AGRARIAN CHANGE AND SOCIAL TRANSFORMATION IN MOZAMBIQUE: 1928-2006

Honors Thesis

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by Tanya Olsefski May 2009

Fouad Makki, Ph.D.

#### ABSTRACT

This honors thesis considers the main lines of agrarian transformation in Mozambique in the context of two major political and social transitions: from the period of late colonial rule to the post-independence socialist oriented policies under The Liberation Front of Mozambique (Frelimo); and from the latter to the market oriented set of policies that became dominant in the post-Cold War era. The primary focus is on the transition from socialist policies characterized by the creation of cooperatives, state farms, and communal villages; to market-led transformations characterized by a system of private property in land and a system of production and exchange for the market. In the process, I look at the IMF-imposed Structural Adjustment Program and the civil war with the Renamo (The Mozambican National Resistance) movement that was armed and backed by apartheid South Africa, in shaping the nature of this transition.

I find that the creation of cooperatives, state farms, and communal villages was not successful at integrating peasants and bringing together communities to increase production largely because the policies implemented did not reflect the needs and desires of the peasantry. They often were inimical to the situation many peasants found themselves in. I also find that the liberalization of the economy was laden with policies that were unfavorable to the peasantry. The privatization of the cooperatives and state farms was accompanied by the reduction of state funded projects such as the development of rural infrastructures and road networks that are crucial in linking peasants to marketplaces.

In the future, Mozambique will need to empower local communities and develop rural markets and infrastructure if it is to increase production and generate a positive dynamic of development that can improve rural peoples livelihood and decrease levels of poverty.

# BIOGRAPHICAL SKETCH

Tanya was born in Ithaca, New York. She is a Development Sociology major in the College of Agriculture and Life Sciences at Cornell University with a minor in Inequality Studies. She is a member of Alpha Kappa Delta, the sociology honor society, and Golden Key International Honour Society. She has been awarded the Sanderson Award for Excellence and the Academic Excellence Award in Development Sociology.

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## Introduction

Mozambique was part of the Portuguese Empire from the sixteenth century until 1975, when the people of Mozambique finally won their independence. Colonial rule significantly reshaped local societies and livelihoods in ways that fundamentally constrained and shaped the post-colonial era. The Portuguese used a form of forced labor known as *chibalo* which obligated the local population to work for little or no pay. Chibalo was mandatory and was enforced through a variety of coercive methods including imprisonment, beatings, kidnappings, threats to family members and death. Thus, a large proportion of the population in northern Mozambique was forced to engage in the production of cash crops for export at the expense of the production of food crops for domestic consumption. Peasants in the Northern provinces were either forced to work on cotton plantations or were required to grow cotton on their own limited farmland and sell the harvest to the Portuguese colonists at significantly deflated prices. They were often so overburdened by these methods of coercive work that they could barely maintain the bare minimum sustenance essential for social reproduction.

For those Mozambicans in the south, commercial agriculture did not play such an important role, because large numbers of men migrated out of Mozambique to work in the gold mines of South Africa and Rhodesia. The number of migrant laborers was as many as 100,000, which severely affected the demographic and socio-economic conditions in south. The combination of forced labor in the cotton plantations, the displacement of a large segment of the working-age male population due to migration to the mines, and the tens of thousands that fled Mozambique to escape chibalo, had a permanent deforming social effect on the native population of Mozambique. This

structural deformation was a source of persistent problems for Mozambique in the postindependence period.

Mozambique's society was also hampered by the colonial development trends. The Northern and central provinces remained largely agricultural and underdeveloped throughout colonialism. The South, on the other hand, was where the majority of the Portuguese settled, and was also the place where some industrialization occurred. This divergent socio-economic pattern created vast regional inequalities and imbalances that favored the south. The legacies of this colonial mode of development are visible to this day, resulting in a great regional disparity between the Northern, Southern, and central provinces.

During the 1950s and 1960s many Mozambicans were inspired by their neighboring countries which were winning independence from their colonizers.

Mozambicans formed the National Front for the Liberation of Mozambique (Frelimo), with the aim of liberating Mozambicans from Portuguese colonial domination. Frelimo was organized to unite the people over their shared grievances, including the fact that there was no indigenous middle class, and that other than small-scale domestic cotton production, no part of the economy was in the hands of Mozambicans. Frelimo garnered massive support due to its strategy and policies geared towards connecting with the people of Mozambique, uniting them, and converting their shared discontent and misery into a purposive program for national and social liberation. Frelimo was able to successfully unite the otherwise dispersed peasantry by talking to them about their personal troubles instead of extravagant abstract ideals. In this way, Frelimo turned a national anti-colonial uprising into a social revolution.

In the course of its struggle for independence, Frelimo adopted the doctrine of socialism as its political orientation and in their effort to fight racism, build a common nation, and modernize the country. Marxism as an ideology transcended ethnic divisions and the social divide between the working class and peasantry, and allowed Frelimo to unite the country along popular lines (to which all could belong), rather than racial or ethnic lines.

However, by the time of independence, Frelimo had inherited a staggeringly under-educated and unskilled indigenous population, which complicated their ability to implement their ambitious development plans. Mass education thus became as important a priority as the transformation and modernization of agriculture, which, in its colonial form, had produced all marketable agriculture through chibalo. Communal villages and state farms became the backbone of Frelimo's new agricultural plans. These communal farms were created to ensure stable production and create more cohesive groups which could better be reached by the state and its development programs. A focus on state and cooperative farms was seen as ideal since during colonialism 88 percent of the Mozambican population worked in agriculture, and thus would be able to use their skills to help the country develop by creating a surplus to help stimulate other sectors of the economy.

However, once these communal farms were established, Frelimo shifted its focus to other sectors without addressing the question of how to re-tool agricultural production to increase productivity. Frelimo's rural development plans also alienated small family farmers. As a result, overall farm production stagnated as Frelimo's aims remained focused on intensive mechanized agriculture, which it could not achieve in the short run.

Much of the progress Frelimo was able to accomplish was reversed by the destructive and destabilizing insurgent war conducted by Renamo, a rebel party fully armed and backed by Ian Smith's regime in Rhodesia, and later apartheid South Africa. Renamo targeted cooperatives, communal villages and state farms as well as independent family farmers, schools and health clinics. They looted villages and turned families against each other by playing off ethnic differences and lingering hostility for Frelimo, and by exploiting socio-political differences in the rural areas. The war made it near impossible to maintain food production and destroyed rural infrastructure, including the roads and vehicles used to transport agricultural surpluses from one area to another.

By the mid-1990s, two decades after independence, unequal regional development remained and was even strengthened under Frelimo. The central provinces remained large plantations utilizing seasonal labor to produce crops for export. The Northern provinces continued to be dominated by cotton production. The South remained the industrial center and the headquarters for the wealthy ruling elite. In the context of the end of the Cold War and the collapse of the Soviet Union, Frelimo too changed its ideology and abandoned its former development strategy. After the fall of communism Mozambique lost the USSR as an ally, and thus had to open the country up to the IMF and World Bank to acquire the food aid they desperately needed to survive (since much production was severely affected by the war with Renamo). Socialism was replaced by capitalism, and foreign aid began to flow into the country and shape the development priorities. International financing focused on agriculture for export rather than overall social development. Agricultural goods and raw materials became Mozambique's major trading commodity despite there being little demand for them in the region. As a result of

the consequent structural adjustment Mozambique had to undergo, poverty became widespread in the country, with 70 percent of the rural and 50 percent of the urban population living in absolute poverty in 1994 (Abrahamsson and Nilsson 1995). The urban population has taken to buying plots of land in rural areas to farm for subsistence production as a way to cope with increasing poverty. The rural areas, however, have few options and are heavily dependent on the additional work that the women take on in the form of social reproduction.

In an effort to reduce poverty and rebuild the strength of the peasantry, Frelimo developed two poverty reduction plans in 1996 and 1999. The first had the goal of improving rural livelihoods, investing in human capital, and creating a disaster safety net. The second focused on rebuilding the physical infrastructure destroyed during the war and to address the basic needs of the communities. These two policy plans and strategies were followed by 5 more in subsequent years in an effort to reduce poverty and improve rural conditions and development prospects. The outcome of these plans and strategies remains to be determined.

Given the events that led up to independence, the revolution the occurred while fighting for independence, the transition to socialism, the civil war with Renamo, and the transition to capitalism, this paper seeks to determine the answer to these research questions:

1) How did Frelimo's emphasis on Marxist-Leninist socialism and the creation of cooperatives, state farms, and communal villages affect the peasant communities? Were they successful at integrating peasants and bringing together communities to increase production? Did these policies reflect the needs and desires of the peasantry?

2) How did the government try to ease the country into the switch from socialism to capitalism? How did the implementation of structural adjustment programs and liberalization of the economy affect family and communal farmers? How did peasants respond to and deal with these changes?

The methodology used for this study is based on analysis of both qualitative and quantitative data dealing with poverty and the people's perceptions of well-being. I implement both descriptive statistics as well as evaluative research to asses the impact that policy changes have had on peasants' lives. Descriptive statistics were calculated using data from the following national surveys: the Inquérito aos Agregaos Familiares, Trabalho de Inquérito Agricola, the Poverty and Vulnerability Survey. In addition, descriptive statistics were calculated using the World Bank's African Development Indicators dataset to evaluate poverty and agricultural trends in Mozambique throughout multiple years. The analysis is informed by critical development theories.

This study is organized into six chapters. Chapter one explores Portuguese colonialism in Mozambique. It discusses the nature of chibalo as well as the social changes that occurred because of its implementation. It also looks to discern how Portuguese colonial education served as more of an impediment to learning rather than a facilitator. Lastly, it discusses the nature of the colonial economy and its development, or lack thereof.

Chapter two discusses the creation of Frelimo and the unification of the indigenous society into a revolutionary front which would fight for over a decade to gain independence. The formation of dynamizing groups and liberated zones as well as their

role as testing zones for post-independence policy and practices is also discussed. Finally, the chapter looks at the techniques utilized to socialize agriculture and production.

Chapter three looks into the initial phase of socialism in Mozambique's economy and society. It discusses the role of cooperatives, state farms, and communal villages and the peasantry's role within them as well as their role as individual family farmers. The failures of many of Frelimo's initial initiatives with regards to agriculture are discussed as are their responses to these failures. This chapter also examines the state of industry and production within Mozambique after the Portuguese fled and the efforts made by Frelimo to develop industry. The effects of colonization on Mozambique's underdevelopment, Frelimo's policy towards the people and how the people are viewed in terms of the roles they will play in the transition to socialism are examined. This chapter analyzes Frelimo's role and the role of the dynamizing groups in fostering unity, the role of education in promoting literacy and job training, as well as how education served to inculcate socialist ideology within the younger generations. Lastly, this chapter investigates Frelimo's goals for and policy toward the working class and peasantry and the urban bias which took shape in Frelimo's policies.

The formation of Renamo and how they recruited and retained members, both within and external to Mozambique is examined in chapter four. This chapter also illustrates the techniques utilized by Renamo to cause political and economic destabilization in hopes of making way for a new ruling party which followed capitalistic principles.

The shift to capitalism in discussed in chapter five. This chapter illuminates what policies were implemented in the transition to capitalism and their impact on the

economy. How these policies affected rural society in terms of the type of development that occurred and the types of social services, such as education and health care, which were vital to Frelimo's development plans, as well as the people's reaction to them, is also discussed. Finally, the development trends within each of the geographic regions, how they arose, and the consequences of these developments for the people in terms of poverty rates are investigated.

Chapter six investigates how inequality and poverty were affected by the transition to capitalism and the public's reaction to these changes. It also explains the government's reaction to these changes, which often took the form of poverty reduction plans. How these plans were initiated and their overall affect on reducing poverty is discussed. This chapter looks at the shrinking divide between Frelimo and Renamo; the two dominating political parties. How job formation occurred during rehabilitation, how ex-soldiers and refugees were absorbed into the economy, and how citizens coped with decreasing salaries is discussed. The role of women in maintaining households is also investigated, as are the work options available to many rural and urban residents. Finally, this chapter examines how capitalism has failed many households in Mozambique and why.

The conclusion seeks to discuss the main findings of this report. The lack of support for the peasantry and rural households from Frelimo is discussed. Frelimo's response to the peasantry and the adverse policies implemented by Frelimo is illustrated as it relates to the desired relationship between the state and rural development.

# CHAPTER ONE COLONIALISM AND SOCIAL CHANGE IN MOZAMBIQUE

Colonialism in Mozambique took a strong hold in 1928 when Portugal began to exert more force within the colony so as to more effectively extract goods and services from the indigenous peoples. This force took the form of chibalo, a form of rule which treated the people like slaves and vastly altered the nature of social relations and production within Mozambican society. This chapter will discuss the nature of chibalo as well as the social changes that occurred because of its implementation. It also looks to discern how Portuguese colonial education served as more of an impediment to learning rather than a facilitator. Lastly, this chapter will discuss the nature of the colonial economy and its development.

#### 1.1 Early Colonization to 1928

Before Portuguese colonialism became the repressive system that it did when Salazar took control of the colony in 1928, the indigenous society of Mozambique had a clearly defined agricultural society with a gendered division of labor. Male members were responsible for the majority of the farming tasks, such as clearing fields, hunting, fishing, and cattle herding as well as other seasonal tasks. Most owned their own small fields and used the goods they produced to sustain their livelihoods. Women were responsible for the everyday agricultural labor needed to weed, hoe, and sow the land (Bowen 2000). This society, however, was threatened when the Portuguese began to utilize Mozambicans as a source of labor in the early nineteenth century.

During the nineteenth century nearly 10,000 slaves a year were forcibly taken from Mozambique to service international labor demands; thousands more were taken outside the state sanctioned channels. This mass exodus of Mozambicans had tremendous implications for native Mozambican society as most of those taken were in their prime working and reproductive years. A disproportionate number of those taken were male, which caused severe demographic and economic effects; many females were required to compensate for the tasks that males were responsible for (Isaacman and Isaacman 1983). This demographic shift obliterated population pressure, which might has been known to exert pressure needed to innovate and advance productive methods and the social division of labor, thus potentially stunted the social and economic advancement of the country (Mittelman 1981).

The slave trade also served to cause cleavages within native Mozambican society between the kinship groups who conducted the slave raids for Portuguese buyers, and those who were hunted and sold as slaves (Abrahamsson and Nilsson 1995). During the slave raids, entire agricultural fields were destroyed by the slave raiders. Many native Mozambican communities were compelled to disperse to barren and remote lands to avoid the slave raids. This process of raiding the society of its most productive people and lands began the long process of underdevelopment and impoverishment that Mozambique would endure under the Portuguese.

#### 1.2 CHIBALO AND THE SALAZAR ERA 1928- 1968

The distinctive feature of Portuguese colonialism was that it never truly advanced beyond an elementary form of exploitation of coerced labor and slave trading. The form

that Portuguese colonialism took – often referred to as ultra-colonialism because of its extreme and primitive form of exploitation unlike any other seen throughout the rest of Africa – had a deforming effect on the Mozambican society and economy. Despite the end of the slave trade and the illegalization of the use of slave labor, the Portuguese managed to recreate forms of slavery, now referred to as chibalo, through the institutionalization and rationalization of the use of brutal force. This became the foundation of Portugal's colonial rule because Portugal itself was too weak and underdeveloped to use more subtle means of control and because it did not have the resources to properly invest in the colony (Anderson 1962b; Mittelman 1981). When António de Oliveira Salazar took office in Portugal in 1928 chibalo became used more extensively to more effectively exert social control on the indigenous population and extract the products and surplus which accumulated through the elimination of alternative working options for the indigenous society (Cooper 1981). In addition, the disorganized and decentralized colonial government inundated with corruption and mismanagement was replaced with the more centralized authoritarian regime. Their new goal was to exploit the country to the benefit of Portugal. To do this, the human and natural resources of the country were exploited like no other through chibalo in the forms of correctional, obligatory, contract, and voluntary labor and the imposition of numerous taxes so as to displace the peasants from their traditional agricultural roles and force them into a position of wage labor (Isaacman and Isaacman 1983).

Correctional labor was a legal penalty exacted if a native Mozambican broke the colonial codes. It was also used if a Mozambican failed to pay their native head tax, which were nearly impossible to pay as the Portuguese demanded to be paid in cash, yet

the workers were paid so little, and sometimes not even in cash, that the large majority of a worker's salary was needed to pay these taxes (Anderson 1962b).

Obligatory work was required of native Mozambicans by the Portuguese for the completion of public works projects when voluntary labor was not enough. While there were supposed to be exceptions to the obligatory labor codes, these exceptions were not enforced. As such, women and young children were often forced to work on the roads and all were required to provide their own food and tools (Anderson 1962b).

Contract labor was the most important to the colony economically. Any native worker who could not prove that they are already employed – which was made sufficiently difficult enough so that only a very few (5 percent) could prove they were employed – were subject to contract labor. Contract labor was organized in such a way so that nearly all males could be rounded up at any time and forced to work on a settler plantation until the desired worker quota was met. If anyone refused to go, as many did because pay for a contract laborer was very low, violence was inflicted upon them. (Anderson 1962b).

Voluntary labor was made through direct contracts between the worker and the employer and was usually carried out in the laborer's native region, unlike contract laborers who could be taken throughout the provinces; however, the pay was usually lower. It is believed that the threat of contract labor induced more Mozambicans to choose voluntary labor because they got to stay in their hometown with their families despite earning less and yet working under nearly identical conditions (Anderson 1962b).

Forced cultivation of crops was a predominant form of colonial extraction, especially in Northern Mozambique where it predominated. The main crop forcefully

grown was cotton. Natives were given the cotton seeds to grow, but they were assigned acreage quotas and were required to use their own land for cultivation – which cut into their substance production – and were required to resell the harvest back to the companies at a fixed price well below market value (Anderson 1962b). Forced cotton cultivation was inflicted upon upwards of half a million indigenous Mozambicans, and after 1942 it was required of all married couples even if one spouse was already engaged in chibalo work (Munslow 1983). As a result, many people were often left with little to no food for themselves and little money to pay for anything, which resulted in widespread famine in Northern Mozambique. The difference between forced cultivators and contract laborers is that contract laborers were actually provided food, clothing, and board by their contractors, while forced cultivators only received payment for their harvest, and if their cotton harvest was poor they did not get paid (Anderson 1962b).

Portuguese colonialism represents an all time low of oppression in Africa such that the number of Mozambicans who emigrated legally or illegally is almost equal to those who emigrated from all other African countries from 1952-1954. It is argued that the Portuguese created a situation in Mozambique worse than that created through slavery, because with slavery the master had a vested interest in his slaves and provided for them, however, in Mozambique the native was simply "rented" for free by the Portuguese. If a laborer died, the Portuguese could mandate that another take their place without contestation so the wellbeing of the natives did not really matter to the Portuguese (Anderson 1962b).

The distinction between the forced labor used by Portugal and that used by other colonizers is the continuity and scale at which it was imposed. While nearly all

colonizing countries implemented forced labor in the beginning of their colonization, it was usually only of minor importance to the economy or represented a preliminary or transitional phase of development in the area, as an advanced working force cannot be built off a malnourished and illiterate population. Because of this, most colonizing countries changed their style of imperialism from fear to paternalism, which the Portuguese had neither the resources nor intention of doing (Anderson 1962a). The scale of forced labor in Mozambique was a reflection of Portugal's structural dependence on their colony's labor for their economy; this is represented in the sheer numbers of the forced labor force, about 2,094,000 in 1954 kept in place through violence and the threat of compulsory dislocation which kept people accepting atrocious wages and working conditions (Anderson 1962b). A forced labor pool this large could do nothing but implement an everlasting impairment on all other forms of labor.

The labor force was also managed through Portuguese utilization of traditional leaders to serve as regional rural administrators of colonial power, known as régulos. The native chiefs and nobility were chosen by the Portuguese because of their power and legitimacy among native society. In return for their allegiance, the Portuguese allowed the régulos to accumulate some wealth, exempted them from taxes and chibalo, and allowed them to keep some of their traditional culture, religious practices, and traditions (Abrahamsson and Nilsson 1995; Bowen 2000). Their selection elevated the régulos into a privileged stratum within the native society in return for defending the colonial system and dividing the people. Thus, the colonial regime worked together with the stratum of the population they felt no threat from and effectively worked to repress those who they felt posed a threat to their colonial order through chibalo and illiteracy.

#### 1.3 EDUCATION OF THE INDIGENOUS SOCIETY

Since the Portuguese wanted to hinder the creation of a black middle class in Mozambique because they felt it would be a threat to their colonial rule, they severely limited the number of indigenous Mozambicans who received an education. In addition, since Mozambique served solely as a resource for cheap labor and resources, Portugal felt little need to fulfill its claim to "civilize" the indigenous society; thus little money was spent to create the infrastructure to develop an educational system. The educational system that was created served very much as a barrier system to higher education. The first stage of education was rudimentary and served to introduce children to the Portuguese language and culture, however, teaching was exclusively in Portuguese, which most children did not speak, and so most failed their exams and did not go on to the second stage of the colonial education system. The second stage of school was primary school, which indigenous children were barred from after the age of thirteen. Of those few who made it to primary school even fewer graduated, of those graduates even fewer were allowed into secondary school or technical training since many mission schools did not even offer these courses and those that did limited entrance to students under fourteen years of age (Isaacman and Isaacman 1983).

In addition to these barriers to education there were several more such as the lack of rural schools, inaccessible entrance fees, as well as the need of many families to have their children help them in the fields. The quality of the education being taught was another barrier. Most schools were taught by unqualified personnel and the educational content was mostly religious with little attention to language, writing, math, and reading.

Perhaps worst of all, many missionary schools required paying students to work part of the school day cultivating the mission lands with supplies bought by their parents (Isaacman and Isaacman 1983). Schools thus served to entrench the colonial ideology among its pupils rather than educate and produce an educated and skilled workforce.

In 1960 only 13 percent of the total school aged population attended classes; of these 90 percent were in the first three grades and only about 1 percent were attending high school classes (Isaacman and Isaacman 1983). These figures break down into about 284,000 indigenous Mozambicans in school (less than 10 percent) out of a total population of 6 million, 3 million of which were of schooling ages. In 1955 there were 212,428 students in rudimentary school of which only 2,761 were allowed to go on to primary school. Only 120 Mozambicans were in commercial, industrial, or normal secondary school in 1954. Virtually no Mozambicans attended higher education (Anderson 1962b). The illiteracy rate in 1959 was 97.8 percent (Munslow 1983).

The lack of education among the indigenous population was intentional as a way to keep the cheap labor supply high. This attempt to control the labor supply becomes especially evident when we see that only 0.13 percent of the population was assimilated by the Portuguese given the unattainable educational requirements that were needed in order to become assimilated and thus have the opportunity to be exempted from chibalo labor (Anderson 1962b).

#### 1.4 MOZAMBIQUE'S ECONOMY AND DEVELOPMENT

Because Portugal itself was an underdeveloped country, they could ill afford to send large amounts of capital to their colonies and so there were no real technological

investments in the colony. Instead, Portugal allowed other foreign investors in to build up the majority of industry in Mozambique and export the profits derived from it, while cutting Portugal a small share, and leaving Mozambique without any industry of their own. Railways mimicked this trend of development in that they only ran from East to West as a reflection of the way trade and labor traveled. Most rail lines ran through South Africa, Southern Rhodesia, and Nyasaland; all countries that were vital to the Mozambican economy either for trade or as a destination of migrant laborers (Munslow 1983). The economy was organized to service Portugal's economy through the extraction of raw materials, especially cotton (forcibly cultivated), to be used by Portugal's textile industry. Mozambique's industry was mainly to support domestic demand from Portuguese settlers for luxury items, who consumed two-thirds of the total industrial output while the rest was exported (Abrahamsson and Nilsson 1995).

This development scheme is consistent with the classical reproduction scheme where production is divided between the means of production such as the capital goods and inputs used (department 1) and the means of reproduction of the labor force such as the wage goods and services (department 2). However, in a peripheral economy, such as Mozambique, department 1 was incomplete because it was located abroad. Foreign trade was the main source of producer goods since imports were the primary source of means of production and were exchanged for raw material extracted from the colony (FitzGerald 1986). This scheme is well illustrated by the cotton and textile relationship between Portugal and Mozambique.

During the Salazar era Mozambique serviced the economies of many of the neighboring countries though the work of migrant laborers in the mines of South Africa

and the Transvaal and through the use of Mozambique's railways and ports. The wages earned from migrant mine workers and the charges incurred by other countries for using Mozambique's transport facilities accounted for about half of Mozambique's foreign revenues. The export of goods made up the other half of foreign revenues earned in Mozambique. This export of goods was comprised mostly of agricultural goods such as plantation crops, groundnuts, timber, and shrimps; often produced through forced labor. Prices for agricultural goods also favored the Portuguese who received market prices for the goods while the Mozambican producers were paid much less than market value for the goods they produced under chibalo and forced cultivation. This setup served to reduce the rural populations' purchasing power and created a situation of impoverishment for the indigenous society (Abrahamsson and Nilsson 1995).

Domestically, Portugal's development plans reversed the patterns of development occurring in Mozambique prior to the onset of Salazar's reorganized colonial regime. Salazar believed that it would be beneficial to the Portuguese economy to divide Mozambique into regional production sectors (see Figure 1). The Southern provinces became the export center for marginalized native peasants to the South African mines. Overall, 80,000-100,000 men from the Southern provinces were recruited to work in the mines annually for contract ranging form twelve to eighteen months (Bowen 2000). Meanwhile, the Portuguese settlers built settler farms and industry and inhabited the cities utilized for administrative headquarters. The establishment of most industry in the south – mainly in Lourenço Marques (now Maputo) and Beira (located in the province of Sofala) – served to create vast regional imbalances favoring the south; this remains the trend to this day (Isaacman and Isaacman 1983). However, because of the structure of the

rest of the country and the vast number of natives who left the Southern provinces as migrant labor, the number of peasants available for peasant production in the south was greatly limited and thus diminished the amount of indigenous agricultural production that could be supported in the south (Bowen 2000).

The Portuguese used the central provinces for plantation agriculture, which were owned by the Portuguese settlers but worked by the indigenous Mozambicans. Many native Mozambicans were forced to work these plantations through contract labor or through pre-capitalist social relations of production which required those who lived on the land a Portuguese settler claimed – as the Portuguese were allowed to lay claim to any land they wanted regardless of native claims to it – to be obligated to work for them if they wished to remain in their homes. This practice took many workers away from their families and farms to get paid scarcely enough to even cover their taxes, not to mention to buy food or other commodities (Isaacman and Isaacman 1983; Munslow 1983). Apart from those supplying labor to the plantations some peasants produced cash-crops on their lands, others labored on settler farms, some worked as seasonal laborers, and others were forced to cultivate cotton. The main commodities grown in these provinces were cashew nuts, cotton, sugar, tea, and copra; these goods represented 70 percent of the export earnings in 1973 despite the fact that only 3.8 percent of the land was being cultivated (Mittelman 1981).

The Northern provinces were mainly used for forced agricultural production – particularly for rice and cotton, which was introduced to Mozambique to service the Portuguese textile industry and became the country's largest export – which left the Northern provinces largely underdeveloped. Forced cotton and rice production was

directly connected to upsetting the cycle of household production which resulted in a decline of food production, increased debt, and left the area plagued by famines, erosion, and disease (Isaacman and Isaacman 1983). Peasants in the north were also significantly underpaid because, since families were allowed to remain at home, a labor force was guaranteed which thus resulted in increased economic exploitation and poverty in the North (Abrahamsson and Nilsson 1995). The lack of industry in the North was intentional as it required all cotton to be exported to Portugal for processing and manufacturing per Salazar's orders in order to boost Portugal's textile industry. This arrangement thus left an industrial development which could have transformed the Mozambican economy undeveloped and assured that Mozambique would remain a major market for Portugal's textiles as textiles could not be manufactured large scale within Mozambique (Isaacman and Isaacman 1983).

The range of labor opportunities throughout the country served to create vastly different social patterns. Many households depended on an assortment of wage labor, agricultural production, off-farm employment and migration for their livelihoods and reproduction; this created varying degrees of social differentiation among the peasantry in rural Mozambique. Some migrant workers in the south earned enough money from working in the mines to create a small class of capitalist farmers in southern Mozambique which was unseen to the same degree in the central and Northern provinces. All middle peasants were strictly confined by the Portuguese so that they were unable to advance on their own and a formal black middle class could not be created within the colony; their internal resources were limited through checks on the amount of land they could own and

limiting the amount of labor they could employ (Isaacman and Isaacman 1983; Bowen 2000).



**Figure 1: Colonial Production by Province** 

<u>Cabo Delgado:</u> chartered companies and foreign concessionaries, cotton sisal and rice production

<u>Nampula:</u> chartered companies and foreign concessionaries, cotton sisal and rice production

<u>Niassa:</u> chartered companies and foreign concessionaries, cotton and sisal production

<u>Manica:</u> sugar, tea, copra, cashew, and cotton plantations

<u>Sofala:</u> sugar, tea, copra, cashew, and cotton plantations

<u>Tete:</u> sugar, tea, copra, cashew, and cotton plantations, coal mining

<u>Zambézia:</u> plantations: sugar, cotton, rice, tea and vegetable oils

<u>Gaza</u>: forced rice cultivation, migrant labor, port and rail facilities, agriculture <u>Inmanbane</u>: migrant labor, agriculture <u>Maputo</u>: migrant labor, agriculture, port facilities, industry

Source: Isaacman and Isaacman 1983; Abrahamsson and Nilsson 1995; Wuyts 1985.

Portugal did, however, make some compromises that allowed for a small number of capitalist farmers to emerge with colonial assistance for the assimilated population (assimilados), traditional chiefs who were appointed to administration positions in the rural areas, and the wealthier peasants who owned their means of production. However, despite this, most of those in the indigenous capitalist class suffered from discriminatory practices such as the unequal pay scale for agricultural produce that favored the Portuguese settlers and hindered their ability to accumulate capital to the same degree (Bowen 2000).

The combination of the use of migrant labor in the south, the forced cultivation in the North and the large plantation agriculture of the central provinces, in addition to the exorbitant numbers of Mozambicans who emigrated from Mozambique because of Portugal's economically exploitative style of colonialism, meant that Mozambique lost thousands of its most productive members within rural society yet again. This caused even greater demographic imbalances thus altering the structure of rural society and created a sharp decline in agricultural production among rural households. Since many men were sent to the gold mines in South Africa and Southern Rhodesia their absence fundamentally altered the structure of the family unit throughout Mozambique. Men were traditionally responsible for clearing the fields for planting and harvesting the crop; when they were absent women had to take on these roles, along with being responsible for the care and socialization of their children and almost all of the productive labor. In addition to altering the gendered division of labor this resulted in overstretched workloads for women and a decline in subsistence production (Isaacman and Isaacman 1983). Women began to enter traditionally male jobs for the increased wages and thus were "proletarianized" to create additional cheap labor for the colonial model. In addition, the regional imbalance created not only disturbed the traditional development patterns, but it also served to shift the economy from one that was for the most part self-sufficient to one that prized production for export over domestic consumption.

The indigenous working class within Mozambique during this era could be characterized by having modest stability and great variation in its membership as a result of chibalo, the tremendous migrant labor demand to the mines, and the emigration that occurred to escape the repressive economic regime that characterized Portuguese

colonialism. There were racial divisions among working class as white settlers absorbed the highly-paid skilled and semi-skilled jobs while the indigenous black population was relegated to the low-paid unskilled tasks, however, given the lack of advanced industry and manufacturing in the colony there was little need for a large skilled workforce (Munslow 1983).

This chapter discussed the role of cheap and forced labor in the colonial economy and how it was sustained through chibalo and an ineffective educational system. The nature of the colonial economy and how Portugal was highly dependent on Mozambique for the raw materials it needed to keep industry operating in Portugal is detailed within the chapter as well. With such a rigorous and repressive colonial force it would only be a matter of time before the oppressed population united in revolt.

# CHAPTER TWO

### FRELIMO AND THE MOZAMBICAN REVOLUTION

The nature of Portuguese colonialism was one which enticed acts of discontent and sabotage throughout its time of rule. These acts were not generally of a large nature, however, as an organized and unified uprising would have been difficult to organize, and would need a unified leadership and organization, which would come in 1962 in the form of Frelimo. This chapter will discuss the creation of Frelimo and their unification of the indigenous society into a revolutionary front which would fight for over a decade for independence. The formation of dynamizing groups and liberated zones as well as their role as testing zones for post-independence policy and practices will be discussed. The chapter also looks at the techniques utilized to socialize agriculture and production.

## 2.1 THE FORMATION OF FRELIMO

The Frente de Liberação de Moçambique [Front for the Liberation of Mozambique] (Frelimo) formed in 1962, as the result of three major nationalist organizations coming together: the National Democratic Union of Mozambique, the Mozambican-Makonde Union, and the National African Union of Independent Mozambique. These organizations formed in the wake of the nationalist fervor which was sweeping the continent in the 1960s, but none of them had much power or influence because they each had a relatively narrow regional and ethnic composition. Julius Nyerere, the president of Tanzania, invited all three groups together to establish their

headquarters in Dar es Salaam; while there, they worked to create a unified nationalist movement. Frelimo resulted under the leadership of Eduardo Mondlane as an alliance between all ethnicities, workers, peasants, and the petty bourgeoisie (Isaacman and Isaacman 1983; Bowen 2000).

Frelimo formed as a way of uniting natives against colonial rule and over more immediate shared grievances. These included the repressive nature of Portuguese colonialism, the lack of a black Mozambican middle class due to the fact that other than cotton production no part of the production chain was left in the hands of Mozambicans and that small businesses were mostly only operated by the non-native population, and because of the cracks in the social structure and social services relating to health care and education (Abrahamsson and Nilsson 1995). Frelimo's slogan: "respect the people, help the people, defend the people" was the sentiment that made Frelimo so popular throughout the country and mobilized the peasantry around them; Frelimo was out to promote a meaningful change which Mozambican society desired (Munslow 1983:92). The formation of an organized and united leadership was the defining factor in mobilizing the people around their shared grievances towards Portuguese colonialism. Once this mobilization was possible a social uprising was created which would later be transformed into a social revolution.

The first goal for Frelimo was to create an insurgent coalition that could successfully challenge not only the repressive Portuguese colonial system, but all other forms of exploitative relations, including ending the role of traditional chiefs who collaborated with the Portuguese. An armed liberation struggle began in 1964 and served as the beginning of Mozambique's social revolution (Hanlon 2007). In order to achieve

these goals Frelimo believed that unity/anti-racist sentiment, nation-building, and a modernization policy were the cornerstones for success and that they would fight until Mozambique was recognized as an independent country, power was transferred to the people, and Frelimo was recognized as the sole legitimate representative of the people (Mittelman 1981; Bowen 2000).

In order for Frelimo to be successful in waging a revolution it was necessary for them to unite the people through defeating racism, tribalism, and classism. Traditional society was divided among over a dozen ethnic groups, each with their own language, identity, heritage, cultural rituals, and material conditions. In addition, because of the colonial system there was a wide range of social differentiation among the indigenous population which created differing social classes such as peasants, workers, artisans, merchants, and régulos/ traditional chiefs (Isaacman and Isaacman 1983). Racism and "tribalism" were seen as obstacles to realizing the potential of an independent Mozambique (Machel 1981). The problem became finding a way to unite these differing classes, each with their own ideology; Frelimo sought to do this through shared nationalism and opposition to colonial rule and structured their debate around these shared grievances to bring about unity and resistance.

During the armed struggle for independence Frelimo established liberated zones in areas of the country where they had expelled the Portuguese population. It was in these zones that Frelimo began to garner additional support from the local rural populations through constant contact with them. Dynamizing groups were formed by Frelimo in order to maintain contact with the rural populations and in order to get feedback from them on what it was they wanted to see occur and what problems they saw with the colonial

model. Thus, Frelimo's actions in the countryside created more support for the party as people felt that their opinions were important and would be heard by their leaders. Frelimo recognized that their strength was in the people and as such they put the people first recognizing that they were the most important to mobilize, care for, and protect because, after all, it was the peoples' revolution (Munslow 1983).

Liberated zones also served to unite the people by getting them to work together. While working together people united over shared experiences and sharing knowledge; they sweat together, cultivated together and learned from each other; through this they began to see the similarities instead of the differences while working towards the unity of the working class. Militants began to feel a sense of camaraderie as well because of their shared struggles. Throughout this process the gender divisions of traditional society began to break (Abrahamsson and Nilsson 1995). Women were seen more for what they were capable of doing instead of what they should not, and were embraced for their position in educating future generations with the ideals and lessons of the revolution (Machel 1981). In addition, dynamizing groups fostered unity by allowing people to discuss issues among their fellow villagers in town style meetings.

Many people joined Frelimo strictly because they desired independence from colonial rule. Once united over the shared desire to end Portugal's repressive colonial rule the problem for Frelimo became creating a plan for how the economy should be structured. Both Mondlane and Machel wanted to structure an independent Mozambican society around socialist ideology, which transcended gender, racial, and ethnic divisions as a uniting agent (Isaacman and Isaacman 1983). However, it was only after Frelimo had began to unite the people behind them that they exposed this socialist ideology and began

to start replacing talk of unity with talk of class struggle. This dominant strand of Frelimo believed in socialism and identified the enemy solely as those who supported the colonial regime and the mode of economic relations characterized by that regime.

As a result of this new socialist orientation Frelimo divided into two factions while fighting the war of independence, one led by Machel (later termed the revolutionaries) and one led by Lazaro Nkavandame (later termed the reactionaries). The reactionaries believed that Frelimo members should take the place of the Portuguese after independence without making any changes to the social structure, and that the Portuguese/white population was the enemy and should not be allowed to become Mozambican citizens. The revolutionaries believed that a radical transformation of society should occur, and that race was not the issue, but the colonial system was. Thus, Portuguese citizens who were opposed to the colonial administration were welcomed in Frelimo. In addition, the revolutionaries believed that agricultural production should not be done to meet individual subsistence needs, but should be collective to meet the needs of the whole. Moderates believed that a form of market capitalism should be adopted where private trading would occur so that agricultural goods could be exchanged for consumer goods (Abrahamsson and Nilsson 1995).

The revolutionaries won the debate after trials in the liberated zones which led some moderates to flee to the non-liberated zones in an attempt to collude with the local Portuguese. These controversies over how the future independent country should be run were played out both within and outside of the party on a national scale; however, none of the dissidents or the local Portuguese had enough power to threaten Frelimo's hegemony after 1974. Despite several efforts to break the unity Frelimo was able to

create, Frelimo was able to show the people that these were blatant attempts by the enemy to break their unity and restore colonialistic modes of production. Frelimo's adaptation of Marxism as an ideology served to transcend ethnic divisions and the social divide between the working class and peasantry, and allowed Frelimo to unite the country along popular lines (to which all could belong), rather than racial or ethnic lines; because of this, the Frelimo leadership and army were comprised of a heterogeneous mixture of ethnicities which even the enemy could not deny (Abrahamsson and Nilsson 1995).

#### 2.2 Frelimo and the Peasantry

Of critical importance for Frelimo's socialist transition was the weak nature of the working class and peasantry in addition to the colonial dependency of the Mozambican economy. The peasant society which Frelimo inherited was socially differentiated between poor, middle, and well-off peasants. Frelimo, despite its rhetoric of being a party for the people, saw the well-off and middle peasants as a threat to the worker-peasant alliance because of what happened in the Soviet Union and neighboring Tanzania, and sought to eliminate these farmers by classifying them as the enemies of the revolution. These farmers were seen as a threat because they would be most likely to resist the socialization of agriculture and the economy instead looking for private capital accumulation. Even some poor peasants had individual economic ambitions that were not compatible with Frelimo's socialist vision; even though many supported Frelimo for the war of independence, they did not all support their socialist orientation. Because of this, Frelimo hoped to create greater political differentiation between the poor peasants and the

middle and well-off peasants so that the transition to socialism would be more likely to succeed (Bowen 2000).

Peasants were a major force for Frelimo. It was their struggle that launched the revolution and their manpower that fought for a decade to establish a new economic and political order. Frelimo promised to free them from their position as beasts of burden which the colonial regime had relegated them to in favor of improving their standard of living by fighting capitalism and imperialism. The peasantry was Frelimo's political basis of power and the support system for the war (Machel 1981).

During the war with Portugal, which lasted from 1962 until 1975, the peasantry was vital in supporting the militants through agricultural production. In a campaign throughout the liberated zones Frelimo appealed to the peasants for support by providing cadres with food, strategic information about the Portuguese's position or plans, and recruits. Peasants became vital in the North by providing ammunition and supplies garnered from trips to military bases in Tanzania. As such, the peasants became a vital resource for the cadres and without them the military would not have been as strong as it was. Thus, production during the war focused mostly on staple goods that would feed both the peasants and the militants (Isaacman and Isaacman 1983).

In some of the liberated zones Frelimo was already testing out some socialist agrarian models, such as communal villages and cooperative/collective agricultural production. The militants helped the peasants within the liberated zones build up collective production fields since their surplus was so vital to supplying the army and to areas where the war had disrupted agricultural production (Abrahamsson and Nilsson 1995). The relationship between the militants and the peasantry helped to foster unity

between the two groups and Frelimo hoped it would help to build class consciousness and eliminate the spirit of individualism. Production began to be seen as a means to satisfy the people and the needs of the war. As such, agricultural production came to be seen as a means to achieve liberation, not only from hunger and poverty, but from repression and exploitation as well (Machel 1981).

## 2.3 Frelimo's Development Goals

Frelimo organized around socialist goals for development in industry and agriculture, as well as for organizing the people. The second president of Frelimo, Samora Machel, (who took office in 1969 following former president Eduardo Mondlane's assassination) often stated that Frelimo's Marxist-Leninist inspired socialism came to the country naturally as an extension of the continuous class struggle and suffering of the working people in Mozambique throughout colonialism. The society's education in socialism began not from books, but from seeing themselves and their families oppressed and exploited by the Portuguese and knowing that a more equal and fair economic orientation had to be possible; they would find this through experimentation and trial and error in addition to taking heed to some of the policies implemented by their neighboring socialist countries. In doing so, Frelimo became a vanguard party whose main goal was to organize the people in a worker-peasant alliance against the class enemy – the remnants of the colonial regime, the collaborative native bourgeoisie hoping to take their place – while also creating the base for the people's democratic power (Isaacman and Isaacman 1983; Frelimo Party1983a).

Frelimo wanted to make their socialist goals accessible to society so the leaders often gave speeches to local towns. Dynamizing groups were utilized in order to convey knowledge to the people and to get feedback from the people to take to the Party, and Frelimo published many of their goals in local newspapers and flyers in order to make their commitment to socialism intelligible for the people (Isaacman and Isaacman 1983).

It was in the liberated zones that Frelimo's socialist goals took shape and the marked changes in the substructure and superstructure would begin. These zones were where new social relations and forms of production would being in an effort to build what Frelimo termed the New Society structured around socialist ideology and organization (Frelimo Party 1983a). Within the liberated zones the diffusion of Frelimo's ideology occurred, as the people were organized by Frelimo, and the people followed the watchwords: production, study and combat, which were the synthesis of Frelimo's goals (Machel 1981). The foundation for the transition to socialism was laid in the liberated zones, but the full swing of the transition could not begin before independence was achieved.

Lessons learned in the liberated zones were to be transferred to the whole population and these successes would form the basis for the legitimization of the party while they were engaging in nation-building. This legitimacy, however, would later be gained by creating a social contract with the people by providing improvements in social sectors throughout the country (Abrahamsson and Nilsson 1995). Legitimacy was important because a true shift to socialism can only occur if the position of the workers and the peasantry is strengthened; without this there could be backlash against Frelimo.

Frelimo had ambitious goals for the development of Mozambique. Among these goals were the transformation of rural areas, developing industry through state control, modernization, the provision of social services such as schooling, health care, wells, irrigation, etc, the continuation of a unified society, and a sustained victory over colonialism, "tribalism", and underdevelopment. Many Mozambicans rallied around these goals when they were first announced during the revolution. The mutual sense of purpose which was instilled within the population and the leadership fostered a common identity among not only Mozambican society but the leadership as well, and resulted in a strongly unified political organization (Harrison 1999).

The transformation of agriculture was one of the most critical development goals of Frelimo. Production was dependent on the population, and the population was dependent of the production to meet their needs as well as to generate surpluses to export in exchange for foreign capital or needed goods, both consumer and industrial, that Mozambique could not yet produce. As such, production needed to be diversified from the cash crop plantations that predominated during colonialism, techniques needed to be advanced, natural and local resourced needed to be utilized, and irrigation channels, wells, and dams needed to be built. Fairer prices for peasants selling their goods were also required. Perhaps most vital to Frelimo's agricultural plan was the adoption of cooperative farms which they believed would produce more with less effort, and would help to destroy individualism and corruption inherent in the old society. Education would also occur within these production units as farmers shared their knowledge and techniques with each other and those schooled in agriculture production spread their knowledge to the masses (Machel 1981).

Production was essential for Frelimo's development goals. Everyone was expected to produce, not simply peasants. Production was to be transformed not just through the creation of communal villages, but through creating structures of worker control in industry (Munslow 1983). Raising production was essential to reverse the underdeveloped status of the country and improve the living and working conditions of the people through increased production of basic needs such as clothing and food.

Domestic production was essential to building up domestic trade which would foster development and the growth of markets in the rural areas (Frelimo Party 1983a; Frelimo Party 1983b).

Frelimo had an ambitious goal for Mozambique to overturn centuries of underdevelopment in only ten years. As such, modernization had to occur at a rapid pace which meant that Frelimo had to become a strong centralized decision-making authority. In addition, instead of using Marxism as the foundation and tool for social analysis, Frelimo turned it into an instrument through which forced modernization and nation-building was to occur. The transformation from a liberation front to a Marxism-Leninism inspired party that required centrally managed planning as a precondition to modernization left many rural peasants questioning the legitimacy of Frelimo (Abrahamsson and Nilsson 1995).

# 2.4 WINING THE WAR FOR INDEPENDENCE

In 1974 Portugal was involved in three internationally unpopular wars over their African colonies and the Carnation Revolution at home sparked by officers of the Portuguese army over the government's colonial policy. These officers fought to overthrow the fascist dictatorship in Portugal and when they did they also sought to end

the colonial wars (Story 1976). When Frelimo won the war against the Portuguese they reached a settlement that would allow for a one year transitional government before Frelimo took power. During this year Frelimo governed in conjuncture with the Portuguese which allowed them to gain valuable experience in understanding how government affairs were conducted. Frelimo was also allowed to write Mozambique's constitution without the help of the Portuguese thus allowing them to develop a constitution that was tailored to their needs and desires. This constitution embodied the ideas of the worker-peasant alliance, the role that Marxism-Leninism would embody within the leadership and organization of society and the economy, and the idea that Frelimo was a party of the people, for the people (Mittelman 1981).

The actual transition to socialism, despite all the plans laid during the revolution, could not truly begin until independence was achieved. While that independence took thirteen years, the armed fight aided in defining the way socialism would take shape in Mozambique. The more the two armies fought, the more liberated zones were created and it was in these zones that Frelimo was able to build their support and test new policies and economic arrangements (Mittelman 1981).

This chapter discussed the role of Frelimo in creating a front that would unify the people along their shared grievances over Portuguese colonialism. The reaction of the people toward the announcement of Frelimo's socialist orientation was met with mixed results, but in the end the majority of the population united along socialist lines. The liberated zoned proved to be essential in testing out socialist modes of production, especially agriculturally, as many collective farms served to feed the soldiers as well as

war ravaged territories. The unity created by Frelimo transcended the threat from Nkavandame and his supporters as socialism became the dominating ideology post-independence around which both the economy and society would be organized. How production would be structured in an independent socialist Mozambique would be the next task for Frelimo.

# CHAPTER THREE

# MOZAMBIQUE'S SOCIALIST ECONOMIC AND SOCIAL ORDER

The development of Mozambique's socialist economy was based on the lessons learned within the liberated zones during the revolution. Of these the role of agriculture was one of the most important. Agriculture would come to define Mozambique's economy once more, but through different modes of production. This chapter looks into the initial phase of socialism in Mozambique's economy and society. It discusses the role of cooperatives, state farms, and communal villages and the peasantry's role within them as well as their role as individual family farmers. The failures of many of Frelimo's initial initiatives with regards to agriculture are discussed as are their responses to these failures. This chapter also examines the state of industry and production within Mozambique after the Portuguese fled and the efforts made by Frelimo to develop industry. The effects of colonization on Mozambique's underdevelopment, Frelimo's policy towards the people and how the people are viewed in terms of the roles they will play in the transition to socialism are examined. This chapter analyzes Frelimo's role and the role of the dynamizing groups in fostering unity, the role of education in promoting literacy and job training, as well as how education served to inculcate socialist ideology within the younger generations. Lastly, this chapter investigates Frelimo's goals for and policy toward the working class and peasantry and the urban bias which took shape in Frelimo's policies.

# 3.1 THE ROLE OF AGRICULTURE

The economic policy of Frelimo was to satisfy the people's needs while building socialism and creating an independent, planned, and advanced economy. In general, the role of agriculture in Mozambique's economy was to supply the people with food, as well as to supply exports to fuel the country's rapid industrialization and modernization. This increase would be facilitated by Frelimo through the mobilization of workers, advancing production techniques, and making sure the correct techniques were implemented (Frelimo Party 1983a). Of the total population of 12 million, 9 million were involved in agriculture (Mittelman 1981). Family farms comprised the largest sector within agricultural production. These farms were essential to the production of consumer and export goods, yet Frelimo preferred to designate cooperative farms as a more progressive and productive form of organization and production (Frelimo Party 1983a).

One of the major problems with agricultural production being concentrated on family farms was transportation. The lack of infrastructure built between villages because of colonial development needs meant that delivering surpluses and distributing them to areas where shortages were occurring became a problem, especially during the rainy season when the dirt roads became inaccessible (Isaacman and Isaacman 1983).

Supplying food to urban areas was a major concern for Frelimo so they encouraged the creation of green belts around urban centers. These belts would serve urban inhabitants who could go to the city limits and cultivate the land so as to create a self-sufficient urban population (Frelimo Party 1983a).

Frelimo also implemented nearly 600 voluntary work days where about 25 percent of the population, rural and urban, participated to meet the needs of the economy.

While not all of these work days were designated towards agricultural production – some were meant to meet the needs of industry and manufacturing – the agricultural work days served to put about 7,381 hectares of land under cultivation. Such crops as maize, rice, groundnuts, cassava, vegetables, and sorghum along with other crops were planted and would be harvested for the worker's consumption. In addition, hundreds of thousands of fruit and shade trees were planted, livestock production centers were built to hold the 3,600 small animals to be reared there, 63 cooperatives were initiated, and two irrigation schemes were built that totaled over 2,000 meters (Frelimo Party 1983b). These voluntary work days helped to supplement the stagnating agricultural production occurring on the family, cooperative, and state farms and served to increase the collective mentality among Mozambican society.

While agriculture was intended to be the base of Mozambique's development, by 1980 the country was still only growing about a third of the food they consumed and the state's funds were running short (Munslow 1983). Production was uneven with the most successful harvests being in maize and cotton, while their sugar and cashew exports declined about 45 percent each during the first years of independence (Mittelman 1981).

### 3.2 THE ROLE OF COOPERATIVES, STATE FARMS, AND COMMUNAL VILLAGES

Agricultural reform is especially pertinent in Mozambique, a country which generates over half their export earnings through agro-exports. The envisioned transition to socialist agriculture involved four processes: (1) the nationalization of land; (2) a highly developed productive force; (3) the socialization of production through collective controls; and (4) the worker-peasant alliance. The first three processes were largely

already created by capitalist development. When Frelimo nationalized the land (process one) they gained control over large sectors of the most productive land which were formerly held by the Portuguese settlers. This land – often used by the Portuguese as large-scale plantations and worked by the indigenous Mozambicans through chibalo – created a fully proletarianized workforce working the means of production (process two). With the creation of cooperatives, state farms, and communal villages the workforce was socialized into collective production to further develop process three (Deere 1986). The state farms created a source of wage labor which would help to further the worker-peasant alliance required in process four. Thus, Frelimo was well under way in meeting the requirements of a transition to socialism.

Frelimo believed that cooperatives were a natural extension of the productive relationships that formed within the liberated zones during the war for independence and, as such, Frelimo referred to these zones as the reference points for post-independent development. In reality there were still four types of production occurring within the liberated zones: individual production, pre-collective production (where peasants still cultivated their own fields but set aside surplus to feed the soldiers), collective fields (where peasants worked in fields cooperatively yet still had their individual farms), and collective production (where peasants and soldiers worked the land jointly and shared the harvest and profits equally). Individual and pre-collective forms of production were the most common within the liberated zones, with individual farms dominant. Collective production was the least common and only truly formed in the liberated zones of Cabo Delgado, and there only slightly. Despite this, Frelimo used the practice of collective

fields and production and referenced it as the model for agricultural development in postindependent Mozambique (Bowen 2000).

Cooperatives were facilitated by the state to serve as a tool to organize the peasantry into more productive groups centered in communal villages who shared the responsibilities of cultivating a harvest. This socialization of agriculture, Frelimo hoped, would form the basis for production in the rural areas and create the economic basis of socialism (Frelimo Party 1983a). Frelimo hoped that once the peasants working on the cooperatives saw the practical results of joint effort they would form communal villages around the cooperatives (Mittelman 1981). In 1977 there were a total of 1500 cooperatives in Mozambique, but most of these were located outside of communal villages (Bowen 2000).

Some of the poorer peasants joined the cooperatives because they believed that cooperatives would offer them a way to increase their household incomes and provided them with a source of food. However, in order to entice more peasants to join the cooperatives the state had promised to provide critical inputs to the farms, such as fertilizers, seeds, and even tractors and other technical inputs. The problem with this, however, was that the state rarely delivered. All too often the cooperatives put off planting waiting for these inputs to be delivered, especially tractors which were is short supply. When the tractors failed to be supplied many cooperatives failed to produce because workers were not willing to cultivate the land by hand. Despite the security and flexibility associated with cultivating using oxen-plows (especially since they were utilized on family farms and almost all members knew how to use them, unlike tractors and other technical inputs), many peasants, especially middle-peasants, refused to use

oxen instead believing along with the state that mechanization was key to modernization. In addition, seeds and fertilizers, as well as the other technical inputs promised by the state, were often late to arrive because of the inefficient bureaucratic organizations that were put in charge of distribution – which were often staffed by unqualified personnel due to the lack of educated and trained native Mozambicans; a colonial legacy – and when they did arrive it was often too late past the planting season be of use (Isaacman and Isaacman 1983).

Another problem with the cooperatives was that Frelimo was heavily dependent on the middle peasantry's resources to spur investments. The middle peasants who joined the cooperatives were required to donate their means of production to the cooperative, and, due to the lack of investment made by the state, these inputs were the main components with which the cooperatives had to work. The lack of planning went beyond resource allocation and spread to all aspects of the cooperatives' organization. There were no rules towards how the cooperatives would be run and managed, and most decisions were left to local authorities. Frelimo designated a branch of the Ministry of Agriculture to work on cooperative support; however, this branch consisted of only three members whose skills lied in political organization and propaganda. Frelimo believed that simply by increasing peasants' knowledge and control of the production process in a political demeanor that productivity would increase. Thus, it became clear that the coordination, organization, skill set, and knowledge needed to make cooperatives function productively were not going to come from the three political cadres that were designated by Frelimo as the sole support system for the cooperatives (Bowen 2000). Despite Frelimo's rhetorical dedication to the cooperatives, it was clear from the lack of

assistance provided to them that the cooperatives could not expect much in the form of support from the state.

As a result of the lack of planning and clear objectives, as well as the informal organization within the cooperatives, the middle peasants began to take on leadership roles even though Frelimo had designated the cooperatives as places for poor peasants. In Gaza province, for instance, several of the cooperatives were dominated by richer peasants (Munslow 1983). As a result, few changes in the relations of production occurred as a result of cooperative production since the leadership positions were held by middle class male peasants; poor women, the majority of the members, were left without decision making power. This gendered division of labor mimicked that of family farms where men dominated over production and women. Given the lack of financial and technical support by the state, poor peasants did not have access to the resources needed to operate and control self-reliant cooperatives. Thus, only those with the means of production and organizational skills were able to invest in cooperative farms, which left only middle and wealthier peasants to run and operate the cooperative. Many middle peasants, however, noticed the lack of investments in the cooperatives by the state as well as the farms' lackluster productivity. Realizing that their chances for capital accumulation on cooperatives were slim, many middle peasants began to leave the cooperatives believing that they would be more productive and efficient working on their own family farms (Bowen 2000).

It was a combination of these factors that made the cooperatives unappealing to many peasants. Consequently, cooperatives did not produce as much as the state had hoped they would. In 1981 only 229 of the 1,352 communal villages were farming on

cooperatives, a shocking number considering that communal villages were supposedly formed around the cooperatives. The "cooperatives only cultivated 1 percent of the land and contributed 0.3 percent of [total] production; the family sector farmed 94 percent of the cultivated land and produced 80 percent of the total agricultural output" (Isaacman and Isaacman 1983:156). Many cooperative members spent the majority of their working time on their own private lots and worked the cooperatives on their spare time because of the lack of organization and supplies; they felt that it would be more productive to farm their own land. Additionally, many of the working age male population were more compelled to work for the state farms or in the South African mines for wage labor, which left mostly women and the elderly to work within the cooperatives and created a labor supply problem (Isaacman and Isaacman 1983).

It was not until the early 1980s that Frelimo's policies towards the cooperatives changed. Frelimo delegates decided that the cooperatives needed increased support; however, only certain cooperatives in selected regions were slated to receive this support. The decision to increase support to the cooperatives was a result of increased peasant dissatisfaction with Frelimo's policies, external pressure from donor countries and agencies, and internal pressures from the war with Renamo (see The Challenge from Renamo section below) which caused the economy to deteriorate. Support failed to be given, however, because after the Fourth Party Congress in 1983 the increasing food shortages caused by drought and war led to a more authoritarian rule; Frelimo's appointed minister of the family and cooperative sectors began to dictate to the cooperatives how much of each crop was to be grown (Bowen 2000). This return to the old, and failed, planning methods demoralized cooperative members and created turmoil

when Frelimo's Operation Production program mandated the removal of unemployed urban citizens from the cities to state or private farms. In addition to undermining cooperative members' control over their units of production the Operation Production program served to undermine Frelimo's legitimacy in the eyes of the peasantry and increased the already antagonistic relationship between the peasantry and the state (Bowen 2000; Saul 2005).

The lands abandoned by the Portuguese settlers upon Mozambique's independence were seized by the state and turned into 2000 state farms (as well as some cooperatives and communal villages); these served to build up the working class – needed for the transition to a socialist state according to Frelimo's ideology – as labor provided on these farms was paid, but largely seasonal. The seizure of these lands also signified the destruction of capital by the state, as these farms were once and would likely have otherwise continued to be the centers of individual capitalist production and accumulation had the state not taken them over. These farms were designed to reduce food imports and to generate surpluses that could be invested in peasant production. Frelimo followed a particular strand of socialist development theory which prioritized state farms and devalued peasant farming; as such, the state farms were the greatest priority for Frelimo and they received substantial funding from the state, up to 90 percent of the agricultural budget (Mittelman 1981; Bowen 2000). In addition, the Ministry of Agriculture created an organization, the National Directorate for the Organization of Collective Production, which contained a branch responsible for dealing with the state farms. This branch was staffed with fourteen highly trained agricultural specialists and economist who were involved in the planning of the state farms. This investment, as

opposed to the three political cadres assigned to the branch designated to the cooperatives, illuminates the state's dedication to the state farms and modernization and mechanization (Bowen 2000).

The state felt that agricultural intervention was needed because of: increased food shortages throughout the 1970s which were the result of a structural problem created because of the capitalist colonial model; the need to keep agricultural operations running, even if unprofitable, so as to avoid mass unemployment; and because state farms would mobilize the small working class and advance the process of socializing labor in the countryside (Isaacman and Isaacman 1983; Deere 1986). Since Frelimo came into power uncontested and with tremendous support from the peasantry their agricultural policies were largely uncontested; because of this, after 1975 the leadership no longer felt that they needed to listen to the peasantry. Instead, Frelimo became indistinguishable from the state and dependent on modernizing state bureaucracies, which came to make most of the key decisions, and left agricultural policies in place that were largely unproductive and failing (Bowen 2000).

State farms, while intended to be highly productive, did not promote productivity among the family farmers working there. The lands surrounding the state farms were not allowed to be cultivated by farmers who lived in those areas. In addition, farmers who worked on the state farms were limited to just one hectare of land to be utilized for family production (Abrahamsson and Nilsson 1995).

It was hoped that state farms would be consolidated and developed to take advantage of economies of scale so that their productivity would increase and fuel production of exports and the raw materials needed for Mozambique's industrialization.

Massive technological investments were facilitated on the state farms. Over \$40 million was allocated to state farms in 1977 alone for heavy equipment, such as tractors, combines, irrigation pumps, and other equipment, as well as for seed and soil testing. Initially these investments were seen as the beginning of the end of rural underdevelopment as they prevented mass unemployment and even procured modest agricultural gains, but these gains were the result of putting more land under cultivation, not the result of improved productivity per acre (Isaacman and Isaacman 1983). This mechanization was based on a number of faulty assumptions about the rural economy which were neither consistent with the material preconditions for suppliers of food in the rural areas – the traders inhabiting the rural areas and supplying the trade networks had largely left on independence – nor with the prevailing cultural patterns within the rural areas (Abrahamsson and Nilsson 1995).

The problem with the state farms was that they were not as productive per unit as Frelimo hoped they would be. The production goals for state farms were never met, and in later years production began to stagnate (See Figure 2) (Abrahamsson and Nilsson 1995). Frelimo was overly dependent on mechanization as a way to increase production, even when it was not always the most appropriate technique to utilize. There were instances when the machinery bought was not the right kind to harvest the produce grown, or even when it was, the largely illiterate and untrained population was often times incapable of using the machinery properly. When the machinery broke there were few mechanics in the country that had the knowledge to fix it properly. For the machines that could be repaired, the money needed to buy the replacement parts often ate into the state's limited foreign reserves. Frelimo's initial emphasis on mechanization as the easy

solution to rural underdevelopment meant that the rural population would not be mobilized politically, which might have proven to be more beneficial in creating a productive labor force (Isaacman and Isaacman 1983).

In addition to being overly dependent on mechanization, the state farms were also poorly planned. Instead of planning farms to be operational year round the majority of state farms were monoculture cash crops for export planted once a year requiring only a seasonal work force; this caused severe fluctuations in employment and income. Many farmers were responsible for a different task every day instead of forming brigades that would be specialized for a single task throughout the season, which could have increased solidarity, skills, and class-consciousness among the workers and improved production and training programs. Frelimo noticed this anomaly and introduced production councils onto the state farms where workers would be able to participate in work related decisions and the conditions of their employment (Isaacman and Isaacman 1983).

However, since the state farms could not offer the peasants subsistence, since only cash crops were grown on them and these were mostly exported, peasants did not have much incentive to work on these farms over their own. This lack of incentive also held true since the lack of consumer goods in the rural areas meant that monetary incomes generated from working on state farms were not greatly needed. Many peasants also remained bitter toward the state farms because of resentment towards the state over the lack of land reform after independence; instead of redistributing the land to those families who had originally owned the land taken by the Portuguese, the state decided to take the land from them again, and forced those who had already laid claim to the land now designated as state farm and cooperative land to be incorporated into those farms. It is

even believed that some peasants, resentful over this issue and lacking the desire to work for the state on land that rightfully belonged to them, engaged in acts of sabotage and neglected their agricultural duties on the state farms (Bowen 2000).

As a result of these failures, Frelimo was still heavily dependent on food imports throughout the 1970s and 1980s and the surplus savings that were supposed to come from the production of exports never came (see Figure 2). The state farms were losing money, especially because of increased pressure from droughts, population increases and increased consumer demand, a result of wages being higher than those garnered under colonialism (Isaacman and Isaacman 1983). However, during this time dependence on agricultural modernization through mechanization was supported by the state as well as international donors and parastatals which increased the state's bias toward the state sector and state farms. Despite the downturns in productivity on the state farms, the state and parastatal decision-makers supported state farm production and excused its falling productivity as the result of its newness, lack of rain, improperly trained management, and the late arrival of supplies. They believed that once these problems were resolved production would drastically increase, but it did not (Bowen 2000).

Frelimo began to see the need for change within the state farms in the early 1980s and called for diversification among the farms. Large farms deemed to be unmanageable were consolidated and turned into smaller estates or turned over to peasant and private farmers. Monoculture production was to be replaced by mandating production of another crop whose growing season was complementary to the farm's main crop so that labor demands would be less seasonal. Many farms also divested into livestock production as well. These steps allowed many state farms to use their machinery more effectively and

efficiently and even increased the amount of consumer crops produced since many of the complementary crops that were grown were grains and vegetables. In addition, the state was to increase support to the cooperatives and family and private farmers, improve the rural marketing system, as well as supply networks and outlets for producer and consumer goods (Isaacman and Isaacman 1983; Bowen 2000).

agricultural exports agricultural imports Amount in current US\$ (in millions) 

Figure 2: Changes in Agricultural Imports and Exports, 1975-2004

Source: Compiled by Author using data from The World Bank African Development Indicators 2007

In 1978, the Mozambique Nordic Agricultural Program (MONAP I), a joint effort by five Nordic countries and the United Nations Food and Agricultural Organization (FAO) to support the state's takeover of the abandoned Portuguese settler farms began.

The goal of MONAP I was to stimulate agricultural production while the Mozambican

economy was being restructured from the colonial model. MONAP I sought to give priority to service projects such as seed production, agro-services, and the provision of spare parts, as well as direct production projects – such as building up dairy, cattle, and citrus farms – as well as fisheries and forestry for the state sector. This program donated a total of US\$50 million from the Nordic countries, matched by the Mozambican government (in national currency), to be distributed among twenty-six projects. In essence, MONAP I served as an "emergency import program of spare parts, capital equipment, and vehicles, complemented with some technical assistance to meet the shortage of skilled personnel" (Bowen 2000:133). MONAP I ended in 1980 because the donor countries noticed that investment in the state sector was not having the intended development results and was replaced by a more family farming oriented MONAP II which reined from 1981 to 1983. MONP II received US\$66 million from the Nordic countries and an additional equivalent of US\$120 million from Mozambique (in national currency) and was designed to improve the problems surfacing within the cooperatives and peasant agriculture (Bowen 2000).

Communal villages were intended to develop around successful cooperatives; they were designed to transform family farmers into collective workers in an attempt to socialize the countryside, throughout which 85 percent of the population was dispersed. These villages were meant to be the model of collective life where all forms of ownership and production were communal (Frelimo Party 1983a). It was anticipated that communal villages would triple the productivity of the rural areas, bring social benefits to the peasantry by means of the amenities offered in communal villages such as health care posts, schools, water, consumer and agricultural cooperatives, etc. and would reinforce

the worker-peasant alliance and raise peasants' political consciousness through the creation of an agricultural working class and the peasantry residing within the cooperatives as well as the formation of party cells and mass democratic organizations (Munslow 1983).

By 1979, over a million people were residing in communal villages, but only 7 percent of those were working in cooperatives (Munslow 1983). The total number of communal village inhabitants never totaled the goal of 6 million that Frelimo set, instead movement began to subside at around 1.4 million (Abrahamsson and Nilsson 1995). Many peasants resisted joining communal villages because they either did not agree with the socialist and inclusionary practices that were being taught within the villages) such as women's equality), they were not familiar with the idea of collective production, or they had highly productive and lucrative individual farms – especially true among the coastal residents whose cashew and coconut yields brought in substantial income – which they did not want to give up. Some peasants also felt uncertain about giving up tried and true methods of agricultural production for untested and uncertain forms of communal production (Isaacman and Isaacman 1983).

Traditional theorists believe that the communal villages exploited social tensions between the traditional authorities/chiefs – who aided the colonists – and the other ethnic groups because Frelimo rejected their traditional culture and banned them from participating in the political process. Traditionalists also believe that the creation of the communal villages and the cooperatives was an attempt by Frelimo to impress upon the society a single strategy of national development, which served to construct the state apparatus in the rural areas instead of develop the rural areas. This theory is partially

evident by the lack of successful development and increased production among the communal villages and cooperatives (Bowen 2000).

The poor organization of the communal villages was another problem for Frelimo. The most pressing issues were that the villages were not located in areas where there were sufficient water supplies to meet the needs of the entire village, many family farms and collective fields were located at great distance to the villages, several villages had no access to roads, and, in addition, the economic basis needed to support the social services promised were lacking from many villages. In addition, the distribution of the 800 villages that were established was highly skewed with three-quarters in the northern province of Cabo Delgado – the least populated area of the country holding just 16 percent of the total population – while the other quarter, about 200, were located throughout Niassa, Zambézia, Nampula, and Maputo (Bowen 2000). On top of these geographical problems, the need for people to keep track of bookkeeping and fill organizational jobs such as ordering seeds and distributing them, making marketing arrangements, and dividing the profits according to the hours the members worked was often too much for much of the uneducated population to take on by themselves (Isaacman and Isaacman 1983).

Despite the lackluster productivity and skewed distribution of the communal villages, they did serve to change social relations within Mozambican society. The inequalities of the colonial-capitalist mode of production began to give way to new social relations. Peasants within the cooperatives and communal villages initially came to realize that they needed to work collectively in order to assume greater control over their destinies. The increased political mobilization among the peasantry, which took the form

of elections of local leaders and participation in local party cells also served to increase their consciousness (Isaacman and Isaacman 1983). However, this participation was based on location and not on a class basis which left the peasantry more demobilized as a class rather than mobilized, as Frelimo had intended (Deere 1986). Traditional ideas about women's inferiority were challenged, as were initiation rites, child marriages, polygamy, and the bride-price (Isaacman and Isaacman 1983). However, not all peasants believed that these challenges were beneficial and as such refused to participate in the communal villages; instead they re-created traditional ideas on their own family farms.

Overall, Frelimo's uniform strategy of national development disregarded the regionally diverse and socially differentiated rural society and failed to consider peasant realities. When programs did not work Frelimo blamed the peasants for their resistance to change or backward ideologies rather than scrutinize their own ideology and policies toward the peasantry. Often times Frelimo misconstrued the peasants' involvement in communal villages and cooperatives as acceptance of their socialist orientation rather than a means of risk-spreading and survival strategies. In reality, many peasants saw cooperatives as a way to ensure income and food for their families, not as a way to increase class consciousness and facilitate the worker-peasant alliance. The poorest peasants saw the cooperatives as a way to make up for their shortages of land and equipment. Other peasants kept producing within their own family farms as well as the cooperatives as a way of spreading the risks of production. Membership in a cooperative also granted members access to consumer cooperatives, which allowed those peasants to gain access to consumer goods at the fixed state price, as well as the possibility to take out a loan to purchase food if the crops in the field were not yet ready to harvest.

Cooperative membership thus served mostly as a way to spread risks for the peasants and not as a way to demonstrate loyalty to the socialist orientation of the government (Bowen 2000).

The peasantry often suffered from neglect more than they did from Frelimo's actual policies; it was often what Frelimo failed to do that caused rural alienation rather than what Frelimo actually did do. Thus, it was the hypocritical rhetoric in which Frelimo bathed when they declared the communal villages and cooperatives as the bases of society and the economy and yet took active measures against them through the lack of funding and support given to these sectors which caused peasant suffering.

#### 3.3 Industrialization and Production

Upon independence, industry was regionally located with 70 percent of factories located in Maputo and Beira, a colonial legacy which the state sought to displace through the development of industry close to sources of energy, transport lines, and raw materials. Another colonial legacy was the largely illiterate, untrained and disorganized indigenous working class, which numbered only about 150,000, many of whom were largely restricted to the remedial positions that lacked many skill requirements; because of this, the state had to train and build a working class necessary not only for the transition to socialism, but to operate industry as well (Isaacman and Isaacman 1983).

When the Portuguese settlers left Mozambique in 1975 over 90 percent of the white population fled. Along with them they took not only their knowledge and skills, but many took their industries, cattle, and economic infrastructure with them through acts of sabotage and destruction. Mozambique was left with destroyed manufacturing plants and

leveled buildings which further depleted the means of production within the country.

Frelimo set out to rebuild and recover the lost industry while converting factories from producing luxury goods intended for the colonists to practical consumer goods and import substitution industrialization in an attempt to conserve foreign reserves. Heavy industry was set as the driving force of Mozambique's economy because an integrated and balanced economy was the key to getting out of the mire of underdevelopment. The training of the native Mozambican population was also important because people were needed to fill the space as managers and technical staff left empty by the flight of the Portuguese (Munslow 1981; Abrahamsson and Nilsson 1995). In the mean time, however, the spaces of managers and technical staff had to be filled by the indigenous population. Cadres, mixtos (mulattos) and assimilados ended up in the upper and middle rank positions, as these people were the most likely to be educated with some skill sets, while the lower ranking positions were held by the barely literate population (Munslow 1983).

The Third Party Congress of Frelimo set to restore production to its 1973 levels by 1980. In order to increase production and productivity Frelimo established production councils for each industry; these councils were in charge of setting production targets and playing an active role in decision making. The councils also played a revolutionary task in socializing industry by destroying capitalist modes of production as well as encouraging a sense of self-confidence and responsibility among workers. Regular meetings were held between the production councils and employees in order to improve working conditions as well as to train workers. They also acted as a forum through which workers could exercise collective control over the means of production (Isaacman and Isaacman 1983; Abrahamsson and Nilsson 1995). Frelimo also recruited 5000

cooperantes, technically skilled workers from Eastern and Western countries, to fill the void of skilled workers created when the Portuguese settlers left while new workers were being trained (Mittelman 1981).

Since the void of skilled workers could not be satisfied indefinitely through imported labor, the political, scientific, and technical conditions needed for a continual increase in production were needed. These conditions included modernizing production techniques, training, and the application of proper techniques in production management and control. In the mean time, Frelimo stressed the need for artisans and small property owners to engage in the productive sector with regards to satisfying the basic needs of the people. In the long term, the extraction and industrial transformation of the country's natural resources would be required to manufacture essential consumer goods and to build industry and produce spare parts – which were very expensive to import. Other objectives included developing the production technology for import substitution industrialization using local raw materials, and creating small-scale projects that would meet such needs as food processing and the manufacture of consumer goods and building materials. Thus, heavy industry would be the long-term key to an independent and advanced economy which would help free the country from a situation of economic and technological dependence. However, in the short term, local and small-scale projects which utilized local experience and resources were identified as the most pressing, as these would have the most immediate effects on the people's living standards (Frelimo Party 1983a; Frelimo Party 1983b).

The private sector was placed in charge of raising production through the use of local raw materials and investing in projects that would increase food production and

create exports in order to reduce the amount of imports. The state sector was left in charge of creating mechanisms, such as credit and setting official prices, which would encourage investment in the countryside, green belts outside the cities, and fisheries. These efforts would serve as a way to fuel food production and spark surpluses which could be used for export as a way to reduce imports and build foreign reserves (Frelimo Party 1983b). State interventions and nationalizations served not only to keep the industrial sector operating but to lay the basis for a planned economy as well (Isaacman and Isaacman 1983).

The socialization of production made no employees redundant; because of this, industries continued to employ a full staff despite low productivity. As a result, many workers received their wages even when they did not produce and the shortage of consumer goods and agricultural equipment was augmented (Abrahamsson and Nilsson 1995). However, production was seen by Frelimo as the means of getting out of poverty, increasing knowledge, and gaining control over nature. Now that Mozambicans were independent, production would actually serve to benefit those who labored; those benefits would come in the forms of increased wages as well as exporting to solve the problems associated with insufficient consumer goods (Machel 1981).

Overall, the modernization of industry was of great importance to Frelimo and the state. Agricultural production was meant to feed industrialization, yet in doing so the state largely ignored the majority of the peasantry in an effort to appropriate as much surplus production as possible. This, in effect, served to create an urban bias where industrial development was prioritized over agriculture as a way to pacify urban wage

earners and the unemployed and caused even greater contentions between the rural and urban areas (Bowen 2000).

#### 3.4 COLONIAL EFFECTS

It must be remembered that Mozambique's state of underdevelopment was not the result of bad luck; it was a result of the historical occurrences which shaped the economy and society that Frelimo inherited from the Portuguese. The origins of underdevelopment and the economic system with which Frelimo had to work was the direct result of Portuguese colonialism and historical contingencies. As Marx states, man can make his own history, but he can not make it under the conditions of his choosing; the socioeconomic environment in which he is situated impacts what he is able to do and with what he is able to draw from/upon (Saul 1986).

When Portugal colonized Mozambique the country went from an undeveloped country, which had no contact with capitalist societies, to an underdeveloped country. The Portuguese specifically developed industries that would operate for import substitution so that industry became a complementary instead of a competitive system since export driven industries were not developed; instead, local industries serviced luxury items for the settler population. Underdevelopment resulted in the insufficient and irrational use of human and natural resources – such as the low levels of agricultural productivity, the underutilization of the land, the high rate of native unemployment, and the retarded industrial sector built off of the use of unskilled native labor – which inhibited the transition towards a developed economy with a balanced and diversified economy (Ottaway 1988). This underdevelopment and the lack of a black bourgeoisie

constituted a serious threat to post-independence development (Mittelman 1981). It was these characteristics with which Frelimo had to work and thus the Marxist-Leninist ideology and development framework was adopted so as to include and reference these Mozambican realities.

Despite the colonial legacies of a largely illiterate and unskilled population, lack of industry, and lack of a working class, the effect of Portuguese colonialism filtered into several other aspects of Mozambique's independent economy. Perhaps most important were the domination of industry by foreign capital, which took revenues away from Frelimo as the profits were exported back to the financing countries, the pervasiveness of multinational corporations, whose capitalist interests ran counter to those of Frelimo, the state of trade, and the dependence on South Africa as a source of revenue from both transport fees and the hiring of migrant workers (Mittelman 1981).

Marketing and trade networks were severely impacted when the Portuguese fled. Rural shopkeepers and traders were run by Portuguese and Asian settlers; when they fled the internal trade networks were in shambles. This problem was exacerbated, however, when Frelimo discouraged Mozambicans and Asian traders who were capable of keeping them running from doing so. Instead, Frelimo took the trade networks under state control so as to make trade about distribution and not about unequal exchange (this only lasted until 1980 when it was declared that state control was too costly to be maintained). In the mean time, this breakdown of the marketing system and transport lines greatly hindered rural peasant trade and production since supplies could not be traded and surpluses could not reach areas in need (Bowen 2000).

In addition to the declining trading network, the transportation system was severely retarded. All railroads ran from east to west, from the coast to the border, with no links to the interior provinces. There were also no all-weather roads that ran north to south, which further reduced the ability for internal trade. Since surplus agricultural produce often could not be sold because of the insufficient trading, marketing, and transportation networks the peasantry decreased production. This had a negative impact on external trade and resulted in a foreign trade deficit which lasted for several years (Mittelman 1981).

Mozambique's historical dependence on South Africa is also of great significance. Just prior to independence in 1975, 115,000 Mozambicans were migrating to South Africa to work in the mines; almost 30 percent of mine workers in South Africa came from Mozambique (Mittelman 1981). After independence, the number of migrant labor contracts was reduced to just 40,000 despite mine work being a preferred income source for many Mozambican men in the rural south (Abrahamsson and Nilsson 1995; De Vletter 2006). This, combined with the collapse of the trade network, created great vulnerability for the Mozambican economy as peasant production was meant to fuel exports to bring in foreign exchange, but with the lack of internal trade networks peasants reduced production. This combined with the dramatic decrease in the sum of revenue that the migrant gold miners brought back severely reduced the amount of money flowing into Mozambique's economy. The decrease in the number of contracts also spelled trouble for many of the young peasants in the south who were working in the mines in order to generate enough income to buy the means of production necessary to start their own family farms, as well as to purchase day-to-day necessities (Bowen 2000). Thus, the

disintegration of the African mines further expanded the breakdown in peasant agriculture.

Not only were the geographic and societal effects of colonialism pronounced, but the Portuguese also left the newly independent Mozambican government saddled with the debts incurred by the Portuguese administration that were deemed to be in the interests of the country. Upon independence this amounted to a total of £850 million, a large sum for a country bankrupted by a 13 year war for independence (Mittelman 1981). These debts had a tremendous impact on what Frelimo was able to do and how much money they were able to use to finance the projects they had intended to aid in the shift towards socialism and a planned economy, especially considering the state that Mozambican industries were left in when the Portuguese sabotaged the equipment prior to fleeing the country.

The colonial legacy had detrimental impacts not only on what Frelimo was able to do and what state the society and economy were left in, but on the structure of government as well. For a large part Frelimo continued the all-powerful role of government that the Portuguese did. Despite local meetings among the rural towns with political cadres and dynamizing groups, most decisions made there had little bearing on what Frelimo actually did. Higher authorities largely ignored decisions made at the base which they felt to be politically incorrect; bureaucracy began to take control of the government. After 1981 popular participation was dwindling and support for Frelimo declined as peasants saw their socioeconomic statuses worsen (Bowen 2000).

Frelimo had ambitious goals for the development of Mozambique's economy and the transition to socialism. As can be seen above, these goals were not always met,

however. There were trials and tribulations related to agriculture, industry, and the organization and planning of both. Agriculturally, it was seen that more attention was given to technical factors than to the human and creative initiative of the people and key organizational planning was missing. Frelimo recognized this when they decried:

We are not bothering about manufacturing the hoe because we are awaiting the arrival of the tractor we must import. We are distributing tinned beans, that cost foreign exchange, in a communal village that produces beans and from where no one has bothered to collect surplus production. We overload the peasant with items he does not use, but do not provide him with a lamp, cloth, a file or a hammer. Nonetheless we expect him to exchange his production for goods he does not need... The failure to support small-scale projects and local initiative has the effect of demobilizing the people. They make great sacrifices to make large-scale projects possible, but they do not feel the support of state structures in improved living standards and in the fight against hunger (Frelimo Party 1983b:25)

By obsessing over what Frelimo thought would bring modernization to Mozambique they failed to see what they could have, and often times should have, been utilizing at home, such as the use of hoes when tractors were unavailable, or creating the networks needed to collect and distribute surpluses so that limited foreign exchange could be saved for things that were vital and could not be produced at home. The economic difficulties faced by Frelimo were often greater than many of the difficulties they faced in the social aspects of the transition to socialism.

### 3.5 BUILDING UNITY

While Frelimo had begun to unite the people during the war for independence, the process was not fully developed. Throughout independence and nation-building, Frelimo made a priority out of building unity around nationalism and support for Frelimo's goals. Frelimo felt that their struggle against the Portuguese had already began to eliminate the tribe in the sense that people began to identify themselves more as Mozambicans than as certain tribal members/ethnicities. However, Frelimo still struggled to consolidate

"national, ideological and class unity" as well as to fight against remaining "factors that [divided the] people, in particular against tribalism, regionalism, and racism" (Frelimo Party 1983b:18). Frelimo promoted the end of these dividing factors by encouraging cultural exchanges between different regions and races in an effort to promote a single national culture.

The dynamizing groups made popular in the liberated zones during the revolution were fundamental to fighting regionalism and tribalism. Within villages these groups worked to promote unity, work, and vigilance which helped to break down the differences and unfamiliarity that cause racism. In Machel's (1981:54) words:

Though work we are also becoming more united, cementing out unity. If I am a Nyanja, and I cultivate the land alongside a Ngoni, I sweat with him, wrest life from the soil with him, learn with him, appreciating his efforts, and I feel united with him. If I am from the centre and am with a comrade from the north, discussing with him how to use a plot of land, how and what to plant, we plan together, fight the difficulties together and share the joy of picking the ear of maize which has grown through our joint effort. I and that comrade are united, our liking for each other increases... I am becoming more united with those comrades tangibly living the unity of our country, the unity of our working class. With him I am destroying tribal, religious, and linguistic prejudices, all that is secondary and divides us. Unity grows with the growing plant, with the sweat and intelligence we both mingle with the soil.

The dynamizing groups were also monitored to ensure that they themselves were comprised of a heterogeneous mixture of the country's ethnic groups so that they represented the unity of the country as their members were elected by village members in local elections (Munslow 1983).

It was also important that the dynamizing groups espoused the importance of the worker-peasant alliance and disseminated its importance to the rural populations. Frelimo worked to fight against traditional and feudal ideas through the promotion of patriotism, class consciousness, and the fight against bourgeois ideology. Frelimo believed it was important to unite the people around socialism; those who did not agree with Frelimo's

goals and socialist orientation were sent to reeducation camps. These camps were designed to rehabilitate criminals and infuse new attitudes more in line with the socialist nature of Frelimo. It is believed that extreme political dissidents were also held within these camps, which held about 12,000 inmates while they were utilized (Mittelman 1981).

Racism and tribalism were not the only factors that divided the people; gender did too. Frelimo strongly supported the Organization of Mozambican Women (OMM), which fought to end sexual discrimination through the integration of women into both the political process and through becoming socially productive members of society by entering into the work force. OMM also fought to combat the reactionary institutions of child marriage and polygamy as well as commonly held ideas of women's inferiority and subordination (Munslow 1983). Frelimo believed that the oppression of women was recreating the detriments of colonial society, because to possess a woman is the same as to possess a worker, which is what the revolution fought against; as such the oppression of women needed to be denounced (Machel 1981).

Table 1: Composition of Delegates at Frelimo's Fourth Congress

Category	Number	Percent
Workers	173	25.6
Peasants	195	28.8
Soldiers/Defense/Security	129	19.1
Workers from commerce and	53	7.8
services		
First Secretaries	35	5.2
Leaders of democratic	15	2.2
organizations		
Directors of state enterprises	11	1.6
Other	66	9.7
Total	677	100
Women	105	15.5
Men	572	84.5
Total	677	100

Source: IV Congress Partido Frelimo, Frelimo Party 1983b: 39-40.

Unity was also displayed through the heterogeneous composition of Frelimo's membership. The Party's Fourth Congress was held to discuss how the plans for the country were going, what problems were occurring, and what future steps needed to be taken. There was a diverse range in the composition of the delegates, from peasants working in the agricultural cooperatives to Frelimo leadership, although peasants and workers predominated. The composition of the delegate members who attended the Fourth Congress can be seen in Table 1.

### 3.6 THE ROLE OF EDUCATION

Given the lacking educational system Mozambique was left with upon independence, the task of creating an educational system was tremendous. Frelimo had already begun to expand the number of people who were educated during the revolution. Throughout the liberated zones the soldiers, dynamizing groups, and the rural population worked together to build rudimentary school houses in which those who could read and write, at whatever level, taught those who could not. By 1970, 30,000 indigenous Mozambicans were attending Frelimo primary schools in the liberated zones, receiving anything from a first grade education to adult education classes. Frelimo worked to make sure that everyone in these zones had an opportunity to learn to read and write the Portuguese language; as a result, many of the classes were overcrowded and lacked a sufficient number of books and teachers. This did not matter, however, because education was finally being democratized in Mozambique (Isaacman and Isaacman 1983).

Once independence was gained, Frelimo established a new set of educational content that would be taught instead of the colonial content. Mozambican heritage, the

different cultures of the ethnic groups, geography, and politics would be taught; this resulted in the creation of a new cultural identity which would foster unity among Mozambican society and support for Frelimo (Mittelman 1981; Machel 1981; Isaacman and Isaacman 1983). Frelimo's main objective was to go from a 5 percent literacy rate at independence to a 100 percent literacy rate in eight years. To do so Frelimo worked to create a compulsory national educational system that would educate the society and provide special access to higher education for vanguards, soldiers, and peasants so as to ensure the diversification of the social composition within the universities. These schools fostered the development of an educated workforce that would be capable of filling scientific and technical jobs needed to modernize the country and society (Mittelman 1981; Frelimo Party 1983a). Frelimo did not reach its goal of 100 percent literacy, but they did see improvements. By 1982 there were about 20,000 teachers throughout the country and illiteracy had dropped to 70 percent (Abrahamsson and Nilsson 1995).

In addition to the above criterion, the schools would serve as an instrument of social change in that schools would socialize students into the New Society which emphasized Frelimo's socialist goals for the country. The problem with this was that children were being taught that this New Society already existed; in reality it was just Frelimo's vision for the future of Mozambique, a vision that would never be reached. This resulted in children not being socialized into the society as it existed, and thus, they were not prepared for the society they would enter (Abrahamsson and Nilsson 1995).

Schools were not the only outlet for education, however. Frelimo encouraged people to educate and diffuse the ideas of Marxism-Leninism throughout all places of work, education, and residence. Frelimo encouraged large workplaces to organize special

professional training courses for their employees which taught the economic and ideological goals of Frelimo's socialist society (Frelimo Party 1983a).

### 3.7 PEASANTS AND POLICIES

Frelimo believed that the worker-peasant alliance was critical to the transition to a socialist society. As such, clear roles needed to be assigned to each group. The working class was defined as the leading force of the revolution; its members must promote and guide the transformation to socialism through increased political responsibilities and engagement throughout society. The peasantry, on the other hand, was defined as the most populous stratum within the population and as such would be critical to supporting the revolution. The peasantry, in alliance with the working class, created the foundation for Frelimo's power and the sustainability of the movement though their work in cooperatives and their individual family farms which would supply the goods needed by the people, industry, and for export (Frelimo Party 1983a). This served to integrate the peasantry into the national division of labor through market relationships needed to foster the worker-peasant alliance (Wuyts 1985).

Since the peasantry was so vital in supporting the newly emerging economy,

Frelimo initially wanted to ensure that polices were created to favor the peasantry. Credit

polices and pricing of goods were set to favor production of food, raw materials, and

export products, with special favor being granted to producers in the rural areas. In

addition, pricing worked to provide incentives for people to purchase goods from the

rural areas and the state lead agricultural cooperatives. Peasants' associations were also

formed for cooperative members so as to defend their interests, consolidate their

collective spirit, and strengthen the worker-peasant alliance (Frelimo Party 1983a). However, many people, both urban and rural, found that prices were not the issue, rather it was the shortage of goods which was the greatest problem hindering the economy (O'Laughlin 1996). Increased prices often led to decreased production by peasants because the supply of goods was not increased at the same level as prices were increased and thus producers did not need to produce as much because there were no goods to buy. As a result, because of the scattered rural population and small quantities of produce available for sale, the cost for selling and purchasing agricultural surpluses in rural areas was quite high (Abrahamsson and Nilsson 1995).

While Frelimo was founded on support from the peasantry and adopted an ideology whose fundamental premise was based on the importance of the peasantry, their support for the peasantry began to dwindle after independence. The leadership began to doubt the knowledge and experiences gained in the liberated zones when they maintained close ties to the peasantry and the scale of their operation was much smaller. Since Frelimo did not compromise with the middle and upper peasantry after independence for fear of their distrust in socialism, their best option for creating agricultural surplus escaped them; thus, their goal of modernizing though agricultural surpluses did not seem as feasible as they hoped it would. As such, Frelimo began to turn its back on the peasantry and implemented new policies garnered from bureaucratic modernizers and foreign experts that were detrimental towards the peasantry (Bowen 2000).

Debate about agrarian transformation was discouraged by Frelimo in favor of strict adherence to socialism in the rural districts. While there was significant social differentiation among the peasantry Frelimo underestimated its significance and instead

chose to believe that the middle peasants were weak and would disappear with the mass departure of the Portuguese settlers. For those middle peasants who did not flee, Frelimo believed that by withholding resources from them, they could transform these peasants into poor peasants and thus create a homogenous peasantry (Bowen 2000). However, Frelimo proceeded to view the agrarian class within a dualist model comprised of those working toward subsistence production and those working for large-scale commercial production. This theory of agrarian transformation informed through dualism was deluded as it disregarded an entire class of peasants and did not provide for the subsistence of many poor peasants, but rather than re-conceive their vision of rural class structure, Frelimo operated to ensure that its vision became a reality through lack of investiture in peasant agriculture and forcing peasants to rely on their own limited resources.

After independence, the land abandoned by the Portuguese was seized by Frelimo to fuel the state sector; this land, however, had already been reclaimed by the native owners based on traditional land rights held before Portuguese settlers laid claim to most of the fertile lands. Frelimo's nationalization of the land disregarded traditional land rights which left many feeling as though they were losing their land once again and caused friction between the peasantry and Frelimo. Frelimo argued that this action was justified because it was a precondition necessary to benefit the majority of the population since those lands were transformed into communal villages and cooperative farms. These communal villages were seen by Frelimo to be especially beneficial to the peasantry because they would centralize the population, which was otherwise dispersed throughout the rural countryside, and would thus make education, healthcare, and water easier to

obtain (Abrahamsson and Nilsson 1995). However, Frelimo's emphasis on the communal villages and state-led agricultural cooperatives largely ignored the majority of family run farms, which were wrongly assumed to be self-sufficient (Hanlon 2007). This, in effect, led to the alienation of the poor peasantry from the state as their economic base eroded, especially since cooperatives were not seen as alternatives to family production for many. Many family farmers felt that they were actually worse off because of Frelimo since they were left with smaller farms than they once had, they had less labor, they did not have the capital to buy replacement draft animals, which got sicker more often because of the lack of trained veterinarians in the rural areas, and because they had insufficient access to agricultural inputs, transportation facilities and markets (Wuyts 1985; Bowen 2000).

Frelimo often indicated the importance of the family sector farms, which consisted of more than ten million Mozambicans, yet they would not provide for them. Frelimo stressed the significance of increased subsistence production and surplus production for the market, but did not supply family farmers with the means to be able to sustain their farms. Instead, the state sector promoted agricultural marketing and supply networks (so that surpluses would be sure to be purchased) and supplied agricultural tools and organizational methods. These actions were for the sole purpose of stimulating the transformation of the family sector into a cooperative sector which Frelimo thought to be more productive (Frelimo Party 1983b).

Frelimo sought to implement a rapid transformation of Mozambican society through collectivization of family agriculture, the employment of peasant farmers on state farms or producer cooperatives, and the collectivization of the rural population into villages, but these policies severely clashed with the desires of the middle peasantry. The

ideological outlook of the middle peasantry, which was property conscious, was not considered by Frelimo, and as a result, Frelimo asked them to commit a form of class suicide by giving their means of production to the agricultural cooperatives. The middle peasantry was thus fearful of forms of collective production because they saw it as an attempt to steal their land, tools, and property. While Frelimo was dependent on these middle peasants to supply the cooperatives with agricultural tools and livestock, they limited cooperative membership to only poor peasants and those middle peasants willing to hand over their means of production to the cooperatives. Not allowing middle peasants to join the cooperatives unless they gave up their private property indicated to the middle peasantry that they did not have a significant role to play in the New Society. However, with little money to invest in the cooperatives itself, Frelimo grew dependent on middle peasants to infuse the cooperatives with their skills and means of production. Cooperatives thus created friction among all classes of the peasantry, for the poorer class because they resented Frelimo's attempt to transform them into producers for the state, and for middle peasants because of Frelimo's attempt to control their capital accumulation (Bowen 2000).

Throughout independence Frelimo's policies began to favor urban areas over rural ones. In addition, Frelimo's policies toward the peasantry were inimical to what independence meant to the peasantry as can be seen above; poor peasants were not provided for and were expected to serve as wage labor on state run farms and cooperatives, while middle peasants, greatly needed by Frelimo yet denounced by them, were asked to give up their independent farms. From 1977 to 1983 almost 90 percent of all money invested in the agricultural sector went to large state-farms, much of whose

produce was used for export, while only 2 percent went to the cooperatives and essentially none went to the small-scale family farms (Bowen 2000). This distribution occurred despite the fact that small-scale family farms comprised 94 percent of the cultivated land, and 80 percent of the country's total production (Isaacman and Isaacman 1983). It was this unequal distribution of funds that caused Frelimo's rural initiatives to fail and pushed much of the peasantry into poverty as a result of the lack of economic development of the cooperatives and funding for small-scale family farms (Bowen 2000).

Much of the socialist policies designated for the rural areas were half-heartedly implemented or were abandoned by Frelimo. The plans for creating collective villages were not realized to the extent that Frelimo wanted them to. Only 1,360 villages were created, but with vast technical and logistical problems they often did not provide for the peasants as Frelimo had initially intended. As a result, the majority of the rural population remained highly isolated. Cooperative villages saw gradual growth, but indecisive local governmental decisions and their unpopularity among the peasantry led to their eventual abandonment by the government due to their marginality and low productivity (Bowen 2000).

Despite these failures, and acknowledgement of these failures by Frelimo, rural policy was not changed until it was too late and Mozambique was in the midst of another long war which lasted from 1977-1992 (for more information see The Challenge from Renamo section) when there would be no funds available to make changes anyway (Bowen 2000). In 1983 at Frelimo's Fourth Congress, the delegate's concurred that new agricultural guidelines were needed. Increased investments for small-scale peasant farmers and access to agricultural implements and consumer goods were key changes.

The overly dominant state sector was to be restructured and land parcels were given to landless peasants with proven ability to be able to cultivate the lands. The ability to implement these changes, however, was tested by the new war (Abrahamsson and Nilsson 1995).

The urban sector began to be seen as more important than the rural sector, which beginning in the late 1970s was beginning to be seen solely as the resource center to finance and nourish heavy industry in the urban sector. The urban sector was transformed by Frelimo as the key to development and the creation of a working class (Bowen 2000). In addition, Maputo, the capital city in the south of the country and Frelimo's headquarters, was highly privileged. All urban residents of Maputo were fed by an urban rationing system that utilized the food aid Mozambique received and which urban residents paid subsidized prices for, which ate into state revenues. In addition, these subsidies were funded through wage taxes, which did not reach the salaries of all of those who were not poor, and consequently, some of the well-off urbanites did not pay for the subsidies they benefited from thus creating a class bias as well (O'Laughlin 1996). Frelimo's dedication to the rural peasantry was beginning to unravel in favor of the urban districts.

This chapter focused on the transition to socialism in Mozambique. It examined the role of agriculture and industry in the transition to socialism. It is clear that Frelimo saw agriculture as a main priority not only for the transition, but for escaping underdevelopment as well. We saw how Frelimo met the four processes required for a transition to socialism by nationalizing the land and developing the cooperatives, state

farms, and communal villages. These actions, however, were poorly planned and were overly dependent on the upper and middle peasants to supply the means of production to the cooperatives. The state farms were prioritized because of their role in generating cash crops for export, but this emphasis often hindered family farmers, which comprised the majority of agricultural producers. The failures of the state were often not recognized by the state until it was too late and any changes made were moot. The state of agriculture and industry in Mozambique was not fully the fault of Frelimo's planning, however. Colonial legacies were often a confounding factor mitigating the amount of money available to Frelimo and their ability to make substantial changes. This chapter also discussed how Frelimo began to transform their socialist ideology from one which favored the peasantry and agricultural production to one which was antithetical toward the peasantry. The role of cooperatives and state farms were clearly in tune with Frelimo's development goals and not those of the peasantry, the people with whom Frelimo was supposed to relate. Instead, Frelimo's policies of unity and transformation began to crumble as their policies were increasingly disapproved of by the peasantry. This discontent among the peasantry could easily be utilized by an outside party to disrupt Frelimo's policies and foster the formation of a new political party. How this new party would be formed is the topic of the next chapter.

# CHAPTER FOUR

POLITICAL AND SOCIAL UNREST: THE CHALLENGE FROM RENAMO

It was unpopular to be a socialist country in the late 1970s and 1980s. With Western political thought and fear of the domino theory prevailing, many Western nations were out to stop socialism and communism in its tracks; including Frelimo's efforts in Mozambique. While Renamo initially formed as a resistance movement in Zimbabwe (Southern Rhodesia) for those opposed to Frelimo's support for the Zimbabwean liberation groups, it later became a group out to destabilize Frelimo's transition to socialism. Upon this shift Renamo received backing from many nations in the Western world. This chapter examines the formation of Renamo and how they recruited and retained members, both within and external to Mozambique. It also illustrates the techniques utilized by Renamo to cause political and economic destabilization in hopes of making way for a new ruling party which followed capitalistic principles.

## 4.1 THE FORMATION OF RENAMO

Renamo began as the Resistência Nacional Moçambique (Mozambique National Resistance), which was created by Rhodesians in 1976 and was supported by many of the Portuguese settlers who fled after independence, mainly the businessmen with financial capital in Mozambique. Renamo operated initially as an attempt to prevent Zimbabwe's independence and targeted because of their support for the Zimbabwean liberation movements (Abrahamsson and Nilsson 1995). The destabilization attacks that took place in Mozambique during Rhodesia's control over Renamo were small and mainly targeted

villages located along their shared border, however, aerial bombardments targeted communal villages and state farms in addition to the Zimbabwean refugee camps to indicate that Mozambique's economy and socialist orientation were under attack as well (Munslow 1983). When Zimbabwe gained independence in 1980, Renamo was taken over by South African officers as the base of operations was transferred to apartheid South Africa and the destabilization was focused more on destroying the credibility of Mozambique's socialist government.

An independent socialist country run by the black-majority in Southern Africa did not bode well with the white-minority ruled South Africa. The fear was that the whites would lose control to a majority-ruled black regime which would inevitably end up as a communist state, since many countries in the area were turning to socialism (i.e. Mozambique and Tanzania). Renamo, with the support of many Western countries — including the United States which saw support for Renamo as a way of indirectly combating communism — sought to destabilize the country and delegitimize Frelimo's rule. The common denominator for all who joined Renamo was hostility towards Frelimo for either being a socialist party or for taking away their livelihood (Abrahamsson and Nilsson 1995).

Renamo's goal was to destabilize Mozambique so that Frelimo's political and economic goals could not be achieved and to set the country so far backward that everyone would be calling for a new political party to replace Frelimo and socialism.

This destabilization was to be done through low intensity guerrilla warfare which would be fought by the secret services that were directed and financed by Rhodesia and South Africa (Kulipossa 2006). The middle class Portuguese, former traders and service sector

employees, served as a civilian contact network for Renamo through the use of their businesses as front organizations which provided logistic support for Renamo (Abrahamsson and Nilsson 1995). However, when South Africa took over control of Renamo, the intensity of the warfare increased.

Economic destabilization now occurred through not hiring as many Mozambicans to work in the South African mines (which further increased differentiation among the peasantry) and reducing transit on Mozambique's railways and ports, as well as through targeting industry such as the oil port and social infrastructure in rural areas (Wuyts 1985; Abrahamsson and Nilsson 1995). Specific targets were farms: cooperative, state, and family; health-care posts and hospitals; boarding schools; transportation infrastructure and vehicles; rural shops; and Frelimo re-education camps. In addition to these physical targets, Renamo also kidnapped or killed thousands of teachers, students, nurses, and hospital patients, through both individual targeting and through bombings and shootings of occupied buildings as well as through the burning of occupied buses and trains (Kulipossa 2006). Targeting these locations not only threatened the economic development of the country which Renamo hoped would delegitimize Frelimo and their socialist ways, but also reduced the demand on (because of the danger associated with them) and supply of (due to the destruction of infrastructure and deaths of professionals) these services which reversed many of the developments Frelimo was able to make; thus, the destabilization tactic was working (Abrahamsson and Nilsson 1995).

The targets for destabilization were mainly rural areas and services, which worked to further undermine the already deteriorating relationship between Frelimo and the peasantry. The failed attempts at rural modernization by Frelimo were compounded by

the increased destitution that the rural population was left in a result of destabilization. Frelimo's rural strategy, already challenged by Renamo, was challenged even more by the peasantry, who came to see the state as being run by whites, mulattos, and Indians with whom they could not relate and who did not work in their interests (see Table 7). This turn against the state fueled Renamo's cause, not only in delegitimizing Frelimo, but in creating a source of discontent peasants who would take up arms against Frelimo.

### 4.2 RURAL UNREST AND THE SOLICITATION OF RENAMO SOLDIERS

Renamo was supported by Frelimo dissidents including the Portuguese settlers who fled leaving behind their means of production when Mozambique gained independence, traditional leaders who helped the Portuguese during colonialism and were then shunned by Frelimo, those who did not approve of the transition to socialism, as well as young Mozambican social outcasts. Frelimo succeeded in alienating a large proportion of the rural population through their treatment of the rural populations. The nature of destabilization was to build off of these weaknesses and, as such, Renamo targeted the differences that were created between the rich and poor, the rural and urban, as well as the differences between the provinces and social groups.

When Frelimo excluded traditional leaders from power, instead giving authority to nontraditional village officials, many traditional leaders were outraged that they, one, no longer held power nor had a voice in politics, and, two, were forced to obey the word of people they felt to be beneath them. Many other peasants throughout the rural countryside felt alienated from the state and resented being left out of Frelimo's modernization campaign or were aggrieved over Operation Production and the forced

villagization that occurred, especially in the remote regions of the Northern provinces. It was these populations who felt injured by Frelimo which were especially willing to be converted to Renamo supporters, either in the form of taking up arms against Frelimo or by allowing Renamo to operate unchallenged (Ottaway 1988; Bowen 2000). Thus, it was a combination of growing socio-economic stratification and disapproval of Frelimo's rural strategy among the peasantry which created support for Renamo, which began to bill itself as a party for people opposed to modernization either because they were shunned by Frelimo, felt threatened or abandoned by the modernization policies of Frelimo, or felt that Frelimo had reneged on the promised social contract.

There was also an ethnic component to Renamo's recruitment. Historically, Beira was a source of contention between the Portuguese and Frelimo during the war of liberation. It was in this province that many natives took up arms alongside the Portuguese to fight off Frelimo advances, and it was also these natives who were often found taking up arms alongside Renamo. Most of these natives belonged to the Ndau ethnic group, and were the leading dissidents against Frelimo during the war of liberation. However, most scholars believe that this was less of an ethnic movement than a reflection of the social misery and intra-ethnic antagonisms which divided the local society for so long (Abrahamsson and Nilsson 1995).

Renamo also directed efforts to set family members and village members against one another in a chain of violence, through recruitment of traditional leaders scorned by Frelimo, the forced recruitment of people, and the exaggeration of socio-political stratification within the rural areas. These human targets were often those who were still supportive of Frelimo. These captives and local populations that were taken under

Renamo's control were converted into Renamo soldiers, either willingly through Renamo's exaggeration of racial or political tensions, or reluctantly through coercion or sheer force. Renamo utilized such barbaric tactics as "kidnapping, ambushes, threats, destruction of villages and farms of local populations, [and] sabotage and mutilation to force people to adhere to Renamo's objectives" (Kulipossa 2006:42). Through these techniques Renamo had a steady influx of soldiers; see Table 2.

**Table 2: Growth of Renamo Soldiers** 

Year	Number of Renamo Soldiers
1978	917
1979	4500
1980	10000
1989	28000

Source: Serapião 1989:12-13

### 4.3 SETBACKS FROM THE WAR

The war of destabilization, which lasted from 1977 to 1992, had numerous consequences for Frelimo's development goals, the economic stability of the country, and the social contract between Frelimo and the Mozambican people. Renamo had succeeded in setting the country back by making it impossible to maintain regular food production, which comprised a large proportion of GDP, destroying transit lines, ceasing the import of clothing and primary consumer goods, and causing Frelimo to divert funds away from development instead putting them towards to cost of financing another decade plus long war (Abrahamsson and Nilsson 1995).

Further impinging on Mozambique's development prospects was the decline of their South African "safety net." Freight transport to the port of Maputo was declining by 90 percent, tourism during the war ended, gold payments to Mozambican miners had

stopped (formally one-third of foreign earnings), and 33,000 contracts of employment in the South African mines were not renewed. As a result, the ambitious development program established in 1980 was revamped in 1983 to focus on the repair of existing capacities, the production of goods for the local market, small-scale projects and the use of locally available resources. However, because of the war the economy declined further: agricultural production was down 75 percent from 1980-85, industry was down 50 percent, there was a deteriorating balance of trade, and a rise in the cost of living (Mayer 1990).

Frelimo's goal to increase agricultural production failed copiously. Besides the reductions in production mentioned above, the direct targeting of farmland by Renamo led to a drastic decline in peasant production which the state farms would not compensate for, especially since they were a target too. Mozambique's total food production was reduced so greatly that only 35-40 percent of the nation's needs were being met domestically (see Figure 2). Small scale peasant farmer production, the staple of Mozambique's food production, decreased most dramatically because people were run off their farms and out of their villages as Renamo took control (Abrahamsson and Nilsson 1995).

By 1986, over 3 million people had fled the violence and terror striking rural areas; this resulted in family farmers producing only 10 percent of the country's food requirements, down from 80 percent at independence (Abrahamsson and Nilsson 1995; Knight 1991). These problems were compounded by a drought that plagued the country throughout the early 1980s and created a significant dependence on food imports throughout Mozambique. Despite the amount of food aid received – it quadrupled from

the late 1970s to the end of the 1980s – this still only covered about 60-70 percent of the nation's need which left Mozambique importing the rest commercially in order to feed the population. This resulted in Frelimo borrowing even more in the form of loans through the international credit market which further stretched the country's balance of payment problem (Abrahamsson and Nilsson 1995). However, because of the dangerous nature of the countryside and the destruction of the transportation infrastructure, most of the food aid intended for the rural areas remained in the urban areas which furthered the problem of food insecurity and the peasantry's aggravation toward Frelimo (O'Laughlin 1996).

It was because of this rural unrest and destruction to the countryside in tandem with Frelimo's ill-advised plans for the countryside that Frelimo adopted changes to their rural strategy. Thus, it was during this time that Frelimo began to respond to the peasants' grievances and changed their priorities from state agriculture to private and family farms. While these changes were intended to appease the discontent among the peasantry, these changes occurred too late. It is highly recognized that in order for socialism to work in practice it must be adapted based on self-conscious awareness of the actions and implications of their imposed actions, such as the failure of Frelimo's rural plan (Saul 1986). However, by the time the Fourth Party Congress met in 1983 and decided to undertake major reorientations with respect to their agricultural policies it was too late to matter. The war had infiltrated too far and was taking up too much of the country's budget to make any changes in agricultural policy significant (Bowen 2000; Saul 2005).

The economic cost of the war (including expenditures and infrastructural losses) totaled US\$3 billion in 1988 alone, which was more than the GDP for that year, and thus

had to be financed through multiple loans from allied countries. The loss becomes quite significant when compared to the very small GDP of the country, much more so than in Angola, as Mozambique already had three times as many poor, and lost twice as many human resources than Angola during their wars of independence. In 1990, two years before the official end of the war with Renamo, Mozambique ranked ninth on the list of the 39 poorest countries in the world and fifth among African countries. Thus, Mozambique had a long way to go before they could expect to see their development goals met as two-thirds of the country was in a state of absolute poverty in 1990, and most of the state's progress had been regressed after the wars of independence and destabilization (Mayer 1990).

The structural and social infrastructure built in the rural areas was also destroyed. Hundreds of roads, bridges, shops, stores, schools, and health-care posts were demolished by Renamo through either leveling the infrastructure or killing those who operated within it (such as teachers and nurses). The war amounted to over US\$20 billion in damages and over one million Mozambican deaths, 494,000 of which were children. Over 60 percent of schools were destroyed or closed, with up to 88 percent being destroyed or closed in the Tete and Zambézia provinces. In addition, more than 3,000 rural shops were closed or destroyed (Abrahamsson and Nilsson 1995; Hanlon 1996; Kulipossa 2006). In 1991, United Nations officials estimated that there were about 3 million internal refugees who could not be reached for assistance and another 1 million refugees who fled to neighboring countries as the result of Renamo (Knight 1991). In the end, the 1980s in Mozambique can be summarized by devastation, poverty, increasing class differentiation,

the discrediting of socialism, and the popular alienation of the peasantry from Frelimo (O'Laughlin 1996).

Fighting had declined in the early 1990s and by 1992 an official peace agreement had been reached between Frelimo and Renamo, not because one party was winning, but because the legitimacy of both parties was being undermined due to both the enormity of the destruction and the nature of the killings and suffering imposed on innocent civilians. At the time of the armistice, Mozambique was the poorest and most aid-dependent and debt-saddled country in the world according to the United Nations Development Project (Kulipossa 2006).

The end of war did not come without its political costs. Mozambique was left with depleted reserves of foreign exchange, devastated infrastructure, an unproductive agricultural sector, a destroyed productive capacity, and significant tribulations towards its human capital. The end result was for Frelimo to either choose to continue on its socialist path, which by many accords was failing, or to open the country to capitalism. Frelimo chose the latter as it abandoned Marxist-Leninism in the country's new constitution and opened the state up to structural adjustment policies in an effort to secure both food and the country's macro-economic balance and debt repayment ability (Abrahamsson and Nilsson 1995; Bowen 2000).

This chapter investigated the role of Renamo in Mozambique's destabilization. It accounted the reasons for Renamo's foundation, the techniques by which support was garnered, and the losses which Renamo imposed on the Mozambican economy and society. It also discussed how Frelimo's failing socialist agenda and turn against the

peasantry only hindered their development more as many discontent peasants were easily persuaded into backing Renamo, while many more were forcibly taken. The setbacks from the war were dramatic, and the only way for Frelimo to counter these was to open up the country to Western financers and aid agencies. It was this that made the transition to capitalism inevitable. How this transition would occur is the topic of the next chapter.

# CHAPTER FIVE

# THE SHIFT TO CAPITALISM: SAPING MOZAMBIQUE

The Shift to capitalism did not come easy for many. While the guidelines of the transition were largely already set by the International Monetary Fund and the World Bank, the impact of the policies implemented would have unknown consequences on the economy and society of Mozambique. This chapter illuminates what policies were implemented in the transition to capitalism and their impact on the economy. How these policies affected rural society in terms of the type of development that occurred and the types of social services, such as education and health care, as well as the people's reaction to them is also discussed. Finally, this chapter will discuss the development trends within each of the geographic regions, how they arose, and the consequences of these developments for the people in terms of poverty rates.

### 5.1 THE TRANSITION FROM SOCIALISM TO CAPITALISM

Mozambique's development goals became increasingly harder to reach because of the war with Renamo. The war ravaged the country financially and materially and severely impinged food production within the country; as mentioned above, food aid and imports were essential to feeding the population. However, in 1983, some countries cut off their food aid to Mozambique in an attempt to force Mozambique to join the World Bank and the IMF. Food aid was withheld once more in 1986 to put pressure on Frelimo to accept the first structural adjustment program (SAP). With this act Frelimo had little choice but to join these organizations, which they did in 1987 (Hanlon 2007).

Furthermore, after agreeing to join the World Bank and the IMF Mozambique was pressured into abandoning its socialist party for a capitalistic liberalized free market democracy (Knight 1991). During this time the Frelimo elite began pushing for a national bourgeoisie comprised of the younger more technically educated members of society as the state facilitated private entrepreneurship. This created an environment in which people, both rich and poor, began to focus on maximizing their own private benefits and capital accumulation (Harrison 1999).

In addition to the pressure placed on Mozambique through the withholding of food aid, the fall of the USSR began to affect Mozambique in 1986 as well when the USSR ceased to be a natural ally for Marxist-inspired countries in the Third World. The fall of communism came at a time when Mozambique's relations with the United States were at their worst, and the war of destabilization was at its most destructive. The need for capital and imports – previously provided by the USSR and other communist countries – forced Mozambique to look for new political alliances. However, the American decision to deny Mozambique development support and disaster relief spread to several other countries and agencies such as the United Nations World Food Programme. Thus, Mozambique was placed under conditions which required them to submit to the United States' demands – which included a shift to a market economy approved by the IMF in the form of loan conditionalities which involved structural adjustment programs (SAPs) (Abrahamsson and Nilsson 1995).

As a result of these changes – from socialism to a market economy, and the implementation of SAPs – Mozambique's understanding of development took a 180 degree turn. The shift from socialism to capitalism led to a shift in the meaning of

development – from a national economy focused on agricultural self-sufficiency to an unstable export economy focused on the private sector. National control over the economy, the "apparatus... which served to shelter the poor... from the inequalities of private business, and to provide the services and infrastructure that had been associated with post-colonial developments," such as the rise in education and health care, had ended as a result of joining the World Bank and the IMF (Riddell 1992:68).

The new development goals, as defined by the World Bank, were to improve financial returns and increase productivity (Cramer 2001). In order to reach these goals the economy had to be restructured, which required money. To get money, however, the World Bank and IMF required countries to comply with conditionalities, which are outlined by the SAPs. These SAPs – which in Mozambique took the name of Economic Rehabilitation Programs (PRE) and later Economic and Social Rehabilitation Programs (PRES) in 1991 after a bout of negative social consequences—required economic reforms, such as currency devaluation, the reduction or removal of the state from the economy, trade liberalization (to free the market), the elimination of subsidies (to reduce spending), privatization, and a reduction in public expenditures. All of these occurred in Mozambique, and all put tremendous power in the hands of the World Bank and IMF (Riddell 1992; Kulipossa 2006).

Central to shifting the development goals in Mozambique was the devaluation of currency. The value of the local currency (the metical) was drastically cut, twice. In 1986 the metical exchange rate was 42 meticals per US\$1. In 1987 the metical was devalued so that the exchange rate was 758:1, and in 1990 it was devalued again to 840:1 (Marshall 1990). This was done for two reasons. First, by devaluing the metical exports were made

cheaper and therefore more competitive in the global market. This would potentially bring in more foreign currency, which could be used to pay off debt – the major goal – and could be reinvested into the country (Knight 1990; O'Laughlin 1996). Non-traditional exports were encouraged by the World Bank and IMF, however, as trade terms only declined for Mozambique into the 1990s three primary exports – cotton, cashews and tea – comprised over 75 percent of Mozambique's export earnings in 1992 (Harrison 1994).

Second, currency devaluation was intended to reduce the amount of imports to Mozambique as a way to reduce the spending of foreign reserves. By cutting imports it was expected that import substitution industrialization would occur, however, to a large degree it has not. In fact, the need for imports of investment and essential consumer goods still remains high, and thus, the cutting of imports has been limited. As a result, a kind of re-colonization has occurred in the form of economic colonialism under which First World imports are imported at high prices, and Mozambican goods – mostly raw materials and agricultural goods such as sugar, cotton, cashew nuts, shrimp, and tea – are exported at low prices placing the peasantry in a form of neo-colonialistic relations (Riddell 1992; Hanlon 1996; Arndt, Tarp Jensen and Tarp 2000; Saul 2005).

Also important in shifting the development goals was the privatization of businesses in Mozambique. This included the removal of government involvement in the economy, as most of the firms in Mozambique were controlled by the state. Privatization was initiated in 1989 and by the end of the 1990s there were over 1400 privatizations (Cramer 2001). Included in these privatization campaigns were the state farms; their privatization had a tremendous impact on rural households. Some state farms were sold to

foreign or national investors, often the same individuals and companies who had dominated during colonialism, and gave rise to a renewed domination by multinational corporations which squeezed out most indigenous entrepreneurs and ended most vestiges of the revolution. Others who re-invested or invested anew in newly privatized businesses went bankrupt and closed; this resulted in significant urban and rural unemployment which left many without access to a regular income and further endangered their reproduction and subsistence (Bowen 2000). Mozambique has seen the most privatizations in all of Sub-Saharan Africa. The privatization process has been anything but transparent, and it is believed that most enterprises have been sold off too cheaply; the pressure by the World Bank and the IMF to privatize quickly led to the undervaluation of many firms (Cramer 2001).

The goal of privatization was to free up the market to allow it to run by supply and demand; privatization was the program that served to "snip the 'umbilical cord' linking the public and private sectors" (Cramer 2001:103). It thus served to reverse the prior understanding of development as a means to protect the social sector through government involvement and manipulation of the economy with the use of subsidies and the prioritization of spending by opening the market to competition and removing governmental involvement (Riddell 1992).

### 5.2 SETBACKS TO RURAL DEVELOPMENT AND SOCIAL SERVICES

International financing came in the form of support for agriculture above all else, which put the agricultural sector above industry and other forms of development; increased prices paid to farmers resulted (Abrahamsson and Nilsson 1995). However, the

investment in agriculture occurred for large-scale cash crop production, not subsistence production (Mittelman 1981). This in effect only served to worsen the country's state of underdevelopment because it did not provide for the peasantry in the form of support/aid to produce food to feed the population, much less themselves, nor did it allow for the peasantry to engage in large scale cash crop projects since it was large-scale producers who received the aid. This situation created during the shift to capitalism only increased people's belief that Frelimo was antagonistic towards to peasantry because once again agriculture was identified as the key to rehabilitation, yet the peasantry, the main producers within the agricultural sector, were left underfunded yet again. The only difference this time was that Frelimo's actions were approved by international financial capital (Bowen 2000).

Furthermore, because of the credit crunch induced through SAPs the productive sectors of the economy were crippled. This was especially the case for the agricultural sector for one, because interest rates for loans reached 44 percent for farmers; two, because banks saw lending to farmers as a risk and so many cut off financing for small-scale farmers; and three, because the marketing and trading networks farmers used to sell their surplus remained non-operational. Because the IMF did not prioritize rebuilding once the war had ended many of the 3,000 rural shops and roads damaged remained closed; this resulted in farmers who actually had agricultural produce to sell unable to do so either because no one would buy it because of the lack of rural shops and roads, or because of the lack of credit being issued. Small traders found it extremely difficult to acquire the working capital they needed to be operational (Hanlon 1996). The situation was compounded by the fact that the state marketing board, Agricom, could not afford to

buy the peasants' surpluses, as they were designed to do, because of IMF-imposed credit ceilings capped the amount of money Agricom could borrow at insufficient levels (Bowen 2000). In addition to that, international aid donors did not buy the local surpluses from the peasantry and redistribute it to areas in need, instead local surpluses were left un-bought and global surpluses were shipped in (Abrahamsson and Nilsson 1995).

Given the absence of a rural trading network many peasants had to sell their surpluses on the parallel (black) market for consumer goods and other necessities not available locally. As a result of the unstable and deteriorated terms of trade some peasant producers intentionally kept their production at subsistence levels because of the risk of not being able to sell their surplus. A consequence of this unstable trade and reduced prices paid for agricultural goods in relation to consumer goods was that the purchasing power of the peasantry was significantly reduced (Bowen 2000).

Because of the lack of investments made to benefit the peasantry, further social differentiation among the peasantry has been hard to define since most peasants have only seen their situation worsen thus making distinctions between a largely poor demographic difficult to make. For the majority the second half of the twentieth century Mozambique was in a state of war which severely impinged peasant production and accumulation; once peace was established, privatizations and the dominance of multinational corporations, poor terms of trade, inflation, and the declining purchasing power of the peasantry once again diminished their power (Bowen 2000).

The cumulative effects of the practices implemented through the SAPs were intended to increase gross domestic product (GDP), increase aid and foreign investment, reverse the decline in production, create better conditions for the rural populations, ensure

a minimum income, and balance the payments (Kulipossa 2006). However, it was well acknowledged that because SAPs curtailed social services all sectors of the country were likely to suffer; and suffer they did.

The implementation of the SAPs had numerous societal consequences which were largely underestimated by the World Bank and the IMF. Job security fell as many public sector jobs were eliminated, often being replaced by technology when firms were privatized. Over 100,000 workers were laid-off because of privatizations alone (Cramer 2001). While many people were losing their livelihoods, those with some influence – including many members of Frelimo who were allocated land and agribusinesses— took advantage of the privatizations by taking out loans and buying companies. Others who were advantaged by the state or who were well-connected, used the SAPs to advance their own accumulation by such means as contract allocations, job placements, and access to government projects (Riddell 1992; Harrison 1994). The peasantry was largely excluded from this process.

Having a job did not secure a life away from poverty, however. Even highly paid workers found it hard to make ends meet. For those who found themselves privileged enough to buy privatized firms, over half of them went in default on their loans (Arndt et al. 2000). Formally high paying jobs, such as teachers and nurses, saw their wages fall below the poverty line in 1993 and then below US\$40 a month in 1996 largely due to increased inflation and falls to GDP as a result of SAPs (Hanlon 2007). Civil servants were also hit hard by structural adjustment policies. The curbs placed on government spending resulted in two-thirds of all civil servants living on wages below the poverty line (Harrison 1999). Severe cuts were made to the standard of living for the majority of

Mozambique's inhabitants; even two wage hikes did little to improve quality of life (Marshall 1990).

Almost half of urban poverty was structural – due to changes in the kind and number of jobs available (O'Laughlin 1996). In the second year of structural adjustment nearly 50 percent of the urban population was living in absolute poverty, and overall 60 percent of the total population was (Knight 1991; Cramer 2001). As a result of the hardships being experienced by the peasantry, many rural inhabitants fled to urban centers which only increased the amount of poverty measured in the urban areas (O'Laughlin 1996). The annual per capita income among Mozambicans was one of the lowest in the world standing at only US\$150 in the early 1990s and fell to under US\$100 in five of the seven provinces in 2004 (Knight 1991; Hanlon 2007).

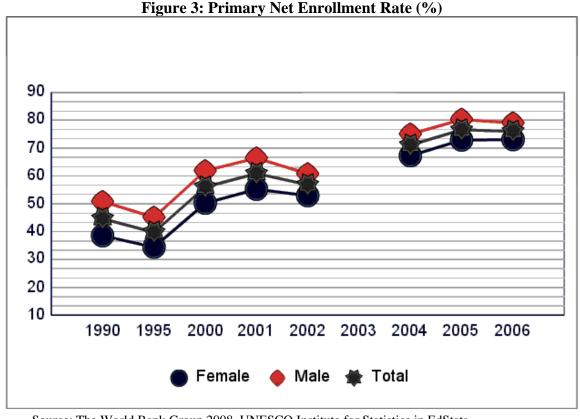
Cuts to subsidies and falling wages have made previously affordable goods unattainable for many, as most goods have been priced with reference to world prices.

Only traded goods have seen a decrease in prices; non-traded goods, such as basic food crops, have seen their prices increase (Arndt el at. 2000). As a result, consumption is very low as poverty is so widespread; many families are unable to purchase bear necessities such as food, oil and fuel, and clothing (Riddell 1992; Arndt et al. 2000).

The rising cost of living combined with lower wages has resulted in severe decreases in health and nutrition for the population (Marshall 1990; Hanlon 2007). Many people have to "live at the edge of subsistence, never eating meat, fish, or fresh fruit, living without water and light, [and] unable to bring a sick child to a health post" (O'Laughlin 1996:216). The cuts to food price subsidies and the rising unemployment have left wages (formal and informal) unable to cover the increasing food costs, despite

surplus agricultural stocks in many areas (Harrison 1994). This has marked the end of "what had been a pillar of social policy for urban dwellers over the years, guaranteeing accessible prices for domestic staples" (Marshall 1990:31). Consequently, many urban families cannot afford to buy the amount of food needed (or even allowed through rationing) to feed their whole family (Marshall 1990).

Implementing SAPs also had lasting impacts on both the education and health care sectors. The quality of education is declining. Teachers are no longer being paid enough to be motivated to teach at the standards they once did. Many are overtaxing themselves with teaching night school in addition to regular school hours, keeping house, and maintaining a subsistence farm in order to survive. The education sector as a whole has been receiving fewer financial resources as well. With the privatization of schooling, necessary supplies have become beyond the reach of many families. While it might only add up to about US\$4-7 per year to buy the necessary items to send a child to school, when this is compounded for 4-6 children – the average family size – it becomes too much for a family living off of an average of US\$24 a month (Marshall 1990). The gross enrollment rate in primary education has only increased modestly (see Figure 3), and this can to a large part be attributed to a rise in the number of primary school aged children, not efforts to increase educational attainment. Worse yet, the pressures on schools are only going to get worse as the population increases (Arndt et al. 2000). In regards to adult education – a priority for Frelimo under socialism – going to school has become out of the question for many (Marshall 1990).



Source: The World Bank Group 2008. UNESCO Institute for Statistics in EdStats,

Before privatization in 1993 the budgets for healthcare saw massive declines, from US\$4.7 per capita in 1982 to US\$0.9 in 1988 (with some putting a value at as low as US\$0.1). These budget cuts were mirrored with increased service charges. As a result of this, attendance to clinics and hospitals declined 50-70 percent. The privatization of the healthcare industry has only made access to healthcare more restricted. Not only can people not afford to go to the doctor – which has resulted in an increased incidence of diseases and malnutrition – but since subsidies for medicine were taken away, many people cannot afford the treatments prescribed to them even if they could afford to go to a health clinic (Marshall 1990). Absolute levels for health care went from being one of the highest in Sub-Saharan Africa, to being one of the lowest in the world (Arndt et al. 2000).

### 5.3 REGIONAL DEVELOPMENT TRENDS

Development in Mozambique has followed the unequal development patterns inculcated during the colonial era (see Chapter 1). This unequal development has been mirrored by unequal distribution of resources and investments. Productive investments have been limited to certain areas, usually in the Southern Provinces and almost always have tended to benefit the urbanized centers no matter the province. Many of the megaprojects implemented by Frelimo were based on the development plans of the Portuguese which has strengthened unequal regional development. Frelimo's development policy also began to heavily favor the urban sector as the party lost touch with its peasant roots (Abrahamsson and Nilsson 1995).

While overall poverty has been reduced in Mozambique there are geographical variations in the prominence of poverty (see Figure 4). Decreases in poverty have occurred mainly in the central provinces, and mainly in rural areas, because of the large changes that occurred in the previously populous provinces of Sofala and Zambézia. In 1997 Sofala was the poorest-income province in Mozambique, but by 2003 it was the least income-poor province. Poverty reduction in the Northern provinces occurred mainly in the urban areas, yet Cabo Delgado saw a rise in poverty. Poverty in the south increased as the reductions in rural poverty were overshadowed by increases in urban poverty, particularly in Maputo (both the city and province). Inhambane only saw slight reductions in poverty and as a result became the poorest province in Mozambique in 2003. Overall income poverty in Mozambique is still high; 54.1 percent of the population lives in poverty (The World Bank 2008).

3.5 ■ nonpoor poor 3 population (in millions) 2 1 0.5 Zambezia Sofala Tete Inhambane Nampula Cabo Gaza Manica Maputo city Maputo Niassa Delgado Province Province

Figure 4: Poverty Rates by Province, 2003

Source: The World Bank 2008. Using data from the 2003 Inquérito aos Agregados Familiares (IAF)

### 5.4 THE PROVINCES

The Northern provinces consist of Niassa, Cabo Delgado and Nampula. These provinces are often seen as the greatest losers with regards to the shift to capitalism.

According the Austral Survey of Rural Incomes conducted from 1999-2001 only 7 percent of rural households in the Northern provinces were involved in wage employment (De Vletter 2006).

The attention paid by investors to preexisting infrastructure and markets has meant that the agricultural sector, which dominates in the North, has been largely neglected (Hanlon 2007). The legacy of foreign owned firms controlling production in

many areas of the North has left cotton production as one of the main activities of the Northern provinces (Abrahamsson and Nilsson 1995).



Figure 5: Post-Colonial Production by Province:

copra, rice), mining (gold, iron, quartz, gemstones) Niassa: railway trade, agriculture (beans,

Cabo Delgado: plantations (palm, cashew,

(cashew, sisal, tobacco, cassava, peanuts,

cotton), fishing, timber, petroleum Nampula: cotton production, agriculture

potato, maize, sweet potato, fruit) mining (gold panning)

Manica: plantation agriculture, trade Sofala: fishing, plantation agriculture (sugar, timber), mining (natural gas), port trade Tete: hydroelectricity, agriculture, mining (clay, coal, granite, gold, copper, iron, nickel, graphite, bauxite, precious stones)

Zambézia: agriculture (palm, coconut, rice, sugar, cashew, cotton, cassava), fishing, mining (pegmatite minerals, gemstones) Gaza: agriculture (dairy, cashews), agroindustry, transportation, migration to mines in South Africa

**Inmanbane**: fisheries, agriculture, oil producing plants

Maputo: Industry, refineries, manufacturing, agriculture

Source: Paiva 2004.

The central provinces consist of Tete, Zambézia, Manica, and Sofala. The central provinces of Zambézia, Manica and Sofala have been the richest agricultural provinces in Mozambique dating back to the 1970s when each was ranked first or second in the production of key consumption and export goods (Munslow 1983). These provinces have remained dominated by large plantations producing export crops which employ seasonal labor. However, according the Austral Survey of Rural Incomes conducted from 19992001 only 18 percent of rural households in the region were engaged in wage employment (De Vletter 2006)

The Southern provinces consist of Inhambane, Gaza, and Maputo. The south has been of great agricultural importance to the country, due in part to its nearness to major markets and because of greater access to water for irrigation. It was also its proximity to Maputo – which became the government headquarters – and its proximity to South Africa which gave the south such wealth and investment priorities. Throughout independence funding towards the large-scale capital intensive export crop projects in Maputo, Sofala, and Gaza were given priority over others which served to increase the regional imbalance within the country (Abrahamsson and Nilsson 1995).

According the Austral Survey of Rural Incomes conducted from 1999-2001 it was found that the southern provinces had the most members of rural society gaining wage employment at 55 percent of households. The survey also identified that rural households in the South had significantly better access to social services such as education, roads, and health services (De Vletter 2006). This is a result of development in the south being spurred by the unequal spending and investment directed toward the region, especially in the city of Maputo where the wealth is already concentrated due in part to their close ties to the South African economy. Between the years of 1990 and 2003, 75 percent of foreign direct investment and 60 percent of the total private investment went directly to the city of Maputo because it was already developed with markets and infrastructure, which investors favor (Hanlon 2007).

This chapter illustrated how structural adjustment changed the political orientation of Frelimo from a socialist party to a capitalistic party. The structural changes required in order to be approved for structural adjustment loans were detailed in this chapter as was their impact on society. These changes resulted in a number of losses for the country, from companies being sold too cheaply because of privatization, to the loss of jobs for many urban and rural workers. The peasantry continued to see their economic power deteriorate and the social services they utilized become out of their reach. These policies resulted in an increase in poverty across the nation. The effects of these structural changes were varied by province because of the differentiated economic development across the country; the provinces differed from one another in regards to production, poverty levels, and employment. These differences are important when examining Mozambican society because they reflect the opportunities available to people living within these regions. How people organize around these opportunities and how the government's policies affect the people depend on these differences as they affect the poverty levels of each province. The next chapter will discuss how Mozambican society has been organized after the war with Renamo ended and how poverty has affected this organization.

## CHAPTER SIX

# MOZAMBIQUE'S SOCIETY AND ECONOMY IN THE POST-CONFLICT ERA

After the war with Renamo and the shift to capitalism, Mozambican society experienced several changes. These changes were the result of SAPs, but also the government's response to the effects of SAPs. This chapter will investigate how inequality and poverty were affected by the transition to capitalism and the public's reaction to these changes. It will also explain the government's reaction to these changes, which often took the form of poverty reduction plans. How these plans were initiated and their overall affect on reducing poverty will be discussed. This chapter will also look into the shrinking divide between Frelimo and Renamo; the two dominating political parties. How job formation occurred during rehabilitation, how ex-soldiers and refugees were absorbed into the economy, and how citizens coped with decreasing salaries will be investigated. The role of women in maintaining households is also examined, as are the work options available to many rural and urban residents. Finally, this chapter examines how capitalism has failed many households in Mozambique and why.

### 6.1 Inequality and Poverty

Table 3: Poverty in Mozambique, 1996 and 2002

Year	Poverty Line	Mean monthly PPP	% households below poverty line	Watts	Gini (%)	MLD	Pop(million)
1996	\$1.25/day	29.39	81.34	0.6982	44.49	0.3434	16.40
2002	\$1.25/day	36.58	74.69	0.5590	47.11	0.3863	19.10

Source: The World Bank Group Povcalnet 2007

There has been an overall reduction in poverty in Mozambique between 1996 and 2002, from about 81 percent of households below the poverty line to about 74 percent, as shown in Table 3. The mean monthly purchasing power parity rose, indicating that households' average monthly per capita income/consumption expenditure increased, which could be the result of increased income. The percent of the population living in households with consumption or income per person below the poverty, set at US\$38 a month, or US\$1.25 a day (the Millennium Development Goal measure for the poverty line), has fallen, as has the Watts' poverty index, a measure of the "mean across the population of the proportionate poverty gaps, as measured by the log of the ratio of the poverty line to income" (The World Bank Group 2007). This drop is reflected in the national poverty gap index, a measure of the mean shortfall from the poverty line (counting the non poor as having zero shortfall) expressed as a percentage of the poverty line, which fell from 29.2 percent to 19.9 percent overall, with a slightly greater fall in rural areas (see Figure 6). Thus, roughly 15 percent of the population moved above the poverty line from 1997 to 2003. The Gini and the MLD (mean log deviation), both measures of inequality, have risen, however, indicating that the rise in income, while decreasing poverty, might have increased inequality through unequal gains. Table 4 supports these findings of inequality.

Despite the widespread nature of poverty, a form of class division has developed among the rural and urban and between the rich and poor populations as a result of vast income inequalities within the country. These divisions have been compounded by the regional divisions, especially between the far south (the city of Maputo) and the rest of the country, which have predominated throughout the country's history (see above).

35 **1**997 **2003 2003** 30 25 overty Gap 20 15 10 5 Urban Rural Total **1**997 27.2 30 29.1 ■ 2003 18.9 20.4 19.9

Figure 6: Decline in Poverty Gap for Urban and Rural Areas from 1997-2003

Source: The World Bank 2008. Using data from the 1997 and 2003 Inquérito aos Agregados Familiares (IAF)

Based on data from the National Household Agricultural/Income Survey (TIA), between 2002 and 2005: 52.4 percent of rural households remained poor, 17.5 percent escaped poverty, 14.7 percent became poor and 15.4 percent remained non-poor or wealthy (The World Bank 2008). The percentage of households that fell into poverty and those that escaped poverty is not that different, indicating that overall poverty remained about the same. When the transition probabilities are calculated we find that the probability of poor households becoming non-poor in 2005 was only 25 percent while the probability of those falling into poverty was 49 percent. The probability that people who were poor in 2004 remained poor in 2005 was 75 percent, which indicates that the persistence of poverty in rural Mozambique is quite high. This persistence, however, is due in part to the people's vulnerability to shocks, such as irregular rainfall, which

occurred in 2005 and is particularly true for those with less-diversified incomes (i.e. those who are dependent on rain for irrigation and have fewer or no off-farms sources of income) (The World Bank 2008).

**Table 4: Poverty Transitions for Rural Households 2002-2005** 

	Household poverty status in 2005 given status in 20						
Poverty status							
in 2002	Extremely poor	Poor	Nonpoor	Wealthy	All		
Extremely poor	56.4	22.7	7.6	13.3	100		
Poor	40.8	27.4	12.4	19.4	100		
Nonpoor	33	24.1	14.4	28.5	100		
Wealthy	22.6	20.2	15.8	41.4	100		
	<del></del>						

Note: Extremely poor is defined as below half the poverty line.

Wealthy is defined as above 1.5 times the poverty line.

Non-poor is defined as above the poverty line, but below 1.5 times the poverty line.

Poor is defined as above half the poverty line, but still below the poverty line.

Green boxes indicate upward mobility. Red boxes indicate downward mobility.

Source: The World Bank 2008. Using data from 2002 and 2006 Trabalho de Inquérito Agrícola (TIA)

Table 4 illustrates the mobility among rural households between 2002 and 2005. The data indicates that there was considerably more downward mobility and stability than upward mobility. This lack of upward mobility suggests that rural poverty is persistent and severe, but also indicates noteworthy upward and downward movement among poor households (The World Bank 2008). Of households considered extremely poor in 2002, 56.4 percent remained extremely poor in 2005; of households considered poor in 2002, 40.8 percent became extremely poor in 2005; of those who were non-poor in 2002 33 percent became extremely poor, while another 24.1 percent became poor; of those who were wealthy in 2002, 22.6 percent became extremely poor, and 20.2 percent became

poor. Thus, poverty is persistent among the worst-off households, and there is a high probability of these households' situations worsening (particularly in 2005, when a drought plagued the country). In addition, entering poverty was very likely among wealthy households; this indicates household economic instability and an inability to sustain high welfare standards under adverse circumstances (such as the drought in 2005).

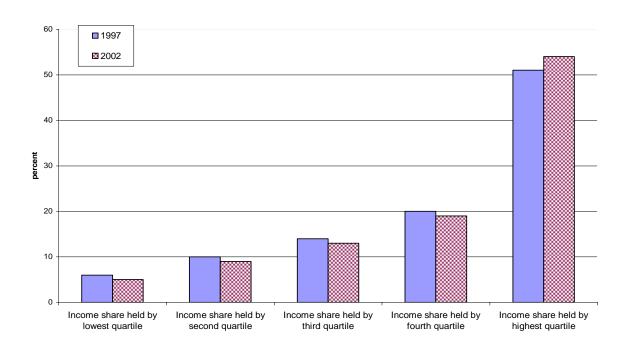


Figure 7: Changes in Income Share Held by Quintile, 1997-2003

Source: Complied by Author using data from The World Bank African Development Indicators 2007

Figure 7 supports this claim of persistent poverty; as there was a decline in the amount of income held by the lowest four quartiles there was an increase in the income share held by the highest quintile from 1997 to 2002. The inequality within society is also

apparent as the income share held by the highest quintile is more than double that held by the fourth quartile and nearly ten times that of the lowest quartile.

Household perceptions of welfare changes (see Table 5) show an overall negative perception of changes in living standards. This trend is consistent with the income poverty transitions (see Table 4). The majority of households believed that their living conditions deteriorated, especially those who remained poor or became poor. The proportion of those households who believed their living situations improved was greatest among those who escaped poverty or maintained their non-poor status.

The data in Table 5, which used statistics from the Poverty and Vulnerability Survey (PVS), shows that among urban households, the majority of those in the richest tercile (42.7 percent) believe that their living conditions have gotten better while the majority of those in the poorest tercile (51.4 percent) believe that their living conditions have gotten worse since 2001. Among rural households, the same trend exists; the majority of households in the richest tercile (45.6 percent) believe that their situation has improved, while the majority of households in the poorest tercile (61.5 percent) believe that their situations have worsened.

Table 5: Perceptions in Change in Household Poverty. Urban and Rural Households, 2006

	Urban Households				Rural Households			
Perception	All Poorest Tercile		Richest Tercile	All	Poorest Tercile	Richest Tercile		
(Percentage)								
Better	25.2	11.7	42.7	26.8	11	45.6		
Worse	37.1	51.4	23.9	40.6	61.5	24.4		
No Change	37.1	36.9	33.4	32.6	27.5	30		
Total	100	100	100	100	100	100		

Source: The World Bank 2008. Calculations based on data from the 2006 Poverty and Vulnerability Survey.

Despite the reduction in income poverty that occurred between 1996 and 2002 (See Table 3), about 75 percent of households in both urban and rural areas felt that their overall poverty situation either remained the same or worsened in the past five years. Inequality in the rural areas has risen between 2002 and 2005. It is therefore possible that growth after 2003 has not trickled down to the poor, especially in rural areas, to the same extent as it did prior to 2003. The perceptions indicated in Table 5 could thus be reflective of the increasing income divergence coupled with aggravation toward the slowed pace of poverty reduction. This theory is supported by findings from the World Bank's (2008) qualitative assessment on poverty which indicate that households were discontent with the rising costs of living and the worsening internal terms of trade, which affected subsistence farmers and the poor more severely than others.

### **6.2 POVERTY REDUCTION PLANS**

As a result of the ineffective and detrimental effects that SAPs had on the majority of the population, poverty reduction plans have been drawn up. However, if poverty is actually to be reduced, these plans must incorporate improving the living conditions for the peasantry – which include the rehabilitation of rural infrastructure and a commercial network for trade and marketing in the rural areas for the peasantry to be inclined to increase production – in order for the preconditions for development in the rural areas to be met. There will also need to be significant shifts in the allocation of aid into social sectors and the rural sectors in order for poverty alleviation to work (Abrahamsson and Nilsson 1995).

The World Bank implemented a safety net for the poorest 10 percent of the population; when this plan was announced in 1991, over 50 percent of the population was already in absolute poverty (Abrahamsson and Nilsson 1995). When the conditions of the people are examined, the second poorest quintile's expenditures were only 1.9 times more than the poorest quintile, and the third quintile's expenditures were 2.8 times greater. In monetary terms this comes out to about 9000 meticals (the Mozambican currency), or about enough money to buy a kilogram of low grade meat. Thus, with such a small difference in the income levels of the bottom three quintiles, to target only the bottom 10 percent of those in absolute poverty would still exclude the majority of the extremely poor (O'Laughlin 1996).

In an effort to reduce poverty and rebuild the strength of the peasantry, Frelimo developed two poverty reduction plans in 1996 and 1999. The first had the goal of improving rural livelihoods, investing in human capital, and creating a disaster safety net. The second focused on rebuilding the physical infrastructure destroyed during the war and to address the basic needs of the communities. These two poverty reduction plans were followed by 5 more in subsequent years in an effort to reduce poverty and improve rural conditions and development prospects (Kulipossa 2006). Mozambique's Poverty Reduction Strategy Paper for 2001-2005 sought to reduce poverty by 50 percent by 2010, a result that was not achieved as an eight percent growth in GDP was needed per year to sustain the requirements of the plan. The outcome of many of these plans and strategies remains to be determined, however initial analyses indicate that these plans have not been as successful as they were intended to be, and did not reach the entire affected population.

Table 6: Sources of Rural Household Income Growth by Quintile, 1996-2002 (percentage)

Quinitle of net	Annual growth	Change in n	nean total in	come by in	come source (1996	-2002)
household income	rate in income	сгор	Livestock	Wage	Nonfarm	
per adult equivalent	1996-2002	income	sales	income	self-employment	total
Lowest	6.5	77.2	5	-3	20.8	100
Second	2.9	77	6	5	12	100
Third	2.8	79.2	7.9	13.9	-1	100
Fourth	4.1	39.4	9.1	38.4	13.1	100
Highest	12.4	-8	4	55	49	100
All Households	8.7	9.9	5	46.5	38.6	100

Source: The World Bank 2008. Using data from the National Household Agricultural Income (TAI) survey.

As Table 6 indicates, rural household income grew across all quintiles. The top and bottom quintile groups saw the most growth from 1996 to 2002 which indicates some pro-poor growth in rural incomes; although, the annual growth in income for the highest quintile was almost double that of the lowest quintile. Real rural household incomes – the net value of crop production and livestock sales, as well as earnings from wage income and nonfarm self-employment – grew an average of 8.7 percent a year. Growth was highly differentiated across the household quintiles. Crop income became less important, although still key for rural income growth, especially among the poorest quintiles where it is responsible for about 80 percent of income growth for the poorest three quintiles. However, nonfarm self-employment was responsible for nearly 21 percent of income growth for the poorest quintile of rural households. Thus, while crop income is being supplanted by the other income sources, it is still a high share of total income and is responsible for much of the increase in mean income. Wage income and nonfarm selfemployment are the most prominent sources of income among the highest quintile of rural household income accounting for 55 percent and 49 percent respectively. Nonfarm self-employment and wage labor will thus continue to be important for future growth in rural income and poverty reduction (The World Bank 2008).

**Table 7: Composition of Delegates at Frelimo's Seventh Congress** 

Tuble 7. Composition of Belegates at 11 cmm of Bevenish Congress							
Category	Number	Percent					
Administrative and Political	272	42					
Leaders							
Workers and Peasants	128	19.7					
Other	247	38.3					
Total	647	100					
Women	246	38					
Men	401	62					
Total	647	100					

Source: AIM Reports 1997

Upon the armistice that was signed between Frelimo and Renamo, Renamo was turned into a legitimate political party. It has since come to draw on the support of the ethnic and tribal antagonisms that have existed throughout the country since before colonialism, and which Frelimo tried to suppress through uniting the people around a common goal: development through socialism. However, as mentioned above, once Renamo launched its terror campaign, it became clear that the circumstances to facilitate a transition to socialism could not be met and local inequalities were causing antagonisms and social divides. Many discontent people turned to Renamo as it represented the party for traditional society both in terms of economic and social relations. Often, Renamo supporters felt marginalized and excluded by Frelimo's economic policies, especially the rural peasants which could be associated with the changing composition of the party's delegates as can be seen in Table 7. The social composition of Frelimo delegates greatly changed since the Fourth Party Congress (see Table 1) as it has come to be dominated by administrative and political leaders. Workers and peasants, who used to be the foundation

of the party, have been marginalized. Whether this discontent with Frelimo's policies was enough to take support away from the party that won them independence in favor of the party associated with another prolonged war is debatable.

Voting patterns since 1994 show mixed results. The differences in the voting patterns by region illustrate the impact of socio-economic differentiation between Renamo and Frelimo supporters (See Table 8). Most Renamo supporters represent those who have been shunned and marginalized by the Frelimo government, those who disapprove of the ongoing corruption and elitism within Frelimo or those who do not agree with the role that the government is currently playing in economic development. While both parties are supported throughout the Northern, central, and Southern provinces, it is clear that Renamo gains the majority of its support from the central Provinces, namely Zambézia and Sofala, which supplied many of Renamo's soldiers during the war and were largely poorer and less educated members of society or traditional authorities. Frelimo, on the other hand, gains most of its support from the Northern Province of Cabo Delgado and the Southern provinces of Inhambane, Gaza, and Maputo, which are also where most of the leaders of Frelimo's liberation movement were drawn from. The loose trend of Renamo representing the poor and rural society and Frelimo representing the well-off and urban society has remained to this day, although Frelimo does still have resonance among the poor peasant population and has been gaining votes from Renamo (Hanlon 2007). Despite these regional differences, Frelimo has continued to win the majority vote over the years (See Table 8).

Table 8: Seats won by Frelimo and Renamo in the Assembly of the Republic Elections

	Frelimo	Renamo	Frelimo	Renamo	Frelimo	Renamo	Human Poverty Index
	1994	1994	1999	1999	2004	2004	1997
Province							
Cabo Delgado	15	6	16	6	18	4	67.1
Nampula	20	34	24	26	27	23	63.0
Niassa	7	2	6	7	9	3	61.2
Manica	4	9	5	10	7	7	56.5
Sofala	3	18	4	17	6	16	54.0
Tete	5	9	8	10	14	4	61.0
Zambézia	18	29	15	24	19	29	64.8
Gaza	15	0	16	0	17	0	47.7
Inhambane	13	3	13	4	15	1	51.2
Maputo (City)	17	1	14	2	14	2	17.1
Maputo	12	1	12	1	12	1	36.0
Abroad votes	-	-	-	-	2	0	
Total	129	112	133	117	160	90	

Source: Nunley 2006; Human Poverty Index taken from UNDP 2006

The proportion of the population that votes has significantly declined, however. As poverty has worsened many believe that democracy and elections will not resolve their worsening socio-economic statuses. In 1994 for the nations first election 87.9 percent of registered voters turned out for the elections whereas in 1999 that number was down to about 69 percent and in 2004 it was down to a mere 36 percent of registered voters turning out (African Elections Database 2004). The increased support for Frelimo over the years, despite dissatisfaction from the peasantry could be the result of many factors, one of which could be the trend where when inequality and poverty rise, as has been the case in Mozambique, the poor vote less. If it is true that the majority of Renamo supporters are the poorer citizens, than this could explain the increased support for

<sup>\*\*</sup>majority party in bold

Frelimo and the decreased support for Renamo despite the worsening situation of many rural citizens.

The nature of poverty in Mozambique is unstable and is largely the result of people's ability to respond to external shocks, such as drought. Socio-economic mobility is high, and it occurs in both upward and downward motions. Because of the unstable nature of poverty in Mozambique and its persistence among the poorest households, perceptions of change are mostly negative among the poorer classes, and more so for rural than urban households. The pervasiveness of poverty in Mozambique has led to several attempts to reduce poverty, but because poverty runs so deep most plans only begin to scratch the surface of what needs to be done to make significant changes in poverty levels. The population, has not, however, turned its back on Frelimo despite the difficult economic situation of many households. Instead, Frelimo has seen an increase in support over the years, why this has occurred remains up for debate. With a society so plagued by poverty and inequality the nature of these events must be questioned and the role Mozambique's capitalist economy as it relates to poverty and increased inequality must be investigated.

#### 6.4 Infrastructure and Job Formation

Given that the majority of land-holdings and well-paying jobs were reserved for Frelimo members and associates of multinational corporations, job creation for the rural and urban population was for the most part insubstantial. Aside from incorporating the peasantry into a capitalistic society there was also the problem of the re-absorption of the vast number of refugees and former soldiers. Many refugees and former soldiers sought

refuge in the urban areas of Maputo, Beira, and Nampula; however, Frelimo encouraged many refugees to establish themselves in rural agriculture because an increase in domestic food production would decrease the need for imports of food staples. In addition, with increased settlement back in the rural areas the preconditions needed for increased production of traditional export goods, such as cashew nuts and cotton, would be created (Abrahamsson and Nilsson 1995).

Due to the severe cuts to the social safety net that occurred because of the SAPs, wages declined and jobs disappeared – due in part to the dominance of mega-projects which do not absorb many unskilled workers. A total of about 14 percent of the population of working age (excluding those who were students, about 23 percent) were unemployed job seekers (De Vletter 2006). Many people had to create their own methods of survival. One of the most available ways of coping with the declining standard of living was to farm, which is what almost one-third of the population identified as their main occupation (De Vletter 2006). In 1997, 81 percent of the population worked in agriculture, 13 percent in services, and just 6 percent in industry (World Factbook 2008). Income generated from subsistence crop production thus remained the staple income source for most, while off-farm employment served mostly to complement this for many in the rural areas (Walker, Tschirley, Low, Pequenino Tanque, Boughton, Payongayong, and Weber 2004).

Many urban workers supplemented their declining incomes with farming and raising animals. As one man put it, "my children can't survive on the salary I get. It's only raising animals that saves us" (Marshall 1990:33). Many feel that they need to have

a formal sector job, but that alone is not enough to make a living; it has to be supplemented with something else (Marshall 1990).

The state came to realize that the agricultural sector would be a driving factor in any poverty reducing development strategy; in the mean time agriculture was identified as key to rural development and national reconstruction. Reconstruction was to take the form of rehabilitating the countries transportation and communication systems, increasing domestic production, and integrating the refugees and demobilized soldiers into agriculture (Abrahamsson and Nilsson 1995). However, agricultural production saw a decline in growth from 1996 to 2001 decreasing from 30.5 percent of the country's economic profile to 18.8 percent (Kulipossa 2006). This was in part due to the restrains on production induced by the lack of rural infrastructure, as mentioned above. The lack of roads, shops, transportation, bridges, and storage warehouses, compounded by the devastation the war with Renamo, created a severely hindered rural production. Mozambique's agricultural extension service, which was created to help develop and increase agricultural production, was underserviced and lacked the funds it needed; an action which once again worked as a hindrance toward the peasantry. In addition, when the agricultural extension service did fund projects to increase production, such as irrigation, it primarily worked with men and wealthier peasants who already owned their means of production despite the majority of peasants being poor and women, thus illustrating a gender and class bias (Bowen 2000).

The dependency on agriculture as a way of coping with the austerity measures imposed by SAPs has also taken the form of social reproduction, which has tended to be gendered in nature. While some men believe that their wives stay at home and do nothing,

in reality they are heavily dependent on their wife's informal labor. Not only do wives take care of the children and the house work, but wives also work on the farm to provide food for the family, which they cannot afford to buy in the stores. In addition, many rotate seasonally between the farm and the city, where they farm, sell surplus goods on the market and/or set up informal street stands to supplement income (Marshall 1990). The data in Figure 8 suggests that women in both rural and urban households are taking on much more of the basic low-productivity work in households which is essential for social reproduction and family survival. This data also suggests that if improvements were made in basic infrastructure, such as water, sanitation, and energy, labor resources, especially women's, would be greatly freed (The World Bank 2008).

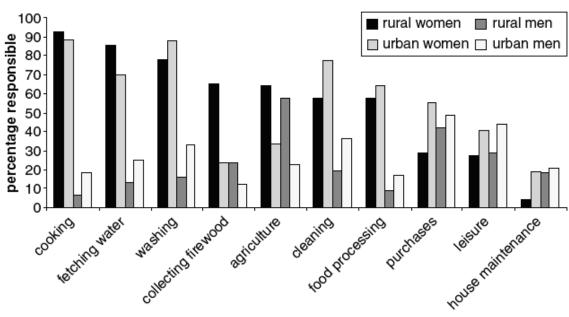


Figure 8: Division of Labor for Rural and Urban Households, 2006

Note: Sample is not representative

Source: The World Bank 2008. Data taken from the 2006 Poverty Vulnerability Survey

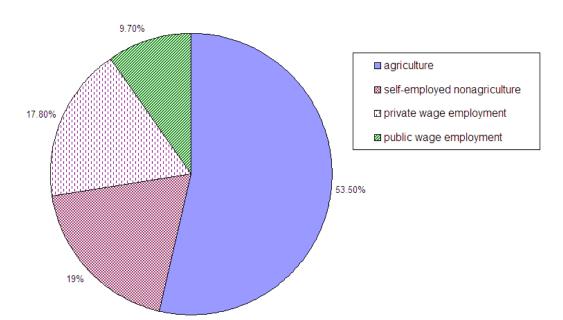


Figure 9: Urban Employment 2003

Source: The World Bank 2008. Data from the 2003 Inquérito aos Agregados Familiares.

As Figure 9 indicates, agricultural activities still employ the majority of urban residents. However, the new ownership of state farms by multinational corporations left many rural inhabitants with fewer options of finding wage labor through off-farm employment (Bowen 2000). Many Mozambicans unable to be absorbed by the formal sector or the agricultural sector have moved to the informal sector. Employment in urban self-employment often takes the form of informal labor, which operates for those who seek wage employment but cannot procure it, as well as for those of whom self-employment is a positive choice. The informal market in the urban areas has come to parallel the agricultural "exit strategy" that many peasants have taken to in the rural areas (where they turn to agriculture as an escape from unemployment), however, recently the urban informal market has become less attractive to the rural labor surpluses because of

increased competition, a result of the increased number of children graduating from school and the lack of jobs able to absorb them. Of the working age migrant population the informal sector is the main occupation for almost 12 percent of this population, the second most common occupation identified next to mine work (De Vletter 2006).

Corruption has become a major issue in Mozambique since SAPs were introduced despite the fact that liberalization claims to reduce corruption. Some people within the country have taken advantage of Mozambique being a major transit route for Southern Africa. Goods are being marked as in transit to neighboring countries to avoid having to pay the tariffs in Mozambique, but are then kept in the country. Bribes are also paid to customs officials, so underpaid that they are willing to let a lot slide for a few extra dollars, to allow goods to come in untaxed. These goods, along with stolen and smuggled goods, are sold at informal markets, such as the star market in Maputo, at significantly lower prices than would be found in the stores, with a huge profit to the sellers, and a huge loss of income for the state (Harrison 1999).

### 6.5 THE FAILURES OF CAPITALISM IN MOZAMBIQUE

Mozambique's rural economy did see growth after the war ended. Rural farms were reoccupied and the reconstruction of rural infrastructure began, which allowed for rural trading to increase. However, the cap on the amount of credit issued within the countryside by the IMF strictly limited the amount of development and production that could occur. The lack of storage facilities and transportation, as well as the guaranteed price paid to farmers which dropped as a result of the reduced government spending imposed by the IMF and the SAPs put all the risk of producing onto the peasantry.

The only two sectors which were significant in the creation of jobs for the peasantry were in agriculture. The first was for sugar investors who created tens of thousands of jobs because of the tariff protections granted to them from the Mozambican government. The other was for international tobacco companies which have made the greatest strides in improving rural peasant incomes (Hanlon 2007). The problem with this is that these two sectors are highly dependent on foreign investments, without which these jobs would not be available. There has been little domestic investment in job creation and the government has left it up to the forces of the market to decrease poverty. The government has instead decided to spend its money working to increase human capital through improved health care, education, and rural infrastructure, while the private sector is left to develop, create jobs, and decrease poverty within Mozambique. However, in reality, the development indicators are low. There has been inadequate investment in agriculture and industrialization, high rates of activity in the informal market, and a lacking educational and health care system.

Over the course of twenty years, Mozambique went from a society whose major goals were to build up the state with nationalized businesses, industry, schools, and healthcare with a focus on providing a safety net for its people, to a society in which the government became disinvested from the economy, as it was taken over by private firms which reduced if not removed society's safety net. The majority of Mozambicans, 65 percent, believed that they were worse off as a result of structural adjustment (Harrison 1994). To top it off, the burden of paying off the nation's debt has fallen heaviest on the poorest Mozambicans – the ones who have received the least amount of benefits – indicating a clear shift in the country's development priorities (Riddell 1992).

Given the situation within and challenges facing the country, the future will be highly dependent on the actions of the youth, the majority of the population. It will undoubtedly take at least a generation to fix everything that needs fixing, such as the development of human resources, opening up the economy and freeing it from the strict controls mandated by World Bank and IMF which are impinging development and investment, reconstruction and advancing infrastructure and transportation throughout the country, and absorbing the unemployed and educated society who cannot currently be absorbed by the market. Mozambique will also need to ease its dependence on foreign aid, especially for the agricultural sector, and resolve the problems of inequality and poverty which are currently plaguing the society.

This chapter has examined how the structure of the new economy served to hinder development in rural areas and increase the burden on the poorest households. Poverty remains a staple for many in Mozambique although its degree has lightened for some. The predominant role of agriculture remains to this day; even in urban areas agriculture remains the highest employer. Despite the predominating role of agriculture, the poor development of infrastructure in rural areas needed to support agriculture still remains to be developed. With the transition to capitalism and the adoption of SAPs Frelimo's initial goals for society and the economy were virtually annihilated as the economy was privatized, the quality of and access to schools and healthcare declined, and the government became disinvested from not only the economy, but many citizens as well.

### **CONCLUSIONS**

The effects associated with centuries of domination by repressive and brutal colonizers have influenced the way development and social organization has occurred in Mozambique. However, it was because of the nature of Portuguese colonialism that the mass mobilization of the people required for the revolution was initiated, and it was this revolution which enabled the transition to socialism. Through the revolution Frelimo was able to construct broad unity around shared grievances and opposition towards colonial rule. The adoption of socialism furthered this aim as Marxist ideology transcended ethnic divides and organized the people around class lines. It was the adaption of socialism and Frelimo's understanding of it that shaped the agrarian transformations in the first years of independent Mozambican society and with which development goals were established.

This transition to socialism upon independence called for the socialization of agriculture which required the nationalization of land, high productivity, the collectivization of labor, and the creation of the worker-peasant alliance. Frelimo actively sought out to meet these criteria, and did to some extent. However, the way they went about it was not always in the best interests of the peasantry. This was counterintuitive given that the peasantry was the class Frelimo was supposed to be representing and aiding. The state, however, failed to take the peasant's desires into consideration instead forcing villagization and collectivization upon them. In addition, the state failed to support independent family farmers; the backbone of agricultural production. State funding prioritized state farms and largely ignored the cooperatives and independent family farmers, a move that was largely antithetical to the peasantry. Additionally, the rural development and infrastructure building needed to facilitate the distribution and sale

of agricultural surpluses was insufficient. This overall lack of support to the peasantry led to peasant demobilization, a phenomenon which would later be exploited by those looking to put an end to socialism in Mozambique.

Agricultural production in Mozambique failed to increase because of external and internal aggressions and because of decreased labor productivity and administrative inefficiency. As Frelimo found out, a textbook approach to socialism did not work; the changes in strategy and implantation that need to occur after self-assessment of the way the economy and society was being transformed often did not occur, and when it did it was often too late or did not service enough of the population to be effective. Thus, Frelimo's methods towards the shift to socialism neither served to increase production or reflect the desires of the peasantry. This eventually led to an ideological reorientation by Frelimo and the shift to capitalism as dictated by the IMF and World Bank.

The required liberalization and capitalization of the economy only served to further antagonize the situation of the peasantry. Most peasants saw their living standards decrease as their sales declined and the price of consumer goods rose. Many saw their incomes decrease as they sunk into greater poverty than they had known during socialist times. Perceptions of well-being reflected this in that many poorer families, often peasant farmers, felt that their situations had worsened over the years despite poverty reduction plans and the reduction in overall poverty across the country. Thus, the shift to socialism as well as the shift to capitalism for the most part, despite attempts to ease the situation in the countryside, has been adverse for the peasantry rather than advantageous.

This thesis has shown that the creation of cooperatives, state farms, and communal villages was not successful at integrating peasants and bringing together

communities to increase production largely because the policies implemented within these did not reflect the needs and desires of the peasantry. They often were inimical to the situation many peasants found themselves in post independence. In addition, the transition to capitalism was laden with policies which were adverse for the peasantry. These actions range from the privatizations of the cooperatives and state farms to postponing development of rural infrastructure and networks needed to link peasants to the market. Overall, most of the policies implemented, whether intended to aid the peasantry or simply to aid the international development agencies, worked counter to the goals of the peasantry and the goals around which Frelimo was initially able to garner support around.

Currently, the population is still mainly rural and highly dependent on agriculture. In the future, Mozambique will need to further develop rural markets and infrastructure in order to increase production and sales of agricultural goods in the rural areas if positive development and a decrease in the levels of poverty are to occur. This will require actions from both the government and the donor community (Arndt, Jones and Tarp 2006). The government will need to reevaluate their relationship with the people and make a more concerted effort to relate to the people and keep their interests in mind when making decisions and dealing with donor demands. Likewise, donor agencies will need to invest more money in less glamorous projects like infrastructure building instead of megaprojects which only employ a limited number of people and do not affect the lives of rural inhabitants. Mozambique has many internal riches but the past and present utilization of these riches has not been beneficial to the majority of the people. In order

for Mozambique and the peasantry to thrive a new approach must be adopted, and this approach should start with the peasantry, as they are the backbone of the country.

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