

MOZAMBIQUE News reports & clippings

464 29 August 2019 Editor: Joseph Hanlon (j.hanlon@open.ac.uk)

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**Government admits 'systemic' & 'pervasive' corruption
NGOs cite poverty as root of Cabo Delgado war**

Respected statistics head forced out over Gaza by vitriolic Nyusi

With a harsh warning to any official who speaks out, President Filipe Nyusi forced the resignation of Rosário Fernandes, head of the National Statistics Institute (Instituto Nacional de Estatística, INE). His crime was to publicly defend the integrity of 2017 national population census data against Gaza electoral registration figures believed to have been inflated to benefit the ruling party, Frelimo.

"We do not want stars here. We want a star ministry, we don't want individual stars" because they do not shine light on anything, Nyusi said at the opening of the new Ministry of Economy and Finance headquarters on 16 August. He criticised the minister, standing next to him, for allowing the INE to publish statistics without approval; this, he argued, only discredits the ministry. Without naming him, in an improvised section of the speech, he launched a vitriolic attack on Fernandes. "We cannot have people who say what they want, what they think, that they know more."

"My father said that on a farm, it is easy to use your hand to pull out the grass that grows higher on its own. But you cannot pull out all the grass that has grown together," Nyusi continued. "We must pull out the tall grass that grows alone."

Within hours, Rosário submitted his resignation, which was accepted Tuesday.

When the National Elections Commission (Commissão Nacional de Eleicoes, CNE) said it had registered 1,166,011 voters in Gaza, Rosario published the data given to the CNE before the registration saying there were only 836,581 voting age adults in Gaza. The head of the census, Arão Balate, then told the press that Gaza would not reach 1.2 mn voting age adults until 2040.

Gaza votes overwhelmingly for Frelimo and 300,000 extra votes could make a difference in the 15 October national elections. Frelimo is looking increasingly nervous about the elections, worried about the electoral impact of the \$2 bn secret debt and growing corruption, despite facing a weakened Renamo now under Ossufo Momade.

Rosário Fernandes has huge respect. *Savana* (23 Aug) said he is one of the few civil servants who can look in the mirror and say "I am not corrupt". The state news agency AIM (23 Aug) called him "highly competent and honest." He won high praise for setting up the tax authority (Autoridade Tributaria, AT) which increased tax collection, but he was forced out when he tried to combat illegal imports by senior Frelimo people and when he continued to challenge high tax incentives for the

mega-projects. He was moved to head statistics (INE) which seemed a safe backwater - until the CNE found 300,000 Frelimo voters that INE said did not exist.

Speaking to *Savana* (23 Aug), Fernandes said "I am leaving his post to someone better able to acquiesce to the pressures. ... I am committed to professional ethics and international standards."

A statement (in Portuguese) by Votar Moçambique is posted on <https://cipmoz.org/2019/08/27/3792/>

Government admits 'systemic' corruption which is 'pervasive' and is now 'the norm'

Despite "legislative and institutional efforts, governance and corruption challenges in Mozambique remain of a systemic nature, principally due to constraints on effective implementation," the government admits in a "Report on Transparency, Governance and Corruption". It is a government report, completed in July with "assistance" from the IMF and pressure from the IMF, and published by the IMF on 23 August. The report is in English only on <http://bit.ly/MozGovCorr>

The use of term "systemic" appears intentional and a footnote on the very last page of the report notes that the IMF "defines 'systemic corruption' as circumstances where 'corruption is no longer a deviation from the norm, but is manifested in a pattern of behaviour so pervasive and ingrained that it becomes the norm'." The footnote continues: "'Systemic corruption' has also been defined as corruption that 'is both pervasive and organized, affecting different levels of government, and practiced by bureaucrats and politicians alike in nearly all government departments'."

For much of the report the government defends itself: "We have already taken strides toward addressing governance and corruption vulnerabilities over the last 15 years", and it promises 29 new sets of regulations and laws.

Despite these efforts, the report admits that corruption significantly increasing during the second term of President Armando Guebuza and the first term of Filipe Nyusi. "Mozambique's cross country governance and corruption indicators have progressively deteriorated" during the past decade, the report admits. Mozambique is now falling behind neighbouring countries on nearly all international indicators. A 12-page annex details Mozambique's low scores on a range of international scores.

More laws may not be the answer: "We recognise that effective implementation remains a concern." It admits "the governance and anti-corruption framework is not consistently or comprehensively enforced. The rule of law is undermined by the insufficient implementation of existing legislation and regulations, including, in some cases through the absence of necessary regulations." For example, the 2015 insolvency law has never been implemented because there are still no regulations.

"Despite a sound legal and institutional framework, we recognise that a large percentage of government bids are not competitive [and] only a third of both central and provincial procurement is awarded through open tendering procedures." It continues: "In the current context, as arrears accumulated and third-party suppliers face payment uncertainty, the number of suppliers dwindles. This, in turn raises the risk of non-transparent arrangements (including bribes and kickbacks)".

"Hiring practices and bonuses and overtime payments still lack effective control."

A single sentence says "we are committed to combatting vested interests and stopping impunity related to high-level corruption," but nowhere does it say how it plans to do so. In particular, it promises increased transparency and calls for help from civil society, but nowhere does it suggest the publication of asset statements by key figures. Mining contracts have not been published since Nyusi took office in 2015.

Mozambique has world's highest money laundering and terrorist financing risk

Of 125 countries assessed, Mozambique has the highest risk of money laundering and terrorist financing, according to a report issued by the Basel Institute of Governance on 19 April.

<https://www.baselgovernance.org/basel-aml-index>

"Poor border controls and weak government institutions expose the country to cross-border crimes related to drugs and human trafficking. Mozambique is also vulnerable to other predicate offences including corruption, car theft and smuggling, robbery, cash smuggling, illicit trade in precious metals and stones, customs fraud and goods smuggling. Mozambique has high risks associated with corruption, which is a pervasive problem in the country," the report says. "The country also fares poorly on Financial Transparency and Standards". The report also notes that Mozambique is "listed among the US INCSR list of major money laundering countries."

The score is based on 15 indicators in five areas: Quality of Anti-money laundering Framework, Bribery and Corruption, Financial Transparency and Standards, Public Transparency and Accountability, and Legal and Political Risks. With Mozambique as number 1 (highest risk), the United States is ranked 72. This is higher risk than Brazil (76) and South Africa (84). Low risk countries include Portugal (107) and the United Kingdom (106).

NGOs cite poverty and gas & mining as roots of Cabo Delgado war

In an unusually strong statement, seven NGOs meeting in Pemba on 23 August blamed the insurgency in Cabo Delgado on poverty, lack of development, and government backing of big mining and gas companies instead of local people. "Widespread poverty coexists with the emergence of high but frustrated social expectations that generate conflict."

In Cabo Delgado "exploitation of natural resources ... takes place in a chaotic manner, in a scenario that began with the absence of the state and widespread opportunism," the NGOs say. Natural resources had been exploited in a chaotic and harmful way, but when this was "halted by the repressive actions of defence and security forces [it ended] thousands of people's access to natural resources such as gems, graphite, land, fishing resources, but also wood and ivory."

For the gas and mining projects, "resettlement processes have been chaotic, where the state appears in alliance with big capital, worsening the poverty level of the people." The worsening of the military conflict "aggravates the poverty levels in the province, causing many young people to be caught up with violent movements, becoming a vicious cycle."

To stop the war, the NGOs call for major changes in government policy. "The Government should change its extractive model of the economy, because it does not generate employment, but increases social exclusion, inequality and conflict. ... The Government should promote inclusive investment which is truly job-creating, by investing in public services (education, health, energy, water, sanitation, transport and access roads), promoting the economic integration of the territory, as well as opportunities for job creation and increasing the income of the people in areas of exploitation of natural resources."

"The Government is supposed to represent and defend citizens, and it should enforce existing resettlement regulations and review the role of the state in mediating this process." Finally, the NGOs say "the Government should remove obstacles to access to information for journalists, researchers and the general public at conflict sites."

The full text, in Portuguese, is on <https://cipmoz.org/2019/08/25/3784/> The NGOs are: a Comissão Episcopal de Justiça e Paz (CEJP), a União Provincial dos Camponeses (UPC) de Cabo Delgado,

o Departamento de Ética, Cidadania e Desenvolvimento da Universidade Católica (UCM), o Observatório do Meio Rural (OMR), o SEKELEKANI, o Centro de Integridade Pública (CIP) e Justiça Ambiental (JA!).

Arbitrary arrests during operations against insurgents may be fuelling the wave of violence, Zenaida Machado of Human Right Watch told the Pemba meeting. She pointed to the large number of acquittals in trials connected with the armed attacks, and said: "arbitrary arrests are not only a violation of human rights – they are also counterproductive. The truth is that innocent citizens have been confined in cells alongside insurgents for months at a time. What the government is doing is getting people radicalized in state cells. When they leave the cells, nobody knows where they are." (DW 26 Aug)

13 killed in past week in Cabo Delgado

Business people have become a target of both insurgents and the police in Cabo Delgado. The car of local businessman John Loca was attacked near Quelimane village, Mocimboa da Praia district on Tuesday (27 Aug). Loca and another person in the car were decapitated. And on Saturday (24 Aug) a young local Mocimboa da Praia businessman, Aly Nuro, was arrested by police, allegedly for links with insurgents.

The coastal area of Macomia district, just 100 km north of Pemba, has become a centre of the insurgency in Cabo Delgado. The linked coastal towns of Mucojo and Pangane which were badly damaged by cyclone Kenneth in April are particular targets.

Four fishermen returning from the sea were attacked and beheaded Tuesday afternoon (27 Aug); they were employed by a trader, Momade Mansuli, who lives in Pangane. They were going home to their inland village of Nacotuco. A fifth person was beheaded in Simbolongo, who was killed as he was cutting thatch for his roof. Both villages are on the road north of Mucojo, 3 km inland from Pangane and the sea. (Carta da Moçambique, 29 & 28 Aug) There is a good map of Macomia posted on <http://bit.ly/Macomia-map>

On Monday (26 Aug) a villager in Uló village in Mocimboa da Praia was killed.

On Friday 23 August, 5 people were killed in Nangade district in the far north of Cabo Delgado. Two were killed in Machava as they returned from spraying the cashew trees against fungus, and three were killed in an outer neighbourhood of Nangade town. (AIM 28 Aug)

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"Mozambique News Reports & Clippings, number XXX", DATE, bit.ly/mozamb, accessed XXX.

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Background reading

Special reports

Mozambique heroin transit trade

English - LSE - <http://bit.ly/Moz-heroin>

Portuguese - Pt - CIP - <http://bit.ly/Moz-heroina>

Gas for development?

Gas_for_development_or_just_for_money?_2015 bit.ly/MozGasEng

Gás_para_desenvolvimento_ou_apenas_dinheiro?_2015 bit.ly/MozGasPt

Social protection report - 2017 Mozambique - <http://bit.ly/MozSocPro>

Special report on four poverty surveys: bit.ly/MozPoverty

2018 Constitution - <http://bit.ly/2KF588T>

Minimum wage and exchange rates 1996-2018 -- <http://bit.ly/MinWage18>

\$2bn secret debt - in English

Kroll - Full report on \$2bn debt - <http://bit.ly/Kroll-Moz-full>

Kroll report summary - <http://bit.ly/Kroll-sum>

Key points of Mozambique parliament report - Nov 2016 - <http://bit.ly/MozAR-debt-En>

Following the donor-designed path to Mozambique's \$2.2 bn debt - <http://bit.ly/3WQ-hanlon>

In Portuguese:

Parliamentary Report on the Secret Debt (complete) bit.ly/MozAR-debt

Election study collaboration: We have detailed election data from 1999 through 2014 and are inviting scholars to use this data collaboratively. <http://bit.ly/MozEIData>

Election newsletters are on <http://bit.ly/2H066Kg>

Eight books by Joseph Hanlon can be downloaded, free: <http://bit.ly/Hanlon-books>

Bangladesh confronts climate change (2016)

Chickens and beer: A recipe for agricultural growth in Mozambique (2014)

Há Mais Bicicletas – mas há desenvolvimento? (2008)

Moçambique e as grandes cheias de 2000 (2001)

Paz Sem Benefício: Como o FMI Bloqueia a Reconstrução (1997)

Peace Without Profit: How the IMF Blocks Rebuilding (1996)

Mozambique: Who Calls the Shots (1991)

Mozambique: The Revolution Under Fire (1984)

Two more will be available shortly to download:

Apartheid's 2nd Front (1986)

Mozambique and the Great Flood of 2000

These are still available for sale:

Galinhas e cerveja: uma receita para o crescimento (2014) (free in English)

Zimbabwe takes back its land (2013)

Just Give Money to the Poor: The Development Revolution from the Global South (2010)

Do bicycles equal development in Mozambique? (2008) (free in Portuguese)

Beggar Your Neighbours: Apartheid Power in Southern Africa (1986)

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Mozambique media websites, Portuguese:

Notícias: www.jornalnoticias.co.mz

O País: www.opais.co.mz

@Verdade: <http://www.verdade.co.mz>

Carlos Serra Diário de um sociólogo: <http://oficinadesociologia.blogspot.com>

Mozambique media websites, English:

Club of Mozambique: <http://clubofmozambique.com/>

Zitamar: <http://zitamar.com/>

Macauhub English: <http://www.macauhub.com.mo/en/>

AIM Reports: www.poptel.org.uk/mozambique-news

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