

Trial of black-marketeers

From Joseph Hanlon
in Maputo

Open-air trials are the latest step in Maputo's war on black marketeering. Nearly 300 black marketeers have been arrested recently — more than 200 in one sweep of a well-known unofficial market adjoining Maputo's central fruit and vegetable market.

The trials have been running until late at night in the Maputo central court. Last week, some were held before hundreds of spectators in market places throughout the city. More than 100 people have already been convicted, and sentenced to one to two years in re-education centres. Thirty-two have been acquitted.

The Ministry of Justice has announced that convicted black marketeers will no longer be allowed off with only a fine. The Ministry of Internal Trade is to form a new inspectorate of private businesses to prevent goods being diverted to the black market.

The crackdown is in reply to a rapid increase in burglary and black-marketeering in Maputo. But the crime wave itself is a result of increasing inflation, low production, and a shortage of consumer goods, so it seems unlikely that arrests will be enough to curb the problem.

In general, production is still below pre-independence levels, and most industries and state farms run at a loss. There has been a big expansion of bank credit — indeed, it appears that Mozambique's entire investment programme is being funded on credit — leading to a big increase in the money supply. In addition, wages have risen significantly since independence — all factors which favour black-marketeers in a country where some commodities are in short supply.

Mozambique is compulsively secretive about economic information, so no statistics are published. But it seems clear that too much money chasing too few goods has provoked a significant increase in inflation in the past two years. At the same time, prices of staples such as rice and bread are low and fixed, and distribution is tightly controlled by rationing. Rents are also controlled and low.

Thus, runaway inflation has occurred in less controlled areas. Fresh fish, for example, has disappeared from public sale and is available only at five to 10 times the official price.

Prices of luxury goods not normally imported have increased sharply. Second-hand cars now change hands at up to £10,000 each.

Fears are growing here that inflation may hit three of Frelimo's most cherished ideals: decreasing the gap between rich and poor, the elimination of corruption, and rural development. Frelimo has encouraged private business, but it always felt that it could keep the growing petty bourgeoisie under control. But some private traders are becoming very wealthy, hence the prices offered for scarce luxury goods.

The likelihood that some of this money will be used for corruption increases. So far, Mozambique remains one of the world's least corrupt countries. It has avoided the tradition of bribery that has grown elsewhere in Africa, and it still has no visible currency black market. But it is not clear how long this can survive, given the large amounts of money circulating in the commercial and service sector.

The surplus money is being accumulated almost entirely in the cities. Low fixed prices paid for farm produce are still rigidly enforced, so farmers gain nothing from the black market profits. As food and consumer goods intended for sale in the rural areas increasingly find their way into the cities, the rural areas are suffering the effects of inflation more severely than the cities.