

The challenge to eliminate extreme poverty



The international community has offered significant financial help with the aim of eliminating extreme poverty. The Government faces the challenge of improving its management and monitoring mechanisms, overcoming corruption and promoting transparency.

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In its second year in office, the Government continues to face great difficulties in terms of human development. In the 2005-2009 Five Year Plan, the Government merely paid lip service to its anti-corruption strategies and its implementation of a policy to combat absolute poverty is inadequate and ineffective. Meanwhile, there are claims of economic growth and Mozambique continues to attract financial support, especially from the West.

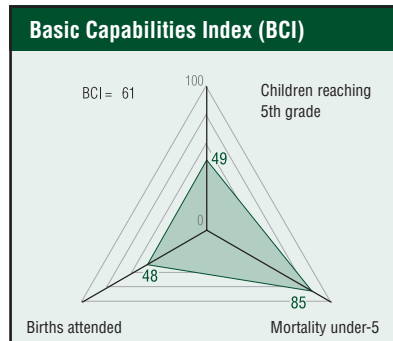
In terms of income, the Government foresees collecting MZM 27 billion (USD 1.08 billion) for 2006. Of this total, 97.3% corresponds to current income and 2.7% to capital income. In terms of total expenses, the State foresees spending MZM 52.53 billion (USD 2.09 billion) this year; 50.9% of these funds will be used for current expenditure, 41.5% for investment expenditure and 7.6% for expenses from financial operations.¹ Current income is employed primarily to improve education, health, justice and law, security and public order and the financial administration of the State.

In terms of promoting sustainable economic growth and budget sustainability, in 2006 the State should avoid resorting to domestic public bank credit, thus granting expansion possibilities for credit to the private sector.²

Difficulties in public management

Two great limitations affect the population's standard of living: the illicit wealth of minorities linked to the power structure and the absence of public policies promoting a family income capable of providing an economically stable life and meeting basic needs. The inequality of opportunities and a minimum wage of USD 50 (the lowest in southern Africa) tend to be the principal cause of extreme poverty.

Due to the growing levels of corruption, impunity and corporatism in the public sector, the public administration is unable to carry out its duties effectively. A report published by the United States Agency for International Development (USAID) in



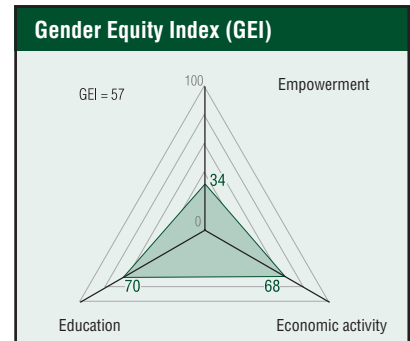
May 2006 refers to the Mozambican economic system as a favourable setting for corruption, with a judicial system that protects offenders, particularly those connected to the power structure.³

The lack of transparency in the administration, the lack of training and technical knowledge, as well as the ineffectiveness of the auditing and monitoring of government management contribute to the weak execution of plans drawn up since 1992, when the General Peace Treaty put an end to the civil war.

The plan for the decentralization of district governments shows the difficulties in diagnosis, planning and execution of public projects for rural areas, where the majority of the population lives and where state-provided services are scarce. The districts received MZM 1,578 million (USD 62.9 million) for the implementation of development projects of reduced scope and complexity, while MZM 1,334 million (USD 53.2 million) went to the provinces and MZM 18,081 million (USD 721.2 million) remained at the central level. All districts received the same amount of MZM 7 million (USD 279,200), without taking into account the needs and potentialities of each local government.⁴

High mortality rates

Although the mortality rate has not yet been reduced, the population continues to grow, reaching a total of some 20 million inhabitants – 13 million in rural areas, where they survive thanks to small-scale subsistence agriculture carried out by rudimentary methods.⁵ Citizens who live far from Maputo find



that the involvement, effectiveness and presence of the State in their lives becomes weaker as distances grow.

Mozambique is one of the least developed countries of the world. The proportion of people living under the national poverty line exceeds 65%. More than half the population suffers from malnutrition and more than a quarter of children under five are underweight for their age.

The general mortality rate is high (21.2 per 1,000 live births in 1997) and the infant mortality rate is especially high at 124 per 1,000 live births (Demographic and Health Survey – IDS, 2003). The maternal mortality rate is situated at 408 per 100,000 live births (IDS, 2003). Malaria, HIV/AIDS, cholera and endemic diarrhoea continue to be the greatest health problems and principal causes of death. Twenty per cent of pregnant women carry the malaria parasite, and 15% to 30% of maternal deaths result from this disease, which is also a primary cause of pediatric hospitalization and death.

As regards the Millennium Development Goals (MDGs), the economic plan has made advances in some areas, but in others almost nothing has been done; for example, with respect to the reduction of absolute poverty, the incidence of HIV/AIDS, improved efficiency of services, job creation, increase of state income, reduction of dependence on external aid and the capacity for effective response to natural disasters.

The goals of the Government

The Government conceived a Population Policy Action Plan in order to address the demographic balance and migration from the country to the city, ensuring rural as well as urban development and

1 <www.dnpo.gov.mz/sis_info/orcamento/apresentacao_AR/2006/apresentacao2006.htm>.

2 Economic and Social Plan for 2006, <www.dnpo.gov.mz>.

3 USAID (2005). Evaluation of Corruption: Mozambique. Final Report.

4 Ministry of Finance. 101/GM/MF/06, 12 May 2006.

5 <www.ine.gov.mz>.

guaranteeing reproductive health rights and the reduction of infant and general mortality.⁶ The fight against extreme poverty calls for a prioritization of education, health, agriculture, infrastructure, government and the regions with relatively low levels of development.⁷

For 2006, the Five Year Action Plan for the Reduction of Absolute Poverty (PARPA III), in agreement with the MDGs, listed, among others, the following goals: a 50% reduction of absolute poverty before 2010, an increase in the number of people with access to drinking water and improved sanitary services in urban and peri-urban centres.

Educational goals include achieving a net enrolment rate of 88% in primary education and a gross enrolment rate of 161.7%,⁸ as well as raising the number of schools and teachers and achieving a net rate of 86% for girls completing primary school. The Government has not specified how it intends to achieve these goals.

As regards infant mortality, the plan affirms that from 1997 to 2003 the country reduced by nearly 19% the mortality rates in children under five, citing malaria, respiratory infections, diarrhoea, malnutrition and measles as the main causes of death in children.

Concerning maternal health, the goal for 2006 is to reduce in-hospital maternal mortality to 160 per 100,000 live births. The main hindrance lies in that more than half of births are not attended by skilled health personnel. Sexual and reproductive health policies, good management and planning, monitoring, evaluation and coordination among institutions are nonexistent.

There is no concrete goal for the fight against HIV/AIDS, malaria and other illnesses. The National Council for the Fight against AIDS, created in 2002, is multi-sectoral and its objective is to lead and coordinate the response to the pandemic. In less than five years the Council has demonstrated a scarce capacity for direction and management of resources. AIDS projects get turned into sources of funds for other projects.

In terms of environmental sustainability, the objectives are many, but a means for achieving them has not been specified.

As for justice, in 2006 efforts will continue in the sense of implementing a Strategic Integrated Plan with the objective of simplifying processes and increasing efficiency in the provision of services on the part of the judicial system. The main actions include legal reform, access to justice and professional and technical training. Another component of the plan is that 20 inmates from each prison be taught a trade. Meanwhile, jails are overcrowded; the Central Penitentiary of Maputo alone accommodates 3,000 inmates.

In access to justice, the goal is to expand the Administrative Tribunal to the national level, carry out seminars in the provinces about judicial pluralism and freedom of religion, and create a human rights com-

TABLE 1

Total spending in PARPA areas of priority compared to resource allocation		
	2004	PLAN 2006
Total spending (millions of MZM)	29,503	52,530
Debt interest	1,228	1,568
Financial operations	—	4,007
Total spending in prioritized sectors	17,803	32,649
Percentage of total spending excluding debt interest	62.9%	69.5%
Education	5,909	9,466
Health	2,978	6,850
HIV/AIDS	115	687
Infrastructure	3,725	7,486
Roads	2,911	4,652
Water and public works	814	2,834
Agriculture and rural development	1,236	1,574
Government, security and judicial system	2,746	5,861
Other prioritized sectors	1,094	726
Percentage of total spending excluding debt interest and financial operations	63.0%	69.5%
Education	20.9%	20.2%
Health	10.5%	14.6%
HIV/AIDS	0.4%	1.5%
Infrastructure	13.2%	15.9%
Roads	10.3%	9.9%
Water and public works	2.9%	6%
Agriculture and rural development	4.4%	3.4%
Government, security and judicial system	9.7%	12.5%
Other prioritized sectors	3.9%	1.5%

Source: 2006 General State Budget, <www.dnpo.gov.mz>.

mission and a corresponding national human rights plan. Another intention is to work together with the media, as well as distributing leaflets informing the public of their rights and guarantees, and providing free legal assistance to citizens who lack this resource. It should be noted that the Institute for the Sponsorship of Legal Assistance created by the State in order to offer free legal assistance transformed itself into a kind of society in which technicians and legal assistants began to charge fees as if they were private lawyers, despite being under the public budget.

Legal reform goals for this year include the production of the Referendum Law, HIV/AIDS regulations and laws relating to disabled people, including victims of war, terrorism, consumers' and buyers' rights, and loss and reacquisition of nationality.

International cooperation

Thanks to its political stability, the country has received different forms of financial aid, a factor that in some way should contribute to the fight against extreme poverty. In February 2006, the Government and the European Union signed an agreement for a new programme of budgetary aid for PARPA, so that the European Commission will grant a total of USD 114 million in 2006 and 2007.

In June 2006 Germany announced a donation of USD 25.4 million to the State budget in 2007 and 2008.

Portugal is one of the 17 Partners for Programming Support for Mozambique (PAP).⁹ Since February 2004 Portugal has made an annual contribu-

tion of USD 1.5 million, while the Programme contributes a total of USD 178.29 million, of which USD 77.7 million (43.6%) is assumed by the European Commission as largest donor. Under this programme, the Government promised in April 2006 to implement the actions described in the calendar, setting as its goal the reduction of absolute poverty and an improvement in the management of public finances.¹⁰

Conclusion

Although the socio-political and economic atmosphere favours a rapid and increased improvement of its citizens' quality of life and the fulfilment of the MDGs, the public administration suffers from a lack of ethics as well as clarity and objectivity in the goals that it intends to achieve.

Also urgently needed is a policy of auditing and monitoring that will demand accountability from each branch and agent of the State.

The assignment of a decentralized budget for districts, more than an interest in the development of remote areas, demonstrates the incapacity of the central Government to reach the places where the majority of Mozambicans actually live. The lack of objective criteria in the assignment of resources already demonstrates this programme will be a complete failure insofar as some administrative officials have declared publicly that they do not know how to make use of resources in the situation of extreme poverty in which we live. ■

6 <www.npad.gov.mz>.

7 2006 Action Plan of Population Policy, <www.dnpo.gov.mz>.

8 <www.dnpo.gov.mz/sis_info/p_global/pes/pes.htm>.

9 <www.pap.org.mz>.

10 <www.ipad.mne.gov.pt>.