



Chronic Poverty
Research Centre

Background Paper for the Chronic
Poverty Report 2008-09

The Politics of What Works:

**A Case Study of Food
Subsidies and the *Bolsa-
Escola* in Mozambique**

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February 2006



Table of Contents

1. INTRODUCTION	3
2. FROM INDEPENDENCE TO THE III MULTIPARTY ELECTIONS- SOME ASPECTS OF SOCIO-ECONOMIC AND POLITICAL PROFILE OF MOZAMBIQUE	6
3. THE CASH TRANSFER TO DESTITUTE AS POVERTY REDUCTION STRATEGY	10
3.1. Targeted Groups	12
3.2. Eligibility criteria and the amount allocated	13
3.3. The Impact of the program	15
3.4. Changes in the Program.....	17
4. GRANTING THE MINIMUM INCOME TO IMPROVE THE SCHOOL ATTENDANCE	21
4.1. Mozambique implements the MISA initiative.....	22
5. TAKING UP THE CHALLENGE AHEAD-THE CONCLUSIVE REMARKS.....	27
6. References	30
7. Appendix	34

Tables

Table 2.1: Number of parliamentary seats won by Frelimo, Renamo and Uniao Democratica by electoral constituency, 1994 and 1999 elections.....	8
Table 3.1: Evolution of amount allocated to Social action activities in General 1/ (Billions of MZM)	15
Table 3.2: The coverage of the Food Subsidy Program	19
Table 4.1: Illiteracy rate by area, provinces and by gender (1997 and 2003).....	21
Table 5.1: Total indigent people based of the recent poverty evaluation.....	29



1. Introduction

The improvement of people's welfare is the top priority of the Government of Mozambique. This is evident in the main Government policy documents, such as the Government Five-Year Programme, the Poverty Reduction Strategy Paper and the annual Economic and Social Plans. It is also apparent in international commitments to which the Government is a signatory, such as the Millennium Development Goals (MDGs) which includes the commitment to halve the proportion of people living in poverty by 2015 (RM, 2005).

The recent poverty assessment conducted in 2002/03 reports that 54.1 percent of Mozambicans are poor. This represents a huge improvement when compared to 1996/97 figures that showed a prevalence of 69.4 percent of absolute poverty in Mozambique (MPF *et al*, 2004). However, the fall in the overall poverty rate of about 15 percentage points represents only a 9 percent absolute change of the number of poor people in Mozambique (which changed from 10,618,200 in 1997 to 9,738,000 in 2003)¹. The 1996/97 household survey revealed that 53% of people suffered from food insecurity and 38% of those had incomes below 60 percent of the poverty line. Alternatively, more than 10 million Mozambicans were suffering from food insecurity and 5 million were living below 60% of the poverty line. These problems were more severe in rural than in urban areas.

Some of this destitute and ultra-poor population was living in urban areas, as a result of the intensification of the armed conflict in rural areas at the end of 90s. At that time, unemployment was also increasing, as a result of the privatization process underlined by structural adjustment strategies. Acknowledging the severe deprivation that many Mozambicans were facing, the Government of Mozambique created an institution to deal with people suffering from chronic poverty. It was named *Gabinete de Apoio à População Vulnerável*² (GAPVU) and was mainly funded by the State Budget. UNICEF and the Social Dimensions of Adjustment programme (SDA) of the World Bank co-funded technical assistance to the Gabinete. The mission of GAPVU was to provide support to those families without any productive capabilities (the elderly, the severely disabled, the chronically ill, single mothers with malnourished children and pregnant mothers suffering from malnutrition). In the middle of the 90s, GAPVU' structure was changed in order to improve its administrative capacity and it was also renamed as INAS³. In addition to the cash transfers GAPVU had been providing, the recast institution initiated two new schemes – income generation and food-for-work.

¹ This is due to the population growth during the period under consideration. The population in Mozambique grows at about 2.4 percent a year.

² Meaning 'Office for Assistance to Vulnerable People'.

³ This is the National Institute of Social Action.



The intensification of conflict in rural areas also meant that many schools were destroyed and teachers were killed, which significantly increased the country's illiteracy rates. Moreover, the resulting economic deprivation meant that in order to sustain household consumption, many families were forced to employ their children in farm work or informal petty selling activities instead of sending them to school (Massingarela, 1999), thus further raising the illiteracy rate.

Since the end of the war, there have been efforts to increase the proportion of the population who can read and write. The Government is now leading the national effort to provide universal primary schooling, in line with the second of the Millennium Development Goals (MDGs).

In 2003 the Government of Mozambique, in coordination with the Brazilian Embassy and two Brazilian organizations, started a programme known as the 'Bolsa-Escola' (School Bursary), following the example of the Brazilian Minimum Income for School Attendance (MISA) programmes, which have recently spread across many Latin American countries. This programme's goal is to improve the school attendance of school-aged children, by supporting the families with a monthly grant. The programme, currently in a 'pilot stage', is funded by the Brazilian Embassy and NGOs.

This study is part of the 2007/08 Chronic Poverty Report commissioned by the Overseas Development Institute, which seeks to identify successful poverty-alleviation policies undertaken in developing countries. The aim at this stage⁴ is to gain a fuller understanding of the 'political space' within which policies that successfully reduce chronic poverty are promoted, shaped, implemented and sustained, and to develop a series of policy implications from this (CPRC, 2005).

This paper reviews two programmes – the INAS food subsidy scheme and the *Bolsa-Escola* scheme – discussing and comparing different aspects such as their conception, implementation and coverage. Both programmes face constraints, such as the lack of sufficient human resources to ensure that implementation can fulfil initial expectations. Although Bolsa-Escola is still a small, pilot initiative, it is argued in this paper that it is more sustainable than the INAS scheme, as besides increasing school attendance, it has notably improved the beneficiaries' welfare. As a result, recipients have gained access to informal credit schemes and employed people in developing informal selling enterprises.

⁴ The first phase of CPRC included country case studies, work on the political economy of chronic poverty, and a background paper for CPR 1 on the politics of reducing chronic poverty, which included a review of the conceptual tools that could be used in further research of this area. In order to take this work forward into more specific policy-related findings, and also to balance the somewhat pessimistic tendency within much political analysis in international development (which focuses on how politics creates problems for poverty reduction), this research will seek to uncover the extent to which particular forms of politics play a role in shaping programmes that have been successful in reducing chronic poverty. This will involve identifying a range of success stories, applying a common framework of political analysis to each of them, and then producing a synthesized analysis of the results.



Despite the conspicuous advantages of 'Bolsa-Escola', Government ownership of these two schemes is hugely asymmetric. Whilst the Government has stated its commitment to delivering basic welfare provisions to the destitute through food subsidies, its cash transfer scheme, designed to improve school attendance, does not appear to be receiving such accreditation, probably because in the normal path of planning, the Ministry of Education has other strategic objectives that could cover the issue of school attendance in other ways. The other aspect influencing the difference in the appropriation of these schemes is probably linked to the fact that the food subsidies are being financed by the state budget whereas the grants for school attendance are being financed almost entirely by donation funds.

Acknowledgements

The authors thank to Santiago Goicoechea for his valuable comments the paper.

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2. From independence to three multiparty elections – some aspects of Mozambique’s socio-economic and political profile

Mozambique gained its independence on 1975, after 500 years of Portuguese colonial domination. The almost ten year-long struggle for independence was lead by the *Frelimo* movement. It has been mentioned that in most of the colonial period the Mozambican economy was performing reasonably well (Tarp *et al*, 2002).

In 1977 the Frelimo Government adopted important structural and ideological measures by imbuing the liberation movement with Marxist-Leninist ideology. Long lasting implications resulted from this shift as the country was then fashioned by central planning and collectivist socio-economic and agricultural policies.

In the same year, *Renamo* was created as an opposition movement to Frelimo’s purposes, which immediately resulted in a civil war. The conflict was sparked by foreign powers and met less than fierce resistance among local populations and gradually acquired some domestic support (Carbonne, 2003).

More than one million people were killed and near to five million were displaced from rural areas and into urban areas and neighbouring countries. More than 400 teachers were killed; around 3,000 schools were destroyed or closed down and more than one thousand health units were shattered.

Agriculture was also seriously affected; some estimates indicating the loss of more than US\$15 billion to the Mozambican economy. Besides, increased defence expenditures negatively affected investment in other sectors⁵ (Green, 1991). Moreover, during this period the country was cyclically affected by droughts and floods (1970, 1982 and 1983).

Between 1984 and 1986, at the peak of the civil war, Renamo extended its activities to regions beyond its core areas, and was soon operating throughout Mozambique. Following the intensification of both the war and the droughts, the country was falling into widespread economic and hunger crises, for the rural sector activities had been wiped out and only a few centrally planned countries were supporting the Frelimo regime. As a mater of fact, the Government had to recur to loans in order to satisfy the needs of the government and population; it was at that time that the country accumulated most part of the debt (Massingarela, 2004).

In 1986 the country changed its vision from a centrally planned regime to a more open economic system. The Economic Rehabilitation Program (PRE) was the first sign of change. This program initially focused on economic aspects. Because the

⁵ Defence expenditures represented no less than 30 percent of total government expenditure.



country was plagued by civil war for more than 10 years and hence there were social problems to be resolved, the adjustment program was renamed the Economic and Social Rehabilitation Program (ESRP). The program basically consisted of liberalising the economy (maintaining monetary control, not consuming above local production, focus in production of tradable goods, etc).

In 1990, Mozambique was the lowest income country, according to World Bank Data, and its Gross National Product (GNP) was later estimated at US\$80 (in 1995-96). The Gross Domestic Product (according to Mozambique's National Institute of Statistic) was US\$121 for the same period. Despite the formal opening up of the economic regime, the war remained intense and the economic collapse was deepening (Massingarella, 2004).

However, during the 1990s the country gained the support of the Bretton Woods institutions, namely the World Bank and IMF, which enabled it to loosen some of the economic constraints and deficits through loans and other financial support.

The long awaited hopes of the Mozambican people were finally realised in 1992 with the signature of the General Peace Agreement (GPA). The GPA was an agreement between the Frelimo and Renamo leaderships only, which marginalised other voices, notably those from the unarmed political oppositions.

The transformation of Renamo into a political party was supported by a UN Trust Fund which, in the run up to the 1994 election, handed over US\$17 million to former rebel movement. The resources were made available by foreign donors. However, the funding of Renamo was meant to be a temporary measure, not for the purpose of supporting one political side as such but rather peace and democratisation. As the transition was completed and it became clear that Renamo would not go back to the bush, the newly-born party was left to walk on its own legs.

The first multiparty elections took place in 1994⁶ and involved several opposition parties, including Renamo. Frelimo's victory enabled it to elect the President of the country and enjoy the majority of seats in parliament, which gave it a substantial comparative advantage over other parties.

Mozambique's adherence to World Bank and IMF advice and the end of civil war served to promote economic growth. During the 1990s the country's economy kept growing at an average rate of 7% per year. The end of the war allowed for a shift in government resources, previously targeted to military activities, to areas such as education, health, agriculture and social action.

The first poverty assessment, carried out in 1997, indicated that around 69 percent of Mozambicans were poor. Five years later, the second poverty assessment estimated

⁶ In Mozambique there are separate presidential and legislative elections but they are held at the same time.



54 percent of population was poor. This remarkable reduction was the result of the benefits brought about by the end of the civil war as well as the implementation of the early open-economy policies.

In 1999, the second election took place with the results mirroring those of the first election. The table below shows the number of seats obtained by the two main contestant parties in each electoral constituency for both the 1994 and 1999 elections. In these two successive electoral rounds, the geographical distribution of the seats won by the two major parties did not vary significantly. With the exception of Niassa, the election results confirmed the strong and stable regional roots of both Frelimo and Renamo.

Table 2.1: Number of parliamentary seats won by Frelimo, Renamo and Uniao Democratica by electoral constituency, 1994 and 1999 elections.

	Frelimo			Renamo UE			Uniao Democratica
	1994	1999	2004	1994	1999	2004	1994 only
Maputo City	17	14	14	1	2	2	-
Maputo province	12	12	12	1	1	1	-
Gaza	15	16	17	0	0	0	-
Inhambane	13	13	15	3	4	1	1
Sofala	3	4	4	18	17	18	2
Manica	4	5	7	9	10	7	-
Tete	5	8	14	9	10	4	-
Zambezia	18	15	19	29	34	29	1
Nampula	20	24	27	32	26	23	2
Cabo Delgado	15	16	18	6	6	4	2
Niassa	7	6	9	4	7	3	1
Total	129	133	156	112	117	92	9

Source: Carbonne, 2003

The country effectively has a two-party system clearly centered on the competition between Frelimo and Renamo. According to Carbonne (2003), since the new constitution was adopted in 1990, a number of minor parties have sprung up, but they made few inroads into an electorate shaped and dominated by the Frelimo-Renamo cleavage, a deeply-rooted source of differentiated political identities generated by the country's past conflicts.

The third multiparty elections were held in 2004, with Frelimo winning again both the legislative and presidential elections with decisive majorities. Nowadays, with economic reforms taking place, not only are economic growth rates positive but they are amongst the highest in Africa.



However, it is been widely acknowledged that there are sectors of Mozambican economy where a policy emphasis is needed.

Some of the areas demanding a stronger focus are food nutrition, access to clean water and other public services, access to education, especially amongst household heads, and the prevalence of destitution. It should also be recalled that the country is cyclically vulnerable to natural disasters, namely floods, droughts, animal diseases and that resolution of all such problems is crucial given the fact that the country is dependent on international financial support which finances half of its annual budget.



3. The cash transfer to the destitute as a poverty reduction strategy

In the 1990s, the armed conflict was the major cause of poverty and because it was more intensive in rural areas, the flow of migration was from rural to urban areas. The urban areas were subject to high demographic and economic pressures, as well as increasing poverty and destitution.

In addition, in the middle of the 90s and as result of privatisation, many companies, both in rural and in urban areas, had to close down, thus increasing the unemployment rate.

In 1990 the Government launched a food subsidy program through cash transfers and at that time GAPVU (*Gabinete de Apoio a População Vulnerável*) was the institution responsible for management and implementation. The main goal of this program was initially to minimise the difficulties faced by the poor families that were victims of the war and that were living in urban areas. At the time the program of food subsidies was launched, the political system was still a single-party one, dominated by Frelimo.

The Government and international institutions incorporated elements to redress the social costs of structural adjustment on people's welfare. In 1989, the World Bank recommended improving the coverage of the existing ration system as well as indirect income transfers through subsidies on inferior goods, such as yellow maize.

However, in 1990 targeted cash transfers were advised by consultants as a more efficient alternative to the costly and poorly functioning ration scheme. The urban cash transfer program was perceived as a way to replace the subsidy system with minimal political and social resistance (Low *et al*, 1999).

Until the beginning of 1990s, there existed programmes of food distribution in those urban areas that had high numbers of refugees and those had been affected by natural disasters (Schubert, 1992). However, the distribution of food gained widespread protests in most spheres of Mozambican society. An unwritten consensus pointed at the potential dependency of the targeted people, as induced by the scheme. It was also argued that granting food instead of cash could relinquish and overshadow others' capacities to make small investments and engage with informal insurance mechanisms. Finally it has also been stressed that other needs like medical care and transport are not considered in the food scheme.

Besides the Government's funding, UNICEF funded the salaries of the external technical assistance⁷ and the acquisition of materials. According to Low *et al* (1998),

⁷ There was one permanent consultant responsible for technical assistance to the programme. This consultant was financed by the German government and was mandated to assess the program of food subsidy since its



the UNICEF's interest was clearly because a high percentage of beneficiaries of GAPVU were the poorest families with malnourished children. Moreover as it has been mentioned earlier, the project of Social Dimension of Adjustment (SDA), which was under the supervision of the World Bank, received funds from the governments of the United Kingdom, the Netherlands, Switzerland and Germany. The World Bank and International Monetary Fund (IMF) supported the program as an integral part of Food Security Strategy for Mozambique (Schubert, 1993).

In June of 1990, the Council of Ministers approved a resolution to create GAPVU as a unit within the Ministry of Finance. GAPVU was mandated to implement the program of cash grant on a large scale, which included the rural areas across the country. At the beginning, only 2,000 people were benefiting from this programme. Five years latter (1995), the number of beneficiaries increased considerably to about 80,000 beneficiaries.

In Mozambique the big resolutions and policies are submitted to and decided by parliament, which is the biggest body for approval or refusal. When these resolutions are suggested and reflect the preoccupation of the Government, they are discussed in the Council of Ministers and, if approved, are then submitted to parliament. For example, the state constitution and the Government Five-Year Programme are approved in the parliament but the strategic instruments to articulate this program like PRSP, food subsidy and institutional modifications are approved at the Council of Ministers.

When GAPVU was created, the program of food subsidy was under the auspices of the Ministry of Finance but the organisational structure included the Ministry of State Administration, the Ministry of Health and the Secretariat of State for Social Action (SEAS). As part of the re-organisation of GAPVU, the coordination of this program was transferred from the Ministry of Finance to the SEAS.

Officially, SEAS was responsible for defining the technical criteria for the selection, terms of reference and contractual conditions of the Director and Assistant Director of GAPVU, as well as for defining the objectives and functions of the advisory councils. SEAS was an autonomous state institution internal links with the Ministry of Health.

According to Bazo (1998), the transfer of the program to SEAS made sense organisationally, as GAPVU would be under the auspices of an institution with the official mission of looking after the needy. With these changes in place, the authority of the Ministry of Finance over GAPVU was confined to decisions over how much money was to be allocated to the programme.

Mozambique's State budget is funded with domestic revenue, grants and loans obtained to finance governmental institutions. At the moment, the African

creation.



Development Bank funds the food subsidy programme via the programme budget support. This modality of external aid strengthens both the capacity building and state-ownership of INAS activities. From the 2000 state budget, for example, 0.5 percent was allocated to the Ministry of Social Action (GOM, 2001)

The Government of Mozambique includes the food subsidy scheme in its Poverty Reduction Strategy Papers (PRSP), (both in the first PRSP for 2001-2005 and in the second for 2006-2009). The proportion of the amount allocated to this program is very small compared to the overall budget shares allocated to other social programmes such as education, sanitation and health. In general, the targeted population is smaller as it covers both those disabled and elderly people (those more than 60 years old) who are not benefiting from any other kind of pension scheme.

3.1. Targeted Groups

When GAPVU was created, 15% percent of the urban population was classified as destitute (Green, 1991; Schubert, 1992). This percentage represented about 60, 000 of the urban population. People in this group were those with consumption levels below 60% of the poverty line. The poverty line was determined using the household survey done in Maputo and Tete provinces (Green, 1991).

Specifically, the target group of the food subsidy scheme included:

1. People with a salary below 50% of the minimum wage;
2. Elderly people, aged 60 years or more, and 2 years unemployed;
3. Chronically disabled people over 18 years old; and
4. Families with undernourished.pregnant women

In 1991 another two more groups were included in the programme, namely single mothers with more than 5 children and chronically ill people. Community leaders were also involved in the process of the implementation of GAPVU, mainly in the process of identifying the potential beneficiaries. Sometimes these leaders signed in beneficiaries that were not exactly eligible for food subsidy, mostly their relatives, in a loophole beyond the control of GAPVU officials. Low *et al* (1998) reported that while more than half of the population of Mozambique were living in Maputo/Matola, the relatively small cities like Tete and Nacala had the same or even higher number of beneficiaries. For example, in these two cities, the percentage of woman with malnourished children was higher than those predicted during the programme of recruitment by GAPVU.

Before the introduction of the food subsidy by GAPVU in 1990, a poverty analysis was carried out to identify the total number of people under severe deprivation. This study covered twelve cities and it was estimated that 1.5 million people living in these



cities were living in absolute poverty. The poverty line was estimated at \$15 per person per month, which it was about 42,000 MZM⁸ (Green, 1991). The calculations suggested that people with less than \$15 a month could not meet the basic calorie requirement of 2000 kcal per person per day. At the same period, about 30% of the urban population was estimated to live on an income below 67% of the poverty line, equivalent to 28, 000 MZM. People within this group of population were classified as destitute, for they were facing a physically unsustainable problem of food insecurity and there were particularly pervasive impacts on children, pregnant and feeding women.

The poverty analysis divided the underlying causes of poverty into two categories: the structural (lack of labour force) and contextual (low real wages) aspects. The structural factors were related to high intra-household dependency rates. Because of the war and the liberalisation of the economy, the household workforce in urban areas represented 33 per cent of which 77 per cent were composed by children, women and the elderly. The wage rate was estimated at \$21 (58,000 MZM), an amount that is just enough to keep 1.4 person above poverty line or 2 people above the destitute line (Green, 1991). At that time, many Mozambican households were suffering from one or combination of these two factors, i.e. a low proportion of labourers and low wages thereof. The analysis found that the majority of the destitute households were those headed by females and those of more than 7 members.

3.2. Eligibility criteria and the amount allocated

At the beginning of this programme, the eligible beneficiaries were those living in the 11 capital cities, including Maxixe and Nacala (two big cities) for more than a year. Malnourished children and pregnant woman needed to present medical information about their nutritional status. Their inclusion into these programs was contingent on several factors, but in general it was more difficult for elders to be eligible to the program than for pregnant women and malnourished children. Rogers (1994) found that 90 percent of woman and children candidates to the program were accepted against 60-70 percent of the elderly.

The ministerial resolution indicated that the amount to be allocated to the single-family person ranged from 7, 500 MZM to 15,000 MZM depending on the size of the family (two or three members respectively). The Boletim (1990) recommended that the food subsidy be adjusted to the minimum wage. The decree 16/93 adjusted the food subsidy to 20,000 MZM, 32,400 MZM and 40,000 MZM for single member, two and three member households respectively. In 1996, the amount transferred by this program was adjusted to 32,000, 51, 000 MZM and 64,000 MZM for single, two and three members households and 8,000 MZM for each additional member in the

⁸ Please read the appendix for the exchange rate between Mozambican currency and US Dollar.

household⁹. Subsequent evaluation of this programme found that the amount transferred was very low in relation of the needs. Tovela (1997) for example suggested an increment to 60,000 MZM per month for single member household. Bazo (1997) recommended an increment from 70,000 to 105,000 MZ and the Ministry of Social Action demanded an increment at least of 50 percent of the amount attributed in that time (32, 000 MZ). These debates about the amount to be allocated took a long time because Ministry of Planning and Finance could not find sources to finance additional expenditure. (This lack of financial resources results in 50 percent of the Government budget being funded from external sources – both in the form of grants and credits). Finally in 2004, the decision to increase the amount was reached and the new value was set to 70,000MZ for one member families.

Bazo's study did not found any significant differences in the caloric intake between the beneficiaries and non-beneficiaries of food subsidies. Low *et al* (1998) similarly found that the food subsidy did not have a significant impact on the level of calories consumed. On the light of these findings, the food subsidy was seen as a complementary livelihood strategy rather than a way to guarantee an adequate level of consumption, at least for the elderly. These were the arguments widely used to justify the rise in the amount allocated. But Low (1999) later argued that this happened because at the beginning there was a time pressure to see the programme's outcomes.

Although 2004 was the year of the third presidential and legislative elections, the link between elections and the food subsidy remains ambiguous. The amount received by the beneficiaries was far below that which was required to satisfy basic needs and it was thus agreed that the amount should be adjusted. It took more than 6 years to convince the Ministry of Planning and Finance to revise the amount accorded to the beneficiaries of the Food Subsidy Programme.

The Ministry of Planning and Finance is the institution that can better understand and manage the available resources, to implement Government programs. The resistance to the revision of the amount of the Food Subsidy was stated as being because of a concern to avoid the possibility of the program being shut down as financially non-viable.

In general, the budget share allocated to the Ministry of Women and Social Action ranges from 1-1.7 percent (Table 2) of the total amount allocated to priority areas. These priority areas in turn receive about 65 percent of total Government expenditure and have been widely mentioned as having had an effective impact on poverty reduction. The so-called priority areas are agriculture, education, health,

⁹ This irregular adjustment reflects that the food subsidy was never adjusted to be the same as the minimum wage. The argument for this was to encourage people to do something to generate income and not just wait for the subsidy (which was, intentionally, far below the minimum wage). In 1998 the amount of food subsidy was only 9 percent of the minimum wage and according to Pires (1997) because even the minimum wage was not enough to satisfy basic needs (food and non-food), the food subsidy was likewise inadequate.



infrastructures and governance.

In the first Poverty Reduction Strategic Paper (PRSP), social protection was not included in the priority areas but later it was realised this is a very important area in protecting those without any work capabilities. Consequently, in the Second PRSP, social protection was included in the priority areas. Concomitantly, the amount of funds allocated to this area can increase in the same way as other priority areas do, contingent on Government revenue.

Table 3.1: Evolution of amount allocated to Social action activities in General 1/ (Billions of MZM)

	1999	2000	2001	2002	2003	2004	2005
Government expenditures	11,484.6	16,134.5	20,173.3	23,784.3	25,575.3	28,258.5	32,603.8
Priority areas (1)	6,894.8	10,151.8	13,598.8	15,462.7	17,109.4	18,842.6	21,036.1
Social action (value) (2)	68.9	184.9	154.2	192.1	232.9	282.1	352.3
Social Action as % of Priority areas	1.0	1.8	1.1	1.2	1.4	1.5	1.7

Source: RM, 2001

(1) This amount refers to the value allocated to the Ministry of Women and Social Action where the Food Subsidy Program is included

GOV EXP = Government Expenditures

(2) These areas are those considered with high impact in poverty reduction. Include: Education, Health, Infrastructures Governance and Security

3.3. The Impact of the program

Low (1998) divides the analysis of the impact of this program into three categories: (i) adequacy in reaching the target group; (ii) the program's impact on beneficiaries' consumption; and (iii) negative effects of this program to beneficiaries.

There are more than five evaluation papers though none can answer all the three questions above. Green's (1991 and 1993) poverty analysis provided the foundations for the identification of the targetted group. Green's argues that coverage of this programme has increased over time, however, there is some dispute as to whether Green's report identified all destitute people (Schubert, 1993; 1995).

The results from key informants and the structural surveys showed that people under this program are very happy as the program fills the financial gap in food acquisition (Schubert, 1991; 1993; 1995; Rogers, 1994; Datt *et al*; 1997; Bazo, 1997). Datt *et al*



(1997) found that 65 percent of the GAPVU beneficiaries were poor and without this program the number of poor would be 71 percent. Datt *et al* added that the amount transferred under this program contributed 13 percent of total family expenditure for the beneficiaries group, which is significant.

Bazo (1997), on the contrary, found no statistically significant difference in terms of food consumption for those participating and those non-participating in GAPVU program as the average calorie intake was 1,403 kcal and 1,453 kcal for participants and non-participants respectively. He shows that the calorie intake of the elderly was far below the minimum requirement (2200 kcal/person/day) and the food subsidy amount (32 000MZ=US\$ 2.8) only provided an additional 225 calories per person per day (assuming that all money is spent on food).

Although the program did not show a great impact on food consumption in 1997, it did have other very positive impacts in the society, as it allowed the beneficiaries to buy food in the market without needing to rely on external support. Furthermore, there were fewer beggars among the participants than among the non-participants, and also, beneficiaries were more able to participate in community activities such as rotating saving clubs (*Xitique*) (Bazo, 1997; Quive, 1998). Schubert (1993) found that pregnant women who received the food subsidy at least two months before giving birth improved the weight of their babies.

Bazo (1997) reported that half of the beneficiaries occasionally utilised their subsidy to participate in small-scale group credit schemes (*xitique*) compared to more minimal participation in these schemes by non-beneficiaries. Bazo also found that the food subsidy was serving as complementary risk coping strategy.

Quive's (1998) qualitative assessment found that 69 percent of interviewed beneficiaries responded that their life had improved with the program; 38 percent stated that their material situation improved and that the program had strongly contributed to the development of the social fabric (which contributes to the maintenance of social stability and avoids social disintegration). Some of the interviewees used the transfer to make drinks for sale or to engage in petty trade, which enabled interaction between otherwise isolated persons. Consolidated social fabric reduces the risk of conflict between communities and social exclusion. This is particularly important in fragmented societies where very poor people are often excluded from participating in the local socio-economic and political activities.

The 16 year long armed conflict exacerbated the social condition of many Mozambicans, and thus forced the Government to double its effort to accommodate those people forcefully displaced from rural to urban areas. The Structural Adjustment Program introduced in 1988 also increased the pressure for the Government to cover a minimum set of basic needs for the very poor. Some crucial lessons to be drawn from the food subsidy programme include:



1. The administrative weaknesses of the programme pose a significant burden. Generally, the implementation of any kind of development programme in an African context is based on successful experience in other countries, as is also encouraged by the World Bank and the IMF. The lack of other examples, for the Government to learn from, resulted in management problems, which in turn resulted in high levels of corruption and the dismissal of the programme's previous management team (Bazo, 1997; Low, 1998).
2. The programme's (reduced) staff have a mandate to perform multiple tasks and to provide benefits to a variety of people with different eligibility criteria, which demands a substantial degree of versatility and prudence of the technicians. While the eligibility criteria were clear in principle, the actual selection of beneficiaries was not easy, as this involved decisions to be made by people from many different institutions – which required a high level of co-ordination . It is important to note that, in the early years of GAPVU implementation, the country was still facing the big problem of a shortage of qualified people to work in these sorts of programmes.

3.4. Changes in the Programme

In 1997 a Government decree created the *Instituto Nacional de Acção Social* (INAS) and as a result of this action, the GAPVU was abolished. According to Low *et al* (1999), the change of the institution's denomination was due to considerable corruption. However, although the name of the institution changed, the structure of the programme remained the same. Under the tighter administrative control of the INAS era, the number of beneficiaries declined. Low *et al* reported that by December 1997 the urban cash transfer programme had about 30,000 beneficiary households, less than one-third of the number of claimed beneficiaries at the peak of the programme. The mission of this new institution was to disburse cash only to very poor household (the same as GAPVU's).

In 1997, the country was under a multi-party system where Frelimo and Renamo were playing the major roles in the political arena. Before the change of mandate and name of the institution, consultations were made to gather the views of the many stakeholders in Mozambique's development process. It should first be recalled that the Government Five Year Plan was discussed in Parliament involving all parties represented, and that INAS was created as a direct implementation of the Government Plan. However, whether these consultations involved other parties is difficult to say.

As mentioned earlier in this document, Frelimo and Renamo are the two major political parties. So far the discussions in the parliament have shown this bifurcation, with the majority of parliamentarians approving all of the Government's resolutions



(i.e. supporting Frelimo), whilst the opposition (dominated by Renamo) has labelled all of these resolutions as wrong or detrimental options. This polarised trend applies even to nation-wide programmes such as the vaccination of children. For example in some areas where the opposition has more influence, the local populations have been told that these policies are for the purpose of bringing diseases to the population. Other programs like national censuses and surveys face also this kind of outright rejection.

Over time, the INAS programme has been revised to accommodate the changing needs of the beneficiaries. In this process, people with some work capabilities were moved out to other components of the programme. INAS introduced cash-for-work, which provided 5.8 times more money than the normal unconditional cash transfer (700,000 MZM compared to 120,000MZ). At the same time, INAS introduced an income-generation programme which supports people starting small businesses, which may employ additional workers – and the programme thereby yields indirect benefits.

All these components of the programme were introduced in 1999 to complement the ‘food subsidy’ (the base programme). It is necessary to mention that INAS was created to expand the implementation of social services. The original programme was not abandoned but only revised in recognition of Mozambicans’ varying socio-economic requirements. INAS was also created to reform the programme; in terms of expanding coverage (it now includes rural areas) and creating more capability – not only in terms of implementation but also in terms of management. The creation of additional components was so that the original programme (food subsidy) would only service those without any work capability. This group also includes those who temporarily have chronic food shortage; after that, they graduate onto the income-generation scheme. The unconditional cash transfers are very small in comparison with the conditional transfers.

The evolution of the food subsidy through a cash transfer can be divided in three phases:

1. Conception and implementation of GAPVU (from 1990 to September 1991)
2. Expansion of the programme (from October of 1991 to the middle of 1996)
3. Profound re-structuring of the programme (from middle of 1996 to present).

The establishment of INAS resulted from the recognition of the Ministry of the Coordination of Social Action (MICAS)¹⁰ of the need for an independent institution,

¹⁰ This is actually the Ministry of Social Action where the INAS belongs. The change of the denomination



not linked to MICAS. INAS was planned to be responsible for the social reintegration of children, and for looking after elderly people and those affected by war. Beyond these tasks, it was proposed that the institution be responsible for developing micro-credit programmes (i.e. to identify the opportunities for credit-provision) and for those programmes that sought to limit the rural-to-urban migration trend.

To reinforce the organisation of the programme, a set of measures to strengthen the administrative capacity and the impact of the food subsidy were implemented. The incentives and the recruitment of the officers were discussed, new managers were contracted in and the eligibility criteria were simplified.

The food subsidy programme (through cash transfers) implemented by INAS has been expanding considerably since 1997, covering both rural and urban areas. Table 3 presents the number of beneficiaries of this programme. It can be seen that the number of beneficiaries massively reduced from 1995 to 1997 – which was the period in which the programme was reorganised, which culminated in the dismissal of those beneficiaries found ineligible.

Over time there has been a variation in the total number of beneficiaries as a result of the entry-and-exit dynamics. For example, the malnutrition of children varies over time and this affects the number of beneficiaries because in the years with good rain the number of beneficiaries tends to be reduced and in years of poor rains and droughts it tends to increase. In 2003, there were 80,177 beneficiaries of the INAS programme but in 2004 the number was reduced to 67,645.

Table 3.2: The coverage of the Food Subsidy Program

	Number of beneficiaries of the programme by year				
	1995	1997	2003	2004	2005
Niassa	4,441	2,344	5,031	3,775	4,700
Cabo Delgado	2,853	915	5,423	4,383	4,600
Nampula	17,628	4,926	17,569	15,387	15,900
Zambezia	3,403	906	9,554	7,920	8,700
Tete	11,164	2,523	4,046	3,201	4,900
Manica	6,075	3,007	8,855	7,798	8,000
Sofala	3,334	3,192	4,809	4,246	5,100
Inhambane	6,485	2,532	8,101	6,474	10,449
Gaza	2,333	1,120	7,376	7,658	7,500
Maputo Province	5,414	5,478	4,588	3,507	4,810

occurred in the aftermath of the 2004 election, but the mission and structure of the ministry remained the same with regard to food subsidies.



Maputo City	5,855	4,175	4,825	3,296	3,961
Total	68,985	32,291	80,177	67,645	78,620

Source: MMAS, 2005a; MMAS, 2005b; MMAS, 2005d

4. Granting the minimum income to improve school attendance

In 1975, the year of Mozambique's independence, about 93% of 10 million people were illiterate. In 1980, the government started a process of 'Nationalisation of education'; expropriating the educational facilities of private institutions, religious institutions and NGOs. This reform had a strong impact, partly by changing the contents of the curricula. A new political orientation was implemented, thus creating a new 'national' consciousness. As a result of this strategy, the percentage of illiterate people was reduced to 72 % in 1980 (UNESCO, 2001). It has also been mentioned that one year later, in 1981, Mozambique had almost achieved universal access to primary education with a 93 percent gross of enrollment rate (ILO/UNCTAD, 2001).

Although the nationalisation of education did accelerate the reduction of illiteracy in 1980, the civil war also contributed to a reduction of the percentage of illiterate people; this is well evidenced by the first poverty assessment figures of 1997 which showed that the prevalence of illiteracy among Mozambican populations were 60%. The most salient picture in this point is the discrepancy between male and female individuals. Whilst 41% of males were illiterate, at least 76% females were illiterate.

Although the second poverty assessment figures show relative improvements in education indicators, the discrepancy still remains unfavorable for women. The table below shows the comparisons of school achievements of male and female adults for 2002/2003. These figures confirm that females, in general, have lower educational achievements than males. These features extend to young male and female Mozambicans.

Table 4.1: Illiteracy rate by area, provinces and by gender (1997 and 2003)

	1997			2003		
	Total	Men	Woman	Total	Men	Woman
National	60.5	44.6	74.1	53.6	36.7	68
Urban	33.0	19.4	46.2	30.3	18.1	41.7
Rural	72.2	56.4	85.1	65.7	47.2	80.8
Provinces						
Niassa	69.0	52.2	84.2	64.4	50.1	78.3
Cabo Delgado	75.0	60	88.5	68.4	52.4	83
Nampula	71.7	56.7	85.9	65.1	48.7	81.4
Zambezia	70.3	53.2	85.2	61.4	40.4	80.6
Tete	66.8	50	81	59.2	42	76.1
Manica	57.7	38.5	73.9	45.4	24.2	64.5
Sofala	56.2	35.9	74.8	52.7	28.4	72.2
Inhambane	54.2	35.1	66.4	46.5	27	57.9
Gaza	52.7	35.8	63	47.4	31.1	55.9



Maputo Province	34.3	20.2	45.9	28.6	16.6	38
Maputo City	15.0	7.1	22.6	15.1	7.5	22

Source: author's calculation using data from 1997 and 2003.

The 2003 UNESCO report details at least thirteen programmes aimed at promoting and supporting the education of young people in Mozambican schools; many of these programmes target girls to promote their schooling, since they have poor access to schools and face further impediments such as premature weddings and pregnancies and forced dropouts to help their parents in family care.

Brazil's policy of linking education to the minimum income (MISA) has also been implemented in Argentina, Bangladesh, Honduras, India, Mexico and Nicaragua, where poverty reduction strategies have been developed through a direct income transfer to the vulnerable families.

Since 1994, certain pioneer programs developed and implemented in Brazil have contributed to poverty reduction. The common objective of the Bolsa-Escola type of programmes is to incentivise the educational progress of children from low income families, thus contributing to the universalisation of education and reducing attrition.

4.1. Mozambique implements the MISA initiative

There are many different social safety net programmes in Mozambique, as there are in other countries of Sub-Saharan Africa. In Mozambique, the programmes are targeted; the choice of beneficiaries is based on traditional selection criteria, namely income threshold, demographic characteristics of the household, living and health conditions and area of residence. Such conditions are used as a way of achieving the overarching aim of ensuring a minimum subsistence income for all. However, since these programmes have never been evaluated, their impacts are not yet known. In view of their low coverage and the vast inadequacy of the resources available, it is hardly likely that they play any other than the residual aid role typical of priority programmes.

In 2001, Joaquim Chissano, the former president of Mozambique, and some of his Government members visited Brazil and during this visit they were presented with a set of programmes aimed at alleviating poverty. The President's Brazilian tour took place in the context of the bilateral co-operation amongst the Portuguese-speaking countries. In 1999, the Portuguese speaking countries integrated themselves in an organisation that was called 'Comunidade dos Países da Língua Portuguesa' (CPLP)¹¹. In the first mandate, Mozambique was elected as the capital of this

¹¹ Meaning 'Community of Portuguese Language Countries'. The CPLP originated from an initiative of the Brazilian government: an International Portuguese Language Institute, the IILP, created during the Summit Meeting of Heads of State of those countries whose official language is Portuguese, held in São Luis de



organisation and Mozambique's president served as the head of the organisation. This organisation is financed by the contributions of member countries.

Among several programs, Bolsa-Escola was one of the experiences that raised special attention for the presidential delegation due to its potential strength to reduce poverty, especially in countries like Mozambique. As a result of this interest, the Ministry of Education of Mozambique showed its intention of replicating such an experience in Mozambique. The Ministry of Education solicited a proposal based on the successful experience of the Brazilian programme of granting a minimum income in return for school attendance.

Answering to this request, the Brazilian institution 'Missão Criança' and the Brazilian Agency for Development (ABC) presented a similar proposal tailored to the conditions in Mozambique. This proposal resulted in a partnership between the Ministry of Education of Mozambique, ABC and 'Missão Criança' to implement the pilot project. This constituted the first step of the implementation of Bolsa-Escola in Mozambique. Since then, 'Missão Criança' has been responsible for collecting funds from the Brazilian business community. From the outset of the Mozambican programme, the Brazilian Embassy has been managing these funds – which are partly supplied by the Brazilian government.

The task of the Ministry of Education (MEC) is to select and overlook the registration of the eligible beneficiaries of the programme. Two MEC officers head the programme. The 2004 report aired some problems like lack of transport, which prohibited reaching other potential beneficiaries of Bolsa-Escola. The first goal of this initiative is to support poor families with children aged between six and sixteen years in order to guarantee that they will complete a basic level of education. The second goal is to improve the living conditions of the targeted families, fighting against children work and social exclusion. The project is still being implemented in its pilot phase in Maputo City (the country's capital), specifically in Laulane, Mahotas and Albasini villages. More specifically, the two officers of the Ministry of Education are responsible for (1) providing vacations to children that are not studying; (2) helping mothers to get the national identification cards to make registration easy; (3) controlling student absences through the monthly monitoring forms; (4) encouraging beneficiaries to participate in the design of small projects which will lessen the chances of their dependants dropping out; and (5) visiting the beneficiaries to measure the impact of the project on the families.

At the beginning of the programme, in 2003, one hundred families were registered with Bolsa-Escola but only 81 families actually received cash (500,000 MZM per family). A prerequisite to receive the grant is that the children attendance to school reaches 90%. Attendance is registered monthly by teachers. Programme staff are

Maranhão in 1989. The IILP, considered the first institutional instrument of the CPLP, has its headquarters in Praia, Cabo Verde.



responsible for the allocation and disbursement of the grants to the children's mothers.

One of the key components of the programme is the empowerment of women. The Ministry's officers organise small training classes for the beneficiary mothers. To make this possible, some of the educated (at high school level) young people from the targeted villages who remain unemployed, without university qualifications, are contracted in to teach the mothers¹². Occasionally, one of a young teacher's pupils is his/her own mother.

Interestingly, the 2005 joint assessment and monitoring of the programme found that some participating mothers are now able to fill out the programme forms themselves, without any help (MEC, 2005). Although it is difficult to separate the effects of the programme from independent welfare improvements, Lavinias (2003) found that in general there is an improvement in the quality of the beneficiaries' lives, mostly regarding the quantity and quality of food and medical assistance. There is also evidence of an improvement in the quality of clothing and housing conditions. Plus, some of the beneficiaries start small businesses. Not only have the number of children attending school increased but also, of the once-illiterate mothers, 30% can now read and write thanks to the mother alphabetisation component of the programme.

Potentially eligible families are those with children aged between 6 and 16 years old failing to attend school. In most cases, given the extent of poverty in these villages, parents employ their children on farm work or informal vending which takes up children's school time.

At the beginning of Bolsa-Escola, some parents argued against shifting their children away from farm work into school since their job prospects after secondary school appeared to be very limited. The 2005 assessment also found that mothers used a share of the subsidy money to participate in *xitiques* – these groups involve members putting aside some money at regular intervals (normally monthly) to be given to an agreed member. This is a traditional way of saving and many families remarked that it enabled them to build new houses with water and electricity.

According to Levinas (2003), MISA (Bolsa-Escola in Mozambique) seems to be effective in combating extreme poverty, thanks to its innovative design. In a prediction of the costs of the Bolsa-Escola, Lavinias (2003) estimated that the pilot project would require an annual allocation of around US\$2 a month per member for each family. This amounts to less than 1.5 per cent of the education sector's annual

¹² In Mozambique the 12th grade is the highest at secondary level and once this is completed one is able to apply to university. However, there is only one public state university and admission is conditional upon successful examinations. Every year there are students unable to continue their studies because of insufficient numbers of university places. Of course there are also private universities, but the lack of money to pay their fees constrains the majority of candidates.



budget. Lavina's vision is that adding up the administration costs, which will decrease over time, the budget for Bolsa-Escola project totals US\$720,000 a year, an amount considered feasible if further resources are made available in the form of donations and loans.

The implementation of Bolsa-Escola took more time than was expected due to the following constrains:

1. Bureaucratic procedures to contact the schools and children's families;
2. Language constrains between the project staff and local communities;
3. Difficulties in identifying the 100 families and their children, because of a lack of birth certificates;
4. Information provided by 30 families (out of 100 families) was not considered;
5. Time used by the staff of project to help to sort out the problems above;
6. Making frequent visits to the selected families to confirm the reception of declarations;
7. Difficulties in accessing the schools and the families' houses; and
8. Inadequate transport to the desired places (schools and families' houses).

The weaknesses and risks of the programme are linked to Mozambique's dependency on foreign aid and debt relief. The country is far from achieving financial autonomy: in 2000, the budget deficit (before development assistance) was 15.3 percent of GDP.

Beyond the aforementioned administrative constraints, such as inadequate transport and scarcity of human resources, the Bolsa-Escola is a financially vulnerable programme as it completely relies on the benevolence of Brazilian private individuals whose contributions are managed by the Brazilian embassy. According to Lavinias (2003), if international aid were to be withdrawn, the government of Mozambique would find it impossible to allocate long-term budget resources to the programme, which would therefore have to come to an end.

Although the Government depends on the external financial resources, the registration of this programme in the state budget would reduce its vulnerability and enhance its sustainability. The programme faces irregular payments of the grants and this is one of the factors that discourage the beneficiaries as well as the implementation team. Monthly payments are sometimes delayed by three months.

The main consequence of this irregular payment of the grants to the beneficiary families is that attracting new families becomes more difficult as they perceive that the programme is not serious.

The pilot project predicted that the disbursement of individual subsidies (grants) to the families could be done through the local banking services, but this procedure was not viable, due to problems related to the practical aspects of this process (banking



accounts, ATM, ATM cards, etc). This fact demands alternative and appropriate disbursement procedures, tailored to local conditions. Given these constraints it is not a surprising that Bolsa-Escola is still only a pilot project.

The delay in moving beyond the pilot stage of the programme wastes the valuable opportunity to contribute to poverty alleviation and improve school attendance, especially in rural areas where the enrolment rates are still very low compared to those amongst urban individuals.

It was decided that a task force should be set up to consider the format to be adopted, involving: other ministries, in order to guarantee concerted and effective action; international experts; Mozambican universities and research centres; non-governmental organisations working in the field; investors and donors; as well as representatives of civil society. Open-access seminars would be devoted to technical and political aspects of the programme and the priorities to be set for its final form. This coordinated effort reflects the endeavour that the Mozambican government has undertaken, as based on the positive results of the experimental stages.

Despite its small size the success of Bolsa-Escola could enable it to become a leading example of a reform of a social protection system as well as pointing a way towards a new type of social contract. However, all these steps and intentions are still long way off, given its lack of political support.

The programme is still in its pilot stage of implementation and still has a long way from getting support from the Government budget. It is increasingly recognised that granting incomes for school attendance significantly contributes to the universalisation of education. However although such universalisation is one of the Government's priorities in the education sector, its means of achieving this end have primarily been the training of more teachers and the re-building of schools, as well as the building of new ones to expand and improve access to education (GOM, 2001). The fact that the Bolsa-Escola funds are not obtained from the Government budget, conveys weaker endorsement and weaker political support than would be necessary to ensure expansion to other rural areas with low school attendance.



5. Taking up the challenge ahead – concluding remarks

One of our aims has been to study the motivations of supporting actors involved in the programmes and to determine whether they had broader ideological and constituency-based links to the region/group targeted by the intervention. Table 5 below shows an estimation of the coverage of assistance to destitute people for 1997 and 2003.

In 1997 the food subsidy programme of INAS supported 9 and 14 percent of destitute people in Maputo City and Maputo Province respectively. At the same time, in Zambézia the coverage was less than slightly above one percent. In 2003 the coverage of the food subsidy programme by INAS changed in favour of those provinces that had been least covered in 1997. It could be seen for example that in Maputo City and Maputo provinces the coverage to destitute decreased between the two years. Also note the increased coverage in the provinces of Niassa, Sofala and Manica. Some of changes may be suspicious; for example Gaza and Inhambane provinces have both seen an increase in the number of beneficiaries therein, and in both of these provinces the ruling party is dominant in terms of voters.

Potential beneficiaries-votes correlations aside, the actual number of beneficiaries constitutes only 8 percent of the total number of destitute in Mozambique. Despite the aforementioned correlations it should be highlighted that INAS does not use the information of Table 5 regarding the number of destitute people or at least it is not decisive when targeting.

This paper supports the argument that even if the programme is intended to benefit only the supporters of the Frelimo Government, helping these people still remains a way of alleviating poverty. There is no clear evidence that the Government uses the programme to benefit only its members. Additionally, as the data shows in the table below, even if this were admitted, all the provinces are plagued by a high prevalence of destitution - which could be tackled by the INAS programme.

Both of the programs (food subsidies and bolsa-escola) are being implemented by the government but there are some differences between the two. The state budget finances food subsidies. Government has to propose the number of beneficiaries and supply the amounts necessary to support and assist them. On the contrary, in bolsa escola, the funds are provided by the Brazilian Embassy and the state budget finances only the administrative expenses. This difference affects the implementation of the programs. It was previously seen, for example, that whilst bolsa escola is characterised by irregularity in the disbursement of grants (which discourages would-be beneficiaries), in the food subsidy programme, INAS is autonomous with regards the choice of target and the means of programme implementation. This difference could have important implications for the success of the initiatives.



The extent of government financing may have also affected the appropriateness of these programmes. Because the food subsidy programme is financed by the state budget it was thus discussed and approved by the Council of Ministers of the Government of Mozambique; but this did not happen for Bolsa-Escola, and this may be resulted in a relative lack of appropriateness in the targeting and implementation of Bolsa-Escola. Although there are advantages of the Government financing Bolsa-Escola, this would be difficult given limited Government resources.

Overall, given the prevalence of destitution and low school enrolment rates, as well as the related drop outs, there is no doubt that the continuity of these social protection strategies is a potential means to achieve the Government's goal of reducing poverty. Holzmann and Jorgensen (2000) also emphasise the role of social protection in developing risk management instruments (to protect basic livelihoods) as well as promoting risk taking. These authors maintain that the poor are the most vulnerable and typically lack the appropriate risk management instruments, which constrain them from engaging in riskier but also higher return activities and hence escaping from chronic poverty. The programmes we have discussed also promote risk management (e.g. cash transfers), as well as enabling the undertaking of high return activities (e.g. the INAS income generation scheme).

This paper supports the continuity of the programmes discussed here, whilst also acknowledging the constraints imposed by the lack of material, financial and human resources that prohibit the programme from running optimally. Lavinias (2003) sustains this vision by arguing that the government has little capacity for intervention, which reduces the scope for public action despite the seriousness of the problems.

Table 5.1: Total indigent people based of the recent poverty evaluation

Provinces	1997				2003			
	No. of households (thousands)	Headcount index of indegency	No. Indigent households	Proportion under INAS programme of total	No. Households	Headcount index	No. Indigent households	Proportion under INAS program
Niassa	198,935	40.5	80528.9	2.9	183912	13.7	25195.9	20.0
Cabo Delgado	336,472	23.1	77725.0	1.2	395054	26.7	105479.3	5.1
Nampula	794,438	37.1	294815.9	1.7	789932	24.7	195113.2	9.0
Zambezia	726,310	34.4	249487.5	0.4	743456	15.1	112261.8	8.5
Tete	268,022	53.6	143659.8	1.8	300120	32.5	97539.1	4.1
Manica	201,910	27.0	54434.9	5.5	213515	19.9	42489.5	20.8
Sofala	275,832	65.2	179814.9	1.8	275369	8.8	24232.5	19.8
Inhambane	259,618	53.7	139492.8	2.7	287433	57.5	165302.5	4.9
Gaza	228,310	26.5	60593.5	1.8	243711	23.9	58222.4	12.7
Maputo Province	174,810	35.4	61830.3	8.9	208347	41.3	86026.3	5.3
Maputo City	178,924	17.0	30470.8	13.7	167587	26.8	44879.7	10.8
Total	3,634,581	-----	1372854.2	3.6	3808434	-----	956742.2	8.4

Source: Author calculation based on Population Census and Households Survey (INE, 1997 and 2003)

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Appendix

Average Exchange rate (MZM/USD)

Year	1990	1991	1992	1993	1994	1995	1996
USD/MZM	929.09	1,434.47	2,516.55	3,874.24	6,038.59	9,024.30	11,293.80
Year	1999	2000	2001	2002	2003	2004	2005
USD/MZM	12,689.40	15,689.50	20,707.00	23,665.60	23,782.30	22,581.30	22,752.00

Source: MPF, 2002 and MPF, 2005.