Assessing Social Protection Arrangements in Angola and Mozambique

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*The Graduate Center, City University of New York*
ASSESSING SOCIAL PROTECTION ARRANGEMENTS IN ANGOLA AND

MOZAMBIQUE

by

ANDRÉ CAVALLER GUZZI

A dissertation submitted to the Graduate Faculty in Political Science in partial fulfillment of the requirements for the degree of Doctor of Philosophy, The City University of New York

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André Cavaller Guzzi

This manuscript has been read and accepted for the Graduate Faculty in Political Science in satisfaction of the dissertation requirement for the degree of Doctor of Philosophy.

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THE CITY UNIVERSITY OF NEW YORK
ABSTRACT

Assessing Social Protection Arrangements in Angola and Mozambique

by

André Cavaller Guzzi

Advisor: Susan L. Woodward

I examine the extent to which the involvement of international development actors in poor and post-conflict countries can override the influence of the domestic political elites on the outcomes of social protection programs. I compare the outcomes of social protection arrangements in two post-conflict countries, Angola and Mozambique. They have different levels and kinds of international involvement, which I define based on the involvement of post-conflict UN peace operations and their dependency on foreign aid. While Mozambique had a UN operation and has been dependent on foreign aid, Angola did not have a UN operation after its civil war and does not depend on foreign aid. I demonstrate that despite these different levels and kinds of international involvement, the outcomes of social protection have been similar. I argue that while international development actors may influence these countries to adopt internationally designed programs of social protection, they neither alter the attitudes of the domestic government in relation to redistributive programs nor are they able to expand the outcomes of the programs implemented. I analyze three arrangements of social protection: reintegration of former-combatants, fuel subsidies for consumers, and the institutionalization of formal social protection structures. This dissertation contributes to the current debate on social protection among international development actors by showing the importance of considering social protection the result of domestic political dynamics.
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<thead>
<tr>
<th>Acronym</th>
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<tbody>
<tr>
<td>AA</td>
<td>Assembly Areas</td>
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<tr>
<td>ADRP</td>
<td>Angola Demobilization and Reintegration Program (Programa Geral de Desmobilização e Reintegração)</td>
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<tr>
<td>ADRA</td>
<td>Action for Rural Development and the Environment (Acção para o Desenvolvimento Rural e Ambiente, Angola)</td>
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<tr>
<td>BPD</td>
<td>People’s Development Bank (Banco Popular de Desenvolvimento, Mozambique)</td>
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<tr>
<td>CBDs</td>
<td>Community-Based Development</td>
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<tr>
<td>CDDs</td>
<td>Community-Driven Development</td>
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<td>CORE</td>
<td>Commission on Reintegration (Mozambique)</td>
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<td>CPLP</td>
<td>Community of the Portuguese Speaking Countries (Comunidade dos Países de Língua Portuguesa)</td>
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<td>CSP-SP</td>
<td>Civil Society Platform for Social Protection</td>
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<td>CT</td>
<td>Cash Transfers</td>
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<tr>
<td>DDR</td>
<td>Disarmament, Demobilization, and Reintegration</td>
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<tr>
<td>DFID</td>
<td>Department for International Development (United Kingdom)</td>
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<tr>
<td>DW</td>
<td>Development Workshop</td>
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<tr>
<td>ENSSSB</td>
<td>National Strategy for Basic Social Security (Estratégia Nacional de Protecção Social Básica, Mozambique)</td>
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<tr>
<td>ESAF</td>
<td>Enhanced Structural Adjustment Facility</td>
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<tr>
<td>FAA</td>
<td>Armed Forces of Angola (Forças Armadas de Angola since 1996)</td>
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<tr>
<td>FADM</td>
<td>Mozambique Defence Armed Forces (Forças Armadas de Defesa de Moçambique)</td>
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<td>FALA</td>
<td>Armed Forces for the Liberation of Angola (UNITA’s Armed Forces until 1996)</td>
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<td>FAM</td>
<td>Mozambique Armed Forces (Forças Armadas de Moçambique)</td>
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<td>FAPLA</td>
<td>Armed Forces for the Popular Liberation of Angola (Forças Armadas de Angola between 1974 and 1996)</td>
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<tr>
<td>FEMATRO</td>
<td>Federation of Road Transport Associations (Federação Moçambicana das Associações dos Transportadores Rodoviários, Mozambique)</td>
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<td>FMU</td>
<td>Military Forces of UNITA (Forças Militares da UNITA, Angola)</td>
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<tr>
<td>FRELIMO</td>
<td>Mozambique Liberation Front (Frente de Liberação de Moçambique, Mozambique)</td>
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<td>GAPVU</td>
<td>The Bureau of Support to Vulnerable People (Gabinete de Apoio a População Vulnerável, Mozambique)</td>
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<tr>
<td>GBS</td>
<td>General Budget Support</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GIZ</td>
<td>German Society for International Cooperation</td>
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<td>HIPC</td>
<td>Highly Indebted Poor Countries</td>
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<td>IDA</td>
<td>International Development Agency</td>
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<td>IDPs</td>
<td>Internally Displaced Persons</td>
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<tr>
<td>IESE</td>
<td>Institute for Social and Economic Studies (Instituto de Estudos Sociais e Económicos, Mozambique)</td>
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<tr>
<td>IFIs</td>
<td>International Financial Institutions</td>
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<td>Acronym</td>
<td>Description</td>
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<tr>
<td>ILO</td>
<td>International Labour Organization</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>INAS</td>
<td>National Institute of Social Action (<em>Instituto Nacional de Acção Social, Mozambique</em>)</td>
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<tr>
<td>(I)NGOs</td>
<td>(International) Non-Governmental Organizations</td>
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<td>INSS</td>
<td>National Institute of Social Security (<em>Instituto Nacional de Seguro Social, Same name in Angola and Mozambique</em>)</td>
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<tr>
<td>IRS</td>
<td>Information and Referral Service</td>
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<tr>
<td>MAPTSS</td>
<td>Ministry of Public Administration, Labor, and Social Security (<em>Ministério da Administração Pública, Trabalho e Segurança Social, Angola</em>)</td>
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<tr>
<td>MDGs</td>
<td>Millennium Development Goals</td>
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<td>MDRP</td>
<td>Multi-country Demobilization and Reintegration Program</td>
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<td>MINARS</td>
<td>Ministry of Social Assistance and Reintegration (<em>Ministério da Assistência e Reinserção Social, Angola</em>)</td>
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<td>MMAS</td>
<td>Ministry of Women and Social Action (<em>Ministério da Mulher e Acção Social, Mozambique</em>)</td>
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<tr>
<td>MONUA</td>
<td>UN Mission of Observers in Angola</td>
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<td>MoU</td>
<td>Memorandum of Understanding (Angola)</td>
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<tr>
<td>MPLA</td>
<td>The People’s Movement for the Liberation of Angola (<em>Movimento Popular de Libertação da Angola</em>)</td>
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<tr>
<td>ODA</td>
<td>Office of Development Assistance</td>
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<tr>
<td>ODI</td>
<td>Overseas Development Institute</td>
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<tr>
<td>OECD/DAC</td>
<td>Organisation for Economic Co-operation and Development/ Development Assistance Committee</td>
</tr>
<tr>
<td>OGE</td>
<td>General State Budget (<em>Orçamento Geral do Estado, Same name in Angola and Mozambique</em>)</td>
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<tr>
<td>ONUMOZ</td>
<td>United Nations Operation in Mozambique</td>
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<tr>
<td>OPM</td>
<td>Oxford Policy Management</td>
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<tr>
<td>OVC</td>
<td>Orphans and Vulnerable Children</td>
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<tr>
<td>PALOP</td>
<td>Portuguese Speaking Countries in Africa (<em>Países Africanos de Língua Oficial Portuguesa</em>)</td>
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<tr>
<td>PAP</td>
<td>Programme Aid Partnership</td>
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<td>PARP</td>
<td>Action Plan for the Reduction of Poverty (<em>Plano de Acção para Redução da Pobreza, Mozambique</em>)</td>
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<td>PARPA</td>
<td>Program for the Reduction of Absolute Poverty</td>
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<td>PMT</td>
<td>Proxy Means Test</td>
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<tr>
<td>PND</td>
<td>National Plan of Development (<em>Plano Nacional de Desenvolvimento, Angola</em>)</td>
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<tr>
<td>PRE(S)</td>
<td>(Social) and Economic Rehabilitation Program (Mozambique)</td>
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<tr>
<td>PRGF</td>
<td>Poverty Reduction and Growth Facility</td>
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<tr>
<td>PRSEISE</td>
<td>Entrepreneurial Social Responsibility in the Extractive Industry (<em>Política de Responsabilidade Social Empresarial na Indústria Extractiva, Mozambique</em>)</td>
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<tr>
<td>PRSPs</td>
<td>Poverty Reduction Strategy Papers</td>
</tr>
<tr>
<td>PSA</td>
<td>Food Subsidy Program (<em>Programa de Subsidio de Alimentos, Mozambique</em>)</td>
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<td>Acronym</td>
<td>Description</td>
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<tr>
<td>PSSB</td>
<td>Basic Social Subsidy Program (<em>Programa de Subsídio Social Básico</em>, Mozambique)</td>
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<tr>
<td>RENAMO</td>
<td>Mozambican National Resistance (<em>Resistência Nacional Moçambicana</em>, Mozambique)</td>
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<tr>
<td>RSR</td>
<td>Rapid Social Response Fund</td>
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<td>RSS</td>
<td>Reintegration and Support Scheme (Mozambique)</td>
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<td>SAF</td>
<td>Structural Adjustment Facility</td>
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<tr>
<td>SAP</td>
<td>Structural Adjustment Program</td>
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<tr>
<td>SDGs</td>
<td>Sustainable Development Goals</td>
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<td>SEF</td>
<td>Program of Economic and Financial Reconstruction (Angola)</td>
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<tr>
<td>SPF-I</td>
<td>Social Protection Floor Initiative</td>
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<tr>
<td>STEP</td>
<td>Strategies and Tools against Social Exclusion and Poverty</td>
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<tr>
<td>UCAH</td>
<td>Humanitarian Assistance Coordination Unit (<em>Unidade de Coordenação de Ayudas Humanitárias</em>, Angola)</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNAVEM</td>
<td>United Nations Angola Verification Mission</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>UNICEF</td>
<td>United Nations Children's Fund</td>
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<tr>
<td>UNITA</td>
<td>The National Union for the Total Independence of Angola (* União Nacional para a Independência Total de Angola *)</td>
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<tr>
<td>UNMA</td>
<td>United Nations Mission in Angola</td>
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<tr>
<td>UNOA</td>
<td>UN Office in Angola</td>
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<tr>
<td>UNOHAC</td>
<td>United Nations Office of Humanitarian Assistance Coordination</td>
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<tr>
<td>UNSCERO</td>
<td>United Nations Special Coordinator for Emergency Relief Operations</td>
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<tr>
<td>WHO</td>
<td>World Health Organization</td>
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<td>WLSA</td>
<td>Women and Law in Southern Africa (Mozambique)</td>
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Chapter 1: Introduction

1.1. Overview

In this dissertation, I examine the extent to which the involvement of international development actors in poor and post-conflict countries can override the influence of the domestic political elites on the outcomes of social protection programs. I compare social protection arrangements in two post-conflict countries, Angola and Mozambique. These two countries have had different levels and kinds of international involvement in the post-conflict context, which I define based on the involvement of post-conflict UN peace operations and their dependency on foreign aid. I investigate how and if these different levels of involvement affect the outcomes of social protection programs. I analyze three social protection arrangements: the reintegration of former-combatants, fuel subsidies for consumers, and the institutionalization of formal social protection structures.

Since 2000, social protection has become a central topic of the international development agenda.\(^1\) Although social protection does not have one single crystallized definition, and different actors define different programs as such, most international actors and organizations have referred to social protection as programs and institutions that integrate development, mitigate poverty, and create social and economic inclusion. The priority of social protection was accentuated after the 2008 global economic crisis, when international development actors started to push for sustainable and long-term responses, such as the development of state institutions, in the context of risks and vulnerabilities, such as natural disasters and economic crises. Examples of these programs are schemes of cash transfers (CTs) to the poor, micro- and area-based schemes

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\(^1\) In chapter two, I explain that even though there is greater convergence among international actors on the definition of social protection, the term does not yet have one single definition.
(such as micro-finance and social funds, and agricultural support), child protection programs, and public work (Anyang’ Nyong’o 2011). For post-conflict countries, examples of programs are pensions for former combatants and for individuals who were physically affected by war (by landmines, for example), and cash transfer programs to ex-combatants to help them reintegrate into society economically and socially (Carpenter, Slater and Mallett 2012).

Until 2000, social protection was developed as short-term safety-net programs to support vulnerable and poor groups. Examples of international development actors include the United Nations organizations, the World Bank, the International Labour Organization (ILO), and the traditional bilateral donors of the Development Assistance Committee of the Organization for Economic Cooperation and Development (DAC-OECD). Each of these actors has labeled different programs as social protection. For instance, in the 1990s, the World Bank referred to its safety net programs to support the poorest population of low-income countries as social protection. The ILO has focused mostly on labor rights as social protection and, for this reason, has provided technical support to the creation of formal structures of social security and social assistance. It was not until the turn of the millennium that these organizations started to find common definitions of social protection and began to coordinate actions for the development of social protection programs.

Although there appears to be a common interest in social protection among international actors and an evolving commonality of definition and coordination among them, the international actors and their mechanisms of influence are quite different.

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2 CTs will be discussed in chapters two and six. Public work programs are short-term work, such as employing people to build a road or a school. For a critical analysis of the public work programs, see McCord (2013).
between Angola and Mozambique. If international programs and influence matter, then one would expect different outcomes between the two countries, as defined by the reach and beneficiaries of such programs. As I detail below, the two countries are similar in many ways. A significant exception is the role of international actors. To my initial surprise, however, the outcomes of these social protection programs in Angola and Mozambique were strikingly similar. I thus decided that the similarity must be due to similar characteristics of their domestic political systems or politics. The main similarity between them is the control of the same political elite in each country over the state. I support empirically that Angola and Mozambique have similar outcomes of social protection and, in the process, I counter those who emphasize the power of international actors in post-conflict countries.

Despite this greater involvement of international development actors to push for redistributive programs since 2000, it is the political elite that determines the existence and extent of redistributive programs. In each country, the elites seek to maintain and protect their wealth. Redistributive programs can be provided for the population in order to respond to domestic pressures that come from opposing political parties, strong civil society, and competing elites. Even authoritarian states can sometimes promote redistributive programs to maintain their power unchallenged. However, states where the elite obtains its wealth through the control of the state while domestic pressures are restricted or non-existent, the elite in power will not have incentive to promote redistributive programs because it can have what it needs whether or not the population is in dire poverty. These kind of countries have exclusionary institutions of social protection, which means that if social protection programs exist, they target a very small part of the
population, the elite itself, and those geographically and politically close to the elite. Both Angola and Mozambique are examples of these kinds of countries.

I argue that the international involvement for the development of social protection programs and institutions in post-conflict countries cannot override the political elites’ decision to maintain exclusionary institutions of social protection. I show that, despite the different levels of international influence in Angola and Mozambique after the end of their respective conflicts, the political elites managed to reject or counter the influence of international actors for the development of social protection. I also answer the following questions in this dissertation: to what degree do the outside international institutions that push for social protection programs aim, in fact, at reducing economic inequality and promoting poverty relief, the main goals of social protection programs? To determine whether these institutions have an interest in equality and poverty relief, I rely on evidence of international pressure to transform the nature of the state to make it more redistributive and question the measures that these organizations use to determine the success of programs and institutions. Second, to the extent that the pressure from these international actors exists, how easy would it be for the domestic government, with no incentives to promote redistributive programs, to minimize its effects?

While the international development actors may influence countries to adopt internationally designed social protection programs and institutions, they alter neither the attitudes of the political elites in relation to the programs implemented nor the outcomes of the programs. By outcomes, I mean the reach and the beneficiaries of the programs and institutions implemented. In fact, in some cases, i.e., the reintegration programs for former militaries, the adopted programs and institutions of social protection have a
different result than that expected by the international development actors and end up supporting those limited groups whom exclusionary institutions of social protection tend to favor. In all of the arrangements of social protection investigated, the international development actors have their own agenda and understandings of social protection that do not effectively alter the nature of the exclusionary political institutions for more redistributive programs.

In order to identify how the international development actors attempt to push social protection programs, I compare three arrangements of social protection in Angola and Mozambique. By arrangement of social protection, I mean the decisions of both the political elite and the international actors involved on the adopted programs, their understandings of social protection, and their underlying goals, as well as the strategies and outcomes of the programs and institutions. On the side of the political elites, I analyze the strategies of these elites to adopt programs they prefer and to either reject or minimize the ones that are enforced by the international development actors. On the side of the international development actors, I present in each arrangement the actors involved, and their understandings of social protection. The three arrangements of social protection that I analyze the programs of reintegration of former-combatants, the fuel subsidies for consumers, and the institutionalization of formal social protection structures.

In both countries, the political elite is the dominant political party, in Angola, the People’s Movement for the Liberation of Angola (MPLA), and, in Mozambique, the Liberation Front of Mozambique (FRELIMO). They have been in power since the independence of both countries in 1975. Through the control of the state, the members connected to the MPLA and FRELIMO have been able to obtain and accumulate wealth.
The MPLA and FRELIMO were created during the colonial period as liberation movements against the colonial power. After independence, they assumed power in their respective countries and both tried to implement a Marxist government. Soon after their independence, they also faced a long-lasting civil war in their countries. In Mozambique, FRELIMO fought against the Mozambican National Resistance (RENAMO) until 1992, when both parties decided to negotiate the end of the war. After the peace negotiations, FRELIMO continued in power and has remained in power since then. In Angola, the main opposition group was The National Union for the Total Independence of Angola (UNITA). The MPLA and UNITA fought the civil war until 2002, when the MPLA was able to militarily defeat UNITA. The MPLA has also remained in power since then.

Angola and Mozambique have had different levels of international involvement in their state-building process since the end of their respective civil wars. State-building is the process of building political and economic institutions in the post-conflict context.\footnote{This definition is built upon Fukuyama’s general definition of state-building as “the creation of new governments and the strengthening of existing ones” (Fukuyama 2004).} I measure international involvement based on the leverage international actors have to impose internationally designed programs and institutions. This leverage is the result of the dependence of the country on foreign aid and the international involvement in the state-building process of the country. Mozambique has depended heavily on foreign aid and has experienced strong influence of traditional international actors in its state-building process after the end of its war in 1992. Angola, on the other hand, is an oil exporter, so it has not depended on foreign aid, and it has had limited involvement of traditional international actors in its state-building process after the end of its civil war in 2002.
The MPLA and Frelimo have been able to control and oppress pressures from the inside, mainly through the lack of strong political opposition and an extractive economy that does not rely on the population to obtain wealth. They were able to maintain themselves in power as a consequence of three main factors: first, the segregated society during the colonial period that remains in both countries even today; second, they both have economies that are connected to the global market (although in different ways); and, third, the way that the civil war reinforced the concentration of state power in the capital and the main urban areas of the country. The result in both cases is a state with a political elite that has no incentives to establish redistributive programs for the entire population.

Through a comparison of the same arrangements of social protection in both countries, I investigate the institutional variation between them and, when both countries adopted similar programs and institutions, the variation in the outcomes. I find, first, that, in the programs of military reintegration, the different involvement of international actors at the end of the conflicts in Angola and Mozambique did not alter the political criteria to benefit some groups over others. Second, the fuel subsidies for consumers, which international actors opposed in both countries but have a central role in the political dynamics between the government and its constituents in both countries, were instituted by both countries and a great amount of their state budgets to benefit a restricted population, the wealthier and more urban population. Third, both countries have formal structures of social protection, divided into social assistance programs (for the poor population) and social security (for formal workers). Recently, international development actors, mainly the World Bank and development agencies of bilateral donors, have used programs of CTs to create state institutions, but here the difference
between the two countries in international actors and conditions led to institutional differences. This difference made Mozambique implement institutions of CTs, while Angola did not. However, the decision of the Mozambican government to institutionalize its CT programs can be considered a strategy of the domestic government to guarantee that foreign aid keeps coming.

Moreover, despite the differences in their international conditions and actors of influence, I also find that the domestic attitudes and understandings of formal social protection institutions are very similar: in prioritizing a market-oriented restructuring to favor macro-development instead of redistributive programs; and in favoring liberal programs of social security for formal workers, who represent a very restricted number of the elite and of the urban population, rather than programs for social assistance for informal workers and for the poorest population in urban and rural areas.

Therefore, through the analysis of these three arrangements of social protection in Angola and Mozambique, I will show that international development actors have not greatly affected the nature of the state and the domestic governments’ attitudes on redistribution and the outcomes of the institutions implemented. In Mozambique, the programs of CT as part of their formal structures of the social protection were implemented only to the extent they could please international actors, while keeping the programs limited with a short-term scope. Angola shows the case of deciding not to adopt internationally designed programs at all.

What follows in this chapter is the literature review of social protection in sub-Saharan Africa and international involvement in post-conflict countries. I then explain my argument, research design, and case selection with more detail. After that, I present
the methodology and the outline of the dissertation. I conclude this chapter with the motivations and contributions of my dissertation to the study of social protection programs and institutions in poor and post-conflict countries.

1.2. Literature Review

Since social protection became a central issue in the international agenda in 2000, authors have been discussing the actual feasibility and the actual effect of these programs in poor and post-conflict countries. According to Carpenter, Mallet, and Slate (2012), authors and practitioners in favor of these programs have pointed out that they can improve the relation between the state and the population, they can transform the redistributive role of the state, and they can create more recognition among the population about the importance of the state. On the other hand, there are authors who are skeptical about social protection programs either because they believe it is just one more donor fad or because the domestic states have no incentives to develop them. My argument shows that although international actors can have an influence in developing institutions of social protection, the outcomes of programs are determined by domestic political elites.

I build my argument using three main sets of literature. The first is the literature that develops a comprehensive approach on social protection in sub-Saharan Africa. As comprehensive approach, I mean the literature that identifies the main characteristics of social protection in sub-Saharan Africa. The second is the literature that criticizes the

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4 This is also called cluster literature because it identifies common trends in regions of the world to explain variation of social protection within and among these regions. Examples of this literature are Haggard and Kaufman (2008) and Gough and Wood (2004). For case studies of countries and programs of social protection in developing and poor countries, see Barrientos and Hulme (2008).
practices of international actors, and their understandings, in the state-building process in post-conflict countries. The third is the literature that analyzes the relations between international donors and the partners of aid.

In relation to the first set of literature, there are three major examples of works that develop a comprehensive approach on social protection: Bevan (2004), Hickey (2008), and Devereux and Cipryk (2009). According to the comprehensive approach, international involvement is one aspect among others, such as domestic political issues, neo-patrimonialism, the weak taxation system of the countries, and an extractive economy, that in combination explain the current state of social protection in the region. Bevan (2004) explains that Africa has an “insecurity welfare state,” characterized by a mixed regime that is a combination of several political practices, such as the institutional legacy from the colonial period, patron-client relationships, and corruption. Additionally, poor economic conditions led to a system of non-capitalist characteristics (for example, no industrial working class and no competitive labor market). Finally, international involvement has a donor-driven, Eurocentric social policy agenda that responds very little to the real needs of the society (Bevan 2004, 94). Hickey (2008) explains the political dynamics of social protection and the effects of global and social forces that lead to national policies and, as a result, to social protection programs. Devereux and Cipryk (2009) provide a general overview of how the commitments made in national social protection policies and strategies are being translated into programs and projects by African governments, with support from the international development actors.

The outcomes of the social protection programs and institutions are, in fact, a combination of the factors mentioned in this comprehensive literature. However, I will
propose an explanation of how these different factors relate to each other in specific African countries. This relation leads to cross-country variation of social protection institutions and programs.5

The second set of literature that I build my analysis on is the literature that criticizes the practices of international actors in the state-building process in post-conflict countries. Social protection programs have been pushed by international actors mostly often in poor countries that are also post-conflict countries. This is because the social conditions of post-conflict countries are even more dire, according to international development actors (World Development Report 2011, 5). This push coincided with the state-building process, through which international actors decided to create and reform political institutions in these countries. They worked under the assumption that the creation of certain political and economic institutions would help guarantee an environment for stable development and, in turn, this would guarantee that war would not reoccur.6

Within the literature that criticizes the practices of international actors in the state-building process in post-conflict countries, there are two sets of scholarship where I focus

5 There is great variation in the study of social protection in Angola and Mozambique because of the variation in their social protection policies and in international involvement in the two countries. There is an extensive literature on social protection in Mozambique. The most prominent research center that develops studies on social protection is the Instituto de Estudos Sociais e Economicos (IESE), whose “social protection” research is under the coordination of António Alberto da Silva Francisco. Most of the research is available on the website: http://www.iese.ac.mz/grupo-de-investigacao-de-pobreza-e-proteccao-social/. Given that Angola does not have formal institutions of social assistance and more than 70% of the national budget for social programs goes to fuel subsidies, studies and reports on Angola focus on this issue instead. For instance, see the “Position of the Political and Social Observatory of Angola (OPSA) and the Action for Rural Development and the Environment (ADRA) on the State General Budget” Report. Authors have also focused on social protection programs developed by international actors outside the scope of the national government, namely the social funds. Finally, there is also a set of works on informal social protection in both countries. For informal systems in Mozambique, see: Quive (2007). For a general overview of informal social protection in lusophonic countries, see: Rodrigues, Lopes and Feliciano (2009). This literature on social protection in Angola and Mozambique provides the central empirical basis for this dissertation.

6 This assumption is also a consequence of the neo-liberal underpinnings of the peace building process, where there is the assumption that peace will follow from market reforms (Paris 2004).
attention here. The first literature challenges the understandings and assumption of international actors on African nations. For instance, Mustapha (2002) argues that in Africa there are voices struggling for better life conditions, which are oftentimes neglected, and that the current political practices in the region, such as rent-seeking, corruption, and patrimonialism, which are harshly condemned by Western policy-makers and scholars, are not practices common only to that region. Instead, Khan, Giacaman, and Amundsen (2004) argue that these practices not only did happen in currently rich countries, but also some of these practices helped their process of development (Khan, Giacaman and Amundsen 2004). This view supports my understanding on the political elites because I analyze them through their political motivations and interests, instead of focusing solely on corruption and practices of embezzlement.

The second literature criticizes the practices of international actors in developing state-building in post-conflict contexts. Some authors criticize the fact that international actors transferred institutions that existed in the donors’ countries (most of them being industrialized Western states) with no attention to the local demands and specificities. In addition, international actors assumed that those emulated institutions would take the same function after being implemented in the post-conflict country.\(^7\)

Other scholars criticize the Western view of how the state should be organized in the process of state-building. Some authors argue that there are alternative political orders to the modern Western form of the state.\(^8\) Other authors argue that, in fact, what international actors do is not a Weberian state, but what they think (or understand) a

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\(^7\) For the literature on institutional transfers, see: Brownlee (2007), Pritchett and Weijer (2010), and Levitsky and Murillo (2013).
Weberian state is. These authors explain that international actors associate a Weberian state with the rational-legal type of dominance and neglect the fact that Weber says that there are other forms of dominance, the traditional and charismatic. In addition, international actors who promote state-building ignore the fact that state institutions are the result of a very long process of state formation and, as Woodward explains, “the product of decisions by local rulers when their power and authority are under threat from domestic challengers or due to changed economic or security conditions, usually as a result of exogenous shocks” (Woodward 2011, 88).

In response to the recent literature and the practitioner community that emphasize the role of public service in the process of state-building, van de Walle and Scott (2011) explain that the creation and distribution of such services in Western European countries was highly political. They show that the delivery of public services were not part of the state-building process European countries, but, instead, helped later the states to gain legitimacy, defined in terms of the population recognizing the existence and importance of the state as an institution.¹⁰

In the literature on social protection, there is a Western assumption that social protection needs to be channeled through a formal state structure and ignores other forms of social protection that exist in these post-conflict countries. Examples of these informal forms of social protection are community and family systems of savings and support that

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¹⁰ A central point of their argument is the difference between state-building and nation-building. They say that in Europe, there was a temporal difference between the two processes. State-building refers to the process of the consolidation of modern bureaucracies in the 17th and 18th century. Nation-building refers to the process of “psychological integration” of the state. In this process, states reached out to the masses, and public services have been an important instrument of this: the emergence of conscription, obligatory schooling, improved communication and infrastructural network through roads, railways, and postal services. These agencies of change contributed to the process of state-building at the same time as the development of a nation. They claim that the literature of development today uses both terms interchangeably, hence also erroneously (van de Walle and Scott 2011).
have more often provided social protection to the population than the formal state structures of social protection.\textsuperscript{11} The international development community qualifies these systems as informal social protection to differentiate them from the formal state structures of social protection.\textsuperscript{12}

This set of literature contributes to my argument because it shows that international actors work under their own assumptions about how to resolve the problems in African countries and how, instead of considering the political specificities of poor and post-conflict states. In the social protection debate, international development actors also have a specific understanding of who should receive the assistance, mostly often emphasizing the poorest of the poor and those living in rural areas.

Finally, the third set of literature that I use to build my analysis is the scholarship that analyzes the relations between donors and partners of aid. I draw my analysis based on Whitfield’s work (2009). According to her,

\[\text[T]he outcomes of aid negotiations are the product of the encounter between the recipient and donor preferences, and the ability of each actor to successfully achieve their preferred outcomes is heavily constrained by the conditions under which each faces the other and the negotiating strategies they adopt to pursue their preferences (Whitfield 2009, 12).\]

Her argument has two central points that are central in my analysis: first, it challenges previous works that have a very passive view of the recipients of aid and that focused more on the side of the donors (Whitfield 2009, 12).\textsuperscript{13} Second, her argument

\begin{itemize}
\item \textsuperscript{11} See: De Conink, John and Emily Drani (2009).
\item \textsuperscript{12} While in several countries the state incorporates informal social protection as complementary mechanisms of formal social protection, they most often work as substitutes of formal structures of social protection. For a general understanding of the relations between formal and informal institutions (complementarity and substitution), see Helmke and Levitsky (2004).
\item \textsuperscript{13} Clapham (1996) also explains different mechanisms that domestic states use to circumvent international involvement: resistance, acceptance, and acceptance with subversion.
\end{itemize}
integrates three aspects of aid that I also integrate in my analysis of social protection: the negotiations of programs, their implementation, and the outcomes.\textsuperscript{14}

Therefore, these three groups of literature (comprehensive social protection in Africa, critical analysis of the international state-building in post-conflict countries, and the relations between donors and partners of aid) help understand some of the assumptions and practices of international development actors in poor and post-conflict countries in sub-Saharan Africa. My analysis builds on these sets of literature to understand the main motivations and actions of international development actors to push for social protection programs and institutions and to understand if they alter the effects of internal domestic politics on the outcomes of social protection.

1.3. Argument, research design, and case-selection

\textit{Statement of the argument}

I argue despite international pressures, the international development actors cannot override the control of the power elites in Angola and Mozambique over the outcomes of social protection. While international development actors may influence countries to adopt internationally designed social protection programs and institutions, they neither alter the attitudes of the domestic government in relation to redistributive programs nor are they able to expand the outcomes of such programs. By outcomes, I refer to the reach and beneficiaries of the programs and institutions implemented.

My argument uses two stages of the international influence to implement social

\textsuperscript{14} I differ from how the countries are selected for her work. While she has a chapter dedicated to Mozambique, she excludes Angola because, according to her, it is an authoritarian country, and it thus has greater leverage to reject international demands. As I will show later, part of my argument is that the negotiations with Angola and Mozambique are based on ideas that the international actors have about the country and that there were cases where the international actors decided not to negotiate with Angola, not the other way around.
protection institutions and programs: first, during the international state-building process, international development actors create programs and institutions of social protection in poor and post-conflict countries. This period is when international actors reform or build institutions in post-conflict countries. The international actors will pressure the domestic government to adopt them and the domestic governments will either accept or reject them depending on the nature of international involvement in the state-building process. The second stage is the post-state-building period, when institutions and programs are run by the state and the international development actors just promote financial and technical support for them. In this second period, domestic political actors most often choose and/or design the social protection programs they prefer to adopt and, for the ones that are internationally imposed, domestic actors control and limit the outcomes, defined as the beneficiaries of such programs.

With my analysis of three arrangements in Angola and Mozambique during these two stages of international influence, I refute the arguments made by international social policy reports and advocates of social protection programs that international involvement in post-conflict countries. They state that, in fact, international involvement can alter the political dynamics of poor and post-conflict states through their pressures to implement internationally designed programs and institutions of social protection. However, as I show with my case studies, the internationally designed programs and institutions that international actors push for not only have little effect on the outcomes of social protection programs, but also, in some cases, they end up reinforcing the restricted outcomes of the programs determined by the exclusionary political institutions of social protection of the countries.
Finally, my argument proposes that, in poor and post-conflict countries, social protection has a similar logic in comparison to other richer and more developed countries. In every state with structures of social protection, the decisions over who benefits from such programs and institutions happen through political criteria. This is because those who benefit from the programs, such as workers, rural vs. urban population, and the poorest population, and the benefits they get are part of a trade-off, i.e., electoral relations, or to guarantee popular support, between the government and the population. In poor and post-conflict countries, this dynamic is not different and those who are power will not promote redistributive programs if there are no domestic demands or pressures, such as strong civil society, strong opposing political parties, and competing elites. This is specifically the case when the political elite controls the state and this control is the source of their wealth. As a result, I show here that the beneficiaries of programs of social protection in these countries end up being the very limited group of the political leaders’ constituencies and supports.

**Research design**

I demonstrate this argument through analyzing three social protection arrangements in Angola and Mozambique: military reintegration programs, fuel subsidies for consumers, and the institutionalization of formal social protection structures. I use the definition of arrangements of social protection because each of these programs has a different set of actors, ideas, strategies, and outcomes. Using the arrangements, I can also have a clear understanding of the contexts surrounding the creation of a particular program or institution and the reasons behind each actor’s decisions.
I analyze the three arrangements of social protection in Angola and Mozambique. Between 2001 and 2010, both countries were among the five sub-Saharan African countries in the top ten list of the world’s fastest growing economies.\textsuperscript{15} They were also considered in a period of normal politics, where elections happen periodically, although with questionable transparency, and the recurrence of conflict is unlikely.\textsuperscript{16} However, at the same time that their macro-economic indicators are growing very fast, they are still among the poorest countries in the world.\textsuperscript{17} The fact that both countries have an increasing macro-economic development accompanied by low social indicators, international development actors have stressed, since 2000s, the importance of, and have tried to influence, the adoption of redistributive programs, i.e., social protection programs, in these countries.

Domestically, both countries have a “dominant political power,” which means that although there is some space for political contestation by opposing groups, there is a

\textsuperscript{15} The other three countries were Ethiopia, Nigeria, and Rwanda. “Africa’s Impressive Growth,” \textit{The Economist}, January 2011. This economic success is related to the export of natural resources, such as oil, natural gas, coal, minerals, and agricultural commodities. Therefore, this growth is vulnerable to the price of these commodities in the external market.

\textsuperscript{16} There is variation between these countries. In both countries, the opposition usually claims fraud in the elections. In addition, the opposition party in Mozambique usually states that it will restart the conflict. However, in the time frame of the dissertation, the conflict had not reoccurred.

\textsuperscript{17} In Angola, for example, 36.6\% of the population lives below the poverty line (18.7\% of the urban population, and 58.3\% of the rural population, according to the Millennium Development Report of 2010). Angola also has a high Gini coefficient of 42.5 in 2013, which indicates the high inequality in terms of economic redistribution. In Mozambique, social development also remains slow. According to the most recent Millennium Development Goals (MDG) Report on Mozambique (2010), in a total population of 21.2 million in 2007/08, 54.7\% were living below the poverty line, 49.7\% of adults (15 years and above) were illiterate, and 11.5\% of adults between 15 and 49 years old had HIV/AIDS. MDG Report on Mozambique (2010). According to the Report, there were no statistically significant changes in the level of poverty from 2002/2003, 54.1\%, to 2007/2008, 54.7\%. The prevalence of HIV/AIDS raised from 9.3\% in 2002/2003 to 11.5\% in 2007/2008. Adult illiteracy rate raised from 46.4\% in 2002/2003 to 49.7\% in 2007/2008. Available at http://www.undp.org/content/dam/undp/library/MDG/english/MDG\%20Country\%20Reports/Mozambique/mozambique_september2010.pdf. Visited on 17 Sep 2014.

In 2012, Mozambique was ranked at second to the last position in the Human Development Index (HDI). Congo and Niger were tied in the last position. See Table 1: \textit{Human Development Index and its components}. Available at: http://www.undp.org/content/dam/undp/library/corporate/HDR/2013GlobalHDR/English/HDR2013%20Report\%20English.pdf. Visited on 17 Sep 2014.
dominant group that controls the political system, creating a blurry line between the state and the party (Carothers 2002).\textsuperscript{18} The dominant political power in both countries, the MPLA and FRELIMO have been in power since their independence from Portugal in 1975.\textsuperscript{19} In addition, these parties control and concentrate the wealth of their countries. In Angola, the MPLA controls the export of oil. In Mozambique, since FRELIMO was in control of the privatization process that took place in the country in the 1980s and 1990s, it could guarantee to its members access to those companies. Therefore, these two parties similarly have an interest in keeping control of the state, through which they obtain their economic assets, as they do. They also have an interest in keeping exclusionary control of state institutions to guarantee that it benefits only those associated with political power. As a consequence, I argue, redistributive programs and institutions, i.e., programs of social protection, were very limited in scope (or almost nonexistent). When these programs are created and/or institutionalized, these dominant parties use them to serve their interests.\textsuperscript{20}

Despite these similarities in the political elites, Angola and Mozambique have had different influence from international actors after the end of their conflicts. To analyze international involvement, I use two mechanisms of influence. One is their dependence on and relations with traditional donors and international financial institutions (IFIs), the World Bank and the IMF, for foreign aid. The other is the international involvement in

\textsuperscript{18} As Carothers (2002) says, there can be variation from one dominant system to another based on the level of freedom and openness to the market.
\textsuperscript{19} Variation between this process in Angola and Mozambique will be explained in chapter three. One central difference in these two countries is that in Mozambique, FRELIMO remains in power, but the president has changed. In Angola, the president, Eduardo dos Santos, from the MPLA has been in power since 1979.
\textsuperscript{20} Note that this is broader than having social protection working under political criteria, by which I mean to provide programs and services to specific groups in a society (i.e., ethnic group). To serve the interests of the elite includes also the creation of programs of social protection for members of the elite.
the state-building process in each country. Since the 1980s, Mozambique has been one of the greatest recipients of foreign aid in Sub-Saharan Africa and its state-building has been greatly influenced by international actors since the end of its war in 1992. Angola, because of its wealth from export of oil, has not been dependent on international aid and its state-building process did not have the involvement of international actors. Therefore, the international influence in these countries are very different.

While the variation of international involvement can explain the institutionalization process of social protection, this variation does not explain the outcomes of the arrangements of social protection in both countries. As outcome, I mean the reach and the beneficiaries from such arrangements. Instead, I argue here, the political elites of these countries control the outcomes of such programs. The persistence of the same elites in power in both countries are explained by how the domestic economy of these countries is inserted in the global market, the socially segregated society and the dynamics of their civil wars. Angola and Mozambique have a political and economic elite that have connections, although in different ways, to the global market and through these connections, they obtain their wealth. In summary, Table 1.1. shows the differences and similarities between Angola and Mozambique.

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<th>Table 1.1: Differences and Similarities between Angola and Mozambique</th>
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<td><strong>Inserted in the Global Capital Market?</strong></td>
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<td>International involvement in institution-building</td>
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<td>Institutionalization of CT programs?</td>
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<td>Power elites control the outcomes of institutions and programs?</td>
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Source: Created by the author

With these similarities and differences in mind between the relations of Angola and Mozambique with international actors, I compare the arrangements of social protection in both countries. In each arrangement, the political elites pursue different strategies to interact with international actors. In the case of Mozambique, the strategy has been to accept, reject, or circumvent international actors’ demands. The existence of numerous donors in the country helps attenuate some of the international pressures because the government can have different sources of aid and because one donor can pressure the other to alleviate their demands. In the case of Angola, given that the country does not receive assistance from traditional donors, the strategy has been to negotiate with international actors for financial support for social programs. International actors demand social programs as conditions for international loans. Angola’s economy relies on the export of oil, so its economy is vulnerable due to international demand and price volatility of the commodity. Therefore, whenever there is a slump in the price of oil, the government of Angola becomes more receptive to donor pressures for reform, such as the increase of expenditure on public services, i.e., education, health, and cuts of fuel subsidies (Boyce 2004).
In the recent push for social protection in Africa, Angola and Mozambique represent unique cases. Mozambique is usually considered by the international development community a case of successful social protection structure in sub-Saharan Africa. This is because it has the oldest institution of CT in sub-Saharan Africa, the Food Subsidy Program (PSA), which in 2012 changed its name to Program of Basic Social Subsidy (PSSB). Mozambique has also been considered the “case of success” on many fronts of international involvement in Africa, such as in its peace operations and the development of a stable democratic structure. Angola, on the other hand, is one of the few countries in Africa that has not yet adopted a program of cash transfers and is considered by international development actors as having underdeveloped structures of social protection in general.

Despite the singularity of Angola and Mozambique in comparison to other countries in Africa – same colonial power, late independence, civil war, and Marxist experiment, I analyze two aspects that can be generalizable to other countries in poor and post-conflict countries. First is the existence of an elite in almost every capitalist system that is connected to the global market and that influences the outcomes of social protection mechanisms. Second, since I am analyzing the international involvement in these countries and how it varies based on African countries’ insertion into the global market, it is possible to draw similar analysis to other poor and post-conflict countries in sub-Saharan Africa.

The case studies are divided into the programs of social protection, it is important to explain why I chose to study the selected social protection programs. I chose programs
that are referred to as social protection by both sides of the actors. I also chose programs that are channeled through the state, even if they are financed by and receive technical support from international donors. I chose programs that exist in both countries, or that at least are in the process of negotiation between international and domestic actors. Programs of social protection are different from other social programs that can be implemented just by international implementing NGOs with no involvement of the domestic government, such as education and health. This is the same reason why I did not select community-based programs of social protection, such as social funds, Community-Based Development (CBDs), and, more recently, the Community-Driven Development (CDDs) projects. Finally, I selected programs from different moments after the end of the conflict to check for variation of international actors’ motives to introduce them.

Finally, there are three reasons why I chose to analyze institutions of social protection instead of internationally imposed institutions during the state-building process in general. First, social protection, as an institution, seemed to be recognized as a different (or unexpected) route of the state-building process in African post-conflict countries, which was mostly conducted through a neo-liberal ideology (Ferguson 2015). Second, social protection institutions were being pushed at a later stage of state-building, in comparison to other institutions, such as elections, political parties, and armed forces. Third, different from other social programs, such as education and health, the benefits of social protection to social development are contested among the international development community. Some domestic and international actors, influenced by a liberal

21 That is, I excluded flood assistance in Mozambique. The country is the second most vulnerable to flooding in the whole world, behind only Bangladesh. So, there are social protection programs for this issue.
understanding of social protection, believe that the provision of direct financial support to
the population can be detrimental to the development of human capital and individuals
can become too dependent on such assistance. In other words, along with the difficulties
on the ground to execute social programs in general, the proponents of social protection
have also to prove that the programs have positive effects on social inclusion and
reduction of poverty.

1.4. Methodology

Methods and definitions

In order to understand how the domestic political elites have control over the
social protection outcomes and the international development actors cannot alter this
control, I use a combination of three methods in this dissertation. First, I use a “critical
social policy method,” which means, according to Bevan (2004, 117), an “in-depth
understanding of political economy and social-cultural contexts, and how [and if] policy
actually works in practice in different contexts.” Second, for each program analyzed, I
make a comparison between the relations between Mozambique and international actors
and the relations between Angola and international actors. Third, I use a process-tracing
method to understand the power structure in Angola and Mozambique and how these
power structures affect the creation and adoption of programs and institutions of social
protection.

I call Angola and Mozambique “poor” as a reference to their low human
development index and the fact that they have a sizable amount of their population below
the poverty line. At the same time, their societies have the lowest levels of social
conditions in the world. However, I do recognize in my analysis that the great difference of Gross Domestic Product (GDP) between the two countries is, in fact, one of the main reasons why international donors and institutions, especially those influenced by the international financial institutions, treat them differently. As defined by the World Bank, Angola is a middle-income country and Mozambique, a low-income country, but their social conditions remain among the lowest in the world. This different category makes Mozambique eligible for international aid programs that Angola does not qualify for.

I call them post-conflict countries despite the fact that the international actors have shifted their strategy from post-conflict recovery to development in both countries for three reasons. First, I study social protection programs since the end of their wars, namely the support for ex-combatants’ reintegration. Second, there is no actual definition of a post-conflict country, and there is usually an overlap between the international development and post-conflict agendas, making it hard to draw a line between these two periods. Finally, legacies of the conflict remain and as I will argue, some of these legacies determine who receive the limited programs of social protection that exist in the country.

Finally, the timeframe of the analysis of this dissertation starts in the 1980s, when both countries officially moved from a Marxist-oriented government to an open market one, and ends in September 2014.

1.5. Outline

22 According to the World Bank data, low-income countries have a gross national income (GNI) per capita of $1,045 or less and middle-income economies have GNI per capita more than $1,045 but less than $12,736. According to the Human Development Index (HDI), which measures life expectancy, education, and income per capita, Angola and Mozambique have low human development (HDR 2013).
23 I emphasize “officially” because the idea that Angola ever actually adopted a Marxist government is frequently challenged due to its connection with the global market through the export of oil.
Chapter two defines and contextualizes social protection in the international development agenda. It explains the definitions of social protection. It will then explain the arrangements of social protection, highlighting the international actors involved in each of them, their understandings of social protection, their motivations for pushing or implementing them, and the responses of the domestic governments where social protection is being implemented. This chapter also explains the similarities and differences from one arrangement to another, both institutionally, meaning the international actors and donors involved, and ideologically, the assumptions that guide the international actors.

Chapter three focuses on the explanatory variable, the political elite of Angola and Mozambique.

Chapters four, five, and six discuss the arrangements of social protection: the programs for reintegration of ex-combatants, fuel subsidies for consumers, and the institutionalization of social protection structures.

The concluding chapter restates the main findings of the dissertation, presents an overview of what has happened with social protection in Angola and Mozambique from July 2014 to May 2016, and proposes questions for future research.

1.6. Motivations and contributions

My main motivation to write this dissertation was to study social programs in post-conflict countries. My original idea was that the long-term sustainability of peace in post-conflict countries is said to depend on the outcomes for the population, especially socio-economic improvement, and this requires some efforts at equalization, i.e.,
redistribution. I then chose to focus on social protection not only because it became a primary focus later of international actors, but also because it was the first set of programs that aimed directly at this issue.

For instance, in September 2015, the General Assembly of the United Nations adopted a Resolution that mentioned social protection as one of the main pillars of the 2030 Agenda for Sustainable Development. This means that social protection will serve as a global framework for social policy programs until 2030, and their consequences will be addressed in the years that will follow.

The main contribution of this dissertation is to show that social protection is part of the domestic political processes and decisions of those in power based on the incentives and pressures that will lead them to promote redistributive programs. As Ferguson (2015, 13) states, “most of the discussion about [social protection] programs has been in the public policy field -- asking questions about whether or how well such programs ‘work,’ how they can be improved, and so on.” My dissertation shows that domestic political dynamics is not just one more issue that hinders or advances the adoption and execution of social protection, as it is often portrayed by international reports on social protection. Rather, social protection is the consequence of the politics of poor and post-conflict countries in the domestic (between the government and the beneficiaries of the programs) and international (government and international donors) realms.

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I also contribute to the study of the social protection institution in Mozambique, in particular. As mentioned above, the CT program in the country is the oldest CT program in sub-Saharan Africa and is considered a case of successful social protection in the region. I analyze whether this success that Mozambique is oftentimes said to represent in regard to the current push for social protection institutions in poor countries is based on the circular reasoning of the policy-making literature, which measures success based solely on the creation of programs and on what it accomplishes (Pitcher 2014, 10), instead of measuring the result of the programs based on the dimensions of what it still should do and accomplish.²⁵ In other words, I defend that Mozambique is considered a successful case of social protection just because of the fact that the institutions of social protection exist and not because of their effectiveness.

In summary, this dissertation broadens the analysis of social protection in poor and post-conflict countries. It problematizes the role of international development actors in the development of social protection programs and institutions because they disregard the domestic political dynamics of the countries where such programs and institutions are adopted. This dissertation suggests that while this disregard remains, internationally designed social protection will continue being incremental and not transformative.

**Chapter 2: Contextualizing the Arrangements of Social Protection**

**2.1. Introduction**

This chapter explains the contexts, definitions, and concepts of social protection arrangements. The inclusion of social protection in the development agenda is relatively

²⁵ This argument is based on the commitment of actors to implement policies. In other words, if actors are willing to institute the program, then it is a success; if they are not, then it is a failure.
new, dating from 2000 (Cook and Kabeer 2009; Rocha Menocal 2010). For this reason, even in countries that finished their conflict in the early 1990s and have had international involvement since then, the institutions of social protection are still incipient and international development actors are still in the process of evaluating the feasibility and opportunities for their creation. Before this push for social protection institutions, programs of social protection in poor and post-conflict countries were mainly led by international actors in a limited, sometimes not much beyond rhetoric, and patchy way. In the current push for institutions of social protection, international development actors are engaged in the so-called process of state-building. As such, development donors provide technical and financial assistance for their partners to develop their own institutions of social protection. Therefore, in order to understand the institutionalization of social protection in post-conflict countries, it is necessary to analyze the programs and institutions of social protection in the broader context of the international agenda for post-conflict countries.

This is what this chapter does. It first defines and conceptualizes social protection in the international development agenda. Then, it introduces the idea of arrangements of social protection, and goes on to explain the three arrangements of social protection: military reintegration, fuel subsidies, and the current institutionalization of formal social protection structures. It will also explain the arrangements of social protection in the two case studies of this dissertation: Angola and Mozambique.

2.2. Social protection in post-conflict countries
According to Cook and Kabeer (2009), international development actors use the term social protection in three main ways. First, some use it as an umbrella term to refer to all socio-economic programs, “including social security, social insurance, health care, child protection” (NASI 2008, cited in Cook and Kabeer 2009, 3). Second, others have a narrower view of the term and exclude social services (e.g., education and health programs). Finally, others place the emphasis on social transfer programs that target groups falling outside the coverage of formal labor-market based social security programs (Cook and Kabeer 2009).26

A better way to understand the common ground of a definition of social protection is through understanding its function.27 Cook and Kabeer (2009) explain that social protection programs consider poverty not as static, but as a dynamic concept and identify mechanisms to prevent the negative effects of the vulnerabilities and risks of individuals’ and households’ socio-economic conditions. That is why these programs require more long-term attention from their providers than other kinds of social programs. As described by Barrientos and Hulme (2008),

[S]ocial protection must perform three main functions: (i) to help protect basic levels of consumption among those in poverty or in danger of falling into poverty; (ii) to facilitate investment in human and other productive assets that alone can provide escape routes from persistent and intergenerational poverty; and (iii) to strengthen the agency of those in poverty so that they can overcome their predicament (Barrientos and Hulme 2008, 4).

This definition by Cook and Kabeer is related to a theoretical idea of social protection. In practice, some programs that are labeled social protection do not have the

26 This dissertation focuses on the second approach because two of my case studies – reintegration support for ex-combatants and the cash transfer to the poor – are examples of social transfer programs.
27 The choice to define social protection through its function is because this is the common ground among the different definitions. The kinds of programs, or the reasons of why the state should provide social protection, or the justifications for why individuals should receive social protection vary among the definitions of social protection by the different actors.
characteristics that they refer. Some programs of social protection have had a short-term scope.

Since 2000, social protection has increasingly become a central topic in the development agenda in post-conflict countries. In 2000, the international development agenda became more committed to programs of poverty reduction because of the creation of the UN’s Millennium Development Goals (MDGs). They used social protection as one program for that goal. The recent push for social protection has also coincided with another central goal of the development agenda, state-building. According to Woodward (unpub. ms. 2016), by 2002 state-building became “the common term for different perspectives on a commonly perceived problem.” These differently perceived problems included the global security threat, massive human rights violations, underdevelopment, and debt arrears to the World Bank (Woodward unpub. ms. 2016, 76). The commonly perceived problem was related to the “fragility” or “weakness” of the state to control or prevent these problems. State-building also became the central focus of the international development community, and since the turn of the millennium, “almost every major donor has identified state-building as one of its key objectives, particularly in fragile states” (Rocha Menocal 2010, 3).

In practice, as mentioned in chapter one, state-building refers to the involvement of international actors in creating new government institutions and strengthening existing ones in poor and post-conflict countries. Examples of these institutions are the constitution, political systems (e.g., power sharing), the electoral process, the security and
justice sector institutions, and, recently, institutions for social protection. Along with political reforms, state-building has also an economic component in which international financial institutions (IFIs), the International Monetary Fund (IMF) and the World Bank, determine the macroeconomic policies of the state and its relation with the global market. In other words, state-building refers to an international enterprise, composed by several international actors, to reform the political and economic structures of the country, with not much, if any, involvement of domestic actors.

The attention to social protection in the post-conflict development agenda, however, has not always been the same. In fact, social protection was mostly ignored in countries that ended their civil wars in the 1990s and some that finished in the 2000s. Three main reasons can explain this neglect, despite a rhetoric of the use of social protection in official discourses and official documents. First, the international actors involved in post-conflict countries were more focused on ending the conflict than finding and proposing economic and sustainable solutions for war-affected communities. In other words, peace operations worked under the premise of a peace dividend, meaning that while they provide peace, individuals will then automatically have a better chance to prosper economically.

Second, all of these countries went through a period of structural adjustment programs (SAPs) in the 1980s through which they had to reform their economies as a condition to receive foreign loans. Those reforms set a strict policy for cuts in public expenditures for sectoral development, including social protection. Examples of other conditions were: “to reduce the government public sector workforce and lower remaining

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28 These different areas do not receive the same attention from the international actors. In fact, social protection is one of the lowest priorities of the international actors. For an in-depth analysis of the variation of analysis in different state-building processes, see Suhrke, Wimpelmann, and Dawes (2007).
salaries, remove subsidies and price controls, devalue local currency, sell state-owned enterprises, weaken state environmental and labor regulations, and deregulate movement of capital” (Pfeiffer and Chapman 2010). In addition to cuts in state subsidies of consumer goods, social services were privatized and they were implemented in the following ways: (1) through user fees, meaning that individuals needed to pay to receive services,\(^{29}\) (2) private insurance, (3) decentralization of government services, and (4) implementation by international non-governmental organizations (INGOs) (Pfeiffer and Chapman 2010).

Third, development actors were still providing assistance under the principles of humanitarian assistance, the ones that dictated their assistance during the conflict. They provided emergency and short-term assistance to the individuals who were seen to need relief the most, primarily implemented by INGOs, and without long-term mechanisms of social assistance (Havey, et al. 2007). Moreover, the post-conflict agenda of international actors pushed for the development of a liberal state, with a minimum role in the economy (Paris 2004), and with very limited, if at all, institutions of social protection.

In relation to social protection, the most famous programs implemented in poor and post-conflict countries were the safety net programs, developed by the World Bank.\(^{30}\) The goal of these programs, referred to as the social dimensions of structural adjustment, were to alleviate the negative impacts of the SAPs. Those programs targeted specific vulnerable populations, such as the urban poor affected by the cuts of government

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\(^{29}\) User fee policies in the health sector have been considered overall a failure because they are regressive and discriminate against the poor (Hall 2007, 156).

\(^{30}\) Safety nets vary considerably from the definition of social protection. While social protection supports households in reducing, preventing, and overcoming hazards that adversely affect well-being, consumption, and investments, safety nets were advocated as responses to financial crises and adjustment policies. However, a well-designed safety net can be an important part of a social protection approach, if their existence is well known before the crisis hits (Shepherd, Marcus and Barrientos 2004).
subsidies of basic consumption goods. These safety net programs, however, were harshly criticized for having a very limited scope in the face of the generalized negative effects of the SAPs.\textsuperscript{31} As Hanlon puts it, these social programs were like a drop of water in the ocean.\textsuperscript{32} In addition to the World Bank, UN agencies and international non-governmental organizations (INGOs), such as the United Nations Children’s Fund (UNICEF), the United Nations Development Programme (UNDP), and the World Health Organization (WHO), have also implemented some programs of social protection in poor and post-conflict countries (Barrientos and Hulme 2008, 11).

The World Bank also influenced the political institutions of these countries. Following the 1989 report on Africa, the World Bank started to focus on the idea of good governance. With this inclusion, the World Bank started to make clear statements of what it considered appropriate political practices and made strong criticisms of what they believed were corruption, neo-patrimonialism, and rent-seeking as preventing the development of proper state functions and resulting economic growth.\textsuperscript{33} In other words,

\textsuperscript{31} The IFIs did not take into consideration the fact that conflict-affected countries have different issues (or more issues) to deal with than other developing countries and thus they did not create specific adjustment programs for them. Woodward (2011) explains that the process in which World Bank provides assistance to post-conflict recovery is also conditioned by economic growth. “Because the World Bank assistance requires a prior agreement with the IMF, and an IMF agreement requires a prior settlement of a country’s debt arrears, economic policies for peace are not formulated in terms of policies necessary for aid (shouldn’t this be for peace?)” (Woodward 2011, 90). De Castillo gives examples of issues particular to post-conflict countries, such as the reintegration of former combatants into productive activities, the return of displaced people to their original homes, the destroyed infrastructures of the countries, especially in the rural areas, and the difficulty to access some regions in the country where most likely the most vulnerable population is located (del Castillo 2008).

\textsuperscript{32} In addition to the generalized poverty of those countries, this recognition was brought to the attention of the international actors after the rise of a large number of riots (known as IMF riots) that happened in the urban areas of countries subjected to the SAPs. The anger of the protesters was directed at the withdrawal of what was seen as political entitlement and as against austerity itself (de Waal 1997). The international actors started to speak up against the SAPS. In 1987, UNICEF published the Report \textit{Adjustment with a Human Face} denouncing the harm of the SAPs and arguing for better protection for the poor (Pfeiffer and Chapman 2010).

\textsuperscript{33} According to Williams (1993): “The objectives of the reforms for good governance were to embed liberalism within the logic of the state machinery and to displace the corruption, patrimonial logic and the
according to Woodward (unpub. ms. 2016, 81), through the label good governance, the World Bank and the International Monetary Fund (IMF), separately at the time and driven by theory, not practice, were “continuing to promote a model of the state through their lending programs and particularly economic conditionality.”

Although international actors in post-conflict countries neglected social protection, post-conflict countries did have different programs of social protection with different designs and different paths towards their institutionalization. Some programs were implemented by INGOs in communities and provinces while the state had little, if any, involvement in the creation of such programs. Other programs were nationally based and their invocation and design were chosen by domestic actors because of the interplay between domestic and international actors. In this internationally led state-building context, the central question that the recent push for social protection raises is the actual feasibility of poor and post-conflict countries to adopt, fund, and execute the programs.

2.3. Arrangements of social protection

My definition of an arrangement of social protection draws on the explanation of “institutions and implementation arrangements” by Monchuk (2014). According to her,

[I]nstitutional and implementation arrangements for safety nets in Africa are characterized by a mix of government and donor programs with large involvement of non-governmental organizations (NGOS) for implementation at the local level. Programs range from being fully government owned and operated to being managed by the government with the support of donors, managed by donors together with the government, and run by donors or NGOs alone (these programs tend to be smaller) (Monchuk 2014, 43).

[communalist sentiment that donors assumed dominated these realms and made them dysfunctional, both in terms of Weberian public administration principles and in terms of blocking market-oriented reforms.}
Therefore, Monchuk uses the term arrangement to explain the implementation of social protection programs after the negotiations and decisions about which programs were going to be adopted were already made. In my use of the term, I add the context in which the programs and institutions of social protection were decided upon and the understandings of each actor involved about social protection. This way, I use this broader view on arrangement to analyze the international actors involved in each program defined as social protection, their understandings of social protection and their motivations, and the domestic actors’ strategies to accept the programs they prefer and to reject others. Through analyzing each arrangement separately, I am able to understand what changes from one arrangement to another and what explains cross-country variation.

I analyze three arrangements of social protection in post-conflict countries: reintegration of former-combatants, fuel subsidies, and the institutionalization of formal structures of social protection, mainly social assistance programs. For each arrangement, I focus on the following aspects: the context in which international actors introduce them; the goals of the international actors; and the concept of social protection by domestic and international actors. The table below summarizes the three arrangements.

### Table 2.1: Arrangement of Social Protection

<table>
<thead>
<tr>
<th></th>
<th>Context of international involvement</th>
<th>Functions of actors involved</th>
<th>Concept of social protection by international actors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reintegration of ex-combatants</td>
<td>Immediately after the end of the wars</td>
<td>International actors promoted the program. Domestic actors established institutions.</td>
<td>This is a sub-type of social protection. It had the language of social protection, but evidence shows that international actors were more concerned about security than</td>
</tr>
</tbody>
</table>
Before moving to an explanation of each arrangement, it is necessary to explain what overlaps among the three arrangements. First, they have similar actors involved, but how they coordinate their actions and how they understand social protection differ from one arrangement to another. Also, these three arrangements are part of the post-conflict process and in all of them, there is an interplay between international and domestic actors that affects their outcomes.

Second, some programs of one arrangement can serve as lessons to another arrangement. For instance, CT programs were instituted in the arrangement of support for military reintegration and some of their methods of execution could be used for the CT program for the poor that is currently being pushed by international actors.

Third, some arrangements are in direct opposition to each other. There is a debate among donors against fuel subsidies because they are regressive and not pro-poor programs. For this reason, international actors prefer that these countries channel state resources used to subsidize fuel to other activities, including the repayment of their
international loans. Finally, the first two arrangements (military reintegration and fuel subsidies) are part of a broad agenda of the international actors and not of the development of social protection per se. For instance, military reintegration was part of the security and development strategies of the international actors in the immediate post-conflict context. The debate over fuel subsidies was related to the international financial institutions’ involvement on domestic expenditure. The third arrangement, institutions of CT, arguably represents the first social protection arrangement that is exclusively dedicated to the issue of social protection. However, because this arrangement is part of an internationally led state-building process, the creation of these programs and institutions can also be related to the interests of the international actors who are promoting state-building.

What we will see with the arrangements that will follow is whether there is a change in practice from the first arrangement to the last. With the two country cases, I will also show how the outcomes of these arrangements change from one country to another due to different levels and kinds of international involvement.

Reintegration of ex-combatants

Programs of reintegration for former-combatants are a sub-type of social protection. The fact that these programs had specific targets and sought to promote social inclusion and a route out of ex-soldiers’ predicament makes reintegration a kind of social protection. However, they target just one kind of group, the ex-combatants and their dependents, and the reason behind the program is not because they are the poorest groups
in the society but because, in the understanding of the international actors involved in the peace operations, they need to be re-inserted so that they do not resume fighting.

The scope and beneficiaries of the programs are usually set up in connection to other security strategies, disarmament and demobilization, which are set up in peace agreements. The three strategies together form the Disarmament, Demobilization, and Reintegration (DDR) programs. Therefore, reintegration programs can have different shape from one country to another. These three programs altogether are security strategies embedded in peace operations. Disarmament and Demobilization are strategies to ensure that former combatants would give up their weapons and that insurgent groups would disband. Reintegration programs are meant to ensure that former combatants would be able to return to their communities and that they would be provided with economic opportunities.

What most critics have argued from this strategy is that, first, reintegration is the least prioritized strategy among the three DDR components, suggesting a focus on peace stabilization instead of its sustainability. Second, they have done little to actually provide jobs, despite the “undisputable importance of the role of active employment in redirecting behavior and commitments toward peace” (Woodward 2002, cited in Cocozzelli 2009, 24). Instead, programs of reintegration include education and vocational training, technical assistance, and cash and in-kind transfer programs. The table below shows examples of programs providing support to the reintegration of ex-combatants into the society.  

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34 Other programs considered social protection in post-conflict countries are cash transfers to disabled soldiers and to families of service personnel who have died, such as in Rwanda and Sri Lanka (Carpenter, Slater and Mallett 2012, 23).
Table 2.2: Social Protection Programs targeted at ex-combatants in fragile and conflict-affected countries in Africa

<table>
<thead>
<tr>
<th>Countries</th>
<th>Year</th>
<th>Skills level targeted</th>
<th>Assistance</th>
<th>Average US$ per beneficiary</th>
<th>Duration of assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>2002</td>
<td>Low</td>
<td>Cash and in-kind</td>
<td>300-900</td>
<td>6 months</td>
</tr>
<tr>
<td>Chad</td>
<td>1996-1997</td>
<td>Low</td>
<td>Cash</td>
<td>860-1,480</td>
<td>1 year</td>
</tr>
<tr>
<td>Djibouti</td>
<td>1995</td>
<td>Low</td>
<td>Cash</td>
<td>1,000-2,000</td>
<td>6 months to 1 year</td>
</tr>
<tr>
<td>Eritrea</td>
<td>1993</td>
<td>All levels</td>
<td>Cash</td>
<td>800-1,600</td>
<td>6 months</td>
</tr>
<tr>
<td>Namibia</td>
<td>1990</td>
<td>Low</td>
<td>Cash and in-kind</td>
<td>1,263</td>
<td>9 months to 1 year</td>
</tr>
</tbody>
</table>

Source: Adapted from World Bank 2006, in: Carpenter, Slater, and Mallett 2012, 23.

The international actors involved in the negotiation of these programs are those who participate in the peace operations of a particular country. If the peace process is being led by the United Nations (UN), the operation is mostly organized by a UN mission. Bilateral donors also influence the decisions to create and fund such programs. In terms of execution, the actors involved are the UNDP, other implementing INGOs, and humanitarian aid agencies.

In terms of institutionalization, the arrangement of military reintegration did not push for the creation of ministries and departments for war veterans and reinsertion; rather, institutionalization was promoted by the national governments after the international actors left.

Both Angola and Mozambique had CT programs to help the reintegration process of their former combatants. In Mozambique, the DDR programs were coordinated by the United Nations Operations in Mozambique (ONUMOZ). The Reintegration and Support
Scheme (RSS) was the only redistributive program to the population during the period of its transition to peace (McMullin 2013). It was a two-year cash compensation program financed by the donors through a US$35 million UN trust fund. The goal of the program was to ensure a source of income to the former combatants of both sides of the conflict.

In Angola, the peace operation was homegrown given that there was not the involvement of UN operations in the end of the war, in 2002. The international actors involved were the financial institutions that provided financial support to the creation of the programs. The Angola Demobilization and Reintegration Program (ADRP) was created in 2002, with the end of the conflict, with an initial budget of US$246.3 million from the World Bank International Development Association (IDA), the Multi-donor Trust Fund, and the Angolan government. Like Mozambique’s RSS, its goal was to facilitate the process of reintegration of the former combatants from both sides of the conflict. In both countries, the process of institutionalization was developed by the domestic actors. As soon as international actors left, the calculations of the domestic actors changed. Up until today, the opposition in both countries complains about the privileges and benefits that the members of the Liberation Front of Mozambique (FRELIMO) in Mozambique and the People’s Movement for the Liberation of Angola (MPLA) in Angola receive in comparison to the former combatants of the insurgent groups, RENAMO and UNITA.

**Fuel Subsidies for consumers**

The debate over price subsidies in general, and fuel subsidies in particular, has arisen since the involvement of the international financial institutions (IFIs) in the
domestic expenditures of poor and post conflict-countries, starting with the SAPs in the 1980s. Subsidies, whether of food or fuel, have been largely criticized by the donor policy agenda, especially the IMF. The main international actors in this arrangement are the IFIs but most of the bilateral donors and development agencies concur with the position of the IFIs.35

Fuel subsidies were first promoted by countries that export oil and later also by countries that do not. Most governments claimed that this is an essential subsidy because, in the case of oil exporters, oil should be a commodity affordable for the entire population. Fuel subsidies supposedly have a social protection component because they reduce transportation fares, enable individuals to go farther to workplaces, and make energy more accessible for individuals, given that individuals do not have electricity. However, international actors have argued that price subsidies in general are regressive and ineffective because they do not target the poorest individuals in the country and, in fact, fuel is consumed only by a small and elite group of the population. This is because the poorest individuals do not consume the products and services that are subsidized.

To the present day, some countries in Africa still subsidize fuel, and they are still negotiating with the IFIs to phase them out. One of the arguments of international actors favoring the reduction of general price subsidies is that then, the state would have more resources to finance its social protection structures and promote cash transfer programs. Below is a list of countries in sub-Saharan Africa that subsidize fuel.

35 They have different positions in relation to ending subsidies in other countries and in their own countries. According to Nal (2013), who was writing in response to the Nigerian elimination of subsidies in 2012 that caused great riots, leading the government to return with the subsidies, said the following: “In 2009, the G20 asked its members to rationalize and phase out inefficient fossil fuel subsidies. While the commitments of some members after more than two years are still at the level of proposal, others have simply put forth various arguments to exclude their policies from reform” (Nal 2013, 152).
### Table 2.3: Size of fuel price subsidy (% GDP) in 2011

<table>
<thead>
<tr>
<th>Countries</th>
<th>% of GDP spent on fuel subsidies</th>
<th>Oil producer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>5</td>
<td>Yes</td>
</tr>
<tr>
<td>Nigeria</td>
<td>4</td>
<td>Yes</td>
</tr>
<tr>
<td>Cameroon</td>
<td>3</td>
<td>Yes</td>
</tr>
<tr>
<td>Democratic Republic of Congo</td>
<td>2.5</td>
<td>Yes</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>2</td>
<td>No</td>
</tr>
<tr>
<td>Chad</td>
<td>2</td>
<td>Yes</td>
</tr>
<tr>
<td>Togo</td>
<td>2</td>
<td>No</td>
</tr>
<tr>
<td>Guinea</td>
<td>1.5</td>
<td>No</td>
</tr>
<tr>
<td>Equatorial Guinea</td>
<td>1.5</td>
<td>Yes</td>
</tr>
<tr>
<td>Central African Republic</td>
<td>1.3</td>
<td>No</td>
</tr>
<tr>
<td>Niger</td>
<td>1.2</td>
<td>No</td>
</tr>
<tr>
<td>Côte d'Ivoire</td>
<td>1.2</td>
<td>No</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>1.2</td>
<td>No</td>
</tr>
<tr>
<td>Tanzania</td>
<td>1</td>
<td>No</td>
</tr>
<tr>
<td>Mozambique</td>
<td>1</td>
<td>No</td>
</tr>
<tr>
<td>Gabon</td>
<td>1</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: Adapted from *Africa's Pulse*, World Bank, 2012.

Fuel subsidies have accounted for a substantial portion of government spending in Angola and Mozambique (Monchuk 2014, 74). The hike in prices in public transportation was a trigger factor to a chain of protests and riots in the urban areas of Mozambique between 2008 and 2012. In addition to this, as will be shown in the case of Angola, the phasing out strategy can have two negative aspects. First, if the program is not developed in parallel with other political reforms to enforce redistributive programs, there is no chance that the resources that are saved will go to other social programs. Second, every time that the price of oil increases because of the phasing-out process, fuel subsidies become even less pro-poor.
Institutionalization of formal social protection structures

Formal social protection structure is the overarching term for programs of social security, social assistance, and other social programs. Using the definition of Barrientos and Hulme (2008, 3), social insurance refers to programs to mitigate the effects of life contingences related to work, injury, and old age. In most high and middle-income countries, social security programs are financed by contributions of employers and employees. Social assistance programs are programs targeted to the poor and are usually financed by taxation.

The push for such social protection in poor and post-conflict countries since the 2000 coincides with the state-building process led by international actors. For instance, the 2001 World Bank Development Report announced a political agenda to make state institutions more accountable to the population. The innovations of this social protection arrangement are, first, that there is greater convergence of the idea of social protection among the international actors, both in terms of conceptual understanding of the term and the increasing number of international development actors including social protection in their agenda. The second innovation is the institutionalization of social protection programs in post-conflict countries. Different from the previous arrangements, international development actors seem to be more committed to creating institutions of social protection instead of simply programs of social protection.

A confluence of factors has led to the greater focus on social protection by international development actors. First, the adoption of the Millennium Development Goals (MDGs) by the UN in 2000 encouraged states to develop policies and mechanisms of poverty reduction. This led to a diffusion of programs and policies to combat poverty, some of which were for social protection. Second, the success of social protection
programs in some developing countries stimulated a process of emulation in the global south.\textsuperscript{36}

A third increase of coordinated actions among international actors came after the 2008 global economic crisis. In 2009, following several institutional advances on social protection by major international organizations and the international financial institutions, the IMF African Outlook recommended social protection in the region to mitigate the consequences of the international economic crisis. The UN supported the International Labor Organization (ILO)’s Social Protection Floor Initiative (SPF-I). The World Bank established the Rapid Social Response Fund (RSR) “to be distributed in the form of localized social protection instruments” (Nino-Zarazua, et al. 2012) and began a five-year impact evaluation (until 2013) of safety net programs in sub-Saharan African countries (Monchuk 2014). In 2010, the ILO and the IMF established the High Level Social Protection Floor Advisory Group to increase cooperation in supporting countries to create and enhance fiscal space for the creation of social policies on a sustainable basis. In fact, the World Bank and the ILO have probably been the lead organizations in this field of social protection.\textsuperscript{37}

\textsuperscript{36} Barrientos and Hulme (2008, 13-14) present a detailed list of cases of social protection programs: “The Child Support Grant in South Africa, implemented in stages since 2003 now reaches 7.2 million children; The Minimum Living Standards in China rose from 2.6 million beneficiaries in 1999 to 20.6 million in 2002, and 22.4 million in 2006. Mexico’s Oportunidades, which replaced Progresa in 2002, now reaches 5 million households. Bolsa Familia, which replaced Bolsa Escola in 2004, now reaches 11 million households in Brazil; Indonesia’s safety net cash transfers introduced in 2005 reached more than 15 million households. The Employment Guarantee Scheme, aiming to provide 100 days’ guaranteed income for the rural poor in India, is currently being implemented and is expected to reach around 26 million households when fully operational.”

\textsuperscript{37} For an analysis of the role of the World Bank in general, see Weaver (2008). For the World Bank’s role in social policies, including social protection, see Hall (2007). Both authors argue that the difficulty of the World Bank concerning social policy is related to internal (or organizational) problems due to the World Bank’s strategy of being involved in a broad number of issues (Weaver 2008) and having a very broad definition of social policy (Hall 2007). According to the Bank’s own evaluation, the organization’s social development work is often characterized by what it does, rather than what it is, but it remains a fuzzy concept (Hall 2007, 163).
Social protection has also been included in the agenda of bilateral donors. Among the traditional donors of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD), the United Kingdom’s Department for International Development (DFID) is the most prominent in the area of social protection. Other relevant donors for this area are the German Society for International Cooperation (GIZ) and the Dutch government.38

Regional organizations issued declarations that also included the idea of social protection. In sub-Saharan Africa, the most prominent declaration was the Livingstone Call for Action, at a meeting of 12 African countries in Zambia in 2006.39 They decided to promote greater cooperation between African and non-African countries in the sharing and exchange of information, as well as experiences and action on social protection and CTs. They agreed that vulnerable children, older persons, and people with disabilities and households should be the main targets of social protection programs.

Therefore, with all of these advances in the international arena around social protection, it would be possible to say that this arrangement is, in fact, an emerging international regime.40

In this internationally led state-building context, the central question that the recent push for social protection raises is the actual feasibility of poor and post-conflict

38 For a report on how principles of engagement from the OECD could be reached through social protection mechanisms, see Harvey, et al. (2007).
39 At the Meeting, the representative of the following countries were present: Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mozambique, Namibia, Rwanda, South Africa, Tanzania, Uganda, Zambia, and Zimbabwe. In addition, there was a representative of the Brazilian government, development partners, UN agencies, and NGOs. Available at: http://www.ipc-undp.org/doc_africa_brazil/Livingstone-call-for-action.pdf
40 As regime, I refer to the classic definition by Stephen Krasner (1982):“Implicit or explicit principles, norms, rules and decision-making procedures around which actors’ expectations converge in a given area of international relations.” However, if it is a new regime, it is still at a very initial stage, because the area of social protection faces, according to Deacon (2005, 25-26), “a war of positions within which intellectuals in and around the international organizations are engaged in a context of paradigms and ideologies sometimes informed by empirical research” Deacon (2005).
countries to adopt, fund, and execute the programs. Social policy and comparative politics analysts have become engaged in answering this question. Some social policy studies analyze the main factors that would allow the creation of social protection programs, such as growth of the macro-economy and fiscal space, the best options of programs to be adopted, and the emulation of successful experiences from one community or country to another. Other social policy studies and the comparative politics literature address the main problems related to the creation of social protection. Some of them focus on the domestic aspects that hinder the possibility of social protection, such as political regime, colonial legacy, and economic factors. Others focus on the assumptions and practices of the international involvement in the push for social protection.

The international push of social protection have two stages of influence. The first stage is the state-building process and international actors push for the creation and establishment of programs and institutions of social protection. The second stage is post-state-building, when international actors provide technical and financial assistance to programs and institutions that are already implemented.

In relation to the first stage of influence, numerous social assistance and social security programs and labor rights have been pushed by international actors. Programs of CT have become one of the most popular programs of social assistance. According to the definition by Garcia and Moore (2012), “cash transfer programs are programs that

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41 Harvey, et al. (2007) explain that there are two reasons for the delay of cash transfer in the development agenda. First, food had dominated emergency responses and this was tied to domestic surpluses in donors’ countries. Second, “there were concerns about the feasibility of cash; it would be more prone to corruption, inflationary in weak markets, disadvantageous to women, and impossible to be transferred in conflict contexts. However, experience suggested that this is not the case. In fact, experience has suggested that it has not been inflationary and women have been able to have a say in how money is spent. Corruption is still a concern, but there is no evidence that it happened less with in-kind transfers” (Harvey, et al. 2007, 21).
provide noncontributory cash grants to selected beneficiaries to satisfy minimum consumption needs” (Garcia and Moore 2012, 18). They can be conditional CTs, when requirements or conditions may be placed on beneficiaries to be eligible to receive the cash. An example of these conditions is the enrollment of the children in the household in school. They can also be unconditional, when no requirements or conditions apply for the beneficiaries to receive the cash.

CT programs respond to two broad functions. The first is to provide relief to the population in face of major crisis such as flood and other natural disasters. The second is to promote development, in which case the program needs to be provided in the longer term and requires a consistent system for the provision of such a program. In Sub-Saharan Africa, the CT programs have been implemented with these two functions in mind.

Most of them focus on vulnerable populations based on levels of poverty, but there are also programs of CT directed to people with HIV/AIDS. All of these programs are financed, designed, and adopted with international actors’ support, mainly the World Bank.

Table 2.4: Countries in Sub-Saharan Africa with and without CTs as of 2012

<table>
<thead>
<tr>
<th>Programs</th>
<th>Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Only conditional CT programs</td>
<td>Eritrea, Ghana, Mali, Nigeria, and São Tomé and Príncipe (5 countries)</td>
</tr>
<tr>
<td>Only unconditional CT programs</td>
<td>Botswana, Burundi, Cape Verde, Central African Republic, Democratic Republic of Congo, Republic of Congo, Côte d’Ivoire, Lesotho, Liberia, Mauritius, Namibia, Rwanda, the Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Swaziland, Togo, Uganda, and Zimbabwe (21 countries)</td>
</tr>
</tbody>
</table>
Countries with both conditional and unconditional CT programs
Burkina Faso, Ethiopia, Kenya, Malawi, Mozambique, Niger, Senegal, Tanzania, and Zambia (9 countries)

Countries with no known CT programs
Angola, Benin, Cameroon, Chad, Comoros, Equatorial Guinea, Gabon, the Gambia, Guinea, Guinea-Bissau, Madagascar, and Mauritania (12 countries)

Source: Adapted from Garcia and Moore 2012, 45.

There is a cross-country variation in sub-Saharan Africa in relation to the adoption and institutionalization of CT programs. In 2012, out of 47 sub-Saharan African countries, 21 had some kind of unconditional CT programs, five had conditional CT programs, and nine had both kinds of programs. Only 12 countries did not have implemented any CT programs. From these 12 countries, four – Angola, Equatorial Guinea, Madagascar, and Mauritania -- have already started dialogues surrounding social CT programs. Therefore, CT programs have become central in the debate on social development in sub-Saharan Africa.

The main issue around the introduction of these programs remains the same: most of these countries spend little money on social protection. The spending on social protection has typically been about 0.1 percent of GDP in sub-Saharan Africa, as opposed, for example, to 5.7 percent for North Africa and the Middle East (Garcia and Moore 2012). International organizations are seeking different ways to make these countries find alternatives to pay for them.42 The reduction of fuel subsidies, the previous arrangement,

42 According to the recent ILO Report, “World Social Protection Report 2014/15,” some of the options presented to increase states’ revenues for the implementation of social protection in poor countries are: reallocating public expenditures, increasing tax revenues, extending social security contributions, borrowing or restructuring existing debt, curtailing illicit financial flows, and drawing on increased aid and transfers. Available at: http://www.social-
has been one of the main targets of the international actors. They argue that if states did not spend so much on fuel subsidies (as shown in Table 2), they would have more money to use for programs of social protection, such as the CTs.

In the second stage of influence, the post-state-building, international actors provide financial and technical assistance to programs and institutions that already exist. This assistance can have different ways, such as the provision of funding to the state budget and also directly to programs and projects in specific sectors, including programs of social protection. This push was the result of the international donors’ decision to treat the recipients of aid as partners and provide them with budget support. The idea of partnership started to be used in the late 1990s by the UN agencies and donors’ circles but was then requested by the recipient countries themselves at the Accra forum on aid effectiveness in 2008 (Woodward unpub. mns. 2016, 186).

Both Angola and Mozambique were influenced by this social protection arrangement, although in different levels. They both receive assistance from the ILO to develop social security programs, such as labor rights and “decent work.” They are both part of the Strategies and Tools against Social Exclusion and Poverty (STEP), a Portuguese financed program at the ILO to provide assistance for the development of formal and informal structures of social protection in the Portuguese Speaking Countries in Africa (PALOP). 

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43 This is the case of Mozambique, where DFID and the Dutch government decided to provide direct financial assistance to the programs of cash transfer. A closer evaluation of these kinds of international involvement will be done in chapter six, but, in general, these programs have been criticized for being too expensive, for helping just a few people, and for ignoring the realities of the countries when they are designed.

44 The countries that form the PALOP are Angola, Mozambique, Guinea-Bissau, Sao Tome e Principe, and Cape Verde.
In relation to social assistance programs, Angola and Mozambique had institutional variation, especially with regards to CT programs. As previously explained, Mozambique has the oldest program of social protection in sub-Saharan Africa, the Food Subsidy Program (PSA), which was created in 1990. PSA, which changed its name in 2010 to Social Program of Basic Subsidy (PSSB), is a CT program to the elderly, ill, and malnourished pregnant women. When it was created, the program was aimed at the urban poor and covered only individuals from Maputo, the capital of Mozambique, and other urban areas. Since 2000, the program was expanded to also reach rural areas. In 2008, bilateral donors, particularly DFID and the Netherlands, began to provide direct financial support to the program, and, in 2010, the ILO and UNICEF approved direct technical support for the delivery and management of the PSA/PSSB (Pellerano and Hodgers 2010, 26; Waterhouse 2009, 17). As of 2014, it covered all 11 provinces in the country and benefitted more than 300,000 households in Mozambique, representing one of the largest programs in scale in sub-Saharan Africa. All of this success, however, has not been fully translated into a recognition and acceptance of programs of CT by the Mozambican government. In fact, the government has made explicit critiques against the existence of these kinds of program (Waterhouse and Lauriciana 2009).

Angola has no institution for CTs to the population similar to the PSA in Mozambique. It was not until the last two presidential elections, in 2008 and 2012, that President José Eduardo dos Santos (in power since 1978) spoke about institutionalizing programs with the purpose of wealth redistribution, including the provision of services and social protection. In the 2008 elections, his presidential campaign focused on the provision of services and goods for basic needs, such as water and housing, and for the
2012 election, his campaign was organized around promises to develop programs related to social protection. The *abono familiar* program, a kind of *bolsa família* from Brazil, was announced by the former President of Brazil, Luiz Inácio Lula da Silva, who went to Angola during the electoral campaign. However, as of June 2016, there was no actual implementation of the program.

These arrangements help understand the variation of institutionalization of programs of social protection in Angola and Mozambique. The following chapters will show empirically that despite the variation of international mechanisms of influence in Angola and Mozambique, the outcomes of these programs and institutions were determined by the elites in power. I move now to an analysis of how these elites have been able to maintain themselves in power in Angola and Mozambique and their effects on exclusionary institutions of social protection.
Chapter 3: The political elite in Angola and Mozambique

3.1. Introduction

This chapter explains how the political elites in Angola and Mozambique have remained in power since the independence of both countries from Portugal. As political elite, I refer to the dominant political party that has had control over the state, and this control is what allows them to obtain and accumulate wealth. In Mozambique, this elite is the People’s Liberation Front (FRELIMO), and in Angola, it is the People’s Movement for the Liberation of Angola (MPLA). Both groups were created as liberation movements during the colonial period with a leadership that was from urban areas and from privileged social positions. After independence, these liberation movements became political parties and assumed the power of their respective countries. Despite several changes that these countries had gone through since independence – the process of independence, from a Marxist to an open economy, and from civil war to peace – the MPLA and FRELIMO, although with degrees of authoritarian rule, have remained in power until the present day.

This chapter explains that the MPLA and FRELIMO have not had incentives to provide assistance, or expand the very restricted support they provide, to the population because they are able to maintain themselves in power, their source of wealth, without having to do so. I propose that this was possible because of three factors: the segregated society that existed in the colonial period and remained in the country since the colonial period, the dynamics of the civil wars, and the relation of these elites in power with the global market. As a result, they have been able to keep their institutions of social protection exclusionary. As exclusionary institutions of social protection, I mean
institutions that keep the provision of social programs to a very restricted part of the population, and mostly for individuals associated with the elite.

In relation to the first factor, segregated society in the colonial period, I show that colonial rule was a strict social protection network for the elite. In the post-colonial context, while some inclusion happened, the elites in power sought to maintain their privileges through keeping those institutions exclusionary.

The second is the dynamics of the civil wars in these countries. The civil wars in each country contributed to the maintenance of the exclusionary institutions in these countries. During the period of war after independence, the exclusion of those institutions was reinforced because the state had to guarantee the physical and economic protection of the incumbency. Therefore, the effect of civil wars on institutions is not, as one would think, a change of the political dynamics and structures. Rather, civil wars affect state institutions in two ways; while the war undermines the power of the state throughout the territory, the state forms institutions that concentrate its economy for the purpose of fighting the war and protecting the elite in power. Therefore, the civil wars allowed the government to concentrate its wealth both to fight the war and protect those who lived in the urban and wealthier areas. In other words, in both cases, the war helped reinforce a geographic divide in the country between the urban and the rural areas.

The third factor is the relation of the domestic political elites and the global market. In both countries, the political elites have access to their wealth through the state. In Angola, the MPLA has been able to maintain its wealth through the control of the production and export of oil, which is coordinated by the state oil company, Sonangol. In Mozambique, since its insertion in the global market, members of FRELIMO have been
able to maintain themselves in control over the private companies of the country.\textsuperscript{45} Therefore, in both countries the political elites obtain and concentrate their wealth through their control of the state.

The consequence of these structures to the study of social protection is that the political actors have no incentive to promote redistributive programs to the entire population. In addition, the very limited programs of social protection will benefit just the very elite and those close – politically and geographically – to the elite. The urban population, at least in comparison to the rural population, can benefit more from social protection programs and institutions because of their geographic proximity with the elite, who also live in the urban areas, and because they are politically and geographically closer to the political elite.

In order to explain the exclusionary institutions, I will first present the colonial period. Then, I will analyze, separately, the period after independence in Angola and Mozambique and discuss how the civil reinforced the exclusionary institutions of these countries. Finally, I explain the close connection of both governments with the global markets.

3.2. The pre-independence context in Angola and Mozambique

Angola and Mozambique were colonies of Portugal for over 400 years. A long liberation war preceded their independence in 1975. They gained independence because of the willingness of the liberation movements to continue fighting and also the domestic challenges that the Portuguese New State regime, led by Antonio Salazar, faced as it tried

\textsuperscript{45} See, for example, the idea of “transformative preservation” by Pitcher (2002). According to her, the liberalization of the market in Mozambique was controlled by FRELIMO and, it could have the benefits of the process of privatization that started in the 1980s in the country.
to keep the colonies. The fall of the New State regime led to the independence of the colonies. During the colonial period, the population was highly stratified and only the small group of white people, *assimilados*, and *mestiços* were able to benefit from social policies and social protection. Most of the population, composed of native black people, had no access to social services, having most of the limited services they received came from their own local communities and, to an even larger degree, from the religious missionaries (Waterhouse and Lauriciano, 2009).

Three aspects of the colonial period are important for explaining the social stratification of these countries after their independence: their extractive economy, the social structures during the colonial period, and the emergence of the liberation groups that fought against Portuguese dominance. These latter groups become the political elite of their respective countries after independence, and they remain in power to this day.

Portugal sought to extract wealth from all its colonies. Angola was the “jewel in the crown of the Portuguese African Empire” (Chabal 2007, 8). In addition to its vast territory, 14 times larger than that of Portugal, the African colony gave more profit to the European country than any other: from the slave trade, through the production of cotton and coffee, and in the development of manufacturing. By the end of the colonial period, in the 1960s and early 1970s, Angola experienced one of the most rapid manufacturing booms in sub-Saharan Africa (Cramer 2008, 150). For this reason, Portugal had a strong interest in controlling the colony through the deployment of large contingents of military

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46 Portugal was one of the poorest countries in the Western Europe, with a primarily agricultural-based economy. Antonio Salazar and his successor as the prime minister of Portugal under the New State until its collapse in 1974, Marcelo Caetano, felt strongly that the exploration of the natural resources of the African colonies, especially Angola, could boost the national economy. The interest in keeping the colonies was also related to prestige and pride because the colonies represented a symbol of the period when Portugal was the main power in Europe due to its early navigation period and colonization process (Henriksen 1973). 47 According to Cramer, by the early 1970s, Angola was the third or fourth largest exporter of coffee in the world (2007, 152).
troops and through the establishment of a highly centralized and repressive administrative structure.\textsuperscript{48}

Mozambique, on the other hand, did not have exportable natural resources, nor did Portugal create extensive agriculture in the country. Portugal had to create different strategies to make Mozambique more profitable (Newitt 1995). The main strategies included concessions of extended territories to private foreign companies, and exploitation of labor market, for example, a labor agreement with South Africa to send labor to work in mines in the neighboring country.\textsuperscript{49}

Although Portugal did not have a legal discriminatory system, such as apartheid in South Africa, this did not mean that everybody had the same legal status in the colonies (SIPRI 1976). The population in the colonies was divided into two groups: the civilized and the uncivilized. The “civilized group” was composed of the white ruling class, which consisted of Portuguese and other Europeans who went to work in the colonies, as well as mestiços, who were the children of black Africans and white Europeans, and assimilados,\textsuperscript{50} native Africans who could speak Portuguese and who took jobs in commerce or industry (Collelo 1990: 23). The New State assured some privileges to this group, such as the right to land ownership, the right to vote, and higher wages than

\textsuperscript{48} Note here the economic difference of Angola and Mozambique to Portugal. Angola provided direct economic returns to Portugal. Mozambique promoted indirect returns since the two main sources of profit were, first, through the concessions to foreign private companies and through integrating the territory of Mozambique to the Southern African regional market. Second, it was through providing access for other colonies in the hinterland to Mozambique’s ports.

\textsuperscript{49} Examples of these companies were the Mozambique Company in the center of the country, Nyassa Company in the north, and the British Sena Sugar Company. For a thorough analysis of the Mozambique Company, see Allina (2012).

\textsuperscript{50} In theory, any black person could become an assimilado. However, in order to get this status, they would need to prove through a literacy examination in the Portuguese language whether they are inserted enough within the white society. The vast majority of Africans, who never claimed this status, remained classified as indígenas (native people), and qualified Africans never grew large enough in number to influence the structure of the colonial regimes (SIPRI, 1976: 38).
members of the “uncivilized group” earned for equivalent work (SIPRI 1976: 34-9). The “uncivilized group” was made up of native black people, a socially marginalized group who represented the vast majority of the population of the colonies. Thus, although in theory social ascension was possible, in practice, it was very unlikely to occur.

In addition, the Labor Law created by Portugal in 1889 reinforced social disparities in the country (Newitt 1995, 360). This law stated that all natives of Portuguese overseas territories bore a moral and legal obligation to seek to acquire, through work, all the means they lacked for subsistence and to improve their own social condition and that, if they did not comply in some possible way with those obligations, they could be forced to work. In other words, although in theory it was different from the traditional idea of slavery, the new Labor Law essentially codified forced labor. Even though this practice was reduced after the concession companies left the country, forced labor existed until the independence of the country in 1975 (Weinstein 2012).

The database developed by Maria Eugenia Mata (2006) to explain the social divides she observed within the Portuguese colonies in Africa and Asia in the 1940s and 1950s is a thorough illustration of social disparity in the Portuguese colonies. Her data were collected from the official documents developed annually by the New State regime. Although she compares the five African colonies, in her study she noted that it was necessary to bear in mind that social dynamics varied from colony to colony due to varying population density and territorial size.

Angola, the largest territory, was fourteen times the area of mainland Portugal […] with around 4.1 million people living there in 1950. Mozambique was about seven times the area of mainland Portugal […] with a population of around 5.7 million in 1950. Guinea-Bissau was about half the area of mainland Portugal […] with 500,000 people in 1950; while the other colonies were small spaces and with a population that did not reach more than 100,000 in 1950 (Mata 2006).
The social composition of the Mozambican population in 1950 was 0.8% white, 0.1% *mestiço*, and 98.5% black; only 2% of the population were considered to be part of the “civilized group” (Mata 2006).\(^{51}\) In Angola in 1950, 2% of the population was white, 0.7% *mestiço*, and 97.4% black; only 3% was defined as part of the “civilized group” (Mata 2006). In Angola and Mozambique, there were also disparities within the territories. In both colonies, the “civilized groups” were concentrated within the capital and a few other urban areas.

**Liberation movements**

The liberation movements that emerged during the 1950s and 1960s in Angola and Mozambique were created and organized by individuals who were either from urban areas or from outside the colonies. In other words, most of these groups were led by *mestiços* or *assimilados*, rather than by individuals from the marginalized groups.

In Angola, according to David Birmingham (1992), during the colonial period, two elites emerged in the country, which he calls the “old creoles” and “new creoles” (cited in Hodges 2001, 37). The “old creoles” were formed in the nineteenth century in Luanda by *assimilados* and *mestícios* who developed their wealth through working with commerce and in the civil service. However, the racist policies implemented by Portugal in the colonies, from 1910 through the New State regime, gave preference to colonial immigrants, to the detriment of the “old creoles.” The resentment among these old *assimilado* families was later to emerge in a political form, through the formation of the

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\(^{51}\) According to Mata (2006), in 1950, 0.2% of the population in Mozambique had origin on the Indian-subcontinent. The Indians represented 14% of the civilized group in the country, while Native Africans represented 5% of the same civilized group (Mata 2006, 7).
nationalist group, the MPLA, in the late 1950s (Hodges 2001: 38). In that process, they fused with political activists from a more recent Portuguese-speaking urban group, the “new creoles,” made up of mestiços and assimilados who had been educated in Europe and were competing for jobs with settlers, often less educated than themselves. Despite the Marxist-Leninist orientation of many of the “new creole” leaders of the MPLA, including its leader, Agostinho Neto, the “old creole” families identified with the movement due to its urban-based structure.

In addition to the MPLA, two other nationalist movements were created in the rural areas of Angola. The National Front for the Liberation of Angola (FNLA) was a nationalist movement created in 1957 by an Angolan, Holden Roberto, who lived in Zaire and had a close relationship with its President, Mobutu Sese Seko. However, the FNLA claimed to be a black-African nationalist movement, resentful of the assimilados and mestiços who dominated the MPLA (SIPRI 1976). The National Union for the Total Independence of Angola (UNITA), another Angolan nationalist movement, was created in 1966, when Jonas Savimbi left the FNLA due to divergent goals and strategies within the organization. Savimbi, who was educated in Angola and studied medicine in Portugal, proclaimed himself the representative of the black peasants in Angola against the dominance of the whites, mestiços, and assimilados; in this sense, UNITA’s profile was similar to that of FNLA. During all of the 1960s, these nationalist movements fought against Portugal for the independence of Angola. These groups did not ally to fight the war, and in fact on several occasions had to fight against each other. In 1974, the collapse of the New State in Portugal represented the end of the colonial era.
In Mozambique, FRELIMO was created in 1962 as the only nationalist movement against Portugal after Eduardo Mondlane organized three nationalist movements, which were subsequently exiled in Tanzania. Mondlane had an advantage over his counterparts in Angola, as he did not need to compete against other leaders for popular support and, therefore, did not need to debate whether or not he was a legitimate representative of the marginalized people of Mozambique (Shore 1992). Mondlane was educated in Europe and the United States and worked as a United Nations official prior to forming FRELIMO. Thus, a commonality across nationalist movements in both countries was that they were not initiated by marginalized individuals, though their stated goals of ending social disparities were crucial in gaining popular support. In fact, the majority of combatants and supporters of these movements were from poor rural backgrounds (SIPRI 1976).

Another similarity among the nationalist movements is their foundation in ethnicity. Regarding ethnicity, all rebel groups in Angola (MPLA, FLNA, and UNITA) claimed that, although they had some connection to a particular ethnic group, their ultimate goal was to be a nationalist movement with a trans-ethnic ideology (Wadlow 2007; Collelo 1991; SIPRI 1976). Although ethnicity was an important variable impacting nationalist movements’ ability to gain popular support, it was not in itself a

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52 These movements were: the Mozambican African National Union (MANU), National Democratic Union of Mozambique (UDENAMO), and the National African Union of Independent Mozambique (UNAMI) (Simpson 1993).

53 The MPLA, which began in Luanda, was popular among the Mbundu ethnic group because it was the predominant group in and around Luanda (Collelo 1991) FNLA was favored by the Bakongo people, an ethnic group disseminated throughout the northern region of Angola, the Democratic Republic of Congo (formerly Zaire), and Congo (formerly Brazzaville). Both Roberto and Mobuto were originally from the Bakongo people, further garnering support from this group in the north (SIPRI 1976). UNITA was popular within the Ovimbundo people, the most populous ethnic group in Angola. Savimbi, originally from that ethnic group, left FNLA to establish a base within the Angolan territory, rather than Zaire, in order to work with peasants in the central highland plateau of the colony.
very powerful determinant of the conflict in Angola, as it was not an evenly distributed source of mobilization (Cramer, 2007). Apart from the Bakongo, there was no strong ethnic tradition in Angola in 1974. In addition to this, throughout the war for independence, there were massive population movements such as urbanization and collective shifts in cultural and ethnic identities. In the burgeoning cities, there seemed to be evidence that ethnicity mattered less and less (Cramer 2007).

In Mozambique, the groups that Mondlane put together to create FRELIMO were from different areas of the colony, and, for this reason, FRELIMO received support from different ethnic groups. Similar to the case of Angola, the conflict in Mozambique did not occur because of ethnic discrepancies. However, there was a strong divide between the ethnic groups in the north and south of the country. There was an understanding that the tribes in the south, geographically closer to the capital and other urban areas, were more privileged than the ones in the north. Therefore, rather than an ethnic conflict between the tribes from the south and the north, the divergences between them may be interpreted as a consequence of major social disparities (Henriksen 1976).

A final similarity among these groups is that they received assistance from several external, international actors. According to Schmidt (2013, 82-83), they received different kinds of support from four major groups of countries and organizations. First, they received humanitarian support from Nordic countries: Norway, Sweden, Denmark,

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54In Mozambique, internal divergences occurred within FRELIMO regarding its goals. For one group, the main goal of FRELIMO was to combat Portuguese dominance, without taking into consideration the necessity of changing the social and economic structure of the colony after independence. Another group, led by Mondlane, felt that FRELIMO’s goal should have been to change the colonial system and the exploitation of peasants. For the latter group, the struggle against Portugal represented a means of implementing a socialist government in Mozambique. After Mondlane’s assassination in 1968, the victory of Samora Machel, a member of the latter group, proved that the ideas of social transformation were predominant within FRELIMO. The members of the former group left FRELIMO and created opposing forces, such as the Mozambican National Resistance (RENAMO).
and Finland. Second, they also received humanitarian support from the World Council of Churches. Third, they received military, economic, and diplomatic support from the Organization of African Union (OAU). Finally, they received military support from Communist countries, especially the Soviet Union, Cuba, and China.

After ten years of war, the era of colonial rule by Portugal finally ended in 1974. Portugal signed the Lusaka Agreement in September 1974, transferring control of the government to FRELIMO. In January 1975, Portugal signed the Alvor Agreement with FNLA, MPLA, and UNITA, which led to the creation of a transitional coalition to govern Angola until the elections scheduled for later that same year (Pazzanita 1991).

3.3. The political elite in Mozambique

Post-independence and civil war

The period that followed the independence of Mozambique was marked by the combination of the government’s implementation of a Marxist government, announced at the Third Party Congress in 1977, and the civil war that started also in 1977. The war was between FRELIMO and the Mozambican National Resistance (RENAMO), a group formed by FRELIMO dissidents who were supported by neighboring Rhodesia and, later, South Africa, both countries that wanted to destabilize FRELIMO’s rule because of its Marxist agenda. As a result, the war in Mozambique was one of the proxy conflicts of the Cold War because the government was being financed by the communist bloc while

55 Schmidt (2013) observes that Norway and Denmark were members of NATO, which supported Portugal in the liberation wars.
56 Rhodesia was a colony ruled by a minority of white elites who saw the presence of the Communist and popular government in Mozambique as a regional threat, as it offered safe haven to the Rhodesia Liberation Movement (ZANU). In 1979, Rhodesia became independent, and South Africa, which shared Rhodesia’s perception of FRELIMO and was especially concerned with FRELIMO’s support to the African National Congress (ANC), became RENAMO’s main sponsor.
the insurgent group was being financed by the capitalist bloc. Therefore, in order to understand how the exclusionary political institutions were able to persist despite these changes, two aspects needs to be addressed. The first is the extent to which the social agenda of the Marxist government was, in fact, implemented. The second was the endogeneity of the civil war.

In relation to the social agenda, the government announced at the Third Party Congress a plan to develop a policy of work for all in state companies and rural lands, while the state would provide universal social services, such as education, health care, and housing (Quive 2007, 6). Given the difficulty the government had in developing the industrial sector in the country, the government’s main attention was on the socialist project of collectivization of the rural population. Under this project, all rural dwellers had to leave their lands to live in communal villages where, in theory, the population would receive social services.

Evidence suggests that little was, in fact, implemented. As Hanlon and Renzio argue, during the socialist experiment, Mozambique had a mixed economy; while social services and companies were nationalized, there were still private sugar plantations.

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57 According to Saith (1985), due to the precarious levels of the industrial sector of the poor countries during the socialist transitions (Ethiopia, Nicaragua, Mozambique, and China), governments sought to invest in the agricultural sector though which they could get the resources necessary to develop their industrial sector. Therefore, “the rural sector becomes the subject of the socialist development” (p.1).

58 For an overview of other projects of communal villages, such as in Tanzania and in the USSR, see James Scott (1999); for an analysis of the communal villages in Mozambique, see Lubkemann (2005). Lubkemann (2005) conducted anthropological studies in Machaze, in the south of Manica province, and found evidence that villages were very unpopular in some areas of the country, because “the government instituted price control, a state monopoly on the sale of local agricultural surplus, and nationalized the rural shop network” (Lubekmann 2005, 496). The government also broke some “long-established patterns” of local economy and order (Lubekmann 2005, 496). One of the examples of unpopular actions taken by FRELIMO was the restriction of seasonal migration to Rhodesia, a longstanding boost to the economy wherein young men went to work on the plantations on the other side of the border (Lubekmann 2005, 496). The anti-FRELIMO sentiment that resulted helped RENAMO gain support from the population in some regions in the central and northern parts of the country, despite carrying out extreme violence in Mozambican territory (Lubekmann 2005).
during that time (Hanlon and Renzio, 2007, 5). Besides that, while the initial goal of the radical government, driven by the ideas of the liberation movement, was to pursue a completely different set of strategies from the colonial power, the method and the outcome of some of these policies, for example rural collectivization, were very similar to measures taken during the colonial period in the rural area for security purposes. Moreover, the stated intentions of FRELIMO for universal social services did not develop much beyond the discourse.

The president of Mozambique from 1975 to 1986, Samora Machel, gave inflated rhetorical discourses about public policies, but they hardly existed in practice. Because of these contradictions, coupled with problems in the economy and the context of war, some members of FRELIMO began to oppose the government. However, the opposition faced severe repression, several of those who opposed the government were killed, and others were sent to education and rehabilitation camps.

The second aspect of this period that will guarantee the state the possibility to accumulate its wealth is the endogeneity of civil wars, a theory developed by Kalyvas (2008) on the dynamics of civil war. According to him, civil war is an endogenous process, meaning that “behavior, beliefs and preferences, and even identities can be altered as a result of the conflict and its violence” (Kalyvas 2008). In terms of economic development, Kalyvas argues that there is a “negative correlation between violence and allocations of economic development by the government” (Kalyvas 2008, 403). In other words, poverty is endogenous to the civil war either because the state has difficulty in reaching the entire territory or because it purposefully fails to support areas that can be usurped by the insurgency. The government, then, concentrates state allocations of
economic development in the areas that are the most protected in the country, which tend to be the capital cities and other urban areas.

This dynamic happened in the civil war in Mozambique. The urban population had access to food and other services that the government subsidized. Rural areas received very limited support, especially after RENAMO started to block and restrict access from the government to areas in the center and north of the country. Most of the support that the population from those areas received came from humanitarian assistance (Barnes and Ball 2000, 164-167). Therefore, these two aspects (dynamics of civil war and the limited effects of the Marxist government on redistribution) help show how the war and the failed socialist experiment helped the political elite of Mozambique maintain its social protection institutions exclusionary. At the same time, it shows that just a small part of the population, those in urban areas, received some, although still limited, support from the government.

Market liberalization

The insertion of the political elite of Mozambique in the global economy was another central factor that led to the maintenance of exclusionary political institutions. It started to happen in the mid-1980s, at the Fourth Party Congress, in April 1983, Samora Machel acknowledged the economic failures of the government and spoke of the importance of implementing reforms, signaling the shift from a Marxist to an open
market economy (Alden 2001, 8-9).\textsuperscript{59} In 1984, Mozambique joins the World Bank and the IMF.\textsuperscript{60}

Internationally, this period was characterized by the transition of several countries from the socialist bloc to the open market. Through structural adjustment programs (SAPs), the World Bank and the IMF supported countries in their efforts to “restructure their economies to control inflation, repay international debt, and stimulate economic growth” (Pfeiffer and Chapman, 2010). The main prescription of these institutions was a very small state with no intervention in the economy. The first economic reform implemented by Machel was the Economic Action Plan (PAE). This three-year plan included several programs with the aim to “increase the trade of agriculture, provide supply of inputs and basic consumer goods to smallholder farmers, and to improve Mozambique’s financial situation” (Ball and Barnes 2000, 162).

In 1987, PAE was replaced by the first structural adjustment plan (SAP) in the country, the Economic Rehabilitation Program (PRE). Following the neo-liberal agenda of the SAPs, PRE promoted actions that focused on market liberalization, such as deregulation, currency devaluation, and privatization. While the SAPs brought advantages for a small elite of the country that could take advantage of the process of privatization, their social consequences were extremely negative, especially for the urban areas, as will be explained in later chapters. Cognizant of the social factors affecting

\textsuperscript{59} In 1981, the Council for Mutual Economic Cooperation rejected Mozambique’s application for membership.

\textsuperscript{60} In this same period, Samora Machel also recognized the importance of attempting peace negotiations with RENAMO’s sponsor, South Africa. In March 1984, the governments of both countries signed the Nkomati Accord, in which South Africa agreed to stop sponsoring RENAMO if the Mozambican government would expel some exiled members of the African National Congress (ANC) residing there (Metz 1986). However, South Africa did not follow through on the decisions agreed in the accord, and the war continued. The relationship between the two countries became even more unstable after Samora Machel’s death in a plane accident over South African territory in 1986. Therefore, although the conflict continued until 1992, the economic reforms started to happen in 1986.
poverty, the World Bank replaced PRE with the Social and Economic Rehabilitation Program (PRES) in 1990. This change meant that the economic reforms would be accompanied by social programs to alleviate poverty. However, as I will discuss in the following chapters, authors have highlighted that those programs were too small to actually resolve the great dimension of the social crisis in the countries caused by the SAPs.

In 1992, FRELIMO and RENAMO finally signed a peace agreement in Rome. As part of the agreement, the UN would send a peacekeeping operation, ONUMOZ, which would remain in the country for two years, until elections could be held. It was agreed that ONUMOZ was going to have a multi-dimensional scope. The beginning of the 1990s thus witnessed a huge involvement of the international community in all political sectors of the country: to monitor the ceasefire, programs of demobilization and disarmament, and the elections, to provide technical support for those elections, and to coordinate humanitarian assistance.61

During the peace process, and concurrent economic reforms, there was little priority given to changing the redistributive role of the state. In fact, the goal of these reforms was to keep the state small, with little intervention in the economy and almost no provision of social services to the population. Several authors have pointed out this view of the international donors in the process of reconstruction in post-conflict countries. Paris (2004) explains that, in the early 1990s, the World Bank and the IMF worked under the assumption that the liberalization of the market and the development of democratic political institutions would bring the economic prosperity necessary for economic growth

61 The peace operation in Mozambique will be analyzed in chapter four because this is when the social protection arrangement of military reintegration occurs.
and that this would also translate, in post-conflict contexts, into sustaining peace (Paris 2004). Ball and Barnes (2000), looking specifically to the case of Mozambique, argue that, despite some attention to the conflict, “the World Bank strategies focused on ‘traditional issues of development,’ such as the reestablishment of the security and the reactivation and expansion of production” (2000, p.163-164). It is no surprise, then, that by the end of this period of peacebuilding, in 1994, the formal structures of social protection in the country were extremely limited.

Three main consequences emerged from the implementation of these new liberal policies. The first was an increased dependence on international development donors. By the end of the war, Mozambique was one of the poorest countries of the world. For instance, the ratio of aid to GNP was over 50 per cent between 1987 and 1993. This ratio, according to Lancaster, was the second highest in the world, just behind Somalia (Lancaster 1999, p.41). Since then, international aid flows have remained high, around 25% of the national income.

The second consequence was related to who benefited from the privatization process pushed by the structural adjustment reforms. Most of those who benefited were connected to FRELIMO. As explained by Venugopal (2012), citing the famous works of Pitcher, Cramer, and Castel-Branco:

Between 1990 and 2000, the government authorized the sale of nearly 1,000 state-owned enterprises, the large majority of which were small to medium sized companies located in Maputo province. Until 1996, 90% of the buyers were domestic Mozambicans who were given very generous and extended payment terms (Castel-Branco 2001). Many of these new companies were entrepreneurs linked to the FRELIMO-controlled state and included former and current officials.

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ruling party members, military personnel, and the state enterprise managers (Venugopal 2012, p.14).

The third consequence was the fact that a small elite was able to become extremely wealthy as a consequence of the privatization and other economic reforms developed during the structural adjustment process. The adoption of structural adjustment policies was the cause of division within FRELIMO. One group advocated a more interventionist role for the state in development, and the other group favored the indiscriminate adoption of the free-market state as prescribed by the Bank and the Fund. As Hanlon and Renzio explain, the second group became dominant because of the stimulus and support received from the IFIs (Hanlon and Renzio 2007).

In the process of rapid accumulation, given the thinness of Mozambique’s incipient capitalist middle class, the elite was allowed to buy off the privatized companies, sometimes with donor-funded loans that were never repaid. In this process, donors promoted an image of capitalism in which businessmen could take advantage of the market transition at great personal gain simply because they subscribed to a capitalist rather than a socialist world-view. Market driven accumulation and trickle-down economics underpinned the model, claiming it was good for people to get rich because this would help reduce poverty. Through the 1990s, those in government and the elite who supported the new model found themselves in receipt of top-up salaries and highly paid consultancies, while anyone who opposed the neo-liberal model was increasingly marginalized. For key Mozambicans, some accepted the rhetoric that life was improving for everyone, while others closed their eyes to the obvious fact that it was not. This combination, of opportunities for enrichment and ideological closure, created a donor-dominated hegemony that did not leave much space for alternatives (Hanlon and Renzio 2007, 7).

In terms of supporting the poor population, little action was actually taken by the government. It was just expected that the wealth that the government would obtain through advancing its macroeconomic reforms would trickle down to the population. However, that was not the case, not only because of the culture of wealth accumulation that was implemented, but also because the population was in a particular moment of
extreme emergency. In an attempt to solve the social problems caused by the war – refugees, IDPs, destruction of infrastructure and of social service facilities, such as hospitals and schools – Chissano asked for donors’ help through relief aid (Alden 2001, 11).

Another dynamic that was pushed by the structural adjustment policies was the foreign investment in NGOs as a strategy to alleviate some of the social problems that were not being solved, or that were being caused, by the structural adjustment. In Mozambique, there was an explosion of implementing international NGOs, in a number of different sectors (health, education, sanitation, humanitarian assistance). Most of these NGOs were focused on working with local communities promoting direct support to the population. In other words, the state was basically excluded from the process of social policy provision during the structural adjustment period that took place throughout the 1990s.

Since then until the present day, FRELIMO has been consistently winning elections and providing almost no power to RENAMO, even in the provinces where RENAMO won the majority of votes. RENAMO had argued that its “supporters in rural areas are harassed and sometimes beaten up.”64 Finally, in 2007 it was publicized in the news that much of the money given to local authorities for economic development was said to end up in the pocket of FRELIMO’s members.65 Therefore, Mozambique is said to be in a period of normal politics because of the non-reoccurrence of the war. However, profound antagonism between RENAMO and FRELIMO has characterized the first

64 “Not quite as stellar as it looks” The Economist, 2007.
65 “Not quite as stellar as it looks” The Economist, 2007.
fifteen years of the 2000s, with RENAMO continually announcing that it is going to go back to the bush.

In relation to its macro-economy, it is true that the country has had a steady GDP growth, from 2000 to 2010. However, as explained by Castel Branco (2007), “that growth has been driven by foreign aid and capital-intensive foreign investments, which create few jobs and contribute little to the public purse. Mozambique still relies on foreign aid, while the domestic economy has failed to develop or diversify.”66

3.4. The political elite in Angola

The transitional coalition among the three liberation movements in Angola – FNLA, MPLA, and UNITA – was very short-lived. Strong divergences existed among their leaders, causing an immediate collapse of the government and leading the country into civil war. With its military advantage due to Soviet and Cuban support, the MPLA was able to remain in government, while FNLA and UNITA had to reestablish their bases in the northern and central countryside of Angola, respectively. While UNITA initially espoused a less aggressive policy, declaring interest in finding a peaceful solution to the conflict, FNLA decided to promote direct combat against the MPLA, though it collapsed in 1976 because it could not recover from its defeats (Pazzanita 1991). UNITA, on the other hand, organized its forces in order to initiate combat against the MPLA, relying on financial and military support from South Africa and the United States. Therefore, after the independence of Angola, the civil war became a struggle between the MPLA, representing the incumbent, and UNITA, the insurgent.

66 “Not quite as stellar as it looks” The Economist, 2007.
In 1977, the first MPLA Congress decided to adopt a Marxist-Leninist system of government. It was declared that the government was going to centralize political power and develop a planned economy. This structure was challenged by the war against UNITA. In this context, four aspects led to the persistence of exclusionary institutions in the country. Similar to Mozambique, the two first aspects refer to the extent that the government implemented a Marxist-Leninist government and the dynamics of the conflict. To support the exclusionary political institution, the control of the government over the production and export of oil made the government even more neglectful of the needs of the population. The third aspect, different from Mozambique, was the length of the war, which lasted until 2002.

Once in power, the MPLA had to deal with three main issues: the civil war against UNITA, conflicts among factions within the MPLA, and pressures from the urban population for more representation. The party decided to subordinate the state to the party in order to address all of these issues (Kaure 1999). This decision was boosted by an attempted coup orchestrated by an urban movement, with the leadership of Nito Alves.67 Kaure explains that, after this coup, the government started a “systematic party purge to get rid of those suspected of a ‘petit-bourgeois’ mentality. Those targeted were mainly mestiços and assimilados who before independence had acquired wealth and a higher social status than was available for the ‘indígenas’” (Kaure 1999, 28). As a result, since then, party membership remained largely restricted to traditional leaders and loyalists of Futungo, the president’s office.

Sogge (2009) points out that the post-independence government inherited weak and, I add, exclusionary, political institutions from the colonial period. For this reason,

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67 For a detailed account of the coup, see Pawson (2014).
even if they did not face a civil war or internal factionalism within the party, it would still have been difficult to implement the socialist project. According to Sogge (2009, 2),

Angola’s system of administration developed according to Portuguese law, custom and organizational capacities. Those systems were weak. Under more than forty years of dictatorship [since independence] and a bizarre creed that the colonial order was legitimate and sustainable, government became more rigid, centralized and corrupted. In rural areas the state was present only in rudimentary ways, if it was present at all. Alongside formal institutions were many informal norms of the Portuguese police state, claims of privilege by petty officials and grand corruption by senior officials including the military. Apart from churches, sports clubs and a few charities, there was no formal associational life. Political activism in civil society was outlawed.

In addition to this restricted government in the hands of a single party, the government relied on the export of oil as its source of wealth, which was completely detached from its society (Cramer 2008, 250). The increase in oil output and revenue in the hands of the state occurred while the other sources of economy (manufacturing and agriculture) were destroyed by the war. After Portugal left, the MPLA invited officials from Algeria to transfer their knowledge on institutional structure for oil exploitation to reconfigure the Angolan state-owned company, Sonangol (Soares de Oliveira 2015). Angola gave concessions to Western companies to exploit oil in the country and guaranteed that the Marxist-Leninist regime was not going to interfere in their oil business. In addition, the government made sure to protect the oil refineries against any attacks during the conflict. Therefore, while the government was fighting a war against the Western countries, the government was able to maintain its economic relations with those countries intact (Soares de Oliveira 2015, cited in Harding 2016). The fact that the

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68The Western companies in Angola: Chevron, BP, Exxon/Mobil, Royal Dutch Shell, Total, and ENI (Sogge 2009, 4).
government did not break its relations with the global market led some authors to argue that the party did not implement a Marxist-Leninist program.

As a result of this centralized government and its increasing wealth from the oil sector, the MPLA government completely disregarded the needs of the society. It is important to mention here that, contrary to the idea of the “natural resource curse,” this access to a natural resource did not cause the creation of exclusionary institutions in Angola. Actually, it reinforced a power structure that was already fragmented and exclusionary. Another central aspect of social protection is the actual capacity of countries to fund such programs. In Africa, the main debate over the economy has focused on three main aspects: the “natural resource curse” analysis, the system of taxation, and the involvement of international actors in the economic reforms. The core argument of the “natural resource curse” approach is that since the government has the possibility to enrich itself through the extraction and export of natural resources, it does not rely on internal revenue and, for this reason, the administrative capacity of the state is underdeveloped.69

In summary, despite the initial claims in 1975 for the development of a socialist government, not much was actually put into practice. The connections it established with foreign capital through the exploitation of oil helped the government develop its economy with full disregard to the population. In social terms, as Messiant explains, “the bulk of the population was simply discarded: first in the rural areas, which were afflicted by war

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69 Although it is correct that natural resources can allow the state to have exclusionary control of the country’s revenues, the existence of natural resources is not the cause of state fragility (Kurtz 2009). For instance, as Cramer (2007) points out, Angola already had unequal and fragmented institutions well before oil was discovered, extracted, and exported. Once oil became the center of the country’s economy, political and economic leaders used those fragmented structures to control the wealth from its extraction (Cramer 2007). In addition, Kurtz (2009) mentions that natural resources are not a variable that impedes social protection in the developed world. In fact, some of the developed countries with the most advanced welfare system rely in their economy on the export of natural resources, such as Australia, Canada, and Norway.
and had become irrelevant ever since the oil rent made it possible to buy food abroad, then in the cities, where poverty grew over time and political support dwindled” (Messiant 2007, 96).

Another aspect that boosted the exclusionary political institutions was the dynamic of the civil war. When UNITA returned to the Angolan countryside, in 1976, one of its strategies to destabilize the MPLA was to weaken the economy of the country. The targets of the attacks were railways that transported agricultural products and minerals from the countryside to the coast, through roads and villages controlled by the government. According to a former UNITA combatant interviewed by Minter (1989, 194), UNITA attacked villages where residents refused to leave government-controlled areas to join UNITA in the bush.

Messiant (2007) explains that the nature and dynamics of the conflict between the MPLA and UNITA was one of the reasons why there seemed to be no revolt from the population against MPLA’s neglectful and repressive policies. During the conflict, each side dominated particular regions of the country, and the strategy of UNITA was to hinder the ability of the MPLA to access different areas of Angola (Minter 1994). Therefore, while the government was already not promoting efforts to the population in the rural areas, the dynamics of the civil war made the government even more neglectful with the population outside urban centers. According to Messiant (2007, 96),

[T]he consequence of this polarization of the country, conspired to mitigate the effects of MPLA’s repressive policies since people had to choose their side based on where they were living in order to receive protection against the other side. Depending on where they lived, they could not overtly oppose the policies from the government or the opposition.
The last aspect that motivated the exclusionary political institutions in Angola was the length of the conflict. Unlike in Mozambique, where the resources to fight the war dried up with the end of the Cold War, natural resources in Angola continued funding both sides of the conflict. The MPLA continued having access to oil and UNITA was able to have access to sources to finance its war through controlling the exploitation of diamonds in the northeast of the country and, since the mid-1990s, through the support of Zaire (Minter 1994, 217).

The peace settlement in Angola was far more complex than in Mozambique. Although the peace processes began at the same time, Mozambique reached peace accords far earlier. Synge (2005, 31) has identified several reasons for the failure of the peace process in Angola. First, the victory of the MPLA in the 1992 elections was not recognized by UNITA. Second, both the MPLA and UNITA found themselves in a stalemate, as they did not trust each other to demobilize their armies as agreed upon in the accords. A UNITA official suggested that the problem in Angola was that “there were two forces fighting for power and each one believed that if it laid down its arms, the other would subjugate it” (Synge 2005, 31).

**Market liberalization and the end of the conflict**

In 1989, Angola became a member of the IMF and the World Bank. In 1987, the country developed its structural adjustment plan, the Program of Economic and Financial Reconstruction (SEF). The main goals of the SEF were the stabilization of the financial situation, which was marked by great indebtedness and budget deficits, and the reform of
the economy to increase productivity. However, in 1990 the government announced that it was not able to achieve the goals of the SEF (Kaure 1999).

At its third Congress in December 1990, the MPLA officially abandoned its Marxist-Leninist ideology even though, as discussed, the government had had connections with capitalist markets throughout all the years of the so-called Marxist regime. One of the party’s reasons for announcing its market liberalization was the interest among the MPLA elites in getting closer to the western economies after the end of financial support from the Soviet bloc with the end of the Cold War (Hodges 2001, 50). However, the main problem that the country needed to solve, in order to receive assistance, was that of bringing the conflict with UNITA to an end.

In May 1991, MPLA and UNITA signed the Bicesse Accord, agreeing to promote the transition to a multi-party system and to promote political elections, with the supervision and monitoring of the United Nations Mission in Angola, UNAVEM. However, immediately after the results of the 1992 elections were announced, conflict was reignited in the capital and, once again, UNITA returned to the bush in order to organize itself against the government. In 1994, MPLA and UNITA attempted to sign another peace agreement, the Lusaka Accords, which also failed. The conflict only came

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70 Uyangoda (2007), through an analysis of the ethnic conflict in Sri Lanka, explained that the Liberation Tigers of Tamil Eelam (LTTE) used the peace process to reach an agreement with the government to rearm and regroup. In other words, the LTTE used the peace process as a strategy to revitalize and reorganize the organization in order to continue fighting against the government. A similar analysis could be drawn by the UNITA in Angola, as after the peace agreements in 1991 and 1994, the group was able to reorganize its strategies in order to continue fighting the MPLA (Synge 2005, 31). According to Potgieter (2000, 263), “following the signing of the Lusaka Protocol of 1994, UNITA used the respite provided by the United Nations Angola Verification Mission (UNAVEM) III peacekeeping operation to recover from the losses suffered in the period of intense fighting immediately after Savimbi’s rejection of the Angolan election results of 1992. By the middle of 1998, despite the scrutiny of the United Nations, UNITA had again succeeded in regenerating its war machine.”
to an end in 2002, when Savimbi was killed in a military campaign supported by the government, as will be further discussed in the following chapter.

In 2002, the government of Angola tried to approach the international community for foreign aid in order to reconstruct the state. The IMF and other organizations were reluctant to provide such aid, arguing that the government was not transparent with its oil revenues. Two sides of this relationship should be mentioned. On one hand, the year of 2002 was a moment that the international community was not focusing on Africa because of its engagement in Iraq and Afghanistan, after the attacks of September 11. On the other, the government of Angola did not seem to be willing to accept the conditionalities imposed to receive international aid. According to Pacheco (2006, cited by Sogge 2009, 11), the country rejected the notion that, “before it can be properly aided, the country had to be integrated on terms set by donors. Rather, Angolans wish to be respected, not berated to accept the ‘bible’ of ‘good governance, transparency, and accountability,’ when the preconditions of such things are not present.”

Regardless of who did not accept the terms of traditional aid, it is important to highlight that Angola did not depend on such assistance, in comparison to its neighbors. After the end of the war, the annual GDP growth of Angola was the highest in the world, achieving the highest annual growth of 22.6% in 2007. Moreover, in a special edition on Angola in *Foreign Policy*, Paulo (2010) stated that,

> [A]ccording to the United Nations Conference on Trade and Development, Angola received no less than US$15.5 billion of foreign direct investment (FDI) in 2008—about half of all the FDI going to less developed countries. Most came

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from the United States, France and the Netherlands and went primarily to expanding the petroleum sector (Paulo 2010).

Therefore, in the period after independence the government of Angola remained with little support from international donors. The only times that the government approached the IMF to negotiate assistance was when the price of oil decreased in the foreign market and affected its domestic revenues. In political terms, despite frequent political elections and the opposition contesting their results, not only the MPLA but also the same president, Jose Eduardo dos Santos, has remained in power since 1979.

3.5. Conclusion

This chapter explained the political elites of Angola and Mozambique, through revisiting some of the extensive literature of this issue in both countries. The chapter has shown the political and social structures of both countries and how those structures reverberated after their independence. Although it is a reasonable assumption that the maintenance of power and wealth is an inherent interest of the elites anywhere, the colonial structures of African countries intensified the structures of segmentation and fragmentation of their political institutions. Colonial rule was a strict social protection network for the elite. Despite claims of establishing a Marxist government in Angola and Mozambique, and in fact a Marxist rule existed in Mozambique in the first years after independence, the leadership of the parties in Angola and Mozambique later opted to promote a structure of exclusivity and wealth accumulation.

The civil wars in each country helped this structure to remain exclusionary. They allowed the government not to transfer its wealth to all of the corners of the country and to concentrate its wealth both to fight the war and protect those who lived in the urban
and wealthier areas. In other words, the war helped reinforce a geographic divide in each country. This idea goes in the same direction of Kalyvas (2008, 403), when he states that “poverty is not necessarily endogenous to the conflict insofar as the state is likely to expand a greater effort to prevent rebel activity in richer areas, or alternatively, the opportunity costs of violent repression are lower in poorer areas.” In other words, at the same time that the government is fighting a war of counterinsurgency, it has social policies to continue and craft.

In addition to the war, another reason why the government was able to keep its institutions exclusionary was because of their relations with the global market. As Kaure (1999, 9) says about Angola, and African countries in general,

Before independence the typical colony was already integrated into that of the “parent country” and by implication the broader capitalist system, thus making it difficult for the incoming independence governments to disengage from this network of ties overnight, as it were. On the other hand, African regimes also often took the decision to avoid breaking the colonial economic links on strategic grounds, preferring to get the political kingdom in order first to assert their claim in economic independence (to paraphrase Kwame Nkurumah).

Mozambique became a participant in the global market through its relations with the international financial institutions, after its period of implementing structural adjustment programs. The government was able to guarantee that members of its own party would have access to the companies after they were privatized. In Angola, the access to the foreign market came through the concessions it made to foreign companies to exploit oil. The fact that both political parties, FRELIMO in Mozambique and the MPLA in Angola, remain in power until today indicates that the power structure in both countries remains the same.
The consequence of this political structure, along with the international demands of programs of social protection, will be the subject of the following three chapters. In each of them, we will focus on a particular social protection arrangement implemented in Angola and Mozambique. In the three following chapters, I show that despite the different levels and kinds of international development actors in Angola and Mozambique, they do not override the control of the political elites over the social protection outcomes.
Chapter 4: Programs to support the reintegration of former-combatants

4.1. Introduction

In this chapter I analyze the reintegration of former-combatants in Angola and Mozambique. Reintegration programs were the first programs of social protection implemented in Angola and Mozambique after the end of their respective civil wars. The end of each war happened in different moments, in Mozambique in 1992 and in Angola in 2002, and with different levels of international involvement. These differences raise the question of what was similar and different in the strategies and outcomes of military reintegration.

Because of these differences, I expected great variation in the institutional outcomes of these countries. I expected to see greater levels of inclusion in the programs in Mozambique, the country with greater international involvement, than in Angola, the country with less international involvement. However, when the programs of reintegration started to be run by the domestic governments – upon the end of the international involvement in each country, similar outcomes were achieved. Both countries ended up supporting just one group of former militaries. In other words, the programs became highly politicized given that beneficiaries of the programs were selected on political criteria. In Mozambique, the former-combatants that continued receiving support after the international actors left were those who fought on the side of the Mozambique Liberation front (FRELIMO) during the liberation war. In Angola, it was the fighters who fought on the side of the People’s Movement for the Liberation of Angola (MPLA). As explained in previous chapters, FRELIMO and the MPLA were the incumbents of Mozambique and Angola, respectively, during and after the civil war.
This chapter provides two reasons for these similar outcomes. First, after international involvement ended and the state government was in charge of continue providing support for ex-combatants to reintegrate, international actors did not pressure the governments to implement inclusive programs of social protection for all the former combatants. In Mozambique, international involvement was the UN peace mission in the county, the United Nations Operation in Mozambique (ONUMOZ). In Angola, international involvement was just the World Bank’s funding for the country’s program of reintegration. Second, while the programs were being implemented, international actors were working under a liberal agenda of state-building, so they did not build state institutions for this purpose. In other words, while reintegration programs did have a social protection component, they did not contribute to developing features of redistribution.

This chapter will be divided into four parts. First, it presents an overview of programs that are created to support former-combatants’ reintegration. Then, it analyzes separately the peace processes in Angola and Mozambique to show the difference of levels of international actors for both the peace negotiations and for the state-building process that followed. Then, for both countries, I compare the cash transfer program for ex-combatants. In Mozambique, this program was the Reintegration Support Scheme (RSS), and in Angola, the program was the Angola Demobilization and Reintegration Program (ADRP). Then, I analyze some aspects of the programs, such as their reach, targeting, benefits, and beneficiaries. Finally, I conclude the chapter showing how the variation of international involvement did not affect the outcomes of the reintegration programs for former-combatants.
4.2. The programs to support former-combatants’ reintegration

By the end of their conflicts, Angola and Mozambique were in a dire political, social, and economic situation and their political institutions were too weak to respond to such a situation. There was a generalized poverty, and most of the population did not have access to basic social programs, such as health, housing, and education. In 1992, when ONUMOZ was deployed, Mozambique had three million internally displaced persons (IDPs), 1.7 million returnees from neighboring countries, and 92,881 demobilized former-combatants from both sides (UNSC 1994). With the end of the conflict in Angola in 2002, 218,023 of more than 450,000 refugees returned from neighboring countries, there were more than four million IDPs, and around 80,000 of UNITA’s demobilized soldiers were in need of support for reintegration.

Although the number of refugees and IDPs was much higher than the number of former-combatants, great attention was given to the latter in the peace operations. This happened because former-combatants were considered by domestic and international actors a group with a greater chance and incentive to go back to war if they were not integrated into society. In other words, reintegration was part of a strategy for peace stabilization. This also indicates the priority of international actors is the stabilization of the country, whereas programs of reintegration and inclusion are not.

72 The number of returnees from each neighboring country was: 58,000 from Tanzania, 1,285,000 from Malawi, 22,000 from Zambia, 247,000 from Zimbabwe, 71,000 from South Africa, and 17,000 from Swaziland (Information based on UNHCR Maps on the UNHCR website: http://www.unhcr.org/cgi-bin/texis/vtx/page?page=49e485806&submit=GO Visited on: 04/11/2016).

73 Returnees came from DRC (76,700), Zambia (43,500), Namibia (9,400), and Republic of Congo (3,400) (Information based on UNHCR Global Report on Angola 2003. Available at: http://www.unhcr.org/cgi-bin/texis/vtx/home/opendocPDFViewer.html?docid=40c6d73a0&query=angola returnees Visited on: 04/11/2016).
Decisions to implement programs exclusive to ex-combatants is a source of debate among practitioners and academics. A study developed by the International Labour Organization (ILO) in 2009 presented the main pros and cons of programs of reintegration exclusive to former combatants. The pros are that former-combatants need special programs because of their role as combatants during the war and the fact that they can return to war if reintegration does not occur effectively; thus, the peace agreements have programs of demobilization and they need to propose alternatives of reintegration to follow that, and the program can be better designed if it targets specific beneficiaries (ILO 2009).

The cons of having programs exclusive for former-combatants are: granting ex-combatants special treatment may arouse hostility within the larger community, which often sees this group as having been most responsible for the conflict, a more inclusive approach can stimulate reconciliation, public opinion does not often accept the prioritization of former combatants, the success of reintegrating former combatants into an economically unhealthy society is doubtful, ex-combatants may be difficult to identify as such because they may be reluctant to reveal their past, and from a quantitative point of view, these groups are a minority and should not be prioritized over the majority of those who need to be reintegrated (ILO 2009).

In both countries, the decision of the international actors to create (in Mozambique) and finance (in Angola) programs to provide cash to ex-combatants – RSS in Mozambique and ADRP in Angola -- was made while demobilization was already in place, and it was made after a long and strict process of negotiation between the domestic and international actors. In fact, the delays in the negotiation process were a problem.
the demobilization and reintegration process also affecting the outcome of such programs. Most of the negotiations were related to funding, institutional structure to distribute the benefits, and who should be beneficiaries. The cash transfer programs for ex-combatants in Angola and Mozambique were implemented as part of their respective DDR strategies. Former combatants from both sides of the conflict went through a specific process of reintegration, within the DDR strategies, whose parameters were set in the peace document of each country. In general, DDR broadly seeks to take the weapons from ex-combatants, disband insurgent groups, and reintegrate former combatants into civilian life. In procedural terms, ex-combatants were sent to assembly or quartering areas, where they returned their weapons and the demobilization process happened, and from there, they would be resettled and reintegrated into society. Once they are resettled, they are offered programs of reintegration, which means, according to the World Bank, “targeted programs of cash compensations, training, or income generation to increase the potential for economic and social reintegration of ex-combatants and their families, or other displaced persons” (Alden 2002).

4.3. Peace Process in Mozambique and Reintegration

As the famous Mozambican journalist Carlos Cardoso said in 1994: “our war [in Mozambique] was organized by foreigners and now our peace is being organized by foreigners.” Cardoso was making reference to both, the signature of the GPA and the peace process that followed. The GPA was signed by the then President Joaquim Chissano, from FRELIMO, and the leader of the insurgent group RENAMO, Afonso Dhlakama, in Rome in October 1992. The GPA had the participation of African countries,
Botswana, Kenya, Malawi, South Africa, and Zimbabwe, and western countries, France, Portugal, the United Kingdom, and the United States. The GPA was mediated by the Italian government and the Community of Sant’Egidio, from the Vatican. It also had the participation of the UN and the Organization of the African Union (OAU). 74

The reintegration process of former-combatants, as part of the Disarmament, Demobilization, and Reintegration (DDR) strategy, was established in the GPA. In addition to the reintegration process, it agreed on the demobilization of troops, the formation of a new Armed Forces (FADM), the resettlement of refugees and IDPs, and the process of elections. It was also agreed that the peace transition would be led by ONUMOZ.

ONUMOZ was deployed in December, 1992, under the leadership of the interim Special Representative for Mozambique, Aldo Ajello, who later became the Special Representative of the Secretary-General (SRSG) for Mozambique. The mission was divided into a main commission, the Supervisory and Monitoring Commission (CSC), which overlooked the implementation of the agreement, and subsidiary commissions: the Ceasefire Commission (CCF), the Joint Commission for the Formation of the Mozambican Defense Forces (CCFADM), and the Commission for the Reintegration of Demobilized Military Personnel (CORE). 75 All the commissions were run by UN civilian and military staff with the attempt to coordinate the government of Mozambique with

74 Before the signature of the agreement, both sides had indicated their interest in establishing peace since 1990, and the GPA was the first time that both sides agreed to negotiate the transition to peace. The government showed interest in peace when the Ministry of Finance announced its interest to put forward a demobilization process in 1990, reducing the military expenditures (Ball and Barnes 2000, 167). RENAMO also showed its interest in a peace agreement when it had no more resources to continue fighting the war.

75 Between 1992 and 1994, ONUMOZ had the following strength: 6,625 troops and military support personnel, 354 military observers, and 1,144 civilian police; there were also some 355 international staff and 506 local staff; during the polling, ONUMOZ deployed approximately 900 additional electoral observers. In Mozambique, ONUMOZ: facts and figures: http://www.un.org/en/peacekeeping/missions/past/onumoz.htm.
international donors in the implementation of peace. Alongside ONUMOZ, civilian employees of several international agencies – including the European Union, the World Health Organization (WHO), the United Nations Children’s Fund (UNICEF), and the Swiss Development Cooperation Agency (SDC) – worked as observers of the cease-fire and the demobilization process (Paris 2004, 142).

During the peace process, Mozambique received financial assistance from a great amount of donors. In fact, Mozambique was already a great recipient of aid during the conflict. These donors organized forums in order to coordinate assistance. Two major fora were the United Nations Office of Humanitarian Assistance Coordination (UNOCHA) and the World Bank Consultative Group (Ball and Barnes 2000, 163). Bilateral donors also tried to coordinate their assistance through the formation of groups. The like-mined group was composed of the Netherlands, Canada, Denmark, Norway, Sweden, and Switzerland, and there was a group that consisted of six countries designated as members of the high-level politico-military commissions mandated by the peace process accord: France, Germany, Italy, Portugal, the UK, and the US (Ball and Barnes 2000). There were also development agencies, like the UNDP, with their own trust fund forums to raise money for their activities.

In relation to the reintegration process, CORE was responsible for planning, organizing, supervising, and monitoring the economic and social reintegration of military personnel (Ball and Barnes 2000, 176). While CORE was relevant to the funding coordination of donor assistance for peace implementation, in practice all demobilization and reintegration programs were planned and organized by the donors and implemented by NGOs.
While debates about the provision of programs exclusive for ex-combatants had happened even before the end of the conflict, the decision to create the RSS happened while disarmament and demobilization were already happening. According to the process of disarmament and demobilization, former-combatants were transferred to Assembly Areas (AAs). The proposal was that AAs would be created throughout the country for each side of the war. In AAs, ex-combatants would return their weapons to be destroyed, and, from there, they would be allocated either to different regions of the country to re-enter civilian life or to the new military force, upon their choice (Berman 1996, 60).

However, the precarious conditions of the AAs and the delays in the process of demobilization and resettlement led ex-combatants to rebel against the conditions they faced. The rebellions involved kidnapping UN staff at the AAs, road blockages, rioting, and stealing vehicles and other equipment of the UN.

It was in this context that the Netherlands, a country of the like-minded group, proposed the creation of a reintegration program for the ex-combatants, the RSS. The like-minded group believed that the initial proposal of the government to pay a six-month salary for ex-combatants would still not be enough to deter ex-combatants from returning to war. It was in this context that the Dutch government proposed an extension of that salary for a total of two years. The proposal gained momentum with the support of the

76 RENAMO was hesitant to send its troops to the AAs because this was the only protection it had against the government forces. To compensate for the many nonmilitary advantages of incumbency that the government had, Aldo Ajello managed to convince donors to create a UN Trust Fund and raised $18 million to finance RENAMO.

77 There were 29 AAs for FAM and 20 for RENAMO (Berman 1996, 60). In addition to the AAs, there were centers outside the agreed AAs, which were called the Centro de Tropas Nao Acantonaveis (CTNAs). Later, they were also included in the ONUMOZ DDR strategies.

78 Riots and violence occurred in AAs on both sides of the conflict. According to Mullin (2013, 123), in FAM AAs there were six violent incidents reported in January 1994, 13 in March and 36 in May; in RENAMO AAs, there were in the same months, respectively, 12, 21, and 31.
SRSG Aldo Ajello and the international donors’ community, who agreed to fund the program (McMullin, 2013, 127). The total of the trust fund was $35 million.

Therefore, the creation of a program of social protection exclusively for former-combatants in Mozambique was the result of an international community’s strategy to make sure the conflict would not reoccur in the country. Because the goal of the program was to provide financial support to guarantee that ex-combatants would not restart violence, RSS became known as a “buy peace” strategy.

**RSS in Mozambique**

Mozambique’s program to support reintegration of ex-combatants, the Reintegration Support Scheme (RSS), was developed during ONUMOZ, between 1992 and 1994. The peace process between the incumbency led by the Mozambique Liberation Front (FRELIMO) and the insurgent group, the Mozambican National Resistance (RENAMO) that succeeded the General Agreement (GPA) in 1992. The scale and duration of the RSS had no precedent in UN peace operation missions in a country (McMullin 2013). Through the RSS, all the demobilized former-combatants from the government Armed Forces (FAM) of FRELIMO and from RENAMO, who chose not to join the new Defense Armed Forces of Mozambique (FADM), received a two-year cash transfer (Berman 1996, 87, McMullin 2013). The first six months of salary was paid by the government and the following 18 months was paid by a multi-donors’ trust fund and distributed by the United Nations Development Programme (UNDP).

According to Protocol IV of Mozambique’s GPA, the target of the economic and social reintegration program was all the demobilized combatants. Demobilized
combatants were the former combatants who were members of either side of the conflict – FAM and RENAMO – up until E-Day (date when the GPA and the ceasefire were ratified by the government of Mozambique). They gave away their weapons, ammunition, equipment, and uniforms, were registered and received an ID card, and received a demobilization certificate. 79 In other words, to be a demobilized soldier, and consequently receive benefits of reintegration programs, it was necessary to go through these procedural requirements.

As Berman explains, in the process of registration in the AAs, ex-combatants had to respond to a questionnaire and the question: “do you want to join the FADM?” Depending on their response, they would be sent to destinations where they would establish their lives as civilians, or to be trained to be part of the FADM (Berman 1996, 70).

All of the demobilized soldiers who decided not to join the military forces would receive the RSS, which was 18 months of salary, in addition to the six months of salary provided by the state to those soldiers who chose to demobilize. The UNDP office in Maputo was given responsibility for implementing the RSS operations and for contracting the financial arrangements to the People’s Bank for Development (BPD) for the direct payments to the demobilized soldiers (Berman 1996, 70). At that moment, BDP had branches in the ten provinces of the country and the demobilized soldiers could withdraw the money either in these branches or in post offices. The demobilized soldiers would receive their monthly disbursements in bi-monthly checks at district-level banks. The program became very popular among the soldiers, who began to demobilize in order

79 GPA available at: https://peaceaccords.nd.edu/sites/default/files/accords/Mozambique_Peace_Agreement.pdf.
to obtain the benefits. The RSS also restrained combatants to opt to join the new armed forces.

Besides the RSS, three other programs were created especially to help demobilized soldiers: the Occupational Skills Development Program (OSDP), the Information and Referral Service (IRS), and the Provincial Fund (PF). When the ONUMOZ mandate was over in 1994, the PF was created to provide funding for micro-projects. This was implemented by the International Organization for Migration (IOM) in the Northern provinces and by the German development agency, GTZ, in the central provinces. The approach adopted by GTZ – quick impact model – sought to identify beneficiaries and provide them with a small grant, ranging from MT 1000 to 5000, to support entrepreneurial activities (Alden 2002, 347). The Ministry of Labor asked to have control over the Provincial Fund but donors resisted, declaring that such a step would only serve party-political interests. These programs existed until 1997, when the resources that funded them dried up.

4.4. Peace Process in Angola and Reintegration

Different from Mozambique, Angola did not have a UN peace operation. The end of the war in Angola, in February 2002, was the result of a military incursion that led to the killing of the leader of UNITA, Jonas Savimbi. Following the military defeat, the MPLA and UNITA signed the MoU and, after that, a peace transition was initiated in the country with a very limited involvement of international actors.

Although Angola did not have a UN peace operation in 2002, there were two attempts at a peace agreement between the MPLA and UNITA, with limited involvement
of the UN. The implementation of the Bicesse Agreement was followed by the United Nations Angola Verification Mission (UNAVEM) II, from 1991 to 1992. The goal of UNAVEM II was only to verify and observe the provisions of the Bicesse Accord: the demobilization process, the creation of a joint armed forces, the Angolan Armed Forces (FAA), the transformation of UNITA into a political party, and the promotion of the first multiparty elections in the country.

International actors were not involved in the process, except for the troika – the United States, Russia, and Portugal – that played the role of observers in the creation of a joint commission for political and military issues. The government tried to initiate a program of DDR, but that failed for a number of reasons: both sides of the conflict kept secret armies violating the Bicesse Accord. The quartering process was never actually completed and it was not known exactly what UNITA’s fighting strength was because, although it claimed having around 75,000, this number may have been inflated for strategic reasons. The slow rate of disarmament observed during the Bicesse process may be an indication of both a lack of seriousness by, or of confidence between, the parties as well as a reluctance to hand over weapons which could be sold for profit in a

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80 It has been extensively pointed out that the failure of UNAVEM II was a cautionary tale for the UN peace operations in other countries, including Mozambique (Dzinesa 2012, McMullin 2013). It was because of the failure in Angola that the UN decided to strengthen and lengthen the duration of ONUMOZ. For instance, the UN deployed 7,500 UN troops to monitor demobilization in Mozambique, compared with only 350 unarmed UN military observers and 90 unarmed police observers in UNAVEM II. Additionally the decision of SRSG Aldo Ajello to postpone the general elections in Mozambique was accepted by the UN upon the recognition that the failure of UNAVEM II in Angola was in part due to rushing elections.

81 UNAVEM I was a UN operation in the country between 1989 and 1991 to observe the withdrawal of 50,000 Cuban troops from Angola. This mission was established as part in the agreement of the UN with South Africa, against the involvement of Cuba in the region, for the independence of Namibia.

82 The troika participated in the three peace processes, but with different levels of involvement. In the Bicesse Accord, the troika and the sides of the conflict agreed on the triple-zero clause, which meant that the government and UNITA would not acquire new military equipment and the United States and Russia agreed stop supplying the parties – Russia was the main supplier for the government, and the United States for UNITA – and would encourage other countries to do the same (Alden, Parsons and Gomes Porto 2013, 43-43).
situation characterized by a lack of employment opportunities (Alden, Parsons and Gomes Porto 2013, 42). Demobilization of troops did not, in the end, begin until almost a year after the signature of the Bicesse Accord, in March 1992.

According to the SRSG Margaret Anstee (Paulo2004),

[T]he countries most closely concerned with Angola genuinely wanted peace to be restored, but they wanted a quick fix, particularly the two superpowers from the Cold War… The result was an agreement flawed from the start, and a marginal role of the UN that was doomed to be ineffectual (Paulo 2004, 29).

Besides that, both parties were not trustful that each side of the conflict was willing to give up fighting. For this reason, right after the victory of the MPLA in the presidential and parliamentary elections on 29 and 30 September, 1992, UNITA resumed the conflict with the claim that the electoral process was rigged.83

In the two years that followed, while the war was happening with high intensity, attempts to promote a peace negotiation were still in place (Paulo 2004, 30).84 A new peace agreement was finally reached in November 1994, the Lusaka Protocol. Different from the Bicesse Accord, the Lusaka Protocol was negotiated and facilitated by the UN, the troika, and some African leaders. Under the Lusaka Protocol, both sides were to conclude the 1992 elections under UN supervision, with the SRSG Alioune Blondin Beye chairing a Joint Commission to oversee the implementation of the ceasefire, quartering of UNITA soldiers, and disarmament. The Protocol was followed by UNAVEM III with a two-year mandate, from February 1995 to 1997. Even though UNAVEM III was composed by a much larger amount of military personnel than UNAVEM II (it had 7,000

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83 In the presidential elections, dos Santos won with 49% and Savimbi with 33% of the total votes. In the parliamentary elections, the MPLA won with 55% and UNITA 35% (Peace Agreements: The case of Angola, 2000).
84 There were rounds of talk in Namibe province in November 1992, in Addis Ababa in January 1993, and in Abidjan in April-May 1993 (Paulo 2004, 30).
UN peace keeping troops, 350 military observers, and 260 police observers, around ten
times bigger than UNAVEM II), most Angolans considered the mission still too weak to
outweigh and control the willingness of the parties, UNITA and the MPLA, to continue
fighting (Paulo 2004, 30).

UNAVEM III also expanded its role in the DDR process. It created the Institute
for the Socio-Professional Reintegration of Ex-Military Personnel (IRSEM), under the
Ministry for Reinsertion and Social Assistance (MINARS). In regards to quartering and
registration, the Lusaka Protocol established a minimum number of soldiers to be
quartered by UNITA, some 62,500. They were to be gathered in 15 Assembly Areas
(Alden, Parsons and Gomes Porto 2013, 44). Nevertheless, DDR proceeded slowly, with
UNITA suspending its participation in the process on several occasions. In addition, the
resettlement and reintegration was a complex procedure, involving an array of
government, UNITA, UN agencies, and INGOs. This helped to address concerns about
the government’s capacity to implement such a complex program, but the difficulties of
coordination frequently led to delays and confusion (Alden, Parsons and Gomes Porto
2013).

After two years in the country, UNAVEM III started to withdraw its troops and
the SC replaced it by a much smaller operation (with a total of 1,500 troops), the UN
Mission of Observers in Angola (MONUA), to prevent open conflict. However, in 1998,
UNITA started to launch some local attacks and both the government and UNITA
demanded UN withdrawal because of its inefficacy to prevent further conflict (Paulo
2004, 30). MONUA withdrew from the country when a plane accident, arguably led by
UNITA, killed SRSG Beye. After the 1994-1997 period of relative peace, the war resumed and lasted until 2002.

In October 1999, the UN Office in Angola (UNOA) was established to explore effective ways to restore peace and to coordinate humanitarian assistance. Therefore, by the time that the war came to an end, the UN did not have a peace operation deployed in the country. In 2002, the Memorandum of Understanding was signed by the General of the government’s Armed Forces, Armando da Cruz Neto, and the General of UNITA’s Armed Forces (FMU), Geraldo Abreu Muengo Ucuatchitembo “Kamorteiro.” The MoU was witnessed by the UN Undersecretary-General and Special Advisor for Africa, Ibrahim Gambari, and the troika. The process was run by the incumbent government, which made the peace led by the winner of the conflict. In order to observe the peace process, the SC established the United Nations Mission in Angola (UNMA) to “chair the reinstated Joint Military Commission, to provide 30 military observers to monitor the quartering areas as guarantors of the agreement, and to coordinate the humanitarian efforts of all other UN agencies.”

In terms of donors, the immediate period after the end of the war, between 2002 and 2004, the Official Development Assistance (ODA) to the country was divided by Portugal (34%), the United States (18%), the European Community (11%), the Nordic countries (7%), and Japan (4%) (Sogge 2007). Besides these countries, China was also a contributor of concessional loans (Sogge 2007). Therefore, most of the assistance to Angola came from bilateral donors and especially from countries that had some economic and political interests in Angola, such as Portugal and the US, whereas traditional donors
(like the Nordic countries and the European Community) had a much smaller share of the ODA.

Other sources of international aid, such as relief and humanitarian programs channeled by the UN agencies and aid from the World Bank, declined after the end of the conflict (Sogge 2007). The reason for this decline was that there was an international mistrust of the government of Angola due to its recognized levels of corruption involving its exports of diamond and oil.

In relation to reintegration, most of the international assistance came from the World Bank, through the International Development Agency (IDA) and the MDRP. Launched in 2002, the MDRP aimed to support DDR activities in seven countries affected by conflict in Central Africa: Angola, Burundi, Central African Republic, Democratic Republic of Congo, Republic of Congo, Rwanda, and Uganda. The requirements for the country to be eligible to receive assistance from MDRP included the preparation of a national demobilization and reintegration program as a result of the conflict, a suitable institutional structure to implement DDR, and participation in the regional peace process. Angola became eligible to receive assistance because it had these institutions from previous peace agreements, and it participated in the Lusaka Cease-Fire Accord of the Democratic Republic of Congo in 2002.85

The program financed by the World Bank was the ADRP. Of the $180 million for the program, the World Bank pledged and began to disburse $33 million (through IDA) and $53 million (through the MDRP’s multi donor trust fund), the government pledged $217 million, and the European Commission an additional $17 million (Alden, Parsons and Gomes Porto 2013, 40). Although the negotiations between the government and the

85 This is not to be confused with the Lusaka Protocol for the civil war in Angola in 1994.
World Bank started in March 2002, the ADPR started to be implemented only in March 2004.

The support from the World Bank was framed as a poverty reduction strategy paper for Angola. This means that the demobilization and reintegration process in Angola needed to be framed within a strategy of economic recovery and development. While this strategy was not achieved in practice, as we will see in this chapter, it affected the shape and design of the program.

**ADRP in Angola**

The ADRP was the cash-transfer program for ex-combatants in Angola. Soon after the MoU was signed, the government started to negotiate with the World Bank and its MDRP over the designing and funding of the program. The end of the war happened in February 2002 with the death of the leader of the insurgent group, the National Union for the Total Independence of Angola (UNITA), Jonas Savimbi. Two months after his death, the Memorandum of Understanding (MoU) between the government, led by the People's Movement for the Liberation of Angola (MPLA), and UNITA was signed establishing the provisions of the reintegration process.86 Both the MoU and the peace process that followed were led by the national government with little international involvement, except for the involvement of some countries as observers of the process. The reintegration of ex-combatants was also mainly led by the government. However, the design and implementation of the program was influenced by international aid, mainly

86 The full name of the MoU is “Memorandum of Understanding for the Cessation of Hostilities and the Resolution of the Outstanding Military Issues under the Lusaka Protocol.” It was signed in Luena, Angola, on April 4, 2002, so the agreement is also called the Luena Protocol or Luena MoU. The MoU was not a new agreement; rather, it was an amendment of the Lusaka Protocol, as will be explained further in this chapter, with changes in the annexes 3 and 4, related to the DDR of UNITA and the integration of the Armed Forces (Alden, Parsons and Gomes Porto 2013, 34).
from the World Bank and its subsidiary agency, the Multi-country Demobilization and Reintegration Program (MDRP), because of the demands the World Bank had in order to provide aid. Therefore, while the peace process in Angola was homegrown, its programs of reintegration were conditioned on international demands. One of these demands was the development of state institutions to run such programs, given that the World Bank only provides funds to programs when there are domestic institutions to run them. The program was launched in 2004, and it was designed to assist more than 100,000 ex-UNITA combatants and 33,000 FAA personnel. The final decision of the program was to provide for ex-combatants a monthly salary during five months, in a total equivalent to $100, and a reinsertion kit of tools and household items (McMullin 2011, 251). However, the program was barely implemented, and there was evidence of politicization throughout the entire process.

In relation to DDR, the first steps of demilitarization of UNITA’s military forces began during April 2002 with the setting of 27 quartering areas scattered through the country. The government of Angola retained total control over the process as well as its responsibility for financing, with no provision for third-party monitoring (Alden, Parsons and Gomes Porto 2013, 37). However, there was a much larger number being demobilized than the expected. In August 2002, 85,585 ex-FMU were quartered and the government, to accommodate all of the ex-combatants expanded the number of quartering areas from 27 to 35 (Alden, Parsons and Gomes Porto 2013, 37). Most of the former combatants were joining the camps with their family, increasing even more the expected number of demobilized individuals. This increasing number of demobilized soldiers casts doubt upon the announcement of the Armed Forces in August 2002 that the
demobilization and disarmament components had been completed. In addition, at that moment, the process of reintegration had still barely started (Alden, Parsons and Gomes Porto 2013, 37).

In fact, in May 2002, one month after the MoU and the beginning of quartering former-UNITA combatants, President Dos Santos launched an urgent appeal for international aid in order to prevent a humanitarian disaster in the rebel camps caused by an increasing number of demobilized soldiers. Humanitarian and religious organizations working in the camps confirmed the situation. Ecclesia Catholic radio reported the death of 25 people in the Cambulo-Capaya camp, in the Lunda-Norte province, and MSF said famine was developing in the Gualangue camp, in the southwestern Huila province, where thousands of people were affected by famine (Agence France-Presse 2002). In addition, due to the shortage of quartering sites for the demobilized soldiers, the government started a movement to pressure civilian IDPs to evacuate the camps that existed for them or transit centers so that demobilized soldiers could be relocated there (Human Rights Watch 2003).

Despite this situation, the World Bank just started to provide assistance to Angola in 2004. Upon the World Bank request, the government created a national commission to be in charge of the program, the National Commission of Social and Productive Reintegration of Demobilized and Displaced (CNRSPDD). IRSEM, which existed since after the Lusaka Protocol, continued being the implementing organization. Both organs, spread out in the 18 provinces of Angola, were in charge of preparing inventories of the

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87 In October that year, The Angolan government denied allegations that it was deliberately starving ex-UNITA soldiers in quartering camps, saying poor infrastructure has hampered the delivery of emergency food aid. “There are not any shortages of food or medicines. We face transport difficulties because of the poor state of the roads. We can only deliver aid by air,” Angolan President Jose Eduardo dos Santos told the Portuguese news agency.
different reintegration programs, channeling the funds to the programs, and establishing partnerships with implementing NGOs and UN agencies.

4.5. Evaluating the Programs

The RSS and the ADPR were developed as an emergency response to failures of the demobilization process in both countries. However, the different involvement of international actors affected the creation and implementation of each program. RSS was a suggestion from the outside to help avoid the conflict to reoccur. In Angola, on the other hand, the government needed to ask for foreign aid to fund the reintegration program, and, for this reason, it needed to follow specific demands from the outside as well.

Upon the end of these programs, they were considered a success in terms of achieving the end of demobilization and (even if only partial) reintegration of former-combatants. In fact, RSS has been considered one of the most successful programs of DDR run by the UN until the present day. As Alden stated, in 1997 the implementing agents conducted their final impact assessments, and they “found unanimously that former combatants had been fully reintegrated into society, citing as evidence perceptions on the part of both demobilized soldiers and society in general that reintegration had been successful, as well as the absence of significant and sustained violence during the post-election period” (Alden 2002, 345).

Angola’s program, as part of the MDRP, also received a positive evaluation from the World Bank. The MDRP was the largest program of its kind ever attempted in the world. Angola was considered a successful case in the region because of its political stability in comparison to the other countries in the Great Lakes region, such as the

Two issues in relation to the comparison done here deserve some considerations. The first one is related to who evaluates the programs. The outcomes were evaluated by those who implemented them. In Mozambique, the success of the demobilized is oftentimes attributed by the program in itself. But the actual evaluation should be done in a broader perspective, in terms of the real reintegration of ex-combatants in the economy and society. In Angola, the program was also seen as a success by MDRP. As the MDRP manager, Maria Correira, states about the MDRP program in general: “It would be easy to dwell on what didn’t work well or what remains to be done. But if we ask ourselves ‘what would have happened if the MDRP didn’t exist?’ the Program’s immense achievements become evident.”

Despite the success of these programs, the DDR strategy experienced similar flaws in both countries. A vast literature has pointed to problems in the design and execution of DDR programs in general, and in Angola and Mozambique in particular. The first problem in both programs was the fact that they neglected special attention to vulnerable groups, mainly women, children, and the disabled. One of the main problems identified in the literature in relation to the neglect of women was the process of disarmament and demobilization. Since most women had roles that did not involve the possession of arms, they were not eligible for the demobilization and, as a result, of reintegration programs. In addition, in Mozambique, the women who were demobilized were offered training only in traditional women’s activities, such as sewing and weaving.

secretarial work, demonstrating the existence of prejudices in the process of designing programs of DDR. In relation to children, one of the problems identified is that neither country wanted to admit that children participated in the war, which is a violation of international human rights conventions. Finally, the neglect of the disabled affected a great number of people in both countries because many people were injured by the land mines in both countries.

The lack of jobs to economically reintegrate ex-combatants was another problem in both countries. This issue reveals two other problems in the reintegration process. One is the fact that both countries had very weak economies and that there were no job opportunities for all demobilized people. Two, as explained by Alden, was the international community’s assumption that, given that most of the ex-combatants came from rural areas, they were willing to work in agriculture after the conflict. The result of this assumption was a great number of programs, including the ADRP, providing to ex-combatants seeds and tool kits to work as farmers after the conflict (Alden 2002). This assumption was made in both Angola and Mozambique. In Mozambique, “a steady stream of demobilized soldiers in search of employment moved from rural communities, where they were resettled, to urban areas” (Berdal 1996, 40). In Angola, given that it was the interest of the government to relate demobilization to the recovery and development of the rural sector of the country, it was decided to resettle ex-combatants in rural areas as well.

The third flaw was the lack of attention to social and cultural reintegration of former-combatants. In some communities in Mozambique, traditional rituals for reinsertion and the reintegration of former combatants existed, but they were not
considered part of, or stimulated by, the formal programs of reintegration. According to the president of the Mozambican Association of War Veterans (AMODEG), Joaquim Neimure,

Not enough attention was given to the social and cultural dimensions of reintegration in Mozambique. Under the GPA, which was carried out in coordination with the UN Mission, there was CORE but the social and cultural dimensions were basically ignored. As to economic reintegration, CORE promised special programs, aid, training, and jobs, but they still remain only promises (Nemuire 1996, 61).

The fact that the same problems were identified in both countries even though they had different kinds and levels of international involvement raises the question about the role of international actors in the outcome of such programs. The international actors involved considered them successful, but they had problems in relation to the implementation process and to the contexts surrounding such policies. The fact that reintegration programs were not accompanied by the creation of jobs made reintegration to be only partially completed.

**Targeting**

After ONUMOZ withdrew, FRELIMO made the Ministry of Labor responsible for continuing reintegration efforts. But, according to McMullin (2013), the government has focused on veterans of the independence war of 1975, and decided that no more support was necessary to the ex-combatants of the civil war. The government also established, in 1999, a Ministry for Veteran’s Affairs, but limited the mandate of the ministry to assist only independence war veterans (McMullin 2013, 130). For instance, ex-combatants who fought in the liberation struggle qualified for pensions, medical care,
and schooling for themselves and their children, whereas the ex-combatants of the civil war were not eligible.

Angola experienced a similar institutional outcome. However, the politicization was noticed not only after the end of the peace process, but throughout. In June 2005, in the meeting of the UNITA’s Political Commission, leaders of the party argued that the MPLA did not do what it promised in relation to reintegration programs. In that same year, ex-combatants from UNITA distributed a document in Luanda asking the government to inform what was being done in relation to the reintegration process in the country (Lusa 2005).

The initial plan of the government of Mozambique was to demobilize only members of FRELIMO. Before the end of the conflict, the government of Mozambique proposed to the international donors a program to demobilize 45,000 FAM combatants and asked financial support for the CG in 1991. International donors were against the proposal arguing that the program was too costly and also because they had preference for short-term program of stability (Ball and Barnes 2000). Additionally, donors were not willing to finance special programs for the demobilized soldiers, preferring them to be included within overall reintegration programs because they were concerned about creating programs specific for them and they would not integrate in the society. It was only after the demobilized started to express their anger in the assembly areas, as explained above, that the donors agreed to the investment in cash payments and other entitlements. In other words, the decision to implement the program of reintegration for ex-combatants in Mozambique was the result of a concern from the international donors that the widespread violence in the AAs could lead rebels to restart the conflict.
In Angola, the initial proposal from the government was to demobilize only members of UNITA. In order to avoid the mistakes of previous peace agreements, the decision of the government was to prioritize the combatants of UNITA (Ruigrok 2007). It was only after the negotiations with the World Bank for financial assistance over the demobilization process that the government of Angola included members of the government’s armed forces and the old caseloads in the programs of demobilization. It also had to deal with the incomplete reintegration process of another 160,000 former soldiers from the incomplete reintegration processes from the other two peace accords (Alden, Parsons and Gomes Porto 2013, 41).89

The decision of the World Bank was to change the way in which the program was going to be implemented by the government. Prior to the negotiation, the government was committed to creating a program only for the UNITA combatants not attached to the process of demobilization and reintegration. The World Bank proposed a change in the government’s plans to create an integrated program of demobilization and reintegration that would be in charge of reintegrating 33,000 members of the FAA and the old caseload.

The involvement of international actors, be it political or technical, was able to alter the target of the programs initially planned by both countries. This change, however, did not bring a substantial effect on the institutionalization of the programs. In Angola, most of the process was done and monitored by state institutions, so the process was controlled by the state. Up until 2007, the last MDRP Report, Angola had barely started the demobilization process of former FAA combatants.

In Mozambique, the process was led by the international actors, and when it ended, the state had no incentive to continue supporting the same individuals from the

89 Data diverge among readings. Ruigrok (2007) talks about 191,400 combatants of the old caseload.
program. This was a consequence of two aspects of the international actors’ involvement. The first was that the program of reintegration was established as a process that would happen in the short-run and the state institutions were not going to be committed to continuing providing assistance to the same individuals who were the target of the internationally funded programs. Second was the fact that the international actors evaluated the programs as successful, which implied that, in fact, there was no need to continue providing assistance to the ex-combatants of the civil war because the reintegration process was already complete.

**Reaching beneficiaries**

In general, there are two instances where money and in-kind transfers, such as food and materials for agriculture, can be provided to the demobilized combatants. The first one is while they are waiting for resettlement. In this moment, they often receive salaries that are compatible to the salaries they received as combatants and also programs of training in order to have some qualification when they are finally resettled. These programs are called reinsertion programs. The second one is after they are already resettled and it works for two purposes: to be a safety net for ex-combatants to guarantee that they will not return to conflict, and to guarantee that they would improve the local economy through enhancing their capacity for purchasing local products. These programs are the reintegration programs.

This difference affects the capacity of reaching ex-combatants. If the goal of the programs is, indeed, reintegration, the government and the international actors need to think of strategies to reach ex-combatants. While they are in the assembly or quartering areas, it is easier to find them to provide them with the benefits, in comparison to when
they are reintegrated and dispersed throughout the territory. Therefore, the decision of where former-combatants should be allocated matters for the outcomes of the programs.

In Mozambique, the CORE included reinsertion programs (material benefits) and reintegration (OSD and PF). In relation to the reintegration programs, the initial debate was related to whether the ex-combatants would get a lump sum or installments of the cash payment. The final decision was that the latter would be more efficient because it would provide a safety net that would ensure a guaranteed income over a considerable period of time, since donors feared ex-combatants would spend all the money at once. However, with CORE’s decision, there was also the necessity to plan how the money would be sent out to the former combatants. As explained before, donors decided, then, that the 18 months of donor trust fund was to be paid every two months at the BPD or by post office (Hanlon 2004, 377). Initially this was a good strategy because the BPD had branches all over the country. However, at the same time that this process was happening, the country was going through economic reforms, through which the BPD was privatized, and it needed to close several branches because they were not profitable (Hanlon 2004). This was a problem for the ex-combatants to access their paychecks. In addition, the other programs, the OSDP and the IRS, became centers that ex-combatants used to ask questions about collecting their paychecks instead of doing their proposed activities.

In Angola, there were also programs of reinsertion and reintegration. The reintegration program, the ADRP, was the reverse of the programs in Mozambique. In theory, the ADRP consisted of local programs in the regions where the demobilized soldiers wanted to return. These programs could be agriculture or training for small business work. However, in practice, this was not always the case, and in rural areas, it
had a restricted scale and the existence of several organizations promoting reintegration programs represented a source of confusion among demobilized workers:

In the rural areas, there often was a dazzling variety of reintegration schemes, set up for the time being by local church groups or NGOs. The projects could only cater to a handful of demobilized soldiers, and offered limited assistance and few benefits. When the much larger national program was finally formalized, in many cases all the demobilized soldiers came to register. Yet, the ADRP not only disqualifies the old-caseloads. Also, soldiers that had recently been demobilized, but had already benefited from any other project offered under the ADRP even if they did not feel reintegrated yet. This resulted in a substantial degree of confusion and misunderstanding (Ruigrok 2007, 91).

These facts also show how these programs had little effect on the outcomes for the state institutions. In Mozambique, most of the process of implementation was being done and controlled by international actors, and the central government had little involvement in the implementation of RSS. In Angola, while the World Bank insisted on the involvement of the central government in the process, most of the reintegration was also happening at the local level, through the sub-projects financed by the Bank and the MDRP.

4.6. Conclusion

The empirical evidence of this chapter contributes to my argument in three ways. First, it shows that after the international actors left Mozambique in 1994 and stopped financing the reintegration program in Angola in 2008, the reintegration programs in each country had similar results. In both cases, the programs were politicized because the government prioritized the combatants who fought on their side during the conflict. In the case of Mozambique, the priority was toward the combatants of the liberation war, instead of the civil war. The government argued that the process of
reintegration for the ex-combatants of the civil war was already over. In Angola, the fact that the government led the program of reintegration throughout, the programs of reintegration were highly politicized, and remained politicized after the end of ADPR. The motivations of this politicization rested in different reasons in each case, but both happened while the international actors were still present in the countries: in Mozambique, the decreasing interest of the international actors to proceed with the program reduced the chances of a more effective and actual social and economic reintegration program. In other words, RSS “reflected a minimalist goal of providing financial support to combatants over a fixed period of time, enough to pay and scatter them and remove them from being potential threats to security” (McMullin 2013, 127). In Angola, the ADRP was part of the intent of the World Bank to make the country meet international expectations to receive international funding.

Second, it shows that regardless of the level of international involvement in the post-conflict countries, the programs of reintegration were short-term. Given that the peace process worked under liberal underpinnings, social protection programs existed only for the purpose of buying peace, in the case of Mozambique, or in order to fulfill the requirements for the poverty reduction strategy paper, in the case of Angola.

Finally, what is left to answer is the question about whether the domestic political elites needed to find strategies to circumvent pressures of the international actors or if there were no pressures from the international actors that the domestic political elites needed to address. After the mandates of the international actors ended, there was an absence of pressure from the international actors to guarantee that the reintegration programs would continue. This is the reason why, despite the great difference in the level
of international involvement in Angola and Mozambique during the peace process, the outcomes of both programs of military reintegration were similar.
Chapter 5: Fuel Subsidies for Consumers

5.1. Introduction

This chapter discusses fuel subsidies as an arrangement of social protection in Angola and Mozambique. Different from the arrangement discussed in the previous chapter, this social protection is promoted by domestic actors while international donors, especially the International Monetary Fund (IMF), are against it. These international actors argue that fuel subsidies are regressive and do not benefit the poorest population. As explained in earlier chapters, both countries have different levels and kinds of international involvement and my general assumption is that the level and kind of international involvement affects outcomes.

Fuel subsidies for consumers are considered to have a social protection component because they reduce the cost of transportation and are an important source of energy for areas where there is no electricity. Given that Mozambique is more dependent on the IFIs than Angola, it would be expected that Angola, an oil producer, would have fuel subsidies while Mozambique would not. However, both countries have these subsidies. During the 2000s, Angola has spent around 4 to 5% of its annual Gross Domestic Product (GDP) on fuel subsidies, while Mozambique has spent around 1%. Both countries opted to subsidize the consumption of fuels, such as kerosene, gasoline, and Liquefied Petroleum Gas (LPG).

This chapter shows that international actors have little effect on both countries and that domestic political elites have greater influence on their decisions to subsidize fuels. These dynamics are different in Angola and in Mozambique, mainly because

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90 There are two kinds of fuel subsidies: those for production and those for consumption. In this chapter, I focus on subsidies for consumption.
Mozambique needs to import oil while Angola produces it. However, in both countries, the beneficiaries of this social protection program are the same. Those who benefit from the program are the political and economic elites, their political constituencies, and, in most part, those who live in urban areas.

This chapter, therefore, sets out to understand how Mozambique, given its dependency on international actors and aid, is able to circumvent international preferences, and what, if anything, contains Angola’s fuel subsidies. In addition, it shows who benefits from this social protection in each country. In order to do so, this chapter will first explain what fuel subsidies are. Then, it will explain the relations of each country with the IFIs and the pressures each country faced to phase out fuel subsidies. After that, it will explain the domestic politics of each country to respond to international pressures.

5.2. Fuel Subsidies

In sub-Saharan Africa, fuel subsidies have been used by countries that produce and countries that do not produce oil, spending an approximate total of 1.5% of the GDP of the region annually. Countries that export oil argue that they need to maintain the price of fuel accessible to the population to avoid complaints of resource exploitation that can generate strikes and rioting.

While this social protection component is an important aspect of fuel subsidies, “governments generally use subsidies as part of wider economic policies to support specific businesses, markets, sectors or regions, and subsidies are among the more common public policy instruments in current use, with political interests often

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91 Countries above the average tend to be oil producers.
determining who receives subsidies and at what scale” (Whitley and van der Burg 2015, 6).

International actors have a different view of fuel subsidies. They believe that they are regressive and ineffective because in countries that have massive poverty, those individuals who live in urban areas and use means of transportation are not the poorest individuals. On top of that, they argue, individuals who have cars are the ones who benefit the most from the fuel subsidies, and they are among the richest sectors of the population in sub-Saharan Africa. Therefore, according to a book sponsored by the IMF, the most effective way to protect the poor is to allocate some of the budgetary savings from the elimination of fuel subsidies to a well-targeted social safety net that has high coverage of poor households and little leakage to non-poor households. To the extent that existing social safety net programs do not exist or are badly targeted, the gradual removal of fuel subsidies can help protect the real incomes of the poor, while the targeting of existing programs is improved or new programs are developed. For example, kerosene subsidies may be maintained while other subsidies are removed. However, there may be substantial efficiency, as well as revenue, costs associated with such a strategy. Therefore, it is important that alternative mechanisms are developed as rapidly as possible and fuel subsidies phased out accordingly (Kpodar, El-Said and Coady 2006).

This note summarizes the view of the international financial institutions (IFIs), mainly the IMF and the World Bank, in relation to fuel subsidies. They prefer programs that have a very specific targeting system. They assume that the government institutions will channel the exceeding money they will have in case they stop their fuel subsidies to social programs. Finally, they recognize the importance of subsidizing some kinds of fuel, such as kerosene.

In relation to the requirement by international actors to eliminate fuel subsidies, three points must be raised: (1) international actors have traditionally rejected all kinds of subsidies, (2) international actors suggest a phase-out strategy, which can have negative
consequences, and (3) the population of the country may be in favor of the subsidies, despite the rejection of international actors.

First, international financial institutions (IFIs) have been traditionally against all different types of subsidies, especially food. During the structural adjustment programs, the IFIs demanded countries cut all the subsidies that they had. At that time, the strategy was to remove the state from the market and provide incentives for a process of resource allocation driven by economics rather than politics (Hyden 2012). The consequences of the structural adjustment programs were massive levels of poverty in urban areas because people could not afford the consumption goods and services after the elimination of the subsidies.

Mozambique greatly suffered these effects with its first structural adjustment plan (SAP) in the country, the Economic Rehabilitation Program (PRE), as explained in chapter three. In order to correct the prices with actual market demand, the prices of basic products and services in the country, such as water, food, electricity, and rent, rose substantially. By 1988, the prices of rice, maize, and sugar increased between 300 and 500% (Marshall 1990). At the same time, government cut public expenditure by decreasing the minimum wage of workers, from a monthly wage of U$52 to U$23 (Hanlon 1996, 69). According to a report developed by Reginald Green, in 1988, half of the urban population and two thirds of the rural population were absolutely poor in Mozambique.92 The report also mentioned that poverty in urban areas was mostly caused

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92 In the report, absolute poverty was defined as “the level of household income where either growth faltering in children was very common or where basic food providing two-thirds of calorie requirements costs more than half of the income” (Hanlon 1996, 93).
by the negative consequences of the PRE, whereas poverty in the rural areas was mostly affected by the war.93

The second point is that strategies to phase out fuel subsidies, as suggested by international actors, can be problematic if they do not have a complete political reform along with it. Political reforms mean here the actual execution of other social programs, so the population will notice that while they will lose because of the increase in the price of subsidies, that they will win through free or cheaper access to other social services. Therefore, political reform means the development of a more accountable government, which reallocates resources to other programs and their execution. With no political reforms prior or during the phase out process to verify the redirection of the share of the budget saved, there is no actual guarantee that the cuts of subsidies will be allocated to programs of social protection, or any other social program.

Finally, although the major criticisms of fuel subsidy is that only a very small and rich part of the population benefits from it, it is important to recognize the interests of the population and whether or not they want the subsidies. For instance, in 2012, the President of Nigeria, the largest exporter of oil in Africa, Dr. Goodluck Jonathan, decided to eliminate fuel subsidies in the country. This caused a generalized reaction of the population, who promoted strikes and rioting in the major cities. According to a Nigerian survey, Alliance for Credible Elections, 80% of the population was against the removal of the subsidies. In addition, a collection of articles published in 2013 by Nigerian scholars called *Politics and Economics of Removing Subsidies on Petroleum Products In* 

93 The recognition the generalized poverty of those countries was brought to the attention of the international actors after the rise of a great amount of riots (known as IMF riots) happened in the urban areas of countries subjected to the SAPs. The anger of the protesters was directed to the withdrawal of what was seen as political entitlement and as against austerity itself (de Waal 1997).
*Nigeria* showed that the de-subsidization of fuels in Nigeria was also opposed by some scholars. Despite international support for such initiative, the government was so pressured by the popular discontent that it decided to bring the subsidy back. This story in Nigeria shows that fuel subsidies do have a social protection component and that the parts of the population who receive it and the international actors have different views and opinions about such subsidies.

### 5.3. Angola, Mozambique, and the IFIs

For this case study, the main difference between Angola and Mozambique is how they relate with the international financial institutions, because they are the most active actors against fuel subsidies. Mozambique has had a somewhat stable relationship with the IMF, while Angola and IMF have had difficulties in achieving agreements. In addition, another difference between the countries is the domestic actors involved in the decisions on fuel subsidies. For this reason, this part of the chapter explains these relations and the domestic actors involved in each country.

Mozambique receives assistance from several international donors. As previously explained, the country has been dependent on foreign aid since its independence in 1975, and this dependence was reinforced after the end of the civil war in 1992. The IMF has worked with these international donors and the donors accommodate to the requirements of the IMF. In addition, when the IMF is against Mozambique, the donors helped Mozambique and convinced the IMF to continue providing assistance to the country. Since Mozambique became a member of IMF, in 1987, when it launched its structural adjustment program, PRE, the country has received investment and loans through the
IMF. The program was supported by a Structural Adjustment Facility (SAF) arrangement until 1990, by an Enhanced Structural Adjustment Facility (ESAF) arrangement until 1995, and by a second ESAF-supported arrangement until mid-1999. In support of the structural reforms, the World Bank approved six adjustment-lending operations in the 1990s (IMF 1999). From 1987 until 1999, when the IMF changed again its lending system, the relation between Mozambique and the IMF was based on whether Mozambique had all of the conditions necessary for eligibility to the loans provided by the IMF.

In 1999, the Poverty Reduction Strategy Papers (PRSP), part of the Poverty Reduction and Growth Facility (PRGF), replaced the ESAF. The PRSPs were part of the Highly Indebted Poor Countries Initiative (HIPC), through which the World Bank and the IMF sought to relate debt relief with poverty alleviation (Woods 2007, 240). In theory, the PRSPs were meant to be elaborated through a consultative process with local civil society. However, the essential aspects of the conditionality process continued in a less direct, but not less controlling, manner. The first PRSP in Mozambique was the Program for the Reduction of Absolute Poverty (PARPA 1), between 2001 and 2005. PARPA, renamed PARP in 2011, had its mandate extended in 2006, and 2011. It was in the

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94 Due to the fact that several countries could not repay their debts, “ESAF provided a longer repayment schedule with low interest rates, of about 0.5 per cent, but the conditions for eligibility became much tougher.” Although the two aspects mentioned here seem paradoxical, they are both part of the strategies of the IFIs. They started to assume that the failures of the structural adjustment programs were the recipient countries’ fault. Therefore, they needed to strict the eligibility criteria.


96 According to the finance minister of Mozambique, Pedro Couto, the key goals of PARPA 1 were “the strengthening of human capital, improving infra-structure, good governance, and macro-economic financial stability.” (“Donors offer US$722 million to Mozambique.” AIM, 2001). PARPA 1 was heavily criticized by the local organizations and some international actors for three main reasons. First, different from what was determined, PARPA 1 was not created through a consultative process. Rather, it was created by the executive office, not even being approved by the parliament. Second, there was no definition of vulnerability of the population, showing that PARPA 1 was not created based on the needs of the
context of the PARPA 2 (2006-2010), during the period of the 2008 global economic crisis, that Mozambique adopted its fuel subsidies.

As a response to the fuel subsidies, the IMF expressed that they were against fuel subsidies, but it recognized that the 2008 global economic crisis would increase the price of subsidies and negatively affect the individuals in the country. Therefore, the IMF supported fuel subsidies in Mozambique because it was adopted as an emergency mechanism until the price of fuels were stabilized in the global market. In order to respond to this IMF view, the government of Mozambique announced in the 2009 “Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding” that the government was going to phase out fuel subsidies by the middle of 2010. It also announced that

It will consider replacing the fuel subsidies with better targeted and more effective alternative measures benefiting those truly in need, making use of the overall ceiling of MT 1.7 billion for such measures in the 2010 draft budget. The fuel subsidies will be transparently shown in the budget documents (IMF 2009).

Domestically, in order for the population to receive subsidized fuels, the population. Finally, PARPA 1 was again a case of macro-economic development and stabilization, with the already familiar argument that this would bring social development. As Hanlon (2007) said, the idea of trickle down in Mozambique was used until very recently in Mozambique, when the IMF announced its plan in 2006 of economic development in the country. Although PARPA 1 made Mozambique eligible for the debt relief programs, even the IMF acknowledged the lack of attention to social programs in PARPA 1. Having in mind the limitations of PARPA 1, PARPA 2 (2006-2010) was created with two significant innovations. One was the increase of actions related to the provision of basic services to the population. The main target was of the program was to reduce poverty from 54% in 2006 to 45% in 2009. The other innovation of PARPA-2 was the new approach of the international donors to finance poverty relief, which will be further discussed chapter six. The main difference between PARPA 1 and 2 was a new stress on greater integration of the national economy, focusing its attention on development in the district level, and on creating a favorable environment for growth of the productive sector, particularly small and medium companies.” “Government launches PARPA 2.” AIM, 1006. PARPA 2 was extended in 2010, and became PARP (2011-2014), without the “A” of absolute poverty, because the measures to evaluate poverty changed, but the programs remain the same.

government decided to grant subsidies for the import and distribution of oil derivatives. Fuel imports are centralized through a consortium of fuel distributors (IMOPETRO), also referred to as intermediaries (IMF 2016). According to the IMF Report (2016), “membership in IMOPETRO is compulsory and no operator is authorized to import fuel outside this system. PETROMOC, the public sector fuel distributor has de facto control of IMOPETRO given its 51 percent stake” (IMF 2016, 25). Therefore, the government has a great control over the import and distribution of oil in the country. The IMF considers this centralization one of the main current challenges of the government of Mozambique in relation to fuel subsidies.

Different from Mozambique, Angola has faced difficulties in negotiating loans with the IMF. As explained in the previous chapters, while the war was a major issue for both actors to come to an agreement, the end of the war did not facilitate the relation between them. On the side of the IMF, there was no interest in negotiating with the country because of the alleged lack of transparency. On the side of Angola, the oil reserves attracted foreign direct from gas and oil companies, such as Chevron, Total, and ExxonMobil, and from national oil companies from emerging markets, such as Brazil and China. As a consequence, there was less need to accept the demands that would come with an IMF agreement.98 Therefore, different from Mozambique, Angola did not receive approval for its structural adjustment programs, ESAF loans, or PRSP.

Domestically, the fuels produced in the refinery are sold to the state-run oil company, Sonangol. According to the World Bank (2005), Sonangol is responsible for distributing the products to gas stations and other resale outlets. Most gas stations belong

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to Sonangol. There are a few small private gas stations distributed across the country, mainly in urban areas. Finally, Sonangol subcontracts with private transportation companies to deliver its products in the provinces (World Bank 2005, 94). In fact, Sonangol, plays a central role, not only in the redistribution in the country, but also in the extraction, export, and other investments.\textsuperscript{99} As Tallio (2015) states,

\begin{quote}
[Sonangol] owns interests in every oil concession and supervises exploitation and production licenses, but, more importantly, it has a prominent role in the redistribution of the oil income as it manages and regulates the oil sector. Sonangol acquires more and more importance in government, and gets involved in industries that have few or even no links with oil exploitation and production; this runs counter to the privatisation process pushed by the state in other economic sectors. It also plays a prominent role in rescheduling the Angolan debt and negotiating new loans; these processes involve Sonangol, the government and the Banco Nacional de Angola (National Bank of Angola), which are also involved in the channelling of oil revenue to the Treasury.
\end{quote}

This highly centralized structure of Sonangol, as well as most of the political institutions in Angola, is one of the reasons why the IMF has decided not to negotiate loans and investments with the country. They argue that this centralization leads to lack of transparency by the government. As a result, the IMF has not approved any PRSP from Angola. It was only after the 2008 crisis that the IMF negotiated a Stand-By Arrangement with Angola, meaning the provision of support for macro-economic policies in the context of international crisis, which will be further explained below.\textsuperscript{100}

Therefore, two main differences between the relations of Angola and Mozambique with international actors should be highlighted. First, the government of

\textsuperscript{100} The Stand-By Arrangements were part of the IMF decision to implement more flexible short-term, precautionary, and emergency financial assistance for low-income countries after the 2008 global crisis (Woods 2009, 11).
Mozambique has had a closer relation with the IMF in comparison to Angola. Second, the government of Mozambique relies on the import of oil derivatives whereas Angola produces oil and the same state company is responsible for the distribution of fuels for consumption. Because of this difference, my assumption was that Mozambique was did not have fuel subsidies, while Angola did. We move now to the domestic aspects of both countries to explain why they both have fuel subsidies.

5.4. Fuel subsidies for consumers in Mozambique

Mozambique has three types of subsidies: fuel, wheat flour for bread, and to cover the operating deficits of various public enterprises (World Bank 2012). Mozambique traditionally adjusted fuel subsidies based on a monthly market-based formula and, at the peak of the price shocks in 2008, the government introduced an adjustment factor that kept the fuel prices below the market prices (World Bank 2012, 62). The triggering factor for the government of Mozambique to adopt fuel subsidies was the rioting in Maputo, which later spread to other cities in the country, in 2008 against the hike of 50% in the chapas, a kind of semi-collective means of transportation. The chapas are privately owned minibuses and they are the most common means of transportation in urban areas because public transportation is not able to accommodate the population. The gravity of the riots, including the death of at least five people in Maputo, led the government to restore the old fare. In order to compensate the drivers of the chapas for the lost fare increase, the government and the Mozambican Federation of Road Transport Associations (FEMATRO) agreed to subsidize the diesel used by chapas and suspended

fuel-related taxes to diesel until July 2009.\footnote{102}

The price hike that caused the rioting was the result of very high oil prices at that time, of around $150 per barrel. However, the global economic crisis of 2008 had a great impact on the price of oil and in February 2009, the price of oil dropped to $33 per barrel. The government decided to intervene again in the subsidies of the price of oil and, in April 2009, froze fuel prices. In August 2009, the government decided to subsidize the importers of oil. The explanation was that these importers would lose money because of the increase in the import of oil while the selling would continue with a fixed price. The government decided to give importers between $34 million and 38.5 million to compensate such losses, arguing that this would be a way to avoid them selling at retail with higher prices and, as a consequence, to be more expensive for consumers. As explained above, one of the main importers is the public PETROMOC.

In 2010, the government started the process of phasing out fuel subsidies, other than diesel, with a cumulative price increase of 73%. Diesel prices raised by 38%. This increase, however, was interrupted due to another wave of protests that happened in Maputo.\footnote{103} Another attempt to increase the transportation fare produced mobilization and protest in 2012.

In September 2009, the Ambassador of Finland, Kari Alanko, representing the donor community in Mozambique, expressed great discontent with the fuel subsidies provided by the national government. He stated that the donor countries were also facing difficulties with the process of the global economic crisis, so the government of

\footnote{103} In 2010 and 2012, the protests were beyond the rise of transportation fare and included other major aspects. In 2010, the strikes were against the rise in the price of bread, 17% and electricity, 13.4%, in addition to water, gas, and other food, such as rice, tomatoes, and onions (Brito, et al. 2015, 28).
Mozambique could find a different way to manage the problem of the price of transportation. The IMF and World Bank have also opposed Mozambique’s fuel subsidies. Examples of the issues that the IMF presents as being central to fuel subsidies are: (1) the difficulty to eliminate the fuel subsidy system is because “those who stand to lose from the reform may be in a position to exert substantial political pressure” (IMF 2016), (2) the cost of the fuel subsidy system is high, and (3) Mozambique has inefficiencies in the import system, which makes the price of importing oil very high (IMF 2016).

Given the reliance of the government on international actors and aid, it is counterintuitive that the government would decide to maintain the fuel subsidies. However, the domestic dynamics of the country in 2009 can explain why the government kept them at least until the end of the year. The year of 2009 was general elections in Mozambique and President Armando Guebuza was trying for reelection. The popular protest against the hike of transportation fare was an incentive for the candidate to propose the subsidies as part of his electoral campaign. This dynamic highlights three main political aspects for the decisions of the government to keep the fuel subsidies for consumers.

First is the divide between rural and urban areas, and the role of the urban population for the politics of the country in general. While most of the attention of the international social policy actors is on the provision of direct assistance to the poorest individuals, who are usually in rural and distant areas of the capital of the country, those in urban areas are the ones who pressure the government for reforms. The reason behind this is, according to Rickey (2008), that the urban poor in African countries in general,
are more valued by the government and because the rural voters are more willing than the urban population to accept a role of the state in development matters (Rickey 2008, 256). In addition, the urban poor are the most affected by high food and fuel prices, so they have one more reason to rebel against the government in the context of fuel subsidy cuts.

Second is that most supporters of FRELIMO are historically from Maputo and major cities in the south of the country. Therefore, there is an incentive for the government to keep the social protection that targets this population, such as fuel subsidies for consumers. Those in urban areas are the ones whom the government seeks to benefit through fuel subsidies. As explained in chapter three, there is an institutional legacy that makes the government of Mozambique prioritize the voices and interests of the urban population.

Third, since the end of the war in 1992, the urban population in Mozambique has been more active against programs promoted by FRELIMO and by international actors. In 1992, for example, the urban population protested against the economic reforms of the structural adjustment, and was particularly resented by the influx of the UN personnel in Maputo. Even the population of Maputo, who was historically supporters of Frelimo, started to contest, protest, and organize strikes against some of the measures taken by FRELIMO throughout the 1990s and the 2000s.

In summary, fuel subsidies for consumers do have a self-serving purpose in Mozambique because the political elite, FRELIMO, has the control of the import of oil in the country though Petromoc. This is one of the reasons why international actors disagree with fuel subsidies in the country. However, these international actors disregard the political goals of the government through the promotion of fuel subsidies.

5.5. Fuel subsidies for consumers in Angola

Angola is the second largest exporter of oil in sub-Saharan Africa. It experienced an oil boom between the end of its internal war, in 2002, and the global economic crisis, in 2008. In 2012, its economy relies heavily on oil soil sector, which corresponds to around 45% of its GDP, 75% of government revenue, and over 90% of total exports. In 2006, Angola became a member of the Organization of the Petroleum Exporting Countries (OPEC) (S. a. Whitley 2015).

Angola has had fuel subsidies since before the end of the war in 2002. In the 2000s, the country started to phase out the subsidies in response to the IFIs. There were three major periods of adjusting fuel prices in the 2000s. The first adjustment of fuel prices was in 2005, when the government increased the price of gasoline by around 138.35%. This sharp increase in the price of fuel can be explained as a response to the international actors’ indication of the possibility to provide aid to the country in 2005.

The second adjustment was in 2010, with an increase of 46.4% in the price of fuels and, in that same year, the government froze liquid fuel prices for four years until September 2014. This adjustment was caused by two main factors. One was the global financial crisis that led to a reduction in the price of oil on the global market. In addition, as explained above, IMF and Angola signed the Stand-By Arrangement, through which

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the Fund provided around US$1.4 billion to the country (IMF 2009). The other was the end of the growth in Angolan oil production.107

During this four-year period of frozen fuel prices, the government of Angola maintained a blurry relation between social protection and fuel subsidies. The 2012 and 2013 “Position of the Political and Social Observatory of Angola (OPSA) and the Action for Rural Development and the Environment (ADRA) on the State General Budget” Reports explain that in the General State Budget, the government of Angola includes fuel subsidies as a social expense. Moreover, the budget of 2013 mentions that 11.6% of the total expense was for subsidies, but did not specify how much it was for fuel subsidies.

The third adjustment, from 2014, happened three days after a mission of the IMF to Angola to provide technical assistance to the government to reform its fuel subsidies. In Angola, the subsidies of oil also remained, but there was a hike in the price of gas. The argument used by the government was that they needed to channel money from the subsidy to pay the programs of the National Development Plan 2013-2017.

In that mission, the IMF developed a report that showed some of the characteristics of fuel subsidies in Angola. Some of the main points in the report are in the box below:

**Box 5.1: Assessment of fuel subsidies in Angola**

- Subsidies to diesel, gasoline and LPG accounted for 94% of all consumption subsidies.
- Industry absorbed about 47% of all subsidies, the government 21% and households 32% (based on fuel consumption).
- Subsidies created incentives for over-consumption and smuggling (about 10% of consumption was being smuggled to the Republic of Congo and the Democratic Republic of Congo).
- 77% of fuel price subsidies benefited the richest 40% of households, while only 10% of benefits accrued to the poorest 40%.

Although poorer households benefited less from the subsidies, they spent about 4.8% of their income on energy while richer households dedicated only 3.6%.

The fuel-intensive sectors that would experience the greatest impacts of subsidy reform include fisheries, electricity, transport and mining.

Inflation resulting from subsidy reform would be limited as many consumer goods in Angola are imported, so their cost of production would not be affected by higher fuel prices.

Source: Whitley and Van der Burg 2015

The box shows that the urban population also has more access to the fuel subsidies than the urban areas. However, different from Mozambique, the vast majority population in Angola is located in the urban areas of the country. In the capital of Angola, Luanda, the majority of Luanda’s urban population lives in the periphery. They are the most affected by the government’s adjustment of fuel prices.

Three political aspects of the fuel subsidies deserve attention in Angola. First, the government has proposed the cuts of subsidies as part of the negotiation process with international actors. On the side of the IMF, the cuts are considered a success because they do not believe that subsidy is a kind of social protection – they assume that the money that was being used to subsidize the gas will now be used to social protection. On the side of those who criticize the cuts of the fuel subsidies, they argue that, in fact, the cuts harm the poorest population: the increase is high enough to affect the possibility of the poorest individuals to have access to, and low enough to affect the rich individuals to have access to them.

Second, different from Mozambique where the government defends the subsidies, and use the subsidies as a strategy to gain votes, in Angola, the process has been the inverse. The government has promoted abrupt adjustments in the price of fuels whenever the price of oil in the external market falls and the country needs to negotiate with the
IFIIs for loans and investments. While the urban poor is not satisfied with such measures, the government does not seem to take into consideration the interests of the population to make those decisions.  

Finally, while the IMF is against fuel subsidies because it is not pro-poor, the same organization supported the development of the Sovereign Wealth Fund (or just Sovereign Fund), which is a mechanism of non-redistribution. Through the 2010 Stand-By Arrangement, the IMF encouraged government’s plan to establish a Sovereign Fund, of around US$5 billion. “The authorities [in Angola] are committed to take further steps to improve fiscal management over the medium-term, increase non-oil revenues by reforming the tax system, and de-link the fiscal stance from short-term movements in oil revenues” (IMF 2009). The idea of Sovereign Fund is “to generate returns on excess capital and preserve funds for future generations.” In other words, it guarantees that countries that rely on only one commodity can have another source of wealth.

Some analysts agreed with the IMF and with the general idea of the Sovereign Fund, arguing that such Fund “would help Angola protect itself from oil price shocks by cutting the states’ dependence on crude revenues.” Skeptical analysts criticize the Sovereign Funds arguing that they help government to accumulate wealth, instead of distribute it. Others argued that when the social conditions of the country are very poor,
the Sovereign Fund is problematic for not realizing the money sooner, rather than later. In the particular case of Sovereign Wealth in Angola, the control of power in Angola also negatively affected the Sovereign Fund. In 2013, the son of the president dos Santos, Jose Filomeno de Souza Santos, was nominated to run it.

In summary, the negotiation between domestic actors and international financial institutions in Angola show how much the citizens do not have a substantial role in the creation and maintenance of fuel subsidies. The main reason for the government to phase out fuel subsidies in 2014 was prospects to get loans from the IFIs. However, given that the country has very high levels of fuel subsidies, the political aspect of such subsidies is because those who benefit from it are mostly people from the urban areas. In addition, whenever the more the government cuts the subsidies, the more the fuel subsidies become more regressive, because then only richer people are able to afford them. Finally, as explained above, the fact that most of the distribution is concentrated in the urban area also shows that fuel subsidies are mostly benefiting the urban population.

5.6. Conclusion

This chapter showed that in this arrangement of social protection, there is, in fact, an international pressure from IFIs that the political elites managed to minimize. Mozambique uses the pressure from the population to justify the adoption and maintenance of fuel subsidies. Angola keeps one of the highest fuel subsidies in sub-Saharan Africa but it adjusts it depending on its interest to negotiate aid with traditional international donors. This dynamic happens at the same time that they please their urban supporters through keeping the price of the fuels low.
The findings in this chapter contribute to my general argument in three ways. First, they showed that domestic political elites had greater influence in both countries’ decisions to maintain their fuel subsidies for consumers. In other words, despite variation in the relations of Angola and Mozambique with the IFIs, in both cases domestic political elites determine outcomes.

The second contribution is the fact that although international actors emphasize the importance in phasing-out fuel subsidies, they have not suggested solutions for the improvement of social programs in general. The phase-out process pushed by these international actors can be seen in two perspectives. International actors see it as progress, because they do not view subsidy as a kind of social protection – they assume that the money that was being used to subsidize the gas will now be used to social protection. On the other hand, the phase out strategy can also be a limitation of social protection, because each time that fuel subsidies become more expensive, it becomes consumed only by wealthier parts of the population. The interest of the international donors in the phase-out process with no other social program accompanying it is the evidence that the pressure of international actors against fuel subsidies does not translate into pressures for better and more efficient redistributive programs.

The third important finding in this chapter is that Angola and Mozambique had different motivations to keep the fuel subsidies for consumers. While self-serving is a behavior of those in the government – and this is what the international actors pay more attention to, fuel subsidies also have a special role in the political dynamics in both countries. The political aspect of the subsidies was more pronounced in Mozambique, but
both countries have a political incentive to provide assistance to those in urban areas, more than to those in the rural areas.

In 2008, the severity of the riots in Mozambique led the government and the Federation of Road Transport Associations (FEMATRO) to restore the old fare, through subsidizing the gas. In 2010, the second attempt of the government to eliminate the subsidies was accompanied by even more intense and widespread protests. These protests might indicate that while international pressure or political parties were not able to push for effective social protection programs, the middle class and the urban poor of Mozambique is the only effective pressure that can fight against the government for the development of social protection programs. While this cannot guarantee that the social protection mechanisms that could be eventually conquered by the urban poor would be spread to the rural population, it would signal a government that is more responsive to the population.

In Angola, the subsidies in oil have been more connected to the government interest to guarantee its control over and wealth of oil. The decisions to phase them out happened when Angola wanted to negotiate with the IFIs for aid. Therefore, it is important to recognize a difference between Angola and Mozambique. Mozambique was more affected by the population to create subsidies while Angola was more related to its interests in negotiating with international organizations for loans in the context of hikes in the price of oil.

Despite this difference in the domestic dynamics of each country to push for fuel subsidies, the fuel subsidies programs benefit the same social groups in both countries.
Most of those who benefit from it are the urban population in general, but mainly the political and economic elites of the two countries.
Chapter 6: The institutionalization of formal social protection structures

6.1. Introduction

This chapter analyzes the arrangement for the institutionalization of formal social protection structures in Angola and Mozambique. As formal social protection structures, I refer to the state institutions of social assistance (for the poor population) and social security (for workers). In this arrangement, international development actors influence poor and post-conflict countries to develop their structures of social protection in two different stages. The first stage, the state-building process, is when they push for the creation of such institutions. The second stage, which I call post-state-building, is when international actors provide technical and financial support for state institutions that already exist.

In this chapter, I argue that, in fact, the state institutions of social assistance have great difference in Angola and Mozambique because of the different involvement of international development actors in the countries after the 2000s. Mozambique has a very advanced system of social assistance while Angola does not. However, this institutional difference is counterbalanced by similar actions of both governments that minimize the expansion of redistributive programs as much as they can. The actions presented in this chapter are the emphasis on social security programs and the claim of the government that they are developing strategies to boost the macro-economy.

This arrangement started in 2000 when international development actors started to provide technical and financial support to several social protection programs in low-income and low-to-middle-income countries, especially in sub-Saharan Africa, in order to achieve the Millennium Development Goals (MDGs). It has counted on the involvement
of a great number of international actors, including the same ones from the arrangements analyzed in the previous chapters: United Nations (UN) agencies, the international financial institutions (IFIs) -- the International Monetary Fund (IMF) and the World Bank -- and the traditional bilateral donors of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD), as well as a greater involvement of the International Labour Organization (ILO). In addition, given that programs of social protection’s aim at targeting vulnerable groups, some specific international agencies have had an important role in pushing for programs that focus on the groups to which they are dedicated. For instance, the United Nations Children’s Fund (UNICEF) and HelpAge International, an organization for elderly rights, have been very active in the promotion of social protection for children and the elderly, respectively. Finally, the different experiences of these programs from countries in the global south have led to the establishment of regional arrangements of knowledge transfer and peer pressure for the adoption of social protection programs.

Since the 2008 global economic crisis, international actors started to coordinate initiatives, such as the Social Protection Floor Initiative (SPF-I), among the UN, IMF, ILO, and other international actors to develop social protection structures in poor countries. With these coordinated strategies, international donors and development

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112 According to the ILO, social protection floors are “nationally designed sets of basic social security guarantees which secure protection aimed at preventing or alleviating poverty, vulnerability, and social exclusion.” (Cunha et al., 2013). According to Cunha et al., the SPF-I is composed of “UN bodies, the IMF, World Bank, and development partners including bilateral donors, development banks, and international NGOs to support countries in planning and implementing sustainable social transfer schemes and essential social services” (Cunha et al. 2013, 3). In addition to Mozambique, Cambodia, Ecuador, Burkina Faso, Togo, and Benin have also committed to start building their own Social Protection Floors, as part of the SPF-I. Available at: http://www.ilo.org/global/about-the-ilo/newsroom/features/WCMS_141818/lang--en/index.htm. Visited on 16 July 2015.
agencies operated under the assumption that states would implement redistributive policies if they had the right institutions and sufficient resources.

International development actors justified calls for redistributive programs by arguing that the increase in macroeconomic development, measured by the Gross Domestic Product (GDP), that sub-Saharan Africa experienced in the 1990s and 2000s was not enough to reduce extreme poverty (Monchuk 2014, 15). According to Monchuck, “while between 1995 and 2008 the percentage of African people living in poverty fell from 58% to 48%, chronic poverty remained high” (Monchuk 2014, 15). In addition, macroeconomic advances can have negative consequences by making the societies more unequal and eroding social structures (Monchuk 2014, 15). Therefore, international development actors saw the development of redistributive programs, i.e., cash transfer (CT) programs, as a way to channel macroeconomic advances to mitigate poverty. In fact, programs and institutions of CT have become the central focus of the international development actors in sub-Saharan Africa.

Institutionally, Angola and Mozambique have a formal social protection structure, which is divided into social security and social assistance.113 They have very different

113 The governments in both countries also recognize the existence of various informal social protection mechanisms used in communities and throughout the country which, the governments argue, complement the formal structures of social protection. In Mozambique, examples of these mechanisms are xitique, tsima, and ganho-ganho. Common in the south of the country, xitique is a communal mechanism of saving, more generally organized by women, in which the saved money is used in cases of an important event for that community, such as weddings or the delivery of a child, and in case of emergencies, such as sickness and death. In the rural areas of the center and north of the country, peasants use tsima and ganho-ganho, respectively, which are non-paid collective labor based on mutual support and solidarity (Quive 2007, 36). In Angola, the examples of such practices are kixiquila, which is a mechanism of saving to be used either collectively or individually by members of a community, and kilapi, which is an informal system of credit (CIPS Angola). International development actors have argued that informal social protection does not protect the vulnerable population from the effects of all the shocks they suffer from, such as HIV/AIDS, chronic poverty, and various ethnic and political conflicts (Garcia and Moore 2012, 39). In addition, demographic shifts in the continent have weakened the traditional mutual support arrangements in the region. For instance, the number of elderly household members caring for children has grown quickly,
trajectories of the development of CT programs, as well as their institutionalization. They are both countries that have experienced an increase of GDP in the 2000s, but this macro-development did not improve the life conditions of the poorest population in their countries. Therefore, international actors started to get involved in both of them, at different levels, to push for such programs and institutions.

This chapter does the following: first, it explains the social protection structure in sub-Saharan African countries and situates the CTs within the formal structures of social protection in these countries. Then, it separately explains the differences of international involvement in Angola and in Mozambique in regards to the push for programs and institutions of CTs. After that, it moves to a separate descriptive analysis of the programs of social assistance in each country and the politics of deciding to adopt them. In the case of Mozambique, it will analyze the politics of the expansion of the Basic Social Subsidy Program (PSSB), the government’s CT program. Then, it shows how the government of Angola decided not to develop its social protection program of social assistance. Finally, it will conclude, highlighting how this chapter contributes to my argument.

6.2. The institutionalization of cash transfer programs

In most of sub-Saharan Africa, social protection is legally framed in a similar way to the social protection structures of most countries in the world. It is divided into two main structures, social security (or obligatory social security), which focuses on the working class, and social assistance (or basic social security), which focuses on those who do not have a job and live in conditions of poverty and vulnerability.

either because children have been orphaned or because their parents have migrated in search of job opportunities (Kakwani and Subbarao 2005, cited in Garcia and Moore 2012, 39).
Most of the societies of the sub-Saharan African countries, however, is composed of different social strata than the one that the formal social protection structure addresses (those who are formally employed and those who are not). According to Bevan, these states have an “insecurity welfare state,” with a largely stratified and fragmented society. Based on the definition of Bevan (2004, 17), the social groups of African societies can be divided as follows: (1) the very rich, government officials, and owners of private companies, who rely on international liberal welfare regimes and have access to international and private systems of social security; (2) some government workers and private workers, who contribute to the National Institute of Social Security (INSS); (3) the vast majority of the population in rural and urban areas, who have only informal employment and, as a consequence, do not receive social security; and (4) a large group embroiled in violent crisis situations and other vulnerabilities, such as natural disasters and economic crises.

The social protection institution of the countries in Africa try to frame the African society according to how the social protection structures address it, instead of creating institutions that are adequate to the characteristics of the Africa society. Social security focuses on contributory schemes and supports those who are in the formal work sector. This branch of social protection usually has the most developed institutional and legal framework in sub-Saharan African countries, and these structures usually come from the colonial period. Given that in African countries only around 20% of the labor force has formal employment and a much smaller part of this percentage contribute to social
security, social security mainly benefits very small groups of the country, mostly workers in urban areas.\textsuperscript{114}

In fact, this support needs to be pondered. These structures are not effective, and social security institutions have been associated with scandals of corruption because of the lack of transparency of their accounts. International actors, mainly the ILO, have tried to improve the conditions of social security for the working class and strategies to reach those who work in the informal sector. The ILO development of the “decent work” strategy is an example of these strategies.

Social assistance includes programs for the population in the latter two groups mentioned above: those who do not have formal work and do not have the means to guarantee the minimum necessary for themselves and their households. In other words, social assistance embraces policies for the poor and for those most vulnerable to poverty and shocks. Examples of social assistance include public works, food for work, and conditional and unconditional CTs. Among the programs of social assistance, unconditional CTs have become the most common programs pushed by international development actors in the 2000s.\textsuperscript{115} A study developed by the World Bank in 2012 identified a total of 123 CT programs in sub-Saharan Africa (Garcia and Moore 2012).\textsuperscript{116} International actors decided to push sub-Saharan African countries to adopt programs of CTs based on evidence of the reduction of inequality by conditional CTs in middle-


\textsuperscript{115} The term “push” is used to refer to the fact that international actors do not pressure countries to adopt these programs or institutions. Instead, international actors have attempted to incentivize domestic actors to develop these programs and have worked with them to develop such programs.

\textsuperscript{116} In the study developed by the World Bank (Garcia and Moore 2012), a total of 123 cash transfer programs were identified. These programs have different institutional designs, ranging from short-term emergency transfers to unconditional, noncontributory social pensions to conditional cash transfer programs with human capital development objectives (Garcia and Moore 2012, 14).
income countries, such as the Bolsa Familia in Brazil, Oportunidades in Mexico, and the Child Support Grant in South Africa. Conditional CTs mean that cash is provided upon certain conditions, most often the enrollment of children of the household in schools and/or the vaccination of their children. Given the difficulty of access to education and health services in the poorest areas of sub-Saharan African countries, where most of the targeted population of the programs live, unconditional CT programs were given the greatest priority in sub-Saharan Africa.  

The recognized success of CT programs led international development actors to push, not only for these programs, but also for their institutionalization. In other words, international actors started to transform the existing programs of CT into national social protection programs. Through this transformation, international development actors wanted CTs to be no longer community-based, unpredictable, and short-term programs, but instead sustainable, predictable, permanent, and national-based. This long-term aspect of the programs was also justified by the transformative role that these programs were meant to have, according to international actors.  

While international actors recognize that CT programs have positive results, they face several issues surrounding their adoption, institutionalization, and effectiveness. The first challenge is to convince states to adopt such internationally designed programs of CT. The domestic power structure may have low incentives to adopt and develop such redistributive programs, because the CTs do not give the ruling elites a political or economic return. Therefore, the adoption of the programs, as well as their outcomes, depends on these politics and the leverage the international actors have to pressure

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117 See Table 2.3 in chapter two.  
118 Countries that either had or were initiating the process of developing a national social protection system in 2015 were Mozambique, Rwanda, Kenya, and Tanzania (Ninno and Mills 2015, 3).
domestic governments to adopt them.

When these programs are implemented, the main issue is to create a permanent source of sufficient funding. In some countries, the programs of social protection are fully funded by international actors. However, this issue happens in countries where the programs are financed by domestic actors and where the programs are being institutionalized. In general, countries in sub-Saharan Africa spend very little on social assistance, with countries spending an average of around 0.1% of their GDP on that sector (Garcia and Moore 2012). While domestic actors have attributed these failings to low fiscal space, which they ascribe in turn to their weak structures of taxation, international actors have argued that fiscal space does not necessarily come from taxation. International actors have suggested a great number of alternatives to create a fiscal space, including the reallocation of public expenditure (such as the elimination of fuel subsidies for consumers, explained in the previous chapter), the restructuring of existing debt, and the implementation of expansionary economic policies.

International actors also face technical issues for the execution of the programs. Examples of these issues are how to reach the beneficiaries, who usually live in remote areas of the countries with restricted access, and how to identify mechanisms to increase the efficacy of the programs and avoid leakage. These technical issues have an important role in the adoption of these programs because they affect the expenses and perceived value of the programs by the domestic government and, as a result, the decisions of the government to adopt them.

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119 According to Heller (2005), “fiscal space can be defined as room in a government’s budget that allows it to provide resources for a desired purpose without jeopardizing the sustainability of its financial position or the stability of the economy.” Available at IMF official website: http://www.imf.org/external/pubs/ft/fandd/2005_06/basics.htm. Visited on 05 March 2015.
From this overview of the institutionalization process of CT in sub-Saharan Africa, three aspects deserve special attention for the following analysis: First, international development actors have converged in the process of pushing social protection. This could indicate a strong influence on a domestic government to adopt such programs. Second, the social protection structures in sub-Saharan African countries do not correspond to the social reality of the societies—given, for example, the divide between social security and social assistance which leaves behind the individuals who work in the informal sector and who comprise the majority of the active working population. Third, the adoption of the programs that international actors push is counterbalanced by domestic power structures that create specific conditions for the development to develop the programs, especially to fund them, as they are reluctant to do so if they do not expect to reap immediate political and economic benefits for themselves. These aspects will affect both the decisions to adopt such programs and the decisions to fund and expand the programs. The cases of Angola and Mozambique provide evidence of the effects of these aspects in the development of their social protection structures. In order to analyze the variation in the institutionalization of social protection in Angola and Mozambique, this chapter will move now to explain the difference of levels and kinds of international involvement in both countries.

6.3. Setting up the difference of international involvement in Angola and Mozambique

As noted in the previous chapters, international development actors have become involved in Angola and Mozambique at very different levels and in very different ways.
Mozambique experienced great involvement of international actors after its independence and continues to do so. Angola, on the other hand, has a very limited involvement of traditional international development actors. This difference coincides with the institutional variation of their social protection structures, as I will show later in this chapter.

In 2000, international development actors converged their actions to respond to the MDGs, with the goal of improving the coordination of their actions towards poverty mitigation. In this configuration, recipients of aid started to be considered partners of the international development donors. Development actors started to prioritize state-building, meaning that they were committed to creating new state institutions and/or strengthening existing ones. In this sense, international donors started to provide direct assistance to the state budget so the local partners could develop institutions and programs for social and economic development, such as in the sectors of health, education, agriculture, and social protection. Finally, this configuration did not impose the kinds of conditionality associated with the structural adjustment period. As Frerks (2006) explains,

[T]hese efforts focus on increased aid effectiveness through partner countries’ ownership and leadership, alignment with and capacity development of partner countries, harmonization, results-oriented planning, reporting and assessment frameworks, and mutual accountability and transparency (Frerks 2006).

Despite this greater number of actors involved in this arrangement of social protection, the IFIs continued to have an important influence in the decisions of international development donors to provide assistance to the partner countries. Donors

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120 According to Manning and Malborough (2012), budget support is expected to support many of the goals of the 2005 Paris Declaration on Aid Effectiveness. Donors expect budget support to increase government ownership of development, to bring harmonization, co-ordination and information sharing among donors, to unite disparate donor efforts in support of a common goal (in this case poverty alleviation), and to create mechanisms for mutual accountability between donors and the government (Manning and Malborough 2012, 3-4). But the DAC studies show that none of this happens.
continued to rely on the Poverty Reduction Strategy Papers (PRSPs). Therefore, despite this apparently more cooperative strategy of the IFIs, the PRSPs continued conditionality in a less direct, but not less controlling, manner.

This international involvement greatly influenced the development of formal social protection structures in Mozambique. Despite the recent decrease in foreign aid to the country, Mozambique still relies on foreign aid to support its budget.\textsuperscript{121} Since the end of its war, international actors got involved in the country as providers of aid. The country had its first PRSP approved in 2001, and it had two extensions. The second extension of its PRSP, called Action Plan for the Reduction of Poverty (PARP), 2011-2014, aimed at achieving sustainable and inclusive economic growth while reducing poverty and vulnerability.\textsuperscript{122} In 2004, the government of Mozambique and the G19 (the group of donor countries and organizations that provide aid to the country) signed the new terms of aid determining periodic reviews and reciprocal obligations (Hanlon and Renzio 2007, 15).\textsuperscript{123} The group was created as part of the international initiative, Programme Aid Partnership (PAP), developed by the OECD donors for better practices of international involvement in poor and fragile countries. Through the PAP, international donors provided direct financial support to the state budget and to specific programs and projects developed by state institutions.

\textsuperscript{121}In 2011, external finance of the State budget has dropped to 44.6\% against 51.4\% in 2010. Available at: http://ecdpm.org/great-insights/africa-turning-point-mozambique-case/mozambique-turning-point-aid-dependence-to-development-effectiveness/#fn.

\textsuperscript{122}Mozambique’s first PRSP, the \textit{Plano Nacional de Acao para a Reducao da Pobreza Absoluta} (PARPA I), from 2001 to 2005, aimed at promoting economic growth through the liberalization of the market, fiscal restriction, and providing a favorable environment for the private sector (Waterhouse and Lauriciano 2009, 22).

\textsuperscript{123} It has changed to G19, but the number of associate members has fluctuated since 2004. The group has the following permanent members: African Development Bank (AfDB), Austria, Canada, Denmark, the European Union, Finland, France, Germany, Ireland, Italy, Norway, Portugal, the United Kingdom, Sweden, Switzerland, World Bank. Available at: http://pap.org.mz/membros-permanentes/.
In relation to social protection programs, this involvement of international actors has influenced Mozambique to adopt many different kinds of programs of social assistance, including public works, food for flood victims, and conditional and unconditional CT programs. With the support of donors, the government of Mozambique reformed its National Institute of Social Action (INAS), which is the executing branch of the government’s social assistance program. In 2008, the program of CT under INAS and the PSSB (formerly named the Food Subsidy Program, PSA) started to receive direct financial assistance from the British Department for International Development (DFID) and the Dutch government, two of the PAP members.

In the actual push for social protection in Africa, Mozambique is considered by the international development community as a case of success of social protection in Africa. The discourse of the successful case of Mozambique is usually related to its political stability and economic growth because of the increasing extraction of natural resources (gas and coal) in the country since the 2000s. International actors have been using the country as a laboratory to implement different kinds of mechanisms and projects related to social protection. For instance, in 2012, Mozambique became the pioneer of the SPF-I in sub-Saharan Africa.

In Angola, the involvement of international actors has been limited in the area of development. Due to the difficulty the government and the IMF have had in reaching an agreement since the end of Angola’s civil war in 2002, the IFI has never approved Angola’s PRSP. Angola completed the draft of its first PRSP in 2004, but it was not finalized, nor was it approved by the IMF (Boyce 2004). This has also hindered the involvement of traditional donors in the country (Boyce 2004). In addition, the wealth
that the government of Angola obtained through the export of oil and diamonds has made
the country less dependent on international aid and, as a result, less accepting of
international demands and pressures.

On the other hand, arguing that the country had resources to provide for its
population and suspicious of the government’s involvement with illegal and not
transparent activities, international actors have done little to promote assistance to the
population via the promotion of state institutions in the country. One of the few, if not the
only one, is UNICEF, which implemented a tiny pilot project in a small town in the south
of the country from 2007 to 2011.

Therefore, the variation of institutional structures of social protection in Angola
and Mozambique is, in fact, the result of the varying kinds and levels of international
involvement in each country. The adoption of the programs pushed by international
actors in Mozambique has made the country a case of success of social protection in
Africa in the eyes of the international development actors. Angola, on the other hand, has
not been affected by trends and agendas of the international development configuration
and, as result, does not have programs of CT. Despite this institutional variation, these
government have taken actions that reduced the expansion of their social protection
programs, keeping them as limited as they could. I move now to a descriptive analysis of
the social protection structures in both countries.

6.4. Social assistance and cash transfer programs in Mozambique

In Mozambique, international actors provided technical and financial support for
its formal structure of social protection. Compared to other states in sub-Saharan Africa,
Mozambique has one of the most developed legal and institutional social protection frameworks. Therefore, international actors consider Mozambique an outstanding case for this arrangement of social protection. Despite this formal success, the government of Mozambique remains reluctant to substantially increase the allocation of resources to social assistance. The government of Mozambique has managed to respond to the demands of the international actors for the development of social protection while keeping its institutions of social protection exclusionary. My argument is that the programs and organizations developed in Mozambique help cloud the government’s positions in the area, thereby insulating the domestic political structure from negative international and domestic opinions related to how these programs operate.

Mozambique has a well-established legal and institutional structure of social protection. Legally, Mozambique has the Social Protection Law, 2007, which established the system of social protection and defined the sources of funding for the programs. In December 2009, following the international initiatives for social protection after the 2008 global economic crisis, the government of Mozambique approved the Regulation for Basic Social Security (Decree 85/2009), which established the rights of the vulnerable population and defined the kinds of intervention, as explained in Box 1.124 In the following year, the government approved the National Strategy for Basic Social Security (ENSSB), which created the national strategy for social protection with the support from the international actors. Institutionally, the Ministry of Women and Social Action

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124 Social protection was not the only measure taken by the government of Mozambique in response to the global crisis. “In 2008 and 2009, the government of Mozambique took a series of monetary and fiscal measures to stimulate economic growth and job creation. To support the fiscal accounts and the balance of payments, the government asked the World Bank to increase the size of the Poverty Reduction Strategy Credit (PRSC-6) from US$85 million to US$110 million and requested US$170 million from the IMF’s Exogenous Shock Facility (ESF), which was approved by the IMF Board in June 2009” (World Bank 2012). For social protection, in addition to establishing the regulation for social assistance, the government also increased the minimum pension provided by the INSS (World Bank 2012).
(MMAS) is responsible for social protection programs, and the INAS is the implementing institution. Box 1 helps show how the structure of social assistance of the government of Mozambique is organized.

**Box 6.1: Social Assistance (or Basic Social Security) in Mozambique**

| Ministry: Ministry of Women and Social Action (MMAS). Other ministries deal with sector-based programs. |
| Implementing Institution: National Institute of Social Action (INAS). |
| Beneficiaries: The most vulnerable population—the poorest households, the elderly, people with disabilities, the chronically ill, and households with orphans and vulnerable children. |
| Funding: State budget and international aid. |
| Kinds of Intervention: Direct social action (social transfers, cash and in-kind [food, school materials, uniforms]), primary health care (Ministry of Health), primary education (Ministry of Education), and productive social action (programs of social inclusion through work programs). |

**Main Programs Implemented by INAS:**
- Basic Social Subsidy Program (PSSB): unconditional CT.
- Direct Social Support Program (PASD): food and school supplies.
- Social Benefit through Work Program (BST): cash and credit support for household activities.
- Community Development Program: economic support for small infrastructures, such as health posts and mills.


The PSSB, formerly named PSA until 2010, is the CT program of the government and the largest program of INAS, in terms of both funding and scope. In 2014, PSSB received around 60% of the resources allocated to INAS, a total of MT 1,462 million (around US$44 million) (UNICEF 2014). Most of the resources allocated to INAS come from the domestic government and, in 2008, with the support of DFID and the government of the Netherlands (Pellerano and Hodges 2010, 26; Waterhouse 2009, 17). The ILO and UNICEF also approved direct technical support for the delivery and

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125 The data presented here come from different sources and organizations. They should be read as estimates and illustrations to have an idea of the reach and values of the social transfer programs. In relation to the conversion of US$ and Metical (MT), Mozambique’s currency, I have opted to leave the conversions identified by the sources.
management of PSA (Pellerano and Hodges 2010, 26). In 2011, the contribution from international partners was MT 165 million, around 30% of the total budget of the PSSB.\footnote{Important to note that, since 2011, the external investment to INAS has been decreasing. In 2011, the total of external support was 21% of the total money allocated to the organization. In 2013, it was 8.7%, and in 2014, 10% (UNICEF 2014).}

In terms of targeting, as of 2013, the PSSB was reaching around 322,000 households, a coverage that is considered very high in sub-Saharan Africa by international donors.\footnote{For a parameter, the entire population of Mozambique in 2014 was 24,692,144 and around 6.5% of this population was above 55 years old. Information available at: http://www.indexmundi.com/mozambique/demographics_profile.html. Visited on 21 Jul 2016.} The PSSB targets the elderly (women aged 55 or more, men 60 or more), disabled, chronically ill, and malnourished pregnant women.\footnote{Disabled are people “who have recognized incapability to work” (INAS 2004). Chronic illnesses include hypertension, diabetes, epilepsy, bronchial asthma, chronic renal insufficiency, and tuberculosis. It does not include AIDS (Pellerano and Hodges 2010, 26).} The amount given to the beneficiaries varied depending on household size: “monthly, the amount ranges from MT 100 (about US$2.85) for a household with a single person to a maximum of MT 300 (about US$8.50) for a household with five or more members” (Mausse and Cunha 2011, 326). Figure 1 below shows the increase of recipients of the program between 1999 and 2013.
The composition of beneficiaries has been vastly focused on the elderly, followed by the disabled and, lastly, the chronically ill. In 2012 and 2013, for example, the elderly received more than 90% of the assistance provided by the PSSB (INE 2013). One of the reasons for the low rate of benefit to the chronically ill is the bureaucratic process they must go through to receive assistance, including the requirement of having a doctor’s prescription that confirms the illness.

Another important point about PSSB is how it reaches the population. According to Taimo and Waterhouse, “INAS has delegations in all the provincial capitals, which respond to INAS at central level but are also accountable to the Provincial Directorates for Women and Social Action, responsible to monitor implementation of the social programmes carried out by INAS” (Taimo and Waterhouse 2007). However, INAS does not have an office in every town, so, in order to reach the beneficiaries, it has some
transient services that try to reach those who live in areas distant from the centers where the permanent offices of INAS are located. Even so, the system does not reach the entire population, who need to travel in order to receive the payment.129

The PSSB did not begin as a pilot project, which is the usual way that the international actors develop social protection systems in sub-Saharan Africa. Instead, the PSSB was a reform of the PSA, a program that was created in 1990 to reduce the poverty conditions in urban areas caused by the hike of food prices during the structural adjustment programs (SAPs). The Bureau of Support to Vulnerable People (GAPVU) under the Ministry of Planning Finance administered the program. In fact, PSA was a recommendation of the World Bank in recognition of the negative social impact of the SAPs on the urban population after its demand for the hike of the price of food (Taimo and Waterhouse 2007). In 1997, GAPVU closed because of a corruption scandal, and INAS was created with the goal of finding ways to expand PSA. In 1997, PSA covered only 30,000 households in urban areas (Massingarela and Nhate 2006, 12). Less than a third of that number claimed benefits at the peak of the program in 1991-92 (Massingarela and Nhate 2006, 12).

It is argued that PSA lasted for so long because of the willingness of the government to promote redistributive policies. However, it is important to highlight that the World Bank recommended its creation and that, since the early 1990s, the international actors have had a strong influence in the country. This might indicate that the existence of the program is related to the international demands and pressures in the country. Therefore, while the program remained and the domestic government was in charge of its execution, there is no evidence that this permanence of the institution was

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129 For a very detailed explanation of how the system works, see Selvester, Fidalgo, and Taimo (2012).
the result of domestic political interest. This fact conflict with the general understanding that the government of Mozambique is willing to develop programs of social protection.

In the post-2008 configuration of the program, the expansion of the program has been accompanied by several criticisms. Most of them have been discussed in reports based on surveys with recipients and workers on the ground (Selvester, Fidalgo, Taimo 20012; Pellerano and Hodges 2010). A summary of these criticisms is presented in Box 2 based on discussion among recipients, members of international organizations, and donors at the National Conference on Basic Social Protection in July 2014. Most of these criticisms coincide with those presented in the reports.

**Box 6.2: Main problems of PSSB**

At the National Conference of Basic Social Protection (Social Assistance) in Mozambique, which occurred in Maputo, July 28-29, 2014, several problems with the PSSB were raised by local and international organizations. The problems related to the following aspects of the program:

**The coverage of the program.** People complained about the very limited number of people who benefit from the program. They argued that the program is too small to respond to the chronic poverty in the country. This criticism was based not only on the limited coverage of the program during the time of the Conference, but also on the fact that the population in Mozambique is getting older, which requires an expansion of the program to reach the elderly. In 2014, there were 1.3 million people above 60 years old, around 0.5% of the population, and projections confirm that this number will increase every year. Because of this projection, people argued for the importance of having a program that assists more elderly people.

**The criteria for eligibility.** People were struggling to understand the criteria of eligibility for the program. Individuals who are literate and/or live in houses of bricks are not eligible for this assistance. This approach is called the Proxy Means Test (PMT) and is usually used in countries where the poverty is flat (meaning that a large portion of the population live under the poverty line, and a great number of the people who live above it are very close to the line and, therefore, there is a large proportion of the population who need assistance). Given the lack of resources to cover all those in need, PMT is a mechanism to narrow down eligibility in a context of chronic and generalized poverty. Bricks imply access to income higher than subsistence, as does literacy, which implies that a household is doing well enough to forgo the extra income from child labor.

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130 Information from the notes taken by the author during the Conference.
audience in the Conference harshly criticized PMT because, in their view, those proxies did not operate effectively for sufficient income.

**The neglect of particular groups within the program.** Most of the already limited attention is given to the elderly, while people with disabilities are almost entirely left out of the program.

**The difficulty of accessing benefits.** The individuals have to go to the social security posts in their provinces to receive their benefits. In many instances, particularly in rural areas, potential recipients live far away from the posts and it is a burden for them to pick up their benefits; in some other instances the cost of transportation to get to the posts exceeds the benefits. In other regions of the country where there are no posts of the INAS, members of the government have to go to those regions, but the service ends up being extremely costly because the population is very scattered.

**The relationship between the program and other social issues.** The people who gave testimonies of the programs talked extensively about child marriage. At the same time, whenever someone in the audience brought up the discussion over women, the organizer of the event said that they already had a national conference on women on another occasion, so the issue was not going to be debated again.

**The lack of information and knowledge about procedures and rights.** There was a debate related to whether or not beneficiaries could wait to go to the post to pick up more than one month of the benefits at once. There did not seem to be any consistency across regions on whether this was permissible. A member of the government clarified that, if the beneficiary goes two consecutive months without receiving the benefits, that beneficiary loses the retroactive benefits. But this information was not widely known, even by representatives from domestic NGOs attending the conference.

Members of the government had two common responses to these criticisms. The first was that social protection was still in its initial stage, so that improvement as well as expansion of coverage would come with “time and learning the mistakes.” The second was that social protection was not just the responsibility of the state, but also that of family and other informal social protection structures. For instance, state officials argued that, while the state should have a responsibility to the elderly, it is the family that has the first responsibility towards that person. While these responses may seem reasonable, given that structures of social protection can take a long time to become strong and well-
consolidated, other actions and discourses of the government show that these problems are the result of the vested political interests that the domestic elites have for keeping the programs the way they are. The international actors, however, dealt with these problems as technicalities, and did not take into consideration the existence of the underlying political motivations of the domestic political elite. This chapter moves now to an analysis of this dynamic.

**The politics of social protection in Mozambique**

The problems of the program mentioned during the National Conference, described in Box 2, such as the lack of funding and the design of the programs, are in part the result of strategies of the government to circumvent such programs or to make the programs as minimal as possible. High-ranking politicians and civil servants openly criticize the programs of CT, arguing that the state should not help the poor out of poverty (Waterhouse and Lauriciano 2009). Despite the limits of formal employment in Mozambique, the government has suggested that social protection should come from work instead of the government being a provider of benefits.131 Another official criticism was based on the assumption that CTs should not be provided because they reduce the workforce.132

The advance of social protection in Mozambique, as a result of the expansion of the CT in Mozambique, has been counterweighed by of actions, views, and priorities of the domestic political structure. Three of these actions and views are: first, to influence who the beneficiaries of the program should be; second, to allocate more resources of the

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132 Criticism mentioned during the National Conference.
state budget to social security than to social assistance; third, to establish competing structures of social programs outside the scope of the state’s social protection structure, instead of channeling all of its resources to increase the fiscal space for social protection programs. While the first decision represented a direct strategy to limit the coverage of CT programs, the other two decisions also had a direct impact on the programs of social assistance.

In relation to the decisions of scope of coverage, the international actors and the domestic government initially agreed about who the beneficiaries of the PSSB should be. However, the government has been reluctant to provide the CT program to other sources of vulnerability in the country. For instance, the government has rejected the proposals to implement CT programs related to natural disasters and to address the problems of orphans and vulnerable children (OVC) (Waterhouse and Lauriciono 2009). Waterhouse and Lauriciono cited the rationale given by the Chair of OVCs Working Group in Mozambique in 2007 upon the retraction of a program of CT:

On reflection, we realised a cash transfer might not be used for the intended beneficiaries, e.g., fathers might drink the money and children might gain bad habits through access to cash at too early an age (Waterhouse and Lauriciono 2009).

Also illustrating that the limits of social assistance are the result of decisions of the domestic political elite is the fact that the INSS, created in 1988 and administered by the Ministry of Labor and Finance, receives more financial assistance from the government than does the social assistance branch of social protection. Obligatory social security corresponds to contributory schemes that provide pensions, sickness, and

133 There are other programs within MMAS that address OVCs and natural disaster shocks. For an overview of these programs, see Waterhouse and Lauriciono (2009). For instance, in 2001, the National Disaster Management Institute (INGC) distributed food for the victims of the flood.“Food for flood guaranteed” AIM, June 15, 2001.
invalidity benefits to wage workers in the formal sector, civil servants, and state employees. The scope of coverage is very low because Mozambique does not have a large number of people with formal jobs who could benefit from this kind of social security. According to the 2011 ILO Report, “the economically active population in Mozambique is estimated at around 11 million people, of which the vast majority (more than 60%) are self-employed, around a quarter are unpaid family workers, and only 10% are salaried employees (4.1% civil servants and 6.8% in the private sector)” (Cunha et al. 2013, 6). From this total, only 3% of the total labor force is covered by the INSS.

In order to add to the limited contributory system, the state has to use money from its general budget to pay for those benefits. However, most of the beneficiaries of social security are those who work in the government and in private companies. According to the World Bank assessment, in 2010, Mozambique spent 3.7% of the GDP on social protection. From this total, 2% went to social security and 1.7% to social assistance (World Bank 2012).

<table>
<thead>
<tr>
<th>Table 6.1: Distribution of the expenses in Social Protection, 2010</th>
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<tr>
<td></td>
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<tr>
<td>Meticais (Million)</td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td>Basic Security</td>
</tr>
<tr>
<td>Direct Social Action</td>
</tr>
<tr>
<td>Primary Education</td>
</tr>
<tr>
<td>Primary Health Care</td>
</tr>
<tr>
<td>Productive Action</td>
</tr>
<tr>
<td>Obligatory Social</td>
</tr>
<tr>
<td>Security</td>
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<tr>
<td>---------</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Exchange rate, 2010: US$1 = MT33
Source: Salazar and Zapatero 2012.

This amount of resource allocated to the INSS does not mean that that the pensions provided the INSS are sufficient to provide good living conditions. In fact, the pensions and other programs that the INSS provides are very low. According to the World Bank, “the families of those receiving the average INSS pension are likely to be below the poverty line if the pension is their only source of income” (World Bank 2012).

Three problems are related to this allocation to INSS. First, INSS covers just the very small percentage of the population that has formal employment. Second, the government has used the money of the INSS to invest in public and private companies, rather than to increase the amounts of the benefits provided by INSS. Third, corruption scandals involving the private use of public funds by high-ranking government officials have been common since the creation of the institute. In fact, it was only in 2015 that INSS started to make its financial records public.

The third option of the government that restricts social protection programs is the allocation of money within INAS. The main issue of the international actors involved in the development of these programs is how to find the fiscal space necessary for its development. Therefore, these actors suggest that the government transfer expenses from other areas to finance social protection. One of the recommendations is, as discussed in the previous chapter, to phase out the subsidies to consumption goods, such as oil and

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wheat for bread. However, the government still funds programs through INAS that do not involve basic social assistance. For instance, part of the budget of INAS is to cover the operational debt of public enterprises and the subsidies on oil and wheat (UNICEF 2014). In 2010, the five public enterprises were Radio Mozambique, Mozambique Television, Public Transports of Maputo, Public Transports of Beira, and Chockwe Hydraulic (World Bank 2012).

Finally, another issue related to the development of social protection is the current competing doctrine of “social responsibility” in Mozambique’s extractive industry. The most promising revenue alternative envisioned by international actors and civil society would be to increase the taxation of international natural resource exploitation companies (Silva 2012). However, instead of negotiating more transparent contracts to increase the taxation of the foreign companies, the government has enacted “social responsibility” agreements. The government created the Policy of Entrepreneurial Social Responsibility in the Extractive Industry (PRSEISE). This policy allows companies to limit their social responsibility to promoting local development incurring a tax which might, if levied on them, finance the systems of social protection.136

The government of Mozambique has an incentive to develop internationally designed programs of social protection because of its dependency on international aid, which comes with demands and pressures of international actors. At the same time, the government has made three decisions that limit the scope of social protection programs, with little enforcement of international actors against them. These three decisions were those involving the selection of beneficiaries of the programs, the allocation of resources to the INSS, and the allocation of money within INAS.

One explanation for this reluctance of the government to increase the scope of social protection programs is that such provision does not promote immediate political or economic results for the political elite. For instance, people who benefit from the programs do not know that they are provided by the state. The survey done by Selvester, Fidalgo and Taimo (2012) in two districts of Gaza, Chokwé and Chibuto showed that program beneficiaries had very low expectations about the state institutions and had little understanding that those transfers originated from the state.

As a conclusion, it is possible to see that foreign aid was coming in, and that the government’s programs neglected to find ways to improve and increase the reach of the programs. In this sense, there is no evidence that the outside actors were trying to pressure the government of Mozambique to make the program more effectively redistributive, while the government of Mozambique itself was resisting. Therefore, the point here is that international actors were satisfied with the results of the institutions of social protections based more on what it has accomplished, than on what it could accomplish.

6.5. Social assistance and (no) cash transfer programs in Angola

The low level of international involvement in Angola has resulted in a lack of internationally designed institutions of social protection, i.e., cash transfer programs. To be sure, the country does have a legal structure of social protection. Article 90 of the 2010 Constitution states that it is the responsibility of the state to promote social development. Article 21 states that the main task of the government is to promote welfare, social solidarity, and improvement of the quality of life. Institutionally, however, unlike
Mozambique, Angola does not have a developed body of organizations responsible for implementing and executing social protection programs. Despite its legal framework, the government does not have an institutional framework to execute programs of social protection on the ground.

**Box 6.3: Social Assistance (or Basic Social Security) in Angola**

<table>
<thead>
<tr>
<th>Ministry:</th>
<th>Ministry of Social Assistance and Reintegration (MINARS), National Directory of Social Assistance and Promotion (DNAPS), Provincial Delegations, and Municipal Services.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementing Institution:</td>
<td>None</td>
</tr>
<tr>
<td>Beneficiaries:</td>
<td>People with limited or no sources for their subsistence.</td>
</tr>
<tr>
<td>Funding:</td>
<td>State budget.</td>
</tr>
<tr>
<td>Kinds of Intervention:</td>
<td>Programs of in-kind transfers.</td>
</tr>
</tbody>
</table>


Angola does not have programs of CT. Instead, the Ministry of Social Assistance and Reintegration (MINARS) has adopted other programs of in-kind transfer, especially food. According to data provided by MINARS, in 2011 around 600,000 people received food aid through this program (OPM 2013). However, according to the 2013 Oxford Policy Management (OPM) Report, these programs have faced several problems. First, because of the lack of an implementing institution, the government contracts with private companies to provide the assistance throughout the country. Second, there is not an established budget for these programs, but rather, one that changes depending on the decisions of the state. Third, because of the institutional and financial coordination required to reach most of the municipalities, most of the programs are concentrated in a few municipalities in the country, particularly in the capital, Luanda (OPM 2013).

In relation to CT, the only experience the country had was a small pilot program financed by UNICEF in a southern province of the country, Cunene, between January 2010 and August 2011. The project was called “Mitigating the Impact of HIV/AIDS” and
was implemented by the Angolan NGO Action for Rural Development and the Environment. The program had limited funding, so it provided support to just 265 families (UNICEF and ADRA 2011). After the conclusion of the program, UNICEF presented the results to the government as part of a proposal launched by UNICEF to implement a national program of social assistance, with CT as one of its programs. The government of Angola rejected the proposal.

**The politics of social protection in Angola**

The government of Angola announced its interest in promoting programs of wealth redistribution during the electoral campaigns of 2008 and 2012 and in its Program of National Development 2013-2017. These programs were designed in a different way from those pushed by international actors. The choices of these programs can be analyzed through the government’s institutional preferences, budget allocation to social protection programs, and different kinds of development. With these choices, it is possible to see that the government has connected social protection to a discourse and strategy of macroeconomic development. This model of development does not include social protection programs, such as CTs.

In the 2008 elections, the electoral campaign of dos Santos focused on the provision of services and basic needs, such as water and housing. In the 2012 election, the discourse of dos Santos focused on wealth distribution (equality) and social protection. Several target-based programs were presented, including the *abono familiar*, a kind of *bolsa familia* from Brazil, which was introduced during a visit of the former President of Brazil, Luis Inacio Lula da Silva. Unlike the other programs that come from several
ministries of the government, the abono familiar was proposed to have a direct oversight from the presidential cabinet, instead of from one ministry. However, up to May 2015, there was no available information or evidence that this program was going to be established.

Redistributive programs were also announced in the National Plan of Development (PND) 2013-2017 based on the long-run development strategy plan “Angola 2025.” The main goals of these programs include the following: to preserve unity and national cohesion, to guarantee the basic assumptions necessary for development, to improve people’s quality of life, to include youth in the labor force, to promote development of the private sector, and to stimulate the competitive participation of Angola in the international context. These goals help show that the plan of development is connected to the idea of modernizing the economy of the state through macroeconomic development instead of inclusive growth. As Paulo (2010) mentioned about this Angolan option of development,

[S]ome international commentators have suggested that the Angolan development model, while producing impressive statistics for GDP and investment may be relying excessively on “trickle-down development”—a polite way of saying that so far it appears to be benefitting mainly the better-off. But national leaders argue that their country needs to be completely rebuilt, starting with the highways, ports and railroads. This will facilitate investment and modernization in agriculture, which currently employs roughly six out of seven Angolans, thus boosting rural incomes while helping feed the population.

This point raised by Paulo refers to a common debate in the development agenda. Some argue that macroeconomic development should be done first in order to bring more wealth to the country, and that then the society will benefit from the subsequent economic growth. Alternatively, others believe that it would be better to redistribute the
money through social programs in order to improve the condition of the poor, who do after all constitute human and social capital, and make them part of the development process. This is an old argument. However, it is important to remember that the trickle-down strategy was first pushed by international actors during the structural adjustment programs of the 1980s. It is because of the failed results of those programs–there was no actual trickle-down–that some development actors go against such an idea.

The point of this dissertation is not to question the merits of each side and which one is more appropriate for Angola. Rather, the point is that, regardless of the approach Angola takes, the government needs to execute the proposed plans. In other words, it is not the kind of development programs that matter, but that the programs are, in fact, being implemented. For instance, in order to fulfill the promises of housing in the 2008 elections, dos Santos signed a contract with China to deliver a million houses in four years. In this Sino-Angolan contract, the Angolan was to build entire new towns around Angola, using Chinese construction companies to build the houses. The houses were indeed built, but today these towns are called “ghost towns” because nobody lives there. One reason for this, according to Benazeraf and Alves (2014), is related to the very high cost of the houses, the prices of which were set by a private company. This indicates the problems associated with linking social projects to private interests. Therefore, while the programs increased the investment of China in Angola and increased the transfer of money from China to Angola, the actual distribution of housing to the population did not happen.

The second aspect of Angola’s social protection is the relation between social security, created in 1990, and social assistance. Most of the Angolan institutional
framework has focused on the provision of welfare to those who have formal employment. There is also the law n.7/04 of 2004, *Basis for Social Protection*, whose goals are to guarantee three benefits to workers: maternity leave, unemployment support, and workers’ security. This happens even though the economy is centered on the oil sector, which is a capital-intensive sector that employs less than 1% of the total of the work force.

However, the majority of workers, 66%, are still self-employed or have informal jobs. Of the population with no formal position, 87% live in rural areas (UNDP 2011). Given that most beneficiaries are people from urban areas, especially Luanda, the distribution of assistance is concentrated in these areas. For this reason, the concentration of social protection for those who have formal work does not correspond to the main needs of the population and an expansion of social assistance programs could help those who do not have a formal position and represent the poorest people of the country. According to the INSS website, Angola had 111,512 taxpayers in 2015. Similar to the case in Mozambique, the INSS had several scandals of corruption and embezzlement. For instance, in 2004, INSS confirmed that US$2 million were embezzled from the institution’s funds.

Another important feature of the social protection mechanism in Angola is the great part of the state budget that is allocated to social protection, under the “social function” sector of the budget. However, as explained in the previous chapter, most of this budget goes to fuel subsidies.

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137 The law also makes provision for self-employed and dependent workers (Taylor 2008).
138 Most of the unemployed people are located in the urban areas in the country due to the extensive exodus to those regions during the long period of civil war.
In summary, the government of Angola has included distribution of wealth in its official discourses during electoral years and in its development strategy. However, the government has done little on the front of social assistance. The reference to wealth distribution programs in the electoral period shows that the government sees the political importance of these programs chiefly in terms of the votes that they can yield. However, the weak political opposition in the country, as explained before, the oppression against civil society organizations, and the lack of involvement by international actors give little incentive for the government to adopt programs that benefit the entire population.

6.6. Conclusion

This chapter has sought to explain how different levels and kinds of international involvement affect the social protection arrangement for the institutionalization of formal social protection structures in Angola and Mozambique. The empirical evidence of this chapter contributes to my argument in three ways. First, in Angola and Mozambique, as most of the sub-Saharan African countries, a very small percentage of the population have formal work and a great amount of the population falls under the poverty line. In spite of this social structure, the governments of both countries provide more financial support to social security than to social assistance. The decision to provide more to social security supports my argument about the effects of exclusionary political institutions on the social protection programs. Those who receive assistance from the government and have formal work are individuals who have connections to the government, support it, and, live in urban areas.
This is not to say that the social security programs work effectively. In fact, social security structures in these countries are very weak. Those who benefit from social security are just the wealthiest of workers. Therefore, this reinforces again my argument about the very restricted social protection structures of these countries.

Second, both countries have prioritized a market-oriented restructuring to favor macro-development instead of redistributive programs. As discussed in the chapter, they are two different kinds of development. However, it is not evident that the governments have done what they have stated they would in terms of social development.

Third, because of the different levels and kinds of international involvement in each country, they have variation in their institutional levels of CT programs. The fact that Mozambique depends on international aid has made the country more susceptible to international demands and pressures. One of the pressures from the international actors was the adoption and increase in scope of CT programs. Given that Mozambique already had CT program since the early 1990s (also pushed by international actors as an attempt to alleviate the negative consequences of the structural adjustment programs in the 1980s), starting in 2004, international actors became committed to providing financial and technical support to the institution to give it greater reach and scope.

Finally, there are two other important final considerations to be made in relation to the case of Mozambique. First, the argument of the international donors and international and domestic NGOs is that, globally, social protection has presented several advances for the social and economic development of a society. Evidence, based on those who receive the transfers, has proved that social protection gives long-term solutions for problems derived from the contingencies that affect one’s economy, such as poverty and
vulnerability. However, in Mozambique, coverage is still very limited, and the way that social assistance has been provided still needs improvement.

Second, despite the advance of identifying categories of vulnerability and levels of need, the social protection structure that is being developed in Mozambique does not seem to be fully connected to its own reality. The very structure, borrowed from developed countries, makes the implementation of social protection harder because it requires the state to have a strong commitment to redistributive programs, which the state of Mozambique, as presented in this chapter, does not seem to have yet. In addition, while coverage has been very limited, the same discourse of prejudice and stigma towards those who receive social protection in wealthy countries (e.g., laziness, and the deserving vs. undeserving poor) has been replicated by some leaders of the government in Mozambique. This negative discourse might indicate that the government could interrupt or control the expansion of the social protection coverage even if the fiscal space were enlarged.
Chapter 7: Conclusion

7.1. Research question and argument

Since 2000, and even more after the 2008 economic global crisis, social protection has become a central topic on the international development agenda. At the same time as this international push for social protection, international development actors have also started to include in their agenda the state-building process. As state-building, I mean the creation and reform of state political institutions. In other words, international actors decided to provide assistance to the state so it could develop its domestic programs, including those of social protection. This assistance took different forms, such as direct financial and technical support for programs as well as direct assistance to the state general budget.

The relationship between state building and social protection has raised academic interest in the subject. The literature on the topic, mostly in the field of social policy, has currently debated the actual feasibility of implementing social protection institutions and programs. For this reason, they have analyzed some programs that have already been created and implemented in poor and post-conflict countries. Some authors consider these internationally implemented programs successful and argue that social protection can be the solution to the problems of poverty and social inequality of those societies. Other authors believe that the idea of social protection in these countries is far-fetched because these states do not have the necessary resources or the necessary institutional capacity to develop these programs and, as a consequence, social protection is just another donors’ fad. In other words, they do not believe that the programs of social protection can become
national long-term sustainable institutions and they are just successful when they are implemented as local and short-term programs.

In this dissertation, I analyzed arrangements of social protection and examined the extent to which the involvement of international development actors in poor and post-conflict countries overrides the influence of domestic political elites on the outcomes of social protection. I argue that while the international development actors may influence countries to adopt internationally designed social protection programs and institutions, they alter neither the attitudes of the domestic government in relation to implemented programs of social protection nor the outcomes of such programs.

I found empirical evidence for my argument by comparing three arrangements of social protection in Angola and Mozambique: military reintegration programs, fuel subsidies for consumers, and the institutionalization of formal social protection structures. These two countries have different levels of international involvement, which I measure based on the levels of international involvement in the state building process in the post-conflict context, and the country’s reliance on foreign aid. Mozambique had greater international involvement in its state-building process and relies heavily on international aid, while Angola did not have international involvement in its state-building process and does not rely on international aid. Despite the different mechanisms of influence that international actors have in both countries, I found empirical evidence, detailed below, that Angola and Mozambique have similar outcomes.

I am not suggesting that the domestic governments have specific features that make them unwilling to promote social protection programs, such as neopatrimonialism or clientelism, which are usually used in the literature to explain the actions of states in
Africa. Rather, through understanding the particular political, economic, and social factors in the history of Angola and Mozambique, I suggest that one of the main reasons that allows the domestic political elite to contain and accumulate its wealth without redistributive programs to the population is their link with the global market. In Angola, this connection exists through the contracts between the domestic elite and international actors for the exploitation and export of oil. In Mozambique, this relation happened through the privatization of companies, as part of the structural adjustment programs that the country went through in the mid-1980s. Recently, the exploitation of coal in the country has also increased the link between the political elite and the global market.

Therefore, I challenge works that suggest that international actors can alter the redistributive role of the state through the implementation of programs and institutions of social protection. In other words, the domestic political elites, supported by international market forces, have much greater influence on the extent and beneficiaries of the social protection programs and institutions in Angola and Mozambique than international development actors. I move now to the empirical evidence presented in this dissertation.

7.2. Empirical findings

The first arrangement analyzed in this dissertation is the reintegration of ex-combatants. This arrangement shows that the different involvement of international actors at the end of the conflicts in Angola and Mozambique did not alter the political criteria to benefit some groups over others. The United Nations Peace Operations in Mozambique (ONUMOZ) developed and executed the reintegration programs in Mozambique. One of these programs was the Reintegration and Support Scheme (RSS), a cash-transfer program to support the reintegration of all the demilitarized combatants in
the country. RSS was considered one of the most successful programs ever implemented in a post-war context for former-combatants reintegration. It provided financial assistance to all ex-combatants for two years, regardless of whether they fought on the side of the incumbency or the insurgency. In Angola, the reintegration process was homegrown and the support of the international actors was limited to the World Bank’s financial support. The program provided cash for ex-combatants for a period of six months. At the end of the international financial support to the programs, former-combatants reintegration became the responsibility of state institutions, and the newly created ministries.

Once the states were in charge of such programs, the governments in Angola and Mozambique prioritized former-combatants who fought on the side of the incumbency, while they did not support the reintegration process to former-combatants from the insurgency. In Mozambique, the government also decided to prioritize FRELIMO combatants from the liberation war instead of the combatants from the civil war. Therefore, despite the variation of international involvement in Angola and Mozambique, they did not alter the domestic structure of the countries, which continued benefiting only former-combatants of the incumbent party.

What I found in the process of the state involvement was that although both countries had different levels of international involvement – Mozambique had one of the greatest international involvement and Angola did not -- two factors allowed the variation in international involvement to lead to similar outcomes. The first was the liberal underpinning of the international involvement, which ensured that the international involvement had little effect on the structures of social protection. In both cases, the programs were short-lived and prioritized the goal of guaranteeing that the insurgents
were not going to restart the war. The second aspect was that after international actors left Mozambique and after they stopped funding the program of military reintegration in Angola, the international actors did not pressure the domestic governments to continue developing their program of reintegration. Therefore, domestic actors had no incentive to promote an inclusive social protection structure for all ex-combatants.

The second arrangement is the fuel subsidies for consumers, which has a central role in the political dynamics between the government and its constituents in both countries. This social protection arrangement is a case that it is implemented by domestic actors while international development actors, especially the international financial institutions, are against it. International actors argue that these subsidies are regressive and they do not benefit the poorest population in the country. Despite the variation in international involvement in both countries, both countries spend a great amount of the state budget on social protection to subsidize fuel for consumers, mainly kerosene and gas.

Mozambique maintains its policy of fuel subsidies even though it goes against the interests of international actors. The government of Mozambique keeps the subsidies because, among other reasons, of the active demonstrations from the population against the hike in the price of transportation fares. In addition, the government of Mozambique is aware that these subsidies will not cause international actors to stop providing assistance to the country. In Angola, the government provides the greatest amount of money for fuel subsidies in sub-Saharan Africa, around 5% of its GDP. One of the reasons the government has kept the subsidies has been to benefit the state-owned oil company, Sonangol, and, as a result, the political elite that has access to the resources of
the company. The only three times that the government decided to decrease the fuel subsidies -- 2005, 2010, and 2014 -- were when the government was negotiating aid with the IMF.

Therefore, given that the use of fuel is restricted among the population, being used mainly by the wealthier population and the urban population, it shows the interest of the government in having a social protection structure that benefits a very limited group of the population.

The international financial institutions, as well as the international development actors in general, claim that poor states should stop subsidizing fuel and transfer the saved money to other social protection programs that target the poorest population. While fuel subsidies have a self-serving role for those in power, they have an important political role in these countries. For instance, fuel subsidies have an important role for the urban population because it keeps the means of transportation affordable and this is how the government receives support, i.e. electoral support, from this group of the population.

The third arrangement is the recent institutionalization of formal social protection. In this arrangement, I show that the domestic attitudes and understandings of social protection in Angola and Mozambique are very similar in two main points. First, they both prioritize a market-oriented restructuring to favor macro-economic stability, instead of redistributive programs. This is evident in Angola with its programs of development that are related to macro-economic and infra-structure development. In Mozambique, the recent growing extractive sector (coal and natural gas) and increasing contracts with international industries have little favored the development of redistributive reforms. Second, both countries have focused more on programs of social security for workers
than programs of social assistance for the poorest population. While both programs are
important, the focus on social security indicates that both countries value a liberal and
work-oriented kind of social protection.

These two points show that, despite different levels of international involvement
in the countries, Angola and Mozambique have put forward programs of development
that are market-driven and with a liberal social protection, meaning that social programs
are provided to formal workers. Given that formal work is limited to a very restricted
number of elite and of the urban population in these countries, the implemented programs
reinforce the social, economic, and geographic (urban verses rural) inequalities within
these countries.

Despite these general similarities, these two countries have, in fact, a variation in
the implementation of cash transfer programs (CTs), which is the result of the variation in
international involvement in both countries. While Angola does not have such programs
or institutions, Mozambique has one of the largest and oldest social protection institutions
in sub-Saharan Africa.

CTs are programs that give money directly to a targeted group of individuals to
help them against vulnerabilities, such as natural disasters, and to help them against
conditions of extreme poverty. These programs have recently received central attention
from the development actors who are implementing them in several sub-Saharan African
nations. In some countries, international actors push for local projects, and in others, they
push for the institutionalization of these programs. When international actors push for the
institutionalization of CTs, this program becomes part of the social assistance of the
country, which is divided into two branches of social protection: social assistance – programs for the poor population – and social security – programs for workers.

Finally, in relation to the institution of CT in Mozambique, I argue that the existence of the program is related to the indirect imposition and pressures from international actors for the existence of social programs. Since the 2000s, when social protection became central to the international development agenda, the government has received financial and technical support to increase its CT programs. In fact, the program is recently increasing its scope because of this assistance and the increase of the financial provision from the state, as well. However, this increase in the program is contrasted by discourses and attitudes from the domestic government against redistributive programs. In addition, the focus of the international actors on technical and financial assistance to these institutions raises the question of how much these institutions will alter the exclusionary political structure of the country and, in fact, transform the nature of the state towards redistribution.

This empirical evidence has shown, therefore, that international development actors have not greatly affected the nature of the state and the domestic governments’ attitudes on redistribution and the outcomes of the institutions implemented. In the three cases, domestic actors found ways to adapt and circumvent the international pressures on redistribution in order to guarantee that the exclusionary domestic politics remain and to continue benefiting its political constituencies; in other words, they are able to keep the programs restricted.

Finally, another point evidenced in this dissertation is that while the domestic political actors determine limitations of such programs, the international development
actors are also part of the problem because their priorities are just as blind to the problems of social as the priorities of the government. While international actors pushed for social protection, they were not active in promoting policies to evaluate their results and in monitoring the responsiveness of the state. Even in the third arrangement, where the focus of the international actors is on the institutions of social protection, the fact that several international actors treated the problems of these institutions as technicalities, as shown in chapter six, raises the question of how much they really cared about the effects of redistributive policies.

7.3. Angola and Mozambique post- 2014

The timeframe of the analysis of this dissertation ends in September 2014. After that, the process of social protection in both remained the same. In Mozambique, international and domestic actors continued developing and experimenting with different structures of social protection. In 2014, with the support of the international actors, the government started an evaluation process of the 2010-2014 National Strategy for Basic Social Security (ENSSB). The evaluation was supposed to facilitate development for the 2015–2019 Strategy. A Support Group for Social Protection Programs was created to develop this evaluation process. It was chaired by the National Institute of Social Action (INAS) and includes the World Bank, the World Food Programme, UNICEF, the International Labour Organization, the Dutch government, and the British Department for International Development (DFID) (World Bank 2014). In addition, the government is in the process of developing a comprehensive management information system for social safety net programs (World Bank 2014).
In Angola, on the other hand, there is no evidence of the development of programs of social assistance in the country. According to the 2014 World Bank Report, the only information provided about Angola is that the “government is making progress in developing a general framework for social protection” (World Bank 2014). The Report did not mention any new program or institute created by the country.

In relation to fuel subsidies, both countries continue subsidizing gas. In April 2015, the Minister of Natural Resources and Energy of Mozambique, Pedro Couto, explained that there were domestic and international reasons to keep the subsidies, including the necessity to keep the price of transport low, at the same time that the international exchange rates and taxes related to the import of oil increased and made the cost of importing oil rise. In Angola, the subsidies of fuel also remained, but, at the end of 2014, there was a decrease of the subsidy, causing a hike in the price for the consumption of gas, as mentioned in chapter five. The argument used by the government to reduce the fuel subsidies was that it needed to channel money from the subsidy to the programs of the National Development Plan 2013-2017. However, this decision to phase out fuel subsidies also coincided with an economic crisis in Angola caused by the drop in the price of oil on the global market. As a result, the government was looking for an agreement with the IMF for loans.

7.4. Future research questions

This dissertation has raised three empirical and two theoretical questions for future research. The first empirical question is, what are the strategies that governments with similar kinds and levels of international involvement use to circumvent international demands to implement social protection programs? This question would differ from the empirical question of this dissertation that analyzed two countries with different levels of international involvement. In this sense, in a direction similar to that of the works by Whitfield (2008) and Devereoux and White (2009), a comparative study between Mozambique and other countries in sub-Saharan Africa that depend on international assistance, such as Kenya and Tanzania, would help show that. A comparative study between Angola and other countries that do not rely on international aid would also be helpful to understand whether the position of Angola differs from that of other countries that have similar leverage from international assistance.

The second empirical undertaking in this work is an analysis of the progress of social protection programs in other developing countries. As explained in this dissertation, the international development community used the cases of success of social protection in countries like Brazil, Mexico, Colombia, and South Africa to push for similar programs in poorer and post-conflict countries. This study would explore the question of whether international development actors take into consideration the current state and progress of those programs, to prescribe and suggest better alternatives to the programs of social protection implemented in the poor and post-conflict countries.

The third empirical question would be about the cash transfer (CTs) programs in Mozambique. This dissertation took a broad perspective on the social protection structure of Mozambique and tried to show how the governments of Mozambique and Angola are
similar in terms of their attitudes towards social protection programs. However, the CT program is still in progress and it has annually increased its number of beneficiaries. However, it still requires time to evaluate its effect on the redistributive nature of the state. Therefore, an empirical analysis of the program in the coming years will help show whether this program will have a transformative role in the country.

In relation to theoretical questions, the first one investigates the very idea of social protection. Given that each society faces different political and economic problems, social protection as a policy should not be one single package to be implemented everywhere. Therefore, the theoretical question that this perspective raises is, how to address the fact that international development actors identify the targets of such policies based on moral grounds (the poorest and most vulnerable), while the domestic actors identify the targets based on political grounds (like the desire to increase the number of appreciative voters).

Finally, the second theoretical question was somewhat addressed in this dissertation. It would be what are the bases on which international actors interpret and understand the societies for which they push for policies of social protection? Through that question, it would be possible to theorize over how ideas and perceptions about the recipient country could influence the decisions of countries to provide assistance to some countries and not others.

7.5. **Final considerations**

This dissertation has shown that the development of social protection structures in Angola and Mozambique is the consequence of the combination between international
involvement and domestic political elites. The different arrangements of social protection help bring into focus the question of the ongoing implementation of social protection structures in countries with governments that have no commitment to redistributive policies. The domestic elites end up using the structure to benefit themselves specific groups of the population along political criteria.

The greatest push for social protection of international development actors happened after the 2008 global economic crisis. In the context that followed this push of social protection, three aspects related to the actions and perceptions of some international development actors and domestic political elite of poor and post conflict countries deserve attention. These points can also serve as the final considerations of this dissertation.

First, after the 2008 global crisis, international development actors sought to develop a sustainable and long-term strategy to guarantee that individuals in poor countries would have a mechanism of protection against external shocks and vulnerabilities. These institutions, therefore, started to be pushed in poor countries by international actors who did not take into consideration the extent to which the domestic political elites, in fact, determine the outcomes of such programs. They also did not pay attention to the fact that, at that same time, the government of some industrialized high-income countries were making political decisions that directly affected their social protection programs. In order to alleviate the effects of the global crisis, they promoted fiscal austerity measures. The effect of such measures decreased their welfare states.

The second point is related to the attitudes of the domestic political governments in some poor and post-conflict countries. Once they adopted the institutions and
programs of social protection from international actors because of international demands and pressures, some domestic governments use similar criticisms to those made about the programs in the rich industrialized countries. For instance, the idea that individuals should find a way out of poverty through work is a common criticism of the welfare state in rich countries. However, this criticism, which is already problematic in rich countries, cannot be sustained in the context of poor and post-conflict countries, where very few formal jobs are provided, most individuals work in the informal sector, and a great part of the population live in extreme poverty with no access to basic services.

Finally, the last point that deserves attention is related to the views of the international development actors of their partner countries. Although the standard point of view among the international development actors is that Angola rejects programs of social protection and that Mozambique embraces them, through the analysis of the three social protection arrangements, this view could be challenged. Driven by domestic politics, the programs adopted by Mozambique often benefit only part of the so-called target population intended by the international actors. As a result, the large number of people living under poverty in Mozambique end up not being protected by the internationally designed programs, which are meant to provide social assistance to the poorest and to boost the economic development of the country through the well-being of the population.

In conclusion, in theory, social protection is an effective mechanism to guarantee that people have sources of income in moments of social and economic vulnerability, and to help the poor to find ways out of poverty. The inclusion of social protection in the international development agenda represents an important step forward in the promotion
of social development, with a consideration of promoting social inclusion and halting economic inequality. In practice, at the core of any social protection arrangement, the main issue that should be addressed is who is actually being protected by the programs of social protection adopted, and why.
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