping the government to ensure that future revenue streams for the country are protected from rent-seeking and private enrichment. It could also include integrated resource management systems and a regime for the effective and sustainable exploitation of the country’s Exclusive

Economic Zone where various economic interests overlap (including livelihoods, tourism, commercial and artisanal fisheries, sub-sea hydrocarbon resources, shipping and maritime security, as well as other regional interests).

Stability in Mozambique, based on equitable growth, peace and security, is also important for Southern Africa as a whole. The increasing interdependence of the region's countries, peoples and economies means that shocks in one country can have an effect far beyond its national boundaries. To some degree, this growing level of mutual reliance across the region explains why in 1995 Mozambique joined the Commonwealth, whose membership includes almost all the other countries in the region.

8 The role of external forces

According to the Memorandum of Understanding between the Government of Mozambique (GoM) and the Programme Aid Partners (PAPs), the two sides:

wish to develop a partnership based on frank and open dialogue [focused] on the GoM's Performance Assessment Framework (PAF), which is a multi-annual matrix of priority targets and indicators based on the PARPA.¹¹

The PAF is an integral element in dealings between the government and the PAPs since the indicators and targets it contains are used to measure and track performance.

The indicators are a product of consensus and bargaining among PAPs, and between the PAPs and the government. This has its own dynamic, which results in concessions and diplomatic considerations being inherent in the choice of PAP indicators. In addition, there is a scarcity of reliable data available in setting the baseline necessary for measuring annual progress; and it is often not clear on the government side which ministry is in charge of providing the data required for the PAF indicators.

This confusion is compounded by apparently differing priorities among the donors. For example, south European states (Portugal, Italy, Spain) appear to attach less importance to issues of governance than north European states (the United Kingdom, Sweden, Norway, Denmark).

Finally, the relative weight of each PAF indicator is undefined and unclear in the overall process. This leaves open the option for individual interpretation and action by donors.

Although all PAPs have the same voting power, north European states provide by far the biggest share of general budget support, with many of the smaller contributors providing only token amounts.

While these factors may explain the choice of indicators in the PAFs, they also raise questions about the ability of these same indicators – which are essentially the lowest common denominator of a donor consensus – to measure anything meaningful.

The politicking that goes on is evident when indicators are 'evaluated'. In the 2007 PAF, there was an evident lack of consensus and determination in arriving at the value of an indicator relating to the number of days required to start a new business in Mozambique.¹² This was in large part due to the process and the various levels of hierarchy involved in its verification.

During lengthy discussions at the Working Group level, the indicator was evaluated as positive without apparently being based on a reading of the facts. The decision appeared to have been taken in part because of the intransigence of the government representatives, who had delayed the whole process to such an extent that pressure of time led to a potentially flawed evaluation. PAPs sought an opportunity to rectify the situation. When the Working Group report was discussed at the higher PAF Coordination Group (PAF COG) level, at which Heads of Cooperation (HOCs) and national directors participate, the PAP representatives won their case for a revised evaluation, and the government delegation accepted their arguments. At the next higher level (including the troika and political dialogue with HOCs, Heads of Mission and government ministers), the Mozambican side again reversed the evaluation, referring to the original Working Group findings. One participant said that the PAP representatives were 'ill prepared to meet this challenge'. And thus the positive evaluation of the indicator stands.

¹¹ *Memorandum of Understanding between Government of the Republic of Mozambique and the Programme Aid Partners for the Provision of Direct Budget and Balance of Payments Support (MoU)*, page 3, point 4, www.pap.org.mz.

¹² Indicator 31 (No. of days needed to start a business), World Bank, *Doing Business Annual Report*.

During discussion on the justice sector indicators, the government team employed a delaying tactic, withholding information, data and documents sometimes for months, only to produce a *fait accompli* on the eve of the final Joint Review negotiations at the highest level. This has been described by one European Ambassador as ‘systematic sabotage’ of the process.

These episodes illustrate not only the politics behind the statements, results and choice of indicators, but also the risk of devaluing the whole PAF methodology in the interactions between the government and the PAPs. This is damaging to relationships between donors, as well as between PAPs and the government. It also risks having a negative impact on both donor and government poverty reduction efforts.

The Annual Review is an exercise to determine the flow of funds in the future, as is the dialogue between PAPs and the government. But, equally importantly, it reflects on the challenges and issues facing Mozambique. As such it is an extremely important basis for future policy and should be treated as such by PAPs and the government. This means that indicators should be real and assessments of progress accurate. If the basis for policy is skewed, any resulting action risks being imperfect. This in turn makes real development and poverty reduction harder.

In the wake of the elections in Mozambique an unusual and unprecedented degree of unity within the ‘G19’ group of donors has been perceived.¹³ They have spoken with one voice and have made clear to the government their concerns regarding both specific electoral issues and wider governance questions. The PAPs also threatened to withhold funds if their concerns were not addressed. In this case results were achieved, albeit in a very confrontational and unsustainable way. Nevertheless, PAPs should work to maintain this unity among themselves (and within the G19) and exclude the political ‘games’ that have characterized previous negotiations and dialogues internally and with the government. This unity should be preserved even if it is at the cost of creating a two-tier system of donors: one group of ‘like-minded’ donors who provide the bulk of general budget support and have clear visions of developmental successes, and another group of self-interested pragmatists who are merely sitting at the table in order to be one of the G19.

13 The G19 is the group of countries and institutions that support the budget of Mozambique directly through the general budget support aid modality. They include the African Development Bank, Austria, Belgium, Canada, Denmark, the European Commission, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the World Bank. G19 observers include the International Monetary Fund, Japan, the UN Development Programme and the United States.

9 Approaches to conflict prevention, management and resolution

The easy developmental wins in Mozambique have largely been achieved, and government and donors played an important role in this. But looking towards the future, the challenge of delivering – and paying for – basic services alone is substantial. Demand for change is growing within the country, largely from an increasingly young and urban population. Although FRELIMO is a strong ruling party – and is likely to continue in this position for the foreseeable future – the nature of politics in Mozambique is evolving. Choices about how power and wealth are shared and distributed will be key to ensuring that the country's transition remains both sustainable and peaceful. Mozambique will remain dependent on international development assistance for some time to come. But there are opportunities to begin reducing this dependence, allowing Mozambique to increasingly stand on its own feet. However, to ensure that this diversification occurs in a fair, equitable and sustainable manner may require donors and their partners to take a slightly different approach to the context within which their assistance is delivered.

To plan future governance-related interventions in Mozambique that help prevent, manage, mitigate and resolve conflict, donors may wish to take into account the following recommendations, based on the findings of this paper:

- Place human security considerations at the heart of development planning, recognizing that security and justice are basic services on a par with more traditional services such as health, education and social protection. Ensure that service delivery programmes are designed for the increasingly peri-urban existence of a growing number of poor people, while at the same time continuing to support the delivery of basic services to rural populations.
- Recognize the importance of FRELIMO (as distinct from the government) in Mozambican politics, and accept that a political dialogue with FRELIMO to complement the existing dialogue with government is necessary to help achieve developmental outcomes.
- Improve the environment within which decisions are made and understood by promoting transparency and access to data in such a way as to empower civil society actors, including the press, opposition parties and community associations.
- Exploit the common ground between donor, party and government interests, recognizing that while the motivations for engaging may be different, the means may well be similar.
- Support the strengthening of national borders, including the maritime areas. Border control is directly linked to economic activity.
- Recognize that some of Mozambique's developmental weaknesses have global security implications, and ensure that Mozambican human security interests are not harmed when so-called 'hard' security partnerships are struck.
- Make sure that economic growth is sustainable, great enough to sustain the growing population of Mozambique and inclusive enough to provide benefits required by people, such as employment, services and infrastructure.
- Work to ensure that the concepts of human security and human rights are at the heart of Mozambican politics.
- Support democratic forces in Mozambique in such a way as to ensure that they help to hold the government to account for the provision of basic services, improved policies and human security.
- Support the security sector, including police and justice, to help ensure that it can promote and protect both human and national security effectively.

- Broaden access to economic opportunity, specifically outside party networks, for instance through support to local development banks.
- Recognize that changes in aid modalities – particularly abrupt ones caused by shifts in donor policies globally – could result in unhelpful and destabilizing shocks that might pose a threat to both national and sub-regional stability.
- Avoid becoming hostage to internal politics and sacrificing good policy outcomes for the sake of internal PAP/G19 cohesion. Be willing to reform if necessary.
- Hold out for good, challenging PAF indicators and ensure that they are measured objectively and without too much influence by donor politics.



CHATHAM HOUSE

Chatham House, 10 St James Square, London SW1Y 4LE
T: +44 (0)20 7957 5700 E: contact@chathamhouse.org.uk
F: +44 (0)20 7957 5710 www.chathamhouse.org.uk
Charity Registration Number: 208223