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ECONOMIC MANAGEMENT AND ADJUSTMENT POLICIES
IN MOZAMBIQUE

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The experience of adjustment policies in Mozambique is that this paper is mainly concerned in looking at the output of economic reforms, which is therefore a key issue in the analysis of economic reforms, in particular how to deal with the experience of how the macro economic management and with the policy debate which these developments take place. The question of the policy debate which the process of economic and social development as well as the balance of payments, the adjustment and policy measures reforms cannot be looked upon as merely a set of neutral policy measures reforms to redistribute the patterns of accumulation and of economic policies to be implemented over the period 1987-89.

The experience of adjustment policies in Mozambique and the World Bank-provided an economic policy framework for adjustment policies, and the World Bank-provided an economic policy framework for adjustment policies initiated in 1987 by the Monetary authority. The European Recovery Programme (ERP) was tasted by the Latin American regime. The Economic Recovery Programme (ERP) was tasted by the Latin American regime. The ERP and the World Bank-provided an economic policy framework for adjustment policies in Mozambique.
must be recognized and acted upon, not ignored (MacSorley and Myers, 1988:136).

3. Farming sectors, for all such Third World countries contain markets which
strategic objectives, is therefore put aside. However, when planning
methods which recognize the market where it exists, and aim to
market where they are set. The question of developing viable social
context in which they are set. The question of developing viable social
as evidence of the inherent superiority of market forces; whatever the
account of the Internal need for economic reforms which involve the recognition of development of the market
cartelization. In fact, conservative economists in the West tend to see
The question of the Internal need for economic reforms requires further

can come to dominate politics, debate (2,3).

This conception of adjustment as a set of neutral policies for greater
efficiency is instrumental in creating a domain where technical expertise
is concentrated. A conception of adjustment as a set of technical policies for greater
economy, decision-making, resource allocation, etc., at the heart of the problems,
and in the era of performance must come to be seen in management terms,
and the 'adjustment' policies are located within the domain of technical
judgment, policy is high-lighted and debated as the root of the problems,
and balance of payments has been criticized rather than the effectiveness
of real economic necessity: cost and efficiency rather than effectiveness
and need not be elaborated here. Sufficient to stress one point which is of
importance to the arguments developed in this paper: the IMF and the World
Bank lend to present their policy stance on adjustment as a matter of choice
and need not be elaborated here. Suffice to stress one point which is of

The IMF/Wold Bank view on adjustment is well known and widely debated.

Homogeneous policy stance.

Opposition between two adversaries in negotiations, each with a relativity
of justifiable positions, but neither is it merely a question of a simple
scope for sharp divergences of views on the content of ad-
play an important role in the design and management of adjustment policies.

The external payments gap reached crisis proportions and credit worthiness
the demand for 'adjustment' from international creditors at a point where
economic rehabilitation in a context of war. At another level it reflects
economic management by IMF/World Bank conditionalities and a bewildering maze

particulars. This entails not merely the restrictions imposed on national
states' capacity to manage the economy in general, and the public sector in
and its dependence on foreign funding agencies, an effective erosion of the

Finally, Section 4 deals with the question as to what extent the ERP

effects of the war.

timing and the scope of state intervention in dealing with the adverse
socio-economic character of needs provisioning, but also the question of the
in an environment of war. This raises not only the issue of preserving the
in sustaining/rehabilitating livelihoods in a context of adjustment policies
Section 3 addresses the question of public provisioning and

Clearly, see it as a prime concern.

recognized in IMF or World Bank reports although the Macedonian authorities
recovery can take place. I shall argue that this issue is not properly
recovery to characterize adjustment policies as well as to the rate at which
the character of adjustment policies both with respect to
matters with respect to
the necessity to organize for a war economy. This matters both in terms of
between the economy and defense and its implications for adjustment

Firstly, in Section 2 I shall address the question as to the relation
the concurrent political and economic imperative.

mamagement which reflects specific interests and which needs to respond to
need to evaluate "adjustment" policies in a broader framework of economic
of economic management in the context of ERP. These issues highlight the
questions which I shall discuss in this paper.

Subsequently I shall discuss three major issues concerning the question
small priorty analyze this issue of the internal demand for economic reforms
result of these developing contradictions. In Section 1 of this paper I
question of economic reforms became a major point on the political agenda as
The Third Congress (1987) and the strategy of socialist development. The
some real weaknesses and vulnerabilities inherent in the system of central
planning and democratic state franchises operate from 1977 onwards (when
organizing a war economy. But also, and importantly, the war accentuated
momentum as the party FELNO prepared for its Fourth Congress (held in
in the case of Macedon, the pressure for economic reforms gathered

4
Interventions, interventions towards donor-funded and donor-controlled selective shift control over public expenditures away from the general state and non-governmental or non-governmental alike. It also involves the pressure to micro restrictions on the use of foreign aid funds by different agencies.
control over the economy, in practice this control tended to become largely
practiced in the state through its central planning, expressed in all-powerful
practicable the state through the consciousness of state action itself. Hence, while in
turn eroded the consciousness of state action, which in
certain patterns of private accumulation with partial market circuits which in
economic development had become progressively undermined by uncontrolled
state to control the use of the economic surplus and to direct overall
Finally, there was a growing concern that the effective capacity of the
Two points are specifically of interest in this respect.

The debate on economic policy shortly before and during the fourth congress,
departed from the central focus of the management developed since 1977. This became the central focus of the
brought to the fore some real weaknesses inherent in the system of economic
as well as two growing awareness that the event of war coupled with drought had
collapses in livelihoods as a result of imperialism aggression. There was
problem was not just that of food production. Besides, and of widespread
economy. Linked to this, there was also a growing realization that the
question of coping with a severe economic crisis and of organizing for a war
hence, the fourth congress needed to come to terms as well with the
This was war (7).

material losses resulting from the immense brutality with which the
material along with the enormous costs in terms of human suffering and
production and people’s livelihoods leading to widespread degradation and
from 1981 onwards, however, were compounded with drought adversely affected
against the background of modest growth rates which heralded a marked
planned economy rooted (principally, but not exclusively) in the dominance
socialist society (4). The period 1977/81 had witnessed radical changes in
year in which the third congress laid down the task of developing a
assessment of the experience to pursue a socialist strategy since 1977--the
This was the case not only because the fourth congress was to make an as-
a critical watershed in the post-independence development of Mozambique.
Year 1983--in which the fourth congress of Freiismo was held--marked

Economic Reforms: An Internal Necessity
The strategy of socialist development would need to come to terms with the 
reality that the Third Congress demanded that a 
improvement of the directives of the Third Congress was indeed very 
important to development. (Megrichich and Worley, 1986-87) The 
realization of the socialist transformation of the state sector, the 
acclimatization of the social relations of production, accommodation, and hence, 
the question of whether the state sector, and within that form of 
economic relations, poses the question of 
the patterns and location of accommodation outside the state sector in-
a socialist transition. Any attempt towards the partial decentralization of 
the question matters a great deal in a context of economic reforms in 
the context of a managed economy.

Therefore, the central issue concerning the context of economic reforms in 
1976.

The demand for formulation by the Third Congress in 1977 (Philippine, 1977a) 
therefore, was not in line with the directives of the Congress. (Megrichich and 
Worley, 1986-87) The demand was for 

enterprise, household production and cooperatives. This demand was in line 
with the demand to restore a proper balance in resource allocation. 

resulting from the earlier emphasis on the state sector, private 
enterprise, and closely related to the First Point of 
the wider economy (Megrichich, 1977a).

Secondly, and most importantly, there was a strong 
demand to impose 

the state sector and the wider 

economic relations between the state sector and the wider 

(economic relations) on the state sector so as to rationalize the market and to 

serve the state sector (g.) Consequently, the exchange between the state sector and the 

elemental market was destabilized. The exchange rates between the state sector and the 

market in the character of planning itself. More specifically, large-scale public 
moneys were imprinted with the rapid depreciation of the currency, were in part the result 

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of the rapid depreciatio
A prominent view of the time—which in part, informed the direction of subsequent internal economic reforms—unavoidably called for a retreat from a previous emphasis on state sector development. An attempt to correct for the over-emphasis on state sector development and its negative consequences led to a reduction in the role of the state sector, both quantitatively and qualitatively. The Fourth Congress put this question partly back on the agenda in the process of transforming the economy. The question was not merely that of maintaining a proper balance with transforming reproduction (possibly expanding at different rates), but also that of transforming the character of production along the lines of growth, rather than merely addressing the need to transform the intersectoral resource flows between important sectors so as to guarantee their social reproduction. Hence, the question was not merely that of maintaining a proper balance with transforming reproduction (Wyts, 1989: 69)
Farming. And within the state sector itself, investment in agriculture and
sector, 2% to the cooperatives, and virtually none to small, family,
agricultural. Of agricultural investment 1977-83, 90% went to the state
as the Fourth Congress was to note in 1983, were particularly dramatic in
(Mackintosh and Wuyts, 1988:143). The effects of this investment pattern,
recorded investment in the economy in the late 1970s and early 1980s
planning therefore became a major method by which the state intended to plan
the economy as a whole, to develop the balance between the different
sections. In fact, government investment patterns virtually all the
investment finance and the material resources for investment, which largely
fixed capital formation in the state sector (Mackintosh and Wuyts, 1988:
investment planning. That is, the main concern was with the expansion of
141-144). The state budget was the principal instrument to distribute
Firstly, to a large extent the main emphasis in planning fell on
three underlined this particular practice of planning.
achieving economy in the use of such resources. These characteristic-feas-
ability of economic policies was much less concerned with
as foreign resources. Central planners were much less concerned with
...accountability. That is, economic policy mainly concentrated on an
system of economic management was characterized by its emphasis on state-
public sector was undoubtedly of great importance. From 1977 onwards the
the question of achieving economy, efficiency, and effectiveness in the
the twin components of economic reforms to deal with the crisis (9).
and allowing greater room of manoeuvre for market forces were identified as
and allowing greater room of manoeuvre for market forces were identified as
increasing production. Enforcing greater efficiency on the state sector
the commanding-out effect, and by relying primarily on market forces to
reallocate resources, thus set free within the economy at large. Hence, the
view sought to effect a shift in resources from the state sector
manoeuvre for the momentum inherent in parallel markets. In a nutshell,
planning through partial deregulation, allowing for greater room of
debate around the Fourth Congress.

...
The fact that private trade occupied an important mediating role in the economy, understood, and the mechanisms through which this came about was much less debated or effectively implemented accounting social differentiation in the countryside. However, the extent to which state-centered accumulation in the economy, the development of state-centered commercial capital, which gained strength and power, and the marketing of cash crops, the remaining surplus from the economy, was brought home very vividly through the decimate in the wider economy, as it appeared to lose its grip over the state sector. The fact that the state economy appeared to lose its grip over the state sector, in terms of realizing resources behind the expansion of the state, policy-makers in Mozambique became increasingly aware of the latter (II).

The prior practice of state-centered accumulation de facto implied that

II
The character of the development of production relations through which it is achieved to increasing production on all fronts aside the concern with its role in terms of managing market relations. In part, the overriding whether planning itself needed to be conceptualized differently, including the specific mechanisms through which this was to be done were felt extremely vague. More specifically, it was felt vague of private farmers, the specific mechanisms through which this was to be resource allocation to meet the needs of the peasantry at large as well as the importance of shifting resource allocation at the Fourth Congress. Hence, while the Fourth Congress stressed the importance of shifting exchange relations, and explicitly stated support to local producer organizations, it would require a different type of planning which involves managing their productive base and stabilizing their livelihoods. Rebuilding these sections of the peasantry with an exchange with the state sector would require a combination of proper market signals and a shift in the market since they have less access to production inputs through the market since they have access to market signals, and hence, would be more able to respond favorably to market signals, and hence, would be more able to respond favorably to market signals. The strong pressure at the Fourth Congress to shift resource allocation...
in this policy debate, World Bank and IMF conditionalities came to play a prominent role. Initiatives since 1983, with the initiation of the Economic Recovery Initiatives and both these themes have been evident in economic policy debates and

1988:156)...

themed intervention of the state within the economy (Mackintosh and Way, 2013), and of preserving the socialist character of the economy. The recognition that the imperatives of the war to this, however, was also the recognition that the economic crisis gave importance of reorienting production in the depth of economic crisis gave

of private enterprise within the unofficial economy. The paramount effect of private enterprise within the unofficial economy. The paramount importance of reorienting production in the depth of economic crisis gave

some, the immediate policy needed to consist of a tactical retreat from

some, the immediate policy needed to consist of a tactical retreat from

and of allowing more room for manoeuvre for private enterprise. Hence, for and of allowing more room for manoeuvre for private enterprise. Hence, for


The Fourth Congress, therefore, defined a new terrain within which

reconciled with.
channel state resources to rehabilitate the productive base of the
and, it furthermore implied the growing recognition of the importance to
use of the state sector in support of small-scale production and trade,
but it also involved a move towards more decentralization planning and
greater associated market liberalization along with the devolution of the
metical.
and reforms and measures to ensure greater financial discipline within the state sector
and towards the regional level (13). On the one hand, this implied financial
societal with deregulation and de-nationalization of some economic decisions
This involved a move towards a model of market intervention, in as-

an effective exchange with the peasantry in contrast of a managed economy.
imported; required that the state sector showed itself capable to re-establish
intends to offer marketed surpluses of export crops and food to support
vestment within the peasantry within the war
were brought home the need to re-establish the alliance with the peasantry.
unavoidable. Subject to the uncontrollable patterns of private accumulation
unimportant in the peasant economy, social and regional differentiation had
reforms needed to address directly the issue of defense.
Hence, economic
without production. Every country at war finds ways of combining war with
Another" (12) hence, economic
Minister argued that: "No war is won just by soldiers on the battlefront,

be seen much public discussion on this issue. In Mozambique, there has
production, and particularly, peasant production. In Mozambique, there are
that if I shall return to in the next section. It also concerns
a point which I shall return to in the next section. This is not merely a question as to how to restrain
The relation between the economy and defense is of central importance
DEFENSE AND ECONOMY
14
The most essential import is the question of IMF/World Bank conditionalities, as the country became heavily dependent on foreign grants and loans to finance its acute crisis. However, the economic crisis has also produced a situation where the economic strategy is to cope with the relation of defense and economy in a context of structural adjustment towards economic liberalization as a means to an end, as well as a more comprehensive strategy (into a comprehensive strategy). This involves a conceptual shift away from partial liberalization as new investments in programmatic and development activities (mainly defined as new investments in the emergency program) that which seeks to combine the economic recovery programme, the emergency program, and other government initiatives.

Moreover, in Mozambique there is a government operational strategy to improve and facilitate integration activities, in which directions will improve and facilitate integration (IDB:8). Furthermore, the Mozambican authorities have asserted that community initiatives as well as to assist them to prevent further displacement of communities, as well as to assist them to prevent further displacement and to reintegrate displaced people back into South African backed MRK, to reintegrate displaced people back into their livelihoods, to reconvene the physical infrastructure destroyed by the humanitarian and development program, to ensure the social and economic rehabilitation of Mozambique, and with a more sustained programme to ensure the social and economic rehabilitation of Mozambique, not only natural disaster and aggression, but also social and economic consequences of the conflict. The problem is structural, not merely structural. The conflict in Mozambique is ongoing, and the problem arises from the conflict, not the structural response to the economic crisis. In order to provide a structural response to the conflict (CNE, 1998:5), the enormous scale of the displacement caused by the conflict and because of drought and terrorism activities, about 2.6 million people are currently facing food shortages in the country. In addition, about 1.5 million people are severely affected, including 1.1 million internally displaced inside the country. In rural and urban areas, about one million families are currently facing food shortages. In fact, an estimated 5.9 million Mozambicans—about one million...
resource allocation favors production rather than trade, and family
use of state economic power to intervene in markets so as to ensure that
decentralization of planning within the state sector itself and the greater
production (MacKintosh, 1986:578). This requires a considerable degree of
markets flexibly, further improving market intervention, coordinating state
Planning capacity has to be developed to manage local
involvement of local markets and managing decentralization in favor of local
Firstly, a planning strategy which aims to shift resources towards the peasants.
However, two further conditions are needed here as well.
economic strategy which aims to shift resources towards the peasants.
A country is confronted by a devastating war of aggression.
The World Bank stresses repeatedly the importance of shifting resource
such countries as Tanzania or Ghana, most withstanding the fact that the
most African agriculture, out rather, that it concerns an exogenous shock which
An important element of the fundamental relations in a context of a stable currency is an important element of any
be done through the market and, hence, the reestablishment of exchange
most stable economic relations with small-scale producers. Most by definition
privatization of state farm land as well as equipment (4).
adequate further
and by relying on market mechanisms. Moreover, it advocates further
and the peasants. This is to be done primarily by getting prices right
allocation in favor of rural producers--in particular, of private farmers
allocation were an exogenous shock which
World Bank, 1987:4). The interesting feature of this statement is the view that
security situation as an exogenous constraint. Clearly, what is
when the security situation and other exogenous constraints have eased
more rapid and more efficient economic growth in the medium and longer term
imperative and privatization. These will establish the conditions for
fail to address the relation between defense and production.
The World Bank's view on the ERP and the emphasis squarely on
most of the Western donor agencies is that they refuse to, or
management context in Mozambique. A critical feature which characterizes
of non-governmental alike, is of central importance in assessing the
well as various pressures of different donor organizations (governmental,
Concern:

Emergency Programme is a clear manifestation of the importance of this relation between defense and economy. The policy debate in Mozambique on the necessary interlinkage of the economic recovery Programme and the defense budget is therefore not just the local initiative, but a national one. In order to articulate the importance of both initiatives, both economic and political, in defense, it is necessary to mobilize all international aid and support for these initiatives. The success of the urban consumer cooperative provides an example of how the government can effectively decentralize and assist the distribution of resources to state resources into building up organizations of small producers, to ensure markets are bound to the food producers, and to generate social and economic activity which are essential to growing the private sector. The government can also appropriate some of the benefits from both political and economic recovery and channel them to farmers, who can benefit from an organized market. In practice, farmers who have benefited from assistance have been going rather to private farmers. However, just as assistance has reduced its level of commitment to transform production, and resources and cooperatives as a method of transforming production, and resources and better-off peasants.

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The Mozambican government has reduced its level of commitment to transform production, and resources and better-off peasants.
In summary, while inside Mozambique a policy debate has developed since 1983 concerning the need to develop responsive economic policies to cope with the relation of defense and economy. In a context of a deep economic crisis and the collapse of livelihoods, the donor community has done little to produce and promote from local firms (Hahom, 1983).

In a similar vein, donor agencies involved in relief often prefer large disaster, and not emergency.

Mozambique has asked for projection vehicles, armor plated lorries to the military. Most donors say no, because this is non-essential. Military carry troops to guard the food convoys, which would cost less than an emergency fund, and road building is development. In some ways, this is emergency, and road building is development. In other ways roads are damaged because of insecurity, while in others roads are damaged because of insecurity. Donors are paying for a massive airlift of food, seeds, and clothing, while in others roads are damaged because of insecurity. Donors have provided unable to cope. For example, many recipients of emergency are receiving destroyed, and cannot renew. This means that Mozambique has tried to think, Emergency. Furthermore, and continued to renew flows, and it means massive reconstruction. Thus Mozambique has tried to destroy Mozambique's economic base. This means terrorism to try to destroy Mozambique, economic base. This means that Mozambique is only necessary in a natural disaster, but it is not a natural disaster. The Mozambique Emergency is unusual because it is not a natural disaster.

Hahom (1988) argues this very forcefully as follows:

"It argues this very forcefully as follows:

The substantial involvement of various donor agencies--multiilateral, government, and non-governmental alike--in providing funds and material assistance, and not emergency.

Mozambique's Emergency is unusual because it is not a natural disaster.
government action—a point to which I shall return in the last section.

policies away from this critical issue and to fragment the cohesiveness of
activities have tended to deflect

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Social policy sought to combine central planning and state provisioning with
paramedical staff and from curative to preventive care (12). Furthermore,
medicale interventions to simpler procedures; from doctor’s work to that of
periphery: From central city hospitals towards the provinces; from complex
at some points, in absolute terms, from large to small and from center to
resources for investment and service provision were shifted in relative, and
social services witnessed radical changes. For example, in health care
comprehensive rationing system was set up from 1980 onwards. The provision
(relative to population size) across districts, while in Maghreb a more
demand at official prices, was rationed according to a quota system
supply of consumer goods, which fell short
scarcity basic needs. Hence, the supply of consumer goods, which fell short
intended to release resources to finance rapid economic development while
which was not dissimilar from Keynes’s basic ideas, but it in a
principle which was not dissimilar from Keynes’s basic ideas, but it in a

In fact, the early planning experience in Mozambique was based on a
comprehensive rationing system to secure basic consumption levels across
a country’s economy which seeks to preserve basic needs
which requires a strongly managed economy which seeks to preserve basic needs
prices, subsidized basic rations and family allowances (seers, 1976:205).
how to pay for the war -- brilliantly showed how the resources to
public expenditure on health and education (Hermelé, 1983:27-28; Marshall)
which has brought about sharp rises in the cost of living is well as costs in
importance. This was and is definitely the case of the FRELIMO
in a context of a war undeniably pose sharp questions as to their social
in economic management, but also in its social policies. Economic reforms
Mozambican government is faced with pressures and choices, not only
ADJUSTMENT AND BASIC NEEDS

20
provisioning to a stressed need rather than on the ability to
intensify needs provisioning based on the intensify of need rather than on the
ability to adjustments. Such interventions consist of special programmes of targeted
safety needs, aimed to protect vulnerable groups in the process of
adjustment. The philosophy behing this approach may be traced back to
producer indifference--price reforms and the imposition of greater
financial discipline--meets the demand for rationalsation by
the ability to pay. Effective demand--i.e., demand back by income determines access
to consumer goods and services in this case. The lower their consists of
provisioning in the context of a two-tier economy (16). The upper tier--

The IMF and World Bank have exert considerable pressure to the donor community,
subject to considerable pressures from the donor community.

The war has brought about a service destruction by the MNR territorials of

and involves the participation of local communities. However, there was
unfounded the problem with its reusability from the non-correspondence between
a policy which aimed to decentralise needs provisioning towards local
good over the realm of the state sector, but supported by it,
the participation of local communities. However, there was
Cooperatives are not devoid from problems--did amount to the partial
decentralisation of the management of basic needs provisioning, including
and involving the participation of local communities. However, there was
The concept of partially self-financed, self-provisioning at community level.
Defense, production, and needs provisioning in Mozambique today, and it requires a policy package which integrates the security situation. Thus, the central issue of economic policy is to improve the security situation. If we fail, the economy itself needs to be organized to support defense so as to grow. Growth also improves the security situation. Hence, we need to lead the economy to sustainable growth and prove a framework for more effective utilization of both domestic and external resources in support of structural and institutional changes which yield a sustainable growth and balance of payments outcome in the programme period. Nevertheless, the reform and adjustment measures yield a sustainable growth and balance of payments outcome in the programme period.

In the programme period, the IMF (1988) quoted in Wormer, 1988:18, my emphasis. The point is that the economy, if not conducted, can lead the economy to sustainable growth and improve the security situation. Hence, we need to lead the economy to sustainable growth and prove a framework for more effective utilization of both domestic and external resources in support of structural and institutional changes which yield a sustainable growth and balance of payments outcome in the programme period. Nevertheless, the reform and adjustment measures yield a sustainable growth and balance of payments outcome in the programme period.

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The basic issue is that the war necessitates the rehabilitation of livelihoods on a broad scale. This involves tackling both the production side and the needs provisioning aspect at the same time. The notion of a separate funding and their own imposed structures (C/if f et al., 1986:18). Essential drugs, diarrhoeal disease control and so on, each with their own health care follow the same track. There are strong pressures to which towards selective programming of health care such as those for immunisation, target certain members of a family while excluding others. Donor actions in turn target certain members of a family while excluding others. A rapid rise in food prices to the point where many urban consumers no longer can afford to buy their rations (Hermel, 1988:19-20; Marchall, 1988). The growing incidence of malnutrition puts pressure on relief aid. Mortality rates such as those for immunisation, including the former is channelled through the normal distribution network (including the regatta system) and sold at a price determined by the consumer's ability to pay. The market system on both for most of its (marketed) food supply. The auctioning of rice is the only how rawrice is transacted, and essentiality once employed. A case in point is food aid. Donor agencies often employ the distitition activities from economic rehabilitation and development, rather than integrating them.

Towards establishing a two-tier economy effectively separate relief and recovery programmes play an important part in this context. Donor programmes need to intertwine within a macro management context. Economic rehabilitation, development and rehabilitation programmes of rehabilitation and productive capacity to direct resource allocation towards a broad-based economic power is within a strongly managed economy where state economic power is through market forces alone. It is necessary to reestablish the exchange of price signals and on challenging resources to real producers improving productivity, and particularly of rural production, cannot merely rely on.
the same time.

such reconstruction which also tackles the rehabilitation of production at
concerns the issue of the brain-drain of more professional cadre out of the
Public sector.

resources (Chitt, et al., 1986:13-14).

resources wasted by officials at central level is in fact one of the scarcer
agents with different philosophies, methods and constraints. The
world of difference between establishing a policy and executing it
reasonable. But a few moments thought should make it clear that there
level. Clearly no agency is prepared to make funds available without
assault of donor agencies on the professional resources

Donor, assistance and public sector management

25
words, who will help rural development? Who will support the peasants?

If and when the donors leave, who will train teachers, build roads, run

Follows: UNICEF in terms of management. Harvest comments on this tendency as

not merely shifting from supporting a general health service towards selective

health posts, providing agricultural extension, and so on. In other

tional setup and management. And, not uncommonly, this management is

selective support to specific programs often requiring their own insti-

developing its managerial capabilities. Instead, donor agencies favor

agencies to recruit from supporting the general public administration and

revels an important trend. There is a marked tendency for donor

the growing market for employment of local professionals by donor

Typewriters and computers, documentation centers, and transport facilities.

paper and pencils are scarce, and the offices of UNICEF with its modern

sharp contrast between a ministry of health where not uncommonly even

It is imbued in educational experience for any visitor to Mozambique to see

equipped in terms of transport, documentation, typewriters, computers, etc.

agencies move towards donate agencies employment not only because

Two remain insulared against exchange rate devaluations.

Studies in the latter sector are often set in dollars and there-

both public and private sector employment towards employment with donor

similar to public sector employees. The real purchasing power place out of

incomes were also subject to the steep rise in the steep rise in a way

situation of Mozambique (and whose skills, technical or administrative, is relatively limited in the private

sector, which means many bigger private sector enterprises which normally had

private sector employment. However, in fact, the market for professional

sector did not involve a move towards

from the public sector, the export of which is little documented. This flow

good's rapidly reduces public sector incomes. This has led to a brain-drain

borrowing, and hence, on public sector expenditures on salaries and wages.

The ERP de facto implied the imposition of cash limits on public sector
Apart from the fact that donor pressures on the content of such reforms, Mozambican authorities were able to manage its economic reforms in a context of war.

Although most foreign aid in theory concerns the financing of public expenditures, in practice donor actions often severely reduce the capacity of Mozambique's government to help those in need, which there are more than a hundred non-governmental organizations--of which the people's working in Mozambique--often amplify this tendency. "Most try to have working in Mozambique's government structures, and make it a matter of honour not to work with government. A few are openly hostile to the "poor" of the poor. Many distrust all governments, and make it a non-governmental organization dependent on aid." (1998)

In summary, although most foreign aid in theory concerns the financing of public expenditures, in practice donor actions often severely reduce the capacity of Mozambique's government to help those in need, which there are more than a hundred non-governmental organizations--of which the people's working in Mozambique--often amplify this tendency. "Most try to have working in Mozambique's government structures, and make it a matter of honour not to work with government. A few are openly hostile to the "poor" of the poor. Many distrust all governments, and make it a non-governmental organization dependent on aid." (1998)

Some NGOs--in contrast--realize that expressed needs in Mozambique often prove closer to the people than what NGOs try to do, and therefore, to visit the villages (Hanson, 1998).

The answer, of course, is the government, and the government's capacity to manage its economic reforms in a context of war, Mozambican authorities, to manage its economic reforms in a context of war, Mozambican authorities, to manage its economic reforms in a context of war.

2. ...analyze in the case of Micronesia can be found in Kaimowitz (1988).


4. Multilateral economic relations.


8. For a discussion of the MDC and the IMF, see Green et al. (1987).

9. This summary is based on my field notes from research on money, rural economy, and parallel markets undertaken by the Centre of African Studies, University of Manitoba, and in Lusaka, Zambia.

10. For an interesting discussion on volume versus cash planning, see Wyts (1989: ch. 6).


12. Quoted in Noticias (Maputo Daily Newspaper) 16.2.87.

13. For a more extensive discussion, see Macintosh and Wyts (1988).

15. See, for example, Watt (1983); Watt and Weid (1983).

16. For a discussion of this in the case of health care, see Clift et al.

(1986).
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