

MOZAMBIQUE: ECONOMIC REALITY

International finance to transform Mozambique's chronic emergency into national reconstruction is still forthcoming: the challenges remain poor implementation capacity plus long-term prospects of chronic debt (now running at US\$4,900 million), inadequate investment and distorted world commodity markets. The current flush of the Maputo markets merely reflects their use as a source of dollars for South African capital flight, which thus subsidise massive, little regulated, luxury imports.

On 10 December, the World Bank-chaired Paris Club committed \$760 mn. to financing for an economy based 80 per cent on aid; \$300 mn. more were pledged on 16-17 December in Rome for elections, demobilisation and reintegration of displaced people. Italian political interest continues, with substantial aid d rised through party-affiliated companies and cooperatives: Rome pledged a massive \$100 mn. at the meeting. The United Nations' Operation in Mozambique, will also commit big sums, including some \$10 mn. to run the assembly areas. The European Community will host the third donors' conference (for 'national reconstruction') in May.

The *Resistência Nacional Moçambicana* (Renamo) feels marginalised by the funding appeals made by the government's long-standing UN partners and because the means of

implementation remain in government hands. It also charges that corruption makes government structures highly inefficient. Renamo wants an (impractical) new mechanism to strip coordination from operational agencies and government and give it to the Peace Accord-UN superstructure.

Only below district level does Renamo control territory, thanks to Maputo's last-minute concession before the signing of the 4 October ceasefire, allowing Renamo to administer its own areas. But its chronic lack of educated cadres, especially of people acquainted with international agencies and aid, makes activity difficult.

Typically, Renamo arrived late at the Rome conference (claiming fog at the airport on a clear day). Head of delegation **Raul Domingos** opened by reporting dissatisfaction with the peace process to date and closed by requesting additional party funds. The international community wavers between paternalism and contempt.

Economic realities mean little future room to manoeuvre, whatever the new political dispensation. Renamo in particular little realises there is no scope for redistribution of state largesse beyond the existing scramble for land and property rights shaped by the legal shambles of the transition to independence in 1975. *Att. Conf. 34(1) 8/1/93*