# PART IV:

# Insights and Conclusions

## 1 Dynamics and Outcomes

Decentralisation in Mozambique has had many meanings and faces over the past 20 or more years. It has seen an enormous effort by many women and men in national, provincial and local governments, state institutions, the dominant Frelimo party and the political opposition, civil society and sympathetic international supporters, to make changes to the historically inherited – and, under one-party rule, consolidated – central state and its *modus operandi*, i.e. improved local service delivery, more local democracy, and the reform of intergovernmental institutions and fiscal relations.

This was achieved as a result of politically driven yet contradictory approaches, several changes to the rules of the game, i.e. steps forwards and backwards, and, more recently, under renewed political violence and economic and fiscal stress. The 20 years of decentralisation from 1997 onwards were driven by conflicting decentralisation philosophies and their corresponding approaches and instruments, devolution and deconcentration, difficult to reconcile in territorial, democratic, fiscal and administrative terms. This *mélange* has produced:

- An extension of the (existing) political-*cum*-civic public to (geographical) areas and peripheral 'primordial publics' and spaces, where the state and the dominant party, the '*estruturas*',[245] have been weak, distant or absent;
- In the case of municipalities, their constitutionally enshrined right of autonomy to elected mayors and assemblies and to exercise legally defined functions in the provision of public services, as well as limited public resources for this purpose (transfers, own tax base);
- Enhanced possibilities for the ruling elite to at least partially satisfy the demands of its peripheral urban clientele for some power, access to public resources, postings and decentralised opportunities for rent seeking, elite capture and vote buying;
- A possibility for opposition parties to win (and lose) local power and influence, to conquer political space and even become, as in the case of MDM, a potential rule changer;

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245  This term, often used by local populations, epitomises the representatives and powers of party and state.

- Considerable advances in providing basic services, both in municipalities and districts, but with few resources to expand these services and improve their quality. Key public services such as water and electricity supplies remain outside the scope of local government, posing major challenges of institutional interaction, accountability, reliability and cost efficiency of the service provided. Municipal governments need to improve on key services such as urban land management and solid waste management;
- A political and institutional space for democratic participation in municipalities, and consultation in OLE governments, by local 'citizens and subjects' (Mamdani, 1996);
- A carefully controlled setting in which the central command and control by all party headquarters is not relinquished, the partial municipal autonomy notwithstanding. The elected mayor (or candidate) is to a large degree subordinated to the party's central decision-making power (or its degree of tolerance) at the central and provincial levels, if necessary to the detriment of a mayor's electoral mandate or a candidate's local credentials;
- An apparent lack of political and institutional trust and little willingness to transfer, on a generous scale, the necessary resources (human, fiscal, infrastructural, technological, managerial) to the devolved system of municipal government. This can be compared to a municipal 'baby' created by the Frelimo 'fathers' and 'mothers' in 1994, but one which has seen some stunted growth, always in competition with the older district 'siblings', which are equally poorly endowed with resources, with the lion's share of alimentation and resources remaining at the metropolitan 'households' and 'palaces' of the 'parents';
- A system of disincentives for effective and accountable local government management arising from lack of retention capacity of well-performing human resources, and a political rather than performance-driven reward and remuneration system;
- A potential and an institutional space, only partially used, for establishing strong and regular internal and external control mechanisms and routine procedures of quality control of local governments' financial and fiscal management practices, including procurement. This has cast a shadow on the accountability of local governments, contributed to the perception of decentralised corruption and reinforced the notion of elite capture;
- A national policy and strategy of decentralisation, albeit reluctant and with much delay. However, the question is whether it serves its purpose as a navigational system when we do not know exactly how to use it and what

guides us, and when we are not prepared to sufficiently equip the team of (municipal) explorers for their mission;

- An opportunity, not used systematically, to document and monitor the varied experiences in local government, fiscal management, urban planning and delivery of improved services, and the challenges to sustainable local government, whether overcome or not. Few stories of success and failure of local government have been told and listened to;

- An expensive, and, for the local citizen, often confusing form of local governments in which territory, functions and resources are contested by their competition, rendering the local government system less effective and efficient, at an excessive cost;

- Few opportunities and initiatives to reflect upon decentralisation, i.e. the strengthening of the subnational state, including provinces, in a perspective of subsidiarity as a possibility to address peace and stability;

- Lack of opportunities for dynamic LED dovetailed with decentralisation. This, together with the previous point, is likely to have contributed not only to improved services for poverty reduction, but also to the diversification, democratisation and stabilisation of Mozambique's political economy and the reconciliation of opposing ideas, militarised and expressed in the form of enmity, on how the rethink the system of government and public administration in the interests of all Mozambicans and not only of political parties.

In our attempt to establish a net balance of what decentralisation in Mozambique has or hasn't achieved, we conclude that promises and expectations initially associated with decentralisation have only partially been met and a recentralisation has occurred, with emphasis on direct state administration through central government and its deconcentrated units, the provincial and district OLEs. Our conclusion is that Mozambique has not deviated much from other cases, where decentralisation has 'failed to usher in the type of reform that it is associated with' (Ibeanusi, 2011, p. 27). This is particularly the case in other African countries (Dickovick & Wunsch, 2014).

We conclude, therefore, that despite some tangible progress made in decentralisation, the need to rethink the Mozambican state and its economy and public administration continues to exist, as does that of addressing the incentives and disincentives for decentralisation. Thus, a 'reform of the decentralisation reform' is deemed to be a valid proposition. How realistic is such a proposal at a time when the politics within and between parties and the economy and public finance is quite unsettled? Answering this question leads us to discuss theoretical scenarios for decentralisation reform.

# 2    Scenarios for Decentralisation

In this section, we present five scenarios for discussion, in a time horizon of the coming four years, i.e. a period corresponding to the first mandate of President Nyusi. If a decentralisation reform is part of his political agenda, his political space of manoeuvre will be determined by:

a)  The way he addresses the peace process with Renamo and can make concessions, else risking another bout of violent contestation in politics with high economic costs;

b)  The outcome of an ongoing change or political settlement process within the Frelimo party, (i.e. in the Central Committee, the Political Commission and the Party Secretariat) and, in consequence, in the public administration (e.g. ministries, district administrations, security apparatus) where the influence of the allies of former president Guebuza may be further contested, confirmed or reduced. The first indications of the changes are likely to be known only when the Frelimo Congress, scheduled to take place in September 2017, approaches, or id President Nyusi effects a *revirement* of senior staff in key ministries, including MAEFP;

c)  The perspectives for recuperation of the economy and the budget deficit. The present unfavourable scenario for the managers of the MEF and the Central Bank may change unexpectedly with a (currently unlikely) sudden upward trend of global commodity prices, in particular those for oil and gas. This might in turn trigger or accelerate withheld investment in the extractive sector and infrastructure, with positive effects on growth (short term) and on revenue and employment (long term). Until such a situation, the government will have to make ends meet, make the most of windfall gains from low oil prices and contain the social consequences of economic contraction, increased inflation, curbs on salaries and an increased tax burden.

To contextualise the following scenarios, we first revise some basic facts and figures in Table 13 which show, under the gradualism perspective, what is left for decentralisation if we consider that so far 53 cities, towns and *vilas* have been municipalised.

Taking these figures into consideration and assuming that gradualism in devolution continues to be a valid proposition and that decentralisation is 'unfinished business' (see Part II, Section B, 7.4), we present the following scenarios for a continued decentralisation process for discussion.

## Table 13: Decentralisation: Basic numbers

| Unit | Number | Observations |
|---|---|---|
| Municipalities/*autarquias* (1998) | 33 | |
| Municipalities/*autarquias* (2016) | 53 | 11 cities, 12 towns + 30 *vilas* (= 42 *sedes distritais**) |
| Urban Areas (2007) | 91 | 23 cities/towns + 68 *vilas* (source: INE) |
| Provinces | 10 | |
| Districts (1998) | 128 | 24 added between 2012 and 2015 |
| Districts (2016) | 152 | |
| Administrative Posts | 436 | |
| Localities | 1 217 | |
| Villages (*povoados/povoações*) | ±8 000 | |
| Community leaders thereof | ±45 000 | |
| 1º *escalão* (tier) | ±6 300 | |
| 2º *escalão* (tier) | ±10 700 | |
| 3º *escalão* (tier) | ±28 000 | |

Note: * District centres

Source: authors, based on MAEFP and INE data, interviews

**Scenario A: Minor Change to Present Approach, 'Business as Usual'**

*Elements:*
- No or slow increase in number of municipalities;
- Simultaneously slow increase in number of districts;
- Competition municipalities – districts continue;
- Resource constraints/competition for resources continue;
- Adjustments of territories (in favour of districts);
- Subscenario of accelerated deconcentration focusing on districts, with possibility of increasing the number of districts and their resource base (e.g. own taxes, increased transfers).

In our view, this scenario has a **high likelihood** of being realised.

**Scenario B: Accelerated Devolution**

**Elements:**
- Hypothesis 1 (for 2018): municipalisation of all remaining *vilas*, i.e. increase from 53 to 91 municipalities;
- Hypothesis 2 (for 2018): three new municipalities per province i.e. increase of number of municipalities by 30 to a total of 83;
- Competition municipalities – districts in favour of municipalities;
- Resource constraints/competition for resources continue;
- Implies rethink of FCA/FIIA formula;
- Requires profound policy change;
- Requires adjustment of territory.

This scenario, in our opinion, has a **low likelihood** of realisation.

**Scenario C: Autonomous Provinces**

**Elements:**
- Requires:
    – Political consensus and constitutional reform and new decentralisation legislation, as outcome of the ongoing peace negotiations;
    – New, coherent intergovernmental fiscal system;
    – System of subsidiarity, i.e. redefinition of relations of provincial government – municipal, district government;
    – Review of central government – provincial government relations.
- Subscenarios:
    – Partial autonomy, own tax base, revenue-sharing formula;
    – Election of provincial governors or nomination by majority in APs.
- Resource constraints continue;
- Adjustment of territory is not necessary.

In our view, this scenario is presently possible yet **extremely unlikely** unless it becomes part of a negotiated settlement between the government and Renamo.

**Scenario D: Municipalised (Self-Governed) Villages (*Povoações*)**

**Elements:**

- No new legislation required, but profound policy change;
- Potential: 8 000 self-governed villages (with democratic elections?);
- What functional responsibilities, public services and (human, fiscal) resources?
- FCA needs review;
- What type of gradualism? Who exercises tutelage?
- Needs territorial delimitation;
- Competition between district vs. self-governed villages is likely;
- Resource constraints continue;
- Subscenario: Inclusion of devolved land administration; introduction of reviewed land-use tax as fiscal revenue.

This scenario appears **extremely unlikely**, although preferred by a number of interviewees.[245]

**Scenario E: Revisiting Law 3/1994: Autonomous Districts (*Autarquias Distritais*)**

**Elements:**

- Requires political consensus and constitutional adjustments;
- Total possible: 53 municipalities + 152 *District Autarquias* = 205 *Autarquias*;
- Implies multiparty election of district administrator and district assembly;
- Requires:
    - Adjustment of present system (loss of districts coinciding with municipalities);
    - New, coherent intergovernmental fiscal system and revenue-sharing formula for FCA, FIIA;
    - System of subsidiarity, i.e. redefinition of relations between provincial government and municipal government;
    - Adjustment of territory only in newly created districts coinciding with municipalities.
- Resource constraints/competition continue.

In our opinion, this scenario, although possible and technically feasible, is presently **unlikely**. Indicators are that the topic was struck from the peace talks agenda, as well as the AR's rejection of the MDM legislative initiative in April 2017, aimed at extinguishing district administrations in urban areas where there are municipal governments. This scenario, promoted by the OSC, only becomes possible if it finds its way back into the ongoing peace negotiations as an alternative to the autonomous provinces scenario.

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246  Interviews with national mediator, Maputo, 23/09/2015, and senior member of PPOSC, Nampula, 20/10/2015.

# 3      Concluding Remarks: Peacebuilding and State Consolidation through Decentralisation?

Looking back at the brief theoretical discussion in Part I of this book on the role decentralisation might play in conflict resolution and state consolidation, there certainly is not a straightforward answer, considering the present state of affairs of decentralisation analysed in Parts II and III.

One could argue, in fact, that the present critical juncture would provide a major opportunity to rethink the structure of what appears to be an ever more fragile state, including in the relationship between central, provincial and local governments, to prevent full state failure. One could further say that history is repeating itself, considering, for example the unsustainability of foreign debt and the fact that the Rome Peace Accord triggered necessary reforms, including decentralisation. The difference is that at present, little reform initiative has been noted on the part of Frelimo and its government, as well as the major opposition party, both interlocked in unending cycles of political violence and peace talks.

It is recognised that the political leadership of military and liberation movements is key to initiating and implementing change (Dudouet, 2009). However, where is Frelimo, the foundational party and its government, let alone the armed opposition, in this debate? Do the opinions matter of members of their 'thinking class' who sympathise (privately rather than publicly) with the positions and initiatives of CSOs concerning the need for reform of the state (and the party), and a new, more encompassing project of socioeconomic and democratic development? Has this elite become complacent with using and benefiting from its position as foundational party and liberator, from shaping and reshaping events, laws, policies, electoral outcomes, etc., to the political needs of the day, particularly in order to stay in power, a need also driven by fear of loss or justice? Does this party suffer from a *milieu of political autism*[247] which prevents it from seeing beyond the limited horizon of the declared 'enemy', for example, at the fate of historical and contemporary 'comrades in arms' and allied parties in southern Africa, the former leadership of the then-socialist regimes in Europe and Latin America, or whole countries with 'revolutionary' regimes such as Venezuela?

From a Gramscian perspective, one would conclude that the hegemony of a political, economic and military elite has produced what this Marxist thinker would call an 'organic crisis' in which all the partial crises of the polity's subsystems – economic, fiscal, public services, social, financial, business – are inextricably linked and mutually influencing and reinforcing. Equally, the superstructure, the realm of ideas and ideologies, is in crisis, since no novel programmatic and innovative

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247  The dean of German peace and conflict researchers, Dieter Senghaas, sees the 'escalation of domestic conflicts as leading, on both sides, to an "emotional selfishness" and "bigotry" which shapes the autistic milieu, that in turn prevents the parties to look beyond for relevant experiences of conflict resolution and ways of conflict transformation' (Senghaas, 1995).

political discourse on the socioeconomic vision and corresponding reform projects can be identified on the part of the hegemonic elite. The initiative for 'rethinking Mozambique' presently lies in the hands of the opposition parties, the CSOs, academics and religious institutions. They depart from the premise that the mere fact of 17 years of violent conflict out of 40 years of independence should suffice to demonstrate that the way the state, politics and the economy are structured and managed will promote neither peace nor development (CIP, IESE, MASC & OMR, 2016). Consequently, their thoughts on reform go way beyond the reform of public administration and decentralisation, including topics such as agrarian and land reform,[248] and reform of the justice system and the electoral regime (CIP, IESE, MASC & OMR, 2016b). From a Gramscian perspective, only an organised alliance of social, business, peasant, religious, etc. forces would be able to take on the hegemonic elites and produce momentum for change, not in the sense of a revolution but of profound, radical structural reform and of the political discourse to address the organic crisis.

One may argue that such a proposition is not very realistic now. Firstly, the limited platforms for engagement between civil society and the ruling elite have been weakened – if they ever existed – through the exclusionary and hostile attitudes *vis-à-vis* intellectuals, independent thinkers, leaders of professional associations, community leaders, etc., which characterised the Guebuza era. Secondly, the various (religious, professional, etc.) segments of civil society, mostly concentrated in the capital Maputo, have never really had a nationwide platform of their own and lack experience in defining concertation of positions, strategies and tactics to conquer political spaces on a major scale. Thirdly, both the government as part of the hegemonic elite and a considerable part of organised civil society depend to a large extent on foreign financial support, which reflects agendas and approaches institutionally defined outside Mozambique. Fourthly, the expected transition into an extractive economy with the investments into the gas industry will be a game changer altogether, for both the hegemonic elites and civil society, with new challenges adding their weight to the 'organic crisis'. This turns the Gramscian proposition of a profound, encompassing reform resulting from civil society engaging the hegemonic elite into a faint ideal in the case of Mozambique. But who else could lead the much needed process towards structural reform?

The literature on political–military movements and their transition to non-militarist political forces recognises their need to initiate and adapt to profound changes if they want to leave conflict and state fragility behind. In analysing the successful transition of several armed movements from a military to a political mindset, Dudouet (2009) points to three decisive factors, reconfirming some of the theoretical tenets discussed in the introductory part of this book. These are:

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248 This issue is also given prominence in the Catholic Bishop's Pastoral Letter of 30 April 2017, http://opais.sapo.mz/index.php/sociedade/45-sociedade/44598-reforma-agraria-para-reconciliar-a-sociedade.html.

a.  **Party internal shifts and political settlements** coupled with more democratic internal decision-making and consultation processes to increase cohesion, as well as leadership able to take bold initiatives and recognise and seize contextual and international (regional, global) changes and opportunities. The active demilitarisation of the mindset is another crucial factor;

b.  **Interparty dynamics** and settlements which, on the one hand, recognise the underlying causes of the conflict (high degree of centralisation, social exclusion, state fragility, etc.) and are capable of building alliances with civil society and other societal forces, recognising their 'war fatigue'. In steering towards and expanding an interparty political settlement, the recognition of a 'mutually hurting stalemate' can be a decisive factor, which may lead to the negotiation of a win-win situation, avoiding a winner-takes-all outcome. Once a peace agreement is achieved, it should be translated into constitutional reform and legislation which seek to institute structural changes that address the causes of the conflict. Long-term reconciliation, arrangements and alliances within the democratic structures of the country are necessary to prevent such reforms 'falling prey to shifting political dynamics' (Dudouet, 2009, p. 49);

c.  **International factors** also play a role when foreign countries intervene in one way or the other in domestic conflict settlements, such as promoting and/or undoing sanctions (direct and indirect), mediators and facilitators in peace talks, or development agencies committed to financing reforms agreed at the negotiation table. This could include focusing on important postsettlement aspects, namely support reform, including decentralisation, and other power-sharing mechanisms as well as the restructuring and 'democratisation' of the police and security apparatus.

Finally, we reiterate, in line with the reasoning and arguments discussed in this book, that well-defined and coherent decentralisation policies and programmes, as part of the reform of the state and its political administrative system, have a key role to play in achieving peace and consolidation of the state in Mozambique. To prevent decentralisation from fomenting conflict, those eventually responsible for such a decentralisation reform would have to keep the following technical and political criteria for successful decentralisation in mind (Sharma, 2014):

- Social preparedness and mechanisms to prevent elite capture;
- Strong administrative and technical capacity at the higher levels;

- Strong political commitment at the higher levels;
- Sustained initiatives for capacity-building at the local level;
- Strong legal framework for transparency and accountability;
- Transformation of local government organisations into high-performing organisations;
- Appropriate reasons to decentralise: intentions matter; and,
- Effective judicial system, citizens' oversight and anti-corruption bodies to prevent the decentralisation of corruption.

At present, it is unclear to what extent Mozambican leaders are prepared, let alone willing, to embrace such an agenda to initiate change, leading the country on a trajectory towards a more peaceful and less fragile state. The Mozambican people will see whether the leaders they have elected will fail them, again, or learn the lessons from the past.