

**Vulnerability in Mozambique:  
Patterns, trends and responses**

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### **Summary**

State institutions in Mozambique have tended to understand 'vulnerability' in terms of clearly defined 'vulnerable groups', such as widows and orphans; there has been little policy dialogue around vulnerability a framework for analysis. Yet, such analysis is central to the development of effective public policies to reduce vulnerability and chronic poverty in the long term.

Vulnerability analysis is of immediate concern in the current development context of Mozambique. Despite an impressive record in poverty reduction over the last 15 years, poverty in Mozambique is deep and widespread. There are signs that broad-based poverty reduction may be slowing or even reversed as inequality grows and some population groups are trapped in chronic poverty.

Official data suggests worrying trends in vulnerability, with continued high levels of food insecurity, a deepening HIV/AIDS crisis, a possibly worsening propensity to natural disasters alongside climate change and evidence of the increasing feminisation of chronic rural poverty.

Yet policy and programmatic responses to vulnerability reflect a vertical view of different categories of vulnerable people, such as the physically disabled, chronically ill or victims of floods and cyclones. A more comprehensive analysis of vulnerability is not yet apparent at macro-policy level. There is limited understanding of social protection strategies and their capacity to address vulnerability and support poverty reduction and economic growth.

Nonetheless, there is a growing realisation amongst national stakeholders of the increasingly urgent need to address vulnerability in a more systematic and coherent manner, if Mozambique is to ensure sustained poverty reduction and tackle the growing challenge of chronic poverty.

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# **Vulnerability in Mozambique: Patterns, trends and responses**

**By Rachel Waterhouse  
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## **Introduction**

Current public policy and practice in Mozambique suggest a narrow understanding of 'vulnerability', seen either as an innate characteristic of specific social groups or a characteristic of people affected by natural disaster.

There has been little understanding of, or debate around 'vulnerability' as an analytical concept that can help to identify the factors and trends which make some people more likely to be poor or chronically poor than others at certain times and why. There are three key dimensions to vulnerability, understood here as 'vulnerability to poverty': lack of internal defences, exposure to external risks and shocks and social exclusion. These aspects of vulnerability result in people being poor, whether through transient or chronic poverty.

Understanding vulnerability as a framework for analysis, this paper argues, is central to the development of effective public policies to reduce vulnerability and chronic poverty in the long term. This is a matter of immediate concern in the current development context of Mozambique.

Despite an impressive record in poverty reduction over the last 15 years, poverty in Mozambique is deep and widespread. This situation is reflected in high rates of malnutrition, low life expectancy and over 50% of the national population still living in absolute poverty. Now there are signs that broad-based poverty reduction may be slowing or even reversed as inequality grows. There is evidence that some population groups are trapped in chronic poverty.

This paper looks briefly at the understanding of vulnerability in Mozambique as reflected in public policy and practice; at patterns and trends in poverty and vulnerability and at Government responses. It suggests that a more holistic approach to vulnerability analysis and responsive programming would make a valuable contribution to poverty reduction and livelihood security for vulnerable households and groups. Making this shift will require a leap of faith in public policy in Mozambique, yet this will be critical for continued broad-based poverty reduction and addressing chronic poverty.

## **Definitions and understanding of 'vulnerability'**

### Definitions of vulnerability and chronic poverty

Vulnerability is both a cause and a symptom of poverty, but it is not the same thing. Poverty describes an existing situation of deprivation. Vulnerability looks to the future and what is likely to happen: it describes people's capacity – or not – to withstand external shocks and risks, to maintain their livelihoods and well-being [Abbot & Waterhouse 2007, DFID-DRC].

The contrasting concept to vulnerability is that of resilience, whereby people have the capacity to retain their assets and maintain their well-being and livelihoods in the face of adversity.

Taking vulnerability as an analytical concept that helps to explain why some people are more likely to be poor, three key dimensions of vulnerability can be identified:

- ❖ Lack of internal defences
- ❖ Exposure to external risks and shocks
- ❖ Social exclusion and discrimination.

In more detail, these dimensions of vulnerability can be described in the following way:

- ▶ **Lack of internal defences:** can relate to demographic or life-cycle factors such as infancy, chronic illness, old age; or social factors such as being orphaned or widowed. In other words, it relates to a person's human and social capital.
- ▶ **Exposure to external shocks and risks:** can relate to sudden events such as natural disaster, violent conflict; and long term processes such as climate change, market trends, currency devaluation...  
Exposure to these shocks and risks (sometimes termed as 'hazards') can be affected by geographical factors (eg risk of drought or flooding) as well as a range of political factors and economic policies and trends. People's ability to withstand risks or recover from shocks will vary greatly according to their existing capacity and resources. People with more resources and assets in the first place (such as good health, education, productive assets and capital) will be more **resilient** and more easily able to recover; whilst those without will be more likely to fall into or remain in poverty.
- ▶ **Social exclusion** can be defined as the exclusion of people from society, the economy and political participation. People excluded from access to resources, from decision-making and, or from social support (e.g. on the basis of gender, ethnic identity, or stigma such as that related to HIV/AIDS) are more vulnerable to poverty and insecurity than those who are not.

Analysing vulnerability according to these different dimensions highlights the complex and dynamic nature of factors and processes that increase poverty and may combine to make people chronically poor.

According to the Chronic Poverty Research Centre (CPRC):

"The **chronic poor** are those who experience significant deprivation over many years and/or whose deprivation is passed onto the next generation" [Hulme, n/d: CPRC]

The 'Chronic Poverty Report 2008-09' (published by the CPRC) notes that growing chronic poverty is a global problem:

"Over the last five years, in an era of unprecedented global wealth creation, the number of people living in chronic poverty has increased. Between 320 and 443 million people are now trapped in poverty that lasts for many years, often for their entire lifetime. Their children frequently inherit chronic poverty, if they survive infancy" [CPRC 2008].

Globally, the Report finds, chronic poverty is most severe in 'chronically deprived countries', which include Mozambique<sup>1</sup>.

### Public policy on vulnerability in Mozambique

Current public policy and practice in Mozambique suggests that 'vulnerability' is narrowly understood as a category, referring to specific and easily identifiable groups of people. There has been little discussion or analysis based on a wider understanding of vulnerability as an analytical concept that helps to explain why some people are more likely to be poor than others. Instead, a narrow view of vulnerability focused on discreet 'vulnerable groups' is reflected in the approach of different public institutions.

The main institutions with a mandate for addressing the needs of 'vulnerable groups' are the Ministry of Women and Social Action (MMAS) and its subordinate institution, the National Institute for Social Action (INAS).

Within MMAS the National Directorate for Women and Children is responsible to respond to the social assistance needs of the poorest women and children; and the National Directorate for Social Action is responsible to respond to the needs of the poor and elderly, disabled, drug addicts, prisoners and ex-prisoners. This organigram itself suggests an understanding of vulnerability as a feature of specific social groups.

The INAS mandate is to provide social assistance to the most disadvantaged individuals and groups who are unable, by their own means, to provide for their own basic needs. Target group beneficiaries of its different programmes include women heads of household, women with many dependents, malnourished women, the elderly, the disabled, the chronically ill (but excluding those affected by HIV/AIDS or TB) and, in all cases, the extremely poor.

These can be understood as target groups who 'lack internal defence' due to personal circumstance (illness or old age) or because they are already the victims of chronic poverty. In many cases, they are also the victims of social exclusion – but this aspect has scarcely been analysed or addressed in terms of public policy-making.

The Technical Secretariat for Food and Nutrition Security (SETSAN) has played a leading role in identifying vulnerability to external shocks – in this case measured in terms of food insecurity. According to SETSAN:

“Vulnerability is usually associated with exposure to risks and determines the susceptibility of people, places or infra-structures to a particular natural disaster”.

A more general definition of vulnerability has been provided by the former Ministry of Planning and Finance MPF<sup>2</sup>, which was responsible for preparing the current Poverty Reduction Strategy Paper, the PARPA II. MPD has defined vulnerability as:

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<sup>1</sup> The CPRC differentiates between four types of country context, with Chronically Deprived Countries at the bottom of the pile in terms of human development. CDCs have a higher share of child mortality, infant mortality and poverty below the US\$1/day poverty line (CPRC 2008).

<sup>2</sup> Since 2005 this has now been restructured into the Ministry of Planning and Development (MPD) and the Ministry of Finance.

“... lack of defence against adversity (including)... exposure to external shocks, tension and risks, and lack of internal defence, of means to compete without suffering serious losses” (MPF 2000).

The PARPA itself, however, does not include a definition of vulnerability nor of chronic poverty. It does note specific issues and trends that threaten poverty reduction, particularly food insecurity – seen as both cause and consequence of poverty – and HIV/AIDS. Gender inequality is also identified as an obstacle to poverty reduction in that women are more likely to be poor than men.

In practical terms, the PARPA II makes reference to an array of programmes aimed at specific ‘vulnerable groups’. This supports the view that at macro level the Government has largely understood vulnerability as a feature of geography (exposure to transitory risks such as droughts or flooding) or due to personal circumstance (such as chronic illness, widow-hood or other socio-demographic factors).

There has been little analysis of social exclusion or of the inter-relationship between different causes of vulnerability. The result is a vertical response to the immediate needs of different vulnerable groups, rather than an holistic response to the trends and processes that reinforce vulnerability and chronic poverty. This is discussed in more detail below.

One exception to the narrow definition of ‘vulnerable groups’ commonly in use is the definition of vulnerable children developed by the ‘Technical Group for Orphans and Vulnerable Children’. The Technical Group was formally established in November 2006 as a joint Government, donor and civil society forum to support analysis of and response to the situation of OVCs. Gaining consensus on a comprehensive definition of ‘vulnerable children’ has been one of its major achievements (Waterhouse 2007).

The Technical Group on OVCs defines vulnerable children as those living in households below the poverty line in disadvantaged households or suffering from any form of neglect or abuse<sup>3</sup>. This expands the concept of vulnerability from one relating to shocks and apparently neutral structural factors (like changes in the exchange rate) to one that also relates to processes of exclusion and discrimination.

The challenge now is to develop a common understanding around vulnerability, as an analytical concept, and translate this into public policy and practices that address the underlying causes of vulnerability and chronic poverty, not just the external symptoms.

### **Context for analysis: extent and patterns of poverty in Mozambique**

Current trends in the extent and depth of poverty are not easy to establish due to lack of recent data. The National Institute of Statistics is currently undertaking a Population Census and also a Household Budget Survey: until the findings of these surveys have

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<sup>3</sup> The full definition refers to the following situations: children living in destitute households including those living in a household headed by children, youth, women or elderly or where an adult is chronically ill; HIV infected or affected children living in destitute households; street children, children in institutions, victims of violence, sexual abuse or exploitation, trafficking, the worst forms of child labour, married under age and refugee or displaced children

been collected and analysed, it will be difficult to have a clear statistical picture of how the poverty profile has changed in Mozambique over the last five years.

Existing data suggests that, despite significant gains in poverty reduction from 1997 to 2003 (during implementation of PARPA I), and possibly beyond (under PARPA II), an entrenched problem of chronic poverty is emerging. There is some evidence that broad based poverty reduction may have reached its limits under the current economic development model, and there are growing inequalities.

In terms of quantitative data, the most recent national statistics currently available are those that were used for the Second National Poverty Assessment, using data collected in 2002-03. Comparison with data from the First National Poverty Assessment using 1996-97 data suggested an impressive decline in the overall poverty headcount: from 69.4% of the population in 1997 to 54.1% by 2003. Government estimates suggest a further decline in poverty to 51.5% of the population by 2008; but further evidence is needed to confirm this (see above).

In a corresponding period (1996-2002), the economy grew by a cumulative 62% (MPF 2005a). This can be related to long term recovery and reconstruction since the country emerged from almost 30 years of war compounded by economic crisis, in the early 1990s. The 'Second National Assessment on Poverty and Well-Being' (MPF 2004), found key factors contributing to poverty reduction at the household level to include expanding employment in the trade and services sectors (formal and informal).

Despite this success, however, Mozambique is still one of the poorest countries in the world, ranked 175<sup>th</sup> out of 179 countries on the UN's human development index in 2008<sup>4</sup>. Life expectancy at birth is only 42.4 (2006 figures), adult literacy 43.8% and GDP per capita (measured by purchasing power parity - PPP) was calculated at US\$739/year for 2006.

Over half the population live in 'absolute poverty' (MPF 2004) and over a third of households are highly food insecure<sup>5</sup>. This is reflected in the high percentage of infants underweight for age: 24% of children 0-5 years old in 2006 (UNDP 2008). Whilst overall poverty levels have declined in the last decade, over half the population "cannot even attain the basic minimum living standards used to calculate the poverty line". The second national poverty assessment noted, for example, that since the previous assessment some additional two million people had gained access to a latrine, yet by 2003 there were still 10 million people with no access to any basic sanitation (MPF 2004).

Of greater concern is evidence that poverty levels may be on the rise again, alongside growing inequality.

In early 2008 – in the context of a food and fuel price crisis – the Ministry of Planning and Development (MPD) conducted a modelling exercise to estimate the likely impact of price rises if these trends were to continue. The exercise found that combined food and

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<sup>4</sup> [http://hdrstats.undp.org/2008/countries/country\\_fact\\_sheets/cty\\_fs MOZ.html](http://hdrstats.undp.org/2008/countries/country_fact_sheets/cty_fs MOZ.html)

<sup>5</sup> The prevalence of high vulnerability to food insecurity in Mozambique is of 34.8% of households, where 20.3% are classified as highly vulnerable and 14.5% are classified as very highly vulnerable (SETSAN 2007)

fuel price rises could result in an increase to the poverty headcount from an estimated 51.5% to 58% of the population, eroding estimated gains in poverty reduction under PARPA II (UN Mozambique 2008)<sup>6</sup>. Although high food and fuel prices fell again, later in the year, the impact of global economic crisis is yet to be felt in Mozambique.

Meanwhile a range of evidence points to already growing inequality and a high proportion of the population trapped in chronic poverty.

Household survey data for 1997 and 2003 suggested a slightly higher growth in consumption for richer households over the period, resulting in increased inequality since the first national poverty assessment<sup>7</sup>. The former Ministry of Planning and Finance found this to be statistically insignificant, suggesting broad based improvement in living conditions (MPF 2005a)<sup>8</sup>. The World Bank also found inequality to be 'modest'.

However, through analysis of household survey data it found increasing urban inequality for the same period, particularly in Maputo city; and based on rural income data from 2002-2005 it found increasing rural inequality in subsequent years (Fox 2008; WB).

Further analysis of rural income data from the 'Trabalho de Inquérito Agrícola TIA)' (Ministry of Agriculture and National Institute of Statistics), suggest a high level of 'insecurity' – in other words, vulnerability – for rural households. According to Mlay et al, half the rural people above the poverty line in 2002 had fallen below it by 2005; although others had risen above (Mlay et al 2006).

Another study based on the same data showed that in 2002, the richest quintile of the rural population had 61% of the income and the poorest quintile only 3% whilst the next quintile up had only 6% of total income. Over the period 1996-2002 all groups had experienced an overall increase in income, but 73% of the increase went to the richest group, only 3% to the poorest and only 4% to the second poorest (Boughton et al, 2006, cited in Hanlon 2007).

Urban inequality is also on the rise, especially in Maputo. Between 1996 and 2002 a growing share of the Maputo population found itself falling into the lower two income quintiles. Contrary to experience in the rest of the country, consumption showed a decrease over the lower three quintiles; but a substantial increase of 23.8% for the highest quintile during this period (Fox et al 2005).

According to the findings of a qualitative study on the 'Social relations of urban poverty in Maputo' (Chr Michelesen Institute 2007):

“The very poorest and most marginalised households and individuals are trapped in their poverty and destitution: they lack the necessary material basis and social

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<sup>6</sup> <http://www.unmozambique.org/eng/News-and-Events/News-Releases/UN-Supports-Mozambique-Government-s-Response-to-Food-Crisis>

<sup>7</sup> There was a rise in the Gini co-efficient from 0.4 to 0.42

<sup>8</sup> The same study finds that consumption inequality between regions and provinces has declined. The highest rates of inequality are in Maputo City which experienced a significant rise in inequality over the 1996/7 – 2002/3 period. It finds little difference between urban and rural households per se but a significant difference between households whose main source of income is agricultural and those whose is non-agricultural; with agricultural households being significantly poorer.

relationships for improving their situation, and their condition seems to form the basis of what might be seen as sub-cultures of destitution”.

In terms of household characteristics, female headed households (FHHs) predominate in the lowest quintile of the population ranked according to wealth. The bottom quintile also has higher dependency ratios, more disabled adults, are predominantly rural with the head of the household dependent on agriculture, having less education and older household heads (Fox et al, 2008: 44-45). These households are most likely to be trapped in chronic poverty.

Importantly, the CMI qualitative research also identifies critical dimensions of social exclusion and discrimination, including gender based discrimination, that contribute to chronic poverty.

### *Geographical Patterns*

In the early 1990s, poverty analysis suggested that people living in the north and central provinces of Mozambique were more vulnerable to poverty than those living in the better-off southern provinces. In more recent analysis, however, the MPD finds that regional disparities reduced over the period of PARPA I implementation: thus poverty reduction in the northern and central regions compared to a slight increase in poverty in the generally better off southern region<sup>9</sup> has somewhat evened out the poverty headcount (MPD 2005). Nonetheless, there are still significant differences between regions (north, central and south) and between the country's 11 provinces. Poverty remains higher in rural areas (55.3%) than urban areas (51.5%), although it has fallen more rapidly in the rural areas.

In spite of these differences, inequality in Mozambique – measured in terms of consumption - tends to be located within districts rather than between districts. According to UNICEF this shows:

“... that poverty and inequality are widely distributed phenomena and [calls] into question the feasibility of geographic targeting of anti-poverty efforts at ‘poor areas’ “.

According to SETSAN, chronic food insecurity is more prominent in the northern parts of the country, particularly in the provinces of Niassa, Cabo Delgado, Nampula, Zambezia and Tete. By contrast, the highest incidence of households that do not face chronic food insecurity is found in the southern provinces, especially in Gaza.

The southern parts of the country are more prone to natural disasters as well as the negative impact of economic dependency on imported goods and remittances, especially from South Africa, yet overall they show higher levels of household access to stable and diverse sources of income. These households are more prone to transient vulnerability; yet emergency response are directed exactly at this type of problem. On the other hand, chronic food security is not systematically addressed.

### **Worrying trends**

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<sup>9</sup> According to UNICEF this observed decline is probably the result of transitory factors such as drought, floods and depreciation of the Metical in relation to the South African Rand in the intervening period.

There are worrying trends in vulnerability and chronic poverty that should be of critical concern to policy makers in Mozambique, especially in the development of a future poverty reduction strategy. These include trends related to the pattern of economic growth, gender inequality, food insecurity and malnutrition, and the impact of HIV/AIDS.

#### *Uneven economic growth*

In its 'poverty, gender and social' analysis of Mozambique, the World Bank found that poverty reduction from 1997 to 2003 was largely based on expansion of infrastructure and land under cultivation in the agriculture sector, increasing diversification of rural incomes and a shift out of agriculture towards self-employment and service sector employment principally for men<sup>10</sup>. It notes that broad based poverty reduction in the rural areas has probably reached its limits on the current growth model of expanding area under cultivation. Unless there are rapid improvements in agricultural productivity and income diversification, rural poverty is unlikely to decline further and more likely to intensify.

The study notes that small holder farmers who are unable to diversify their sources of food and income tend to be the poorest:

“Reliance on food crops is especially risky because Mozambique’s susceptibility to droughts and floods can leave subsistence farmers hungry in the off season and their children malnourished” (WB 2008: 12).

This then has knock on effects in increasing vulnerability, as malnourishment affects health, productivity and education.

Already, the report finds that:

“Evidence is emerging that a sub-set of rural households, usually those in more remote areas, are becoming trapped in poverty” (13)

Lack of labour and assets makes this group of people (which has not been quantified) particularly vulnerable to internal and external shocks, compounded by geographic isolation.

Female headed households feature strongly within this 'sub-set'. The study argues that poor rural women have been least able to either move out of agriculture or diversify away from subsistence food production. This is leading to an increasing feminisation of rural poverty.

#### *Food insecurity*

In terms of transitory vulnerability due to natural disasters, the UNDP in its National Human Development Report for Mozambique for 2005 noted “increasingly serious and frequent floods and droughts”. These events are cyclical; yet their increasing frequency and intensity are thought to be linked to climate change: devastating floods in 2000 in the south and centre of the country; further serious floods in the centre in 2001; severe drought in 2004/05, flooding again in 2007. In the preceding fifteen years nine cyclones hit the country; with a further cyclone causing major damage in 2007. This trend

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<sup>10</sup> The WB study is largely based on comparison of the national household survey data from 1997 and 2003 (Inquérito aos Agregados Familiares – IAF), as well as Demographic and Health Surveys (DHSs) also from 1997 and 2003. A further source were the Rural Household Income Surveys from 1996 and 2002 (through the Trabalho de Inquérito Agrícola – TIA) and panel survey data from 2002 and 2005.

continues. The impact of these shocks on already vulnerable populations is often severe, affecting both short term food security as crops fail or are destroyed, and long term food security as households lose or are forced to draw down on their few assets.

The PARPA II (the second national PRSP) noted the on-going significance of transitory and chronic food insecurity. Government statistics at the time (2004) suggested that chronic malnutrition affects 41% of under 5s or an alarming 1.3 million children (PARPA II).

In its Perceptions of Poverty and Vulnerability Study (2006), the World Bank found that 43% of households in urban areas and 53% of households in rural areas had 'suffered hunger' in the last 12 months.

In a recent national study of food and nutrition (in)security (2007), SETSAN concludes that, although there is high incidence of chronic food insecurity, "availability of food does not seem to be a problem". Alternatively it finds that:

"... the major underlying causes of food insecurity have been identified in limited access to food. In particular, poor infrastructure and general isolation, as well as low purchasing capacity, seem to contribute a major role. Both factors limit households' access to food as well as to other services" (SETSAN 2007).

The SANHA working group – a technical sub-group of SETSAN working on food and nutrition security and HIV/AIDS – has signalled the strong correlation between poverty, food insecurity and vulnerability to HIV/AIDS. These linkages are also noted by UNICEF in its report on 'Childhood Poverty in Mozambique' (2006); which points out the likely correlation between the poverty of women heads of household and the increasing role of, particularly elderly, women in caring for OVCs.

#### *Impact of HIV/AIDS*

PARPA II also notes a deepening HIV/AIDS crisis and notes that the economic impact of this crisis is likely to be felt ever more severely as the pandemic matures and the number of AIDS related deaths increases (MPF 2004: 40). The number of AIDS orphans was expected to rise from just over 1,000 in 1990 to over 263,000 in 2007, out of a predicted total of 1,702,000 orphans for the same year (UNDP 2006, citing INE/MISAU 2004). This has implications for vulnerability at many levels, as it impacts not only on individuals and households without the resources to withstand the shock, but also on communities, economies and state services (as human resources are lost to AIDS and the burden of treatment and care increases).

#### *The elderly*

Data cited by the National Plan of Action for Elderly People suggests that Mozambique had around 0.8 million people over 60 years old in 2000 or 4.4% of the population; predicting an increase of 7 – 10% over the next 15 years. The Action Plan notes that elderly people are often victim to negligence and abuse, accusations of witchcraft, lack of access to basic social services and lack of any form of social protection. The growing impact of HIV/AIDS is sharpening their plight as many elderly people are left to care for orphans and vulnerable children whose parents have died, are too sick to care for or have abandoned them.

#### *Gender inequality*

The PARPA II notes that women in general are more vulnerable to poverty than men. This finding is partly based on statistical analysis of different poverty levels between male and female headed household. This type of analysis has been complicated in Mozambique by ambiguity around the distinction between female headed households de facto - often in receipt of remittances from non-resident spouses, and therefore less poor - and female headed households de jure (divorced, separated, unmarried or widowed heads of household) who almost invariably tend to be amongst the poorest households. In general, government statistics have not employed this distinction. Thus the first national poverty assessment, misleadingly, found little difference in poverty levels between male and female headed households.

The second national poverty assessment found that female headed households (FHH) are more likely to be poor than male headed households: 62.5% of FHH are deemed absolutely poor compared to 51,9% of MHH. Furthermore, according to data cited by UNICEF, poverty reduced by 26% in MHH during the PARPA I period but by only 6% in FHH<sup>11</sup>.

Such findings are reflected in PARPA II which identifies gender inequality as an important factor in vulnerability to poverty and identifies FHH as particularly vulnerable. This is associated with widowhood (and issues around loss of income and property rights), high dependency ratios, low levels of education and low income.

Recent economic analysis conducted by the World Bank shows that female headed households in the rural areas are particularly vulnerable to poverty and find it more difficult than male headed households to diversify their livelihoods away from subsistence agriculture. This means that female headed households are also more vulnerable to the impact of shocks such as natural disaster or illness.

UNICEF postulates another factor causing FHH to be more vulnerable to poverty than MHH may be that they are taking on a disproportionate share of the burden of caring for orphaned children, in the current context of a growing HIV/AIDS epidemic. Other research suggests that the number of elderly destitute people is likely to increase significantly over the coming years. Many of these will be widows, caring for orphans.

#### *The need for a more holistic approach*

These factors and trends suggest the need for a more systematic analysis of the different causes of vulnerability, their inter-relationship and their consequences. They also suggest strong arguments for moving away from a vertical approach to social welfare targeted at discreet vulnerable groups, toward increasing attention to longer term and transformational social protection.

A comprehensive analysis of vulnerability, however, is not yet apparent at macro-policy level, and this may be one reason behind apparently limited sympathy for social protection from government heavy weights such as the Ministry of Finance and the Presidential Office. According to non-government stakeholders and experts in the field, there is a strong tendency amongst more powerful political actors either to see

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<sup>11</sup> Potentially, these statistics might be even more striking if a distinction between de facto and de jure FHHs were made.

vulnerable groups as undeserving and, or incapable of improving their own lot<sup>12</sup>; or to assume that overall economic growth will enable households and communities to support the chronic poor without further state support

### **Adequacy of the current response**

The Government takes a mainly vertical approach to targeting specific groups of vulnerable people, often with short term assistance: e.g. food aid targeted to flood victims. There are some initiatives aimed at addressing chronic poverty, notably the Food Subsidy Programme under the National Institute of Social Action (principally a cash grant to the elderly), but such programmes are very limited in coverage whilst cross-sector coordination for addressing vulnerability is weak.

A more comprehensive analysis of the multiple dimensions of vulnerability and a long-term, developmental approach to addressing the causes and consequences is still lacking.

#### Political will?

The PARPA provides the key national policy framework for addressing vulnerability. Under the current PARPA II, approved in 2005, 'insurance and social protection' and 'social assistance' are dealt with separately, under the economic development and human development pillars, respectively. The section on 'insurance and social protection' focuses on revising the rules and regulation for social security (namely the National Institute for Social Security - INSS) and private pension funds.

Social assistance is dealt with under the human capital pillar. Priorities include assistance for social networks to support the most vulnerable groups such as orphans, elderly and disabled people. The Social Action sector (under MMAS) is meant to provide and coordinate support to vulnerable target groups based on demographic criteria such as age, disability and orphan-hood, generally combined with economic criteria related to poverty.

In addition to sector level commitments to addressing vulnerability, food and nutritional security is presented as a cross cutting issue in PARPA II. The PARPA II aims to reduce chronic malnutrition by a highly ambitious 30% over five years. Gender is also presented as a cross cutting issue with a general commitment to promote gender equality.

Despite these commitments, PARPA II reflects limited political will in support of social protection. Initially there were no comprehensive social protection indicators in the 'Performance Assessment Framework – PAF'; the matrix of key indicators against which the Government and budget support donors assess government performance in implementing the PARPA through the annual 'Joint Review' process. The two relevant indicators for MMAS were progress on gender equality (via approval of the national Gender Policy) and the level of assistance to 'children in difficult circumstances'.

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<sup>12</sup> There is particularly strong resistance to cash transfers which, to many Government officials, appear inappropriate and liable to create dependency and "confusion in people's minds" (INGC Official, Personal Communication 04.07). The INGC, for example, is highly reluctant to approve any kind of cash transfer whilst MMAS has also been very hesitant to follow this option outside of the INAS Food Subsidy Programme. The Minister recently described the food subsidy itself as 'giving alms' (AIM 10.05.07).

In 2006, however, Government and donors agreed to include a new indicator in the PAF to be measured from 2007, namely:

“the number of children, elderly people, disabled people, and women heads of household, benefiting from social protection programmes”.

For the first time, this measure now includes assistance to specific vulnerable groups in the monitoring of macro-economic performance.

In 2007 the Government approved a Social Protection Law. The law defines three types of social protection: basic social protection (social transfers provided by the state), obligatory (contributory transfers such as old age pensions) and complementary social protection (provided by non-state actors such as civic associations). The Law focuses heavily on the obligatory social protection aspect, i.e. social insurance. Development of the Law involved only limited consultation with MMAS and it has little to say about broader aspects of social protection.

This gap has led MMAS to initiate the development of a national Basic Social Protection Strategy. This strategy should set out the framework, objectives and key lines of programming for social protection outside the social insurance remit.

The key challenge will be to see whether or not this strategy can shift the vision from a narrow focus on the immediate needs of specific groups to a more holistic and forward looking strategy aimed to build resilience and reduce the risk of chronic poverty in the long term.

#### *Practical approaches and programming*

At present, public programmes tend to address different causes of vulnerability in a linear manner, targeting people according to a specific type of vulnerability. Until very recently there has been little dialogue on how to address multiple facets of vulnerability that may affect the same individual or household, in a coordinated way.

An illustrative example of this is the Poverty Certificate, an official government document attesting to the impecunity of an individual person; but which gives that person the right to only one particular social benefit, stated on the Certificate – eg a waiver of school fees; or a waiver of hospital expenses.

At one end of the spectrum of responses to vulnerability, emergency response to natural disasters is now coordinated by the INGC. This focuses on the response to transitory vulnerability caused by climatic factors. It strongly tends to favour the distribution of material goods such as food, seeds and tools.

Whilst there is no doubt that people hit by natural disaster need immediate support, however, Government data itself raises questions about which type of response is appropriate and when. The GoM increasingly recognises that repeated emergency response to cyclical events of drought and flood is inadequate and the INGC’s Master Plan prioritises disaster prevention and preparedness. Yet there has been limited dialogue and coordination between INGC and other interventions aimed at protecting vulnerable groups.

With regard to social assistance, MMAS makes a clear distinction between vulnerable people unable to work and those who are able-bodied and has set up initiatives meant to respond to these different situations.

MMAS programmes (under INAS) include:

- The Food Subsidy Programme – a small monthly cash transfer to absolutely poor people unable to work, principally elderly people (90% of beneficiaries);
- Social Benefit for Work, providing monthly cash payments conditional on work; and
- Income generation and community development programmes, providing capital inputs to households (the former) or communities (the latter programme) (Johnson & Selvester 2006).

MMAS recognises that there may be graduation from one form of assistance to another and there are some examples of beneficiaries moving on from one scheme to another. However, MMAS interventions are extremely limited (by far the largest is the Food Subsidy which reaches 149,000 direct beneficiaries) and, where they do exist, referral systems are weak.

As yet, interventions are not generally based on vulnerability mapping or on assessment of the size and overall social assistance requirements of the identified target vulnerable group.

MMAS has lamented a lack of systematic data and analysis to help define and locate its primary target groups and, with support from the International Labour Organisation (ILO) and the United Nations Children's Fund (UNICEF), INAS is currently undertaking such a mapping exercise. In the meantime, however, serious resource and capacity constraints are further factors determining the very limited scope and coverage of programmes.

### **Response effectiveness**

Stakeholder views of existing social protection programmes in Mozambique suggest that these are widely seen as inadequate and that a lobby for stronger commitment to address vulnerability and chronic poverty is gradually emerging.

Existing interventions tend to be sectoral and, or narrowly defined, whilst institutional arrangements are complex and sometimes confusing. The Government of Mozambique has received praise for rapid response to emergency situations; yet such response by its nature is short term and temporary. Coverage of social assistance interventions to address vulnerability is extremely limited in terms of numbers reached and assistance provided. Government funded schemes reach only a fraction of the people that ought to be eligible according to target group criteria and often fail to reach the most vulnerable.

A recent review of three INAS social assistance programmes found them to be inadequate, problematic in terms of design and largely ineffective (SDDirect 2008). The 'Social Benefit for Work Programme' provides a subsidy for beneficiaries in return for their labour and is supposed to provide employment opportunities and training. In practice, it has rarely resulted in formal employment for beneficiaries (3,189 beneficiaries in 2007). The Income Generation Programme (5,84 beneficiaries in 2007) offers subsidised loans for income generating ventures. Most of the loans are never repaid and over half the projects funded have failed or shown poor results. The Community Development Programme finances small-scale community projects such as improved

infra-structure, access to social services and income generation. It counted 566,335 beneficiaries in 2007 but this included all members of every community where the PDC financed a project (280 projects in total).

Alternatively, considerable attention has focused on the only INAS programme operated at scale, the 'food subsidy programme' (PSA). This provides a cash transfer to specific chronically vulnerable groups unable to work, mainly the elderly (but also including disabled people and the chronically ill suffering from a limited range of specified medical conditions, excluding HIV/AIDS and TB). The PSA currently reaches only 140,000 people whilst the value of the transfer is extremely small - between 100 and 300 Meticais per month depending on the number of dependents in the household (equivalent to some US\$ 4 - 12 per month). This illustrates the continuing challenges around lack of resources, capacity and political reservations around developing a more effective social protection programme.

Nonetheless the INAS food subsidy is the only significant Government cash transfer programme to those unable to work and is seen by MMAS and key donors as the only existing programme from which a more comprehensive social transfer could be developed. DFID and UNICEF have recently made a 10 year commitment to supporting improvement and expansion of the PSA.

### **Towards a more coherent approach**

According to Paulo et al, poverty reduction policies in Mozambique have been hampered by an inadequate focus on distinguishing between different types of poverty below the poverty line, effectively defining the majority of Mozambicans as the target group for poverty reduction whilst bypassing the most deprived sections of poor populations. Yet, reaching the poorest and most marginalised requires targeted interventions and social protection rather than 'trickle down' theories of wealth creation.

Information on vulnerability in Mozambique is widely disparate and this reflects a similarly in-cohesive array of initiatives to address vulnerability. Official statistics until recently have been largely aggregated at national or at best at provincial level and thus are of limited use for planning local responses.

Gradually, however, there is a growing recognition within some sectors of Government and amongst donors of the need to encourage and support a more coherent and comprehensive approach to addressing vulnerability and providing social protection to vulnerable people. The SETSAN initiative to create a national data base on food and nutrition insecurity and to map vulnerability according to livelihood groups is one sign of this trend; the provision of more detailed data at sub-provincial level is another.

These initiatives link in to a wider recognition from the Government that Mozambique needs to move away from emergency based responses to vulnerability, defined as short term shocks, toward a more robust response to the long term demographic and structural factors creating vulnerability, which greatly undermine people's capacity to respond to shocks or graduate out of poverty. The INGC Master Plan, for instance, places considerable emphasis on disaster prevention and includes long term measures to improve resilience to shocks, such as improving water management in semi-arid regions of the country.

Huge challenges remain: firstly in terms of achieving a more systematic and coherent understanding of vulnerability as it relates to external shocks and risks, lack of internal defences and processes of discrimination or exclusion. Such an analysis would be the basis for ensuring a more coherent and coordinated response to vulnerability.

Meanwhile, coordination needs to significantly improve; including coordination between INGC, social assistance programmes run under MMAS, institutions with a mandate to address HIV/AIDS, public works institutions and local government authorities.

For its part, MMAS has initiated the process of developing a BSPS for Mozambique. This process should provide a critical opportunity to develop better understanding of social protection across Government, as the foundation for an approach that sees SP as a key component of poverty reduction. The design and implementation of a more robust and comprehensive social protection strategy will be vital to address vulnerability and chronic poverty in the long term.

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