

The economy stirs in Maputo . .

DANCING till four in the morning *is-de ngueur* at weekends in Maputo for any members of the growing middle class who can afford it, and for the throng of foreign-aid workers. "So you see," yells a Mozambican over the music, "it's not all war." But signs of war linger on. As cars draw up, small boys rush forward and beg for the right to guard them; hours later a child lingers on, waiting for his tiny fee.

The capital swarms with street children, most of them separated from their parents during attacks by the Renamo rebels in the countryside. Refugees of all ages live in shanties on the outskirts. Even there they are liable to sudden raids by rebels, by gangsters, and by the unauthorised pressgangs that conscript men under 30 into the army. Peace talks drag on in Rome, still with no solution in sight.

Yet a sort of economy is

coming to life in the Mozambican capital. Under its old name of Lourenço Marques, Maputo's *vinho verde*, spicy prawns, sandy beaches and friendly girls attracted hordes of tourists from South Africa. After 15 years a few adventurous ones are starting to turn up again. Idyllic offshore islands offer cheap holidays away from it all.

Two half-built hotels stand on the coast road north. One, the Four Seasons, is a skeleton. Portuguese builders began it in the early 1970s, and when independence loomed they poured cement down the lift-shafts, packed their tools and left along with the rest of the colony's skilled workers. Farther along and 16 years later, South Africans are building its successor.

In the city the famous Polana Hotel is being smartened up, and cafe life has begun again. Advertisements for fridges interrupt the

absurd Brazilian soap-operas on television. Traders, consultants and photocopyists are setting up shop, although stiff constraints on credit push many borrowers into bankruptcy. Everywhere people are learning English, the common language of all five neighbouring countries. Even the ravaged farms are reviving, although threatened this year by drought.

Prakash Ratilal, a former governor of the central bank who is now a private consultant, looks forward seven or 10 years to a revival of the old economy based on farming, fishing and services, with Mozambican ports shipping out tobacco from Zimbabwe, sugar from Swaziland, even manufactured goods from South Africa. For now, though, getting goods in and out of the ports is a manager's nightmare.

The government, converted from Marxism, is still feeble.

Many competent ones, up with salaries worth a month (good money, Mozambican standards) a month off for private industry or for foreign employers, leaving second-raters to do their jobs. A senior official on his way out says that, though the government has officially abandoned its statist excesses, many administrators do not understand the market they are meant to encourage, and reckon the only way to influence prices is by crude controls.

Frelimo, the ruling party, is paying dear for years of bungled idealism. Corruption at the top cuts at its local support and angers its foreign friends; Sweden, which has stood by it for years, threatened in December to cut off aid worth \$100m a year unless the government cleans up its act. At the election due later this year, several newly-legalised parties could do well if they get organised.