

Cambridge University Press

0521820111 - Transforming Mozambique: The Politics of Privatization, 1975-2000

M. Anne Pitcher

Excerpt

[More information](#)

Introduction

Visitors to Mozambique in the late 1970s needed few reminders that they were in a newly independent country, whose new leaders celebrated it as a “people’s republic,” a modernizing, nationalistic, and socialist state. Consciously crafted murals, brightly colored political posters, random graffiti, buttons, badges, and decals constantly informed even the most casual observers where the country had come from and where the new government wanted it to go. Sculptures depicted a valiant struggle against the colonial Portuguese and the triumphant victory by the Front for the Liberation of Mozambique (Frelimo) in 1975. Striking images illustrated the defense and consolidation of national independence under the leadership of the Frelimo one-party state. Bold slogans drawn on street pavements in the newly named capital of Maputo proclaimed the end of feudalism, colonialism, and backwardness, or celebrated the equality of women, the arrival of justice, and the construction of socialism. Phrases etched on the factory walls of state companies from Zambezia in the north to Maputo in the south exhorted workers to improve production; while colorful, state-commissioned posters implored rural peoples to breastfeed their babies, vaccinate their animals, give blood, educate their offspring, and harvest more cashew and cotton.

Just two decades later, however, the walls proclaiming socialist victory were whitewashed, the factory slogans had faded, and the murals had deteriorated. Private investors, both domestic and foreign, were visible in every economic sector from finance to fishing. Two national democratic elections had taken place in the 1990s that international observers had pronounced free and fair. A new visual imagery had emerged with an entirely different message. Now billboards entreated Mozambicans to “drink Coca-Cola!”, or they honored a private company that had spent “100 years constructing a better Mozambique.” Poster art encouraged Mozambicans to buy Colgate toothpaste, or smoke Palmars and GTs; to use OMO washing powder, fly LAM, or relax at the Hotel Cardoso. Company advertisements in the weekly magazine *Tempo* offered to fumigate houses and gardens against bugs, to provide a pleasant overland journey to Johannesburg, or to furnish comfortable parlors and offices. The faces of American film stars peering at shoppers from the back of second-hand t-shirts

Cambridge University Press

0521820111 - Transforming Mozambique: The Politics of Privatization, 1975-2000

M. Anne Pitcher

Excerpt

[More information](#)

2 Transforming Mozambique

for sale in remote rural markets capped Mozambique's re-entry into the global capitalist economy.

Why has the discourse of the market supplanted the language of Marxism? Why have privatization and democratization replaced the state's socialist and nationalist agendas? Was extensive state intervention responsible for the collapse of the command economy and has the state's role now diminished, as neo-liberals prescribe? Do any continuities exist between the period of socialism and the period of capitalism and democracy that the changing iconography fails to capture? Or, as neo-liberals argue, are we witnessing a truly "revolutionary" change?

To address these questions, this study situates Mozambique's experience of institutional and ideological change since independence within the comparative literature on the creation, erosion, and transformation of command economies in the former Soviet Union and Eastern Europe. It also incorporates studies of economic and political change in Latin America and Africa to explain why the command economy failed in Mozambique, why the government adopted neo-liberal policies, and what the effects of restructuring have been. It examines the contradictions of state planning and the politics of economic management during the socialist phase, and it explores the ways in which political forces shaped the construction of a market economy during the 1990s.

Just as studies of regime change elsewhere have helped to illuminate particular aspects of Mozambique's experience, equally Mozambique offers a useful comparative case for the study of theoretical questions related to transitions. The book's diachronic approach relies on continual comparisons between regimes, policies, outcomes, and agents within Mozambique as it moves through time from the 1960s to the millennium, from the colonial period to independence to contemporary times. During that time period, Mozambique occupied several points on the spectrum of political economy. The country was capitalist and authoritarian during the colonial period; socialist and increasingly authoritarian following independence; authoritarian and increasingly capitalist from the mid-1980s until the early 1990s; and nominally democratic and capitalist after 1994. These phases invite comparisons with each other and with the experiences of other developing countries. They identify factors that explain the transition from one configuration to another and they reveal the changing roles of the state during each period. They expose the economic and political constraints and opportunities that have brought about the changes in institutional arrangements, and the political alliances and conflicts that have emerged as a consequence of those changes.

In addition, the ideological preferences and policy choices that the Mozambican government has made share common features with other countries in Africa as well as with countries in Eastern Europe. Like several other African states, it took a revolution in Mozambique to bring about the transition from colonialism

Cambridge University Press

0521820111 - Transforming Mozambique: The Politics of Privatization, 1975-2000

M. Anne Pitcher

Excerpt

[More information](#)

to independence. In contrast to many of its immediate neighbors, however, a long period of domestic conflict plagued Mozambique after independence. Yet similar outcomes of political instability and great economic hardship in countries with and without internal conflicts encourages comparative analysis to discover the causal relationships that led to economic erosion.

Like other countries, Mozambique also has undergone a tumultuous and challenging transition to capitalism and Western-style democracy in recent years, but it has done so without experiencing a collapse of regime. In many ways, Mozambique has been the model patient envisioned in neo-liberal prescriptions. The government has jettisoned direct state management of factories and farms for greater reliance on the private sector, foreign investment, and World Bank loans. And, like their counterparts in Eastern Europe and the rest of Africa, government officials now trumpet liberal democracy rather than democratic centralism, while principles of the market rather than precepts of Marxism are more likely to be heard in the streets and shops of the capital, Maputo. In accordance with recent modifications in neo-liberal principles, the government attempts to practice “good governance,” to capacity build, and even to foster “partnerships” with the private sector to pursue mutually beneficial goals. Its privatization program has been so comprehensive that international financial institutions have called it “the most successful in Africa” and “an example for others to follow.”¹

Scholars have debated vigorously the causes for such sweeping reforms. Neo-liberals have blamed the collapse of command economies on the unsuitability of state-centered models of development. They have attributed the low productivity and poor performance of parastatals to the rent-seeking behavior of political elites or the inefficiency of state managers. Their policy prescriptions have sought to push the state back out and allow the market and private individuals to bring economic growth.² Current neo-liberal formulas do stress the importance of “good governance” meaning “the exercise of political power to manage a nation’s affairs,”³ but the political power that neo-liberals envision these states exercising occurs in a highly circumscribed arena. States that practice “good governance” are administrative and technical managers, whose institutions perform tasks that the private sector cannot perform. When good governance prevails, states are effective and capable. They play by the rules, their institutions

¹ B. Baloi, “Privatizações são das mais bem sucedidas em Africa,” *Domingo* (23 June 1996), p. 12; “Programa de privatizações em Moçambique é um exemplo,” *Notícias* (3 June 1997).

² See especially, World Bank, *Adjustment in Africa: Reforms, Results and the Road Ahead* (New York: Oxford University Press, 1994); World Bank, *World Bank Development Report: From Plan to Market* (New York: Oxford University Press, 1996). Like B. Hibou, I treat the World Bank as an ideal-type and thus focus mainly on World Bank publications for my analysis of neo-liberal theory. See B. Hibou, “The Political Economy of the World Bank’s Discourse: From Economic Catechism to Missionary Deeds (and Misdeeds),” *Les Etudes du CERI* (Centre d’études et de recherches internationales), 39 (March 1998), English translation (January 2000).

³ World Bank, *Sub-Saharan Africa: From Crisis to Sustainable Growth, A Long-Term Perspective Study* (Washington, DC: World Bank, 1989), p. 60.

Cambridge University Press

0521820111 - Transforming Mozambique: The Politics of Privatization, 1975-2000

M. Anne Pitcher

Excerpt

[More information](#)

4 Transforming Mozambique

function properly, and they are responsive to public concerns and demands. They contribute to economic growth by extending the proper incentives to investors, enforcing property rights, maintaining order, and offering basic services such as education, health care, infrastructure, and environmental protection.

A “soft” variant of neo-liberalism makes allowance for the state to act **in partnership** with the private sector to provide pensions or to control pollution. Nevertheless, the emphasis remains on constructing a competitive, competent, and efficient environment for private enterprise. The states envisioned to carry out this process are greatly streamlined, democratic to be sure, but expected to be technical and neutral in their relations with different economic agents. Their roles are to encourage and to regulate but not to intervene.⁴ They are nightwatchmen who objectively guard the goods and gains of private actors.⁵

The predominance of neo-liberal explanations and the widespread adoption of neo-liberal policies ironically serve to reinforce an alternative interpretation of the changes that have taken place over the last two decades. Several scholars of Mozambique treat the collapse of the socialist project there and its replacement by a free market economy as the predictable outcome of persistent and conscious efforts by the West to undermine Frelimo’s revolutionary agenda and to re-subject the country to the demands of global capitalism. These scholars have argued repeatedly that external aggression by the former apartheid government of South Africa supported by the West derailed Frelimo’s project and created the context for the ubiquitous influence that international financial institutions and donors now seem to enjoy. They offer a gloomy forecast of increasing marginalization and loss of sovereignty for countries like Mozambique, as the global integration of finance, markets, and trade relentlessly proceeds.⁶

The arguments of neo-liberals and their critics reflect to some degree the reality of transition in Mozambique. Certainly, South African aggression and the global ascendancy of neo-liberalism contributed to the collapse of the Frelimo project and hastened the process of economic liberalization and democratization, as many writers on Mozambique argue. Moreover, state companies did

⁴ World Bank, *World Development Report, 1997: The State in a Changing World* (New York: Oxford University Press, 1997), pp. 3–9, 25–34.

⁵ See the criticisms of governance by P. Evans, *Embedded Autonomy: States and Industrial Transformation* (Princeton, NJ: Princeton University Press, 1995), p. 25; C. de Alcántara, “Uses and Abuses of the Concept of Governance,” *International Social Science Journal*, 155 (March 1998), pp. 105–13 and D. Moore, “‘Sail on, O Ship of State’: Neo-Liberalism, Globalisation and the Governance of Africa,” *Journal of Peasant Studies*, 27, 1 (October 1999), pp. 61–96.

⁶ See for example J. Hanlon, *Mozambique: Who Calls the Shots?* (London: James Currey, 1991) and *Peace without Profit: How the IMF Blocks Rebuilding in Mozambique* (Oxford: James Currey, 1996); D. Plank, “Aid, Debt and the End of Sovereignty: Mozambique and Its Donors,” *The Journal of Modern African Studies*, 31, 3 (1993), pp. 429–30; J. Saul, *Recolonization and Resistance in Southern Africa in the 1990s* (Trenton, NJ: Africa World Press, 1993); J. Mittelman, *The Globalization Syndrome: Transformation and Resistance* (Princeton, NJ: Princeton University Press, 2000), pp. 90–107.

Cambridge University Press

0521820111 - Transforming Mozambique: The Politics of Privatization, 1975-2000

M. Anne Pitcher

Excerpt

[More information](#)

accrue huge debts and operate inefficiently, as much of the neo-liberal literature claims. But understanding the trajectory of political and economic change in Mozambique since 1975 requires additional explanations. With regard to the collapse of the command economy, first I claim that the structural and institutional legacies of the colonial period affected several of the economic and political choices that the revolutionary government adopted just after independence. These legacies mitigated the impact of policies once they were implemented. Moreover, poorly designed, hastily enacted policies rooted in grandiose visions about the state's ability to transform society strangled the project almost from the beginning. In addition, the existence of social forces that contested and shaped every measure eroded the project over time. Indeed, the inability of the state to realize its "transformative vision" in the initial years of the revolution derived as much from the vigorous interaction of policies and their recipients on the ground as it did from the flawed principles on which policies were based.

As state erosion and domestic conflict supported by external actors increased in the 1980s, Mozambique adopted those measures typically associated with neo-liberalism. Yet my second claim is that the transition to a market economy in Mozambique has been a more complex and protracted endeavor than withdrawing state subsidies, selling state assets to the private sector, and shrinking the state. It has not been a matter of unleashing markets, as neo-liberals argue, nor has it been a case where the Mozambican state has relinquished all control to outside forces, as critics contend. Rather, the relationship that has emerged between the state and the market is one that participants have consciously negotiated and managed in a contested and unstable context. It is a political process with political consequences.⁷ International actors as well as domestic social forces have shaped, thwarted, and reconfigured how privatization and market relations have taken place. Not only World Bank advisors, but also state elites and rural smallholders influence who benefits or who suffers from the process.

The active presence of multiple agents has meant that the process is not straightforward, but contentious; not predictable, but contradictory and uneven. The efforts of political elites to secure greater legitimacy, retain power, enhance state capabilities, and expand political influence have combined as well as clashed in the transition. Furthermore, the emergence of a private sector accompanied by deregulation and markets has exacerbated old tensions and introduced new cleavages in a rapidly changing social order, not only between workers and owners, but also between commerce and industry, and between different ethnic groups. The transition has reinforced and created tendencies toward factionalization and fragmentation, and these tendencies may weaken, not strengthen, the prospects for democratic consolidation.

⁷ H. Feigenbaum and J. Henig, "The Political Underpinnings of Privatization," *World Politics*, 46, 2 (January 1994), pp. 185–207; H. Feigenbaum, J. Henig, and C. Hamnett, *Shrinking the State: The Political Underpinnings of Privatization* (Cambridge: Cambridge University Press, 1998).

Cambridge University Press

0521820111 - Transforming Mozambique: The Politics of Privatization, 1975-2000

M. Anne Pitcher

Excerpt

[More information](#)

6 Transforming Mozambique

Third, most supporters of the kind of “systemic privatization” or widespread ideological and institutional changes undertaken by Eastern European countries and by African countries like Mozambique anticipate and even welcome a reduction of the role of the state, and a reconfiguration of the political and economic elite. On the other hand, critics of neo-liberalism envision all sorts of dire consequences if this scenario is ever fully realized. But these outcomes cannot be assumed and they may not even be possible.⁸ States are historical constructions, and the direction they adopt is influenced by the balance of social forces within and outside of their institutions. Certainly, privatization and the growth of markets **have** altered the roles of state institutions and produced new alliances and conflicts in society. In the case of Mozambique, the state no longer controls the commanding heights of the economy nor does it solely manage strategic state enterprises. But where the ruling party in power survives the transition, as it has in Mozambique, state institutions and party elites have taken advantage of restructuring to fashion new constituencies of supporters and to maintain some of the political and economic control they have exercised since independence in 1975. I call this process “transformative preservation” to draw attention to the continuing influence of the socialist period on the emerging market economy. The sale of state assets and the formation of new companies have extensively involved state institutions. State officials not only regulate but also facilitate private sector activities by granting tax incentives to a company in one instance or negotiating with smallholders to allocate land to a commercial operation in another. In many cases, government and party notables have become managers of new enterprises in agriculture or served as directors in new financial or industrial undertakings. These continuities in state power and state elites alongside the institutional ruptures introduced by privatization and democratization indicate that economic and political reforms have redirected the role of the state in the economy, but they have not led to its withdrawal as neo-liberals anticipated and critics feared. In spite of the adoption of neo-liberal rhetoric then, Mozambique’s political economy appears to be somewhere between Marx and the market, between a centralized, state-driven economy and one largely run by the private sector.

Fourth and finally, the persistence of structural arrangements and social networks associated with the past caution us against interpreting the present in transitional countries as something wholly new. Rather, we should view economic and political change as a process of constant interaction between previous and emerging agents and organizational forces. Although the actors and institutions they analyze in Eastern European countries are obviously different, Stark

⁸ D. Stark and L. Bruszt make a similar point in *Postsocialist Pathways: Transforming Politics and Property in East Central Europe* (New York: Cambridge University Press, 1998; repr. 1999), pp. 78–79.

Cambridge University Press

0521820111 - Transforming Mozambique: The Politics of Privatization, 1975-2000

M. Anne Pitcher

Excerpt

[More information](#)

Introduction

7

and Bruszt capture the dynamic in Mozambique when they state: “we see social change not as transition from one order to another but as transformation – rearrangements, reconfigurations, and recombinations that yield new interweavings of the multiple social logics that are a modern society.”⁹ Thus, at the same time that the emergence of a market economy heralds a break with past economic and political practice, it may also serve to sustain a certain level of power and control that will depend very much on the historical legacies present in particular countries. My examination of these continuities and discontinuities, and the alliances, antinomies, and recombinations they produce in Mozambique, intends to contribute to the existing literature on post-socialism and on the politics of economic reform.¹⁰

Theorizing transformation and explaining change in Mozambique

While studies of the transition to democratization and market-based economies in Eastern Europe and Latin America have proliferated, the work on transitions in Africa has been more limited and more circumscribed. Many studies examine the impact of structural adjustment, the techniques used for the sale or transfer of state assets, and the economic effects of privatization; far fewer studies

⁹ Stark and Bruszt, *Postsocialist Pathways*, p. 7. I share Stark and Bruszt’s concern about the meaning of the word “transition,” but I think that neither “transition,” nor “transformation” can be used without properly explaining what they refer to with regard to political and economic change. Since understanding those changes is the purpose of this book, I tend to use “transition” and “transformation” interchangeably in the text.

¹⁰ On transitions in Eastern Europe, China and the former Soviet Union, see V. Nee and D. Stark with M. Selden, eds., *Remaking the Economic Institutions of Socialism: China and Eastern Europe* (Stanford, CA: Stanford University Press, 1989); J. Hausner, B. Jessop, and K. Nielsen, eds., *Strategic Choice and Path Dependency in Post-Socialism: Institutional Dynamics in the Transformation Process* (London: Edward Elgar, 1994); K. Verdery, *What Was Socialism and What Comes Next?* (Princeton, NJ: Princeton University Press, 1996); G. Grabher and D. Stark, eds., *Restructuring Networks in Postsocialism: Legacies, Linkages, and Localities* (New York: Oxford University Press, 1997); Stark and Bruszt, *Postsocialist Pathways*; V. Bunce, *Subversive Institutions: The Design and the Destruction of Socialism and the State* (New York: Cambridge University Press, 1999). For a comprehensive approach to the politics of privatization, H. Feigenbaum and J. Henig, “The Political Underpinnings of Privatization”; H. Feigenbaum, J. Henig, and C. Hamnett, *Shrinking the State*. Considerations of space do not permit a more thorough treatment of the relationship between democracy and economic reform, but see the review essays by B. Geddes, “The Politics of Economic Liberalization,” *Latin American Research Review*, 30, 2 (1995), pp. 195–214 and J. Martz, “Review Essay: Economic Challenges and the Study of Democratization,” *Studies in Comparative International Development*, 31, 1 (Spring 1996), pp. 96–120. For analyses of the debate over economic and political reform in Africa, see T. Callaghy, “Vision and Politics in the Transformation of the Global Political Economy: Lessons from the Second and Third Worlds” in R. Slater, B. Schutz, and S. Dorr, eds., *Global Transformation and the Third World* (Boulder, CO: Lynne Rienner, 1993), pp. 161–257; T. Callaghy and J. Ravenhill, eds., *Hemmed In: Responses to Africa’s Economic Decline* (New York: Columbia University Press, 1993); H. Bienen and J. Herbst, “The Relationship between Political and Economic Reform,” *Comparative Politics* (October 1996), pp. 23–42.

Cambridge University Press

0521820111 - Transforming Mozambique: The Politics of Privatization, 1975-2000

M. Anne Pitcher

Excerpt

[More information](#)

8 Transforming Mozambique

analyze the reasons for the adoption of sweeping economic policy changes, the political “winners” and “losers” from privatization, or the institutional effect of liberalization on the relationship between state and society.¹¹ In addition, most comparative studies on the erosion of socialism, emerging markets, and the process and impact of privatization have overlooked Mozambique.¹² This oversight has occurred despite the fact that Mozambique was once avowedly socialist and currently serves as the poster child for the “success” of neo-liberal prescriptions. Studies on the transition to democratization have treated Africa more generously, but of the dozen or so recent edited books on democratization in Africa, not a single one has a case study on Mozambique. Moreover, most of the literature on democratization in Africa has excluded in-depth study of the privatization process and the emergence of markets.¹³

Several reasons explain why studies of transformations have privileged countries of Eastern Europe and Latin America over those of Africa, and why the

¹¹ For the economic consequences of privatization and liberalization see C. Adam, W. Cavendish and P. Mistry, *Adjusting Privatization: Case Studies from Developing Countries* (Portsmouth, NH: Heinemann, 1992); W. van der Geest, ed., *Negotiating Structural Adjustment in Africa* (Portsmouth, NH: Heinemann, 1994); P. Bennell, “Privatization in Sub-Saharan Africa: Progress and Prospects during the 1990s,” *World Development*, 25, 11 (1997), pp. 1785–803; O. White and A. Bhatia, *Privatization in Africa* (Washington, DC: World Bank, 1998); J. Paulson, ed., *African Economies in Transition*, Vol. 1: *The Changing Role of the State* (New York: St. Martin’s Press, 1999); J. Paulson, ed., *African Economies in Transition*, Vol. 2: *The Reform Experience* (New York: St. Martin’s Press, 1999); A. Ariyo and A. Jerome, “Privatization in Africa: An Appraisal,” *World Development*, 27, 1 (1999), pp. 201–13. For the political aspects of privatization in Africa, see J. Herbst, “The Politics of Privatization in Africa” in E. Suleiman and J. Waterbury, eds., *The Political Economy of Public Sector Reform and Privatization* (Boulder, CO: Westview, 1990), pp. 234–54; J. Herbst, “The Structural Adjustment of Politics in Africa,” *World Development*, 18 (1990), pp. 949–58; B. Grosh and R. Mukandala, *State-Owned Enterprises in Africa* (Boulder, CO: Lynne Rienner, 1994); J. Widner, ed., *Economic Change and Political Liberalization in Sub-Saharan Africa* (Baltimore, MD: Johns Hopkins University Press, 1994); R. Tangri, *The Politics of Patronage in Africa: Parastatals, Privatization, and Private Enterprise* (Trenton, NJ: Africa World Press, 1999).

¹² In addition to World Bank surveys, case studies of privatization in Mozambique are just emerging, see R. Tibana, “Structural Adjustment and the Manufacturing Industry in Mozambique” in Paulson, *African Economies*, Vol. 2, pp. 178–232; J. Alves, “Privatizing the State Enterprise Sector” in B. Ferraz and B. Munslow, eds., *Sustainable Development in Mozambique* (Trenton, NJ: Africa World Press, 2000), pp. 58–63; C. Cramer, “Privatisation and Adjustment in Mozambique: A ‘Hospital Pass’?”, *Journal of Southern African Studies*, 27, 1 (March 2001), pp. 79–103. The inclusion of Mozambique in comparative studies is more limited, but see White and Bhatia, *Privatization in Africa*; J. Paulson and M. Gavin, “The Changing Role of the State in Formerly Socialist Economies of Africa” in Paulson, ed., *African Economies*, Vol. 1, pp. 11–65; L. Pereira da Silva and A. Solimano, “The Transition and the Political Economy of African Socialist Countries at War (Angola and Mozambique),” pp. 9–67, and S. Jones, “Agriculture and Economic Reform in African Socialist Economies” in Paulson, ed., *African Economies*, Vol. 2, pp. 235–87.

¹³ For case studies of the peace process and democratization in Mozambique, see B. Mazula, ed., *Mozambique: Elections, Democracy and Development* (Maputo: InterAfrica Group, 1996); and two new books that are too recent to have been incorporated into my work, C. Alden, *Mozambique and the Construction of the New African State: From Negotiation to Nation-Building* (Basingstoke: Palgrave, 2001) and C. Manning, *The Politics of Peace in Mozambique* (Westport: Praeger, forthcoming).

Cambridge University Press

0521820111 - Transforming Mozambique: The Politics of Privatization, 1975-2000

M. Anne Pitcher

Excerpt

[More information](#)

comparative work on Africa has ignored Mozambique. First, the African continent is not as politically and economically important to Western industrialized countries as Eastern Europe and Latin America. As a result, not as much public attention has been directed to the changes in Africa. Second, whereas countries such as Poland and the Czech Republic can be said to have undergone radical, even “revolutionary” transitions to democracy and capitalism, scholars perceive transitions in Africa, particularly those involving privatization and liberalization, as sluggish and incomplete. Even the World Bank, which tends not to call attention to failures, has lamented the slow nature of economic change in Africa.¹⁴

Despite its apparent “success” with privatization in contrast with other countries in Africa, Mozambique suffers from additional obstacles to inclusion in the comparative literature. Because it is a former colony of Portugal rather than of Britain or France, it has been treated as an “exception,” even by those scholars who study it. Though few comparative analyses of Portuguese with French or British colonialism actually exist, scholars (particularly English-speaking scholars) have cast Portugal as a weaker, cheaper, and more coercive colonial power than Britain or France. Consequently, they have viewed the former Portuguese colonies as less developed and more different, historically and institutionally, than their Francophone and Anglophone contemporaries.¹⁵ Not only does the case for Lusophone exceptionalism rest on thin ice, but it has deterred researchers from incorporating the Lusophone countries into comparative appraisals of colonialism, the rise and decline of socialism, and transitions to democracy and capitalism. Civil conflict in Mozambique until 1992 and the use of Portuguese as the official language equally have discouraged scholarly interest.

This book addresses the lacuna in the literature. It relies on archival material, government documents, newspaper accounts, and secondary literature to examine the economic legacy that new political actors confronted when Mozambique achieved independence in 1975. It analyzes the construction of the nationalistic,

¹⁴ Bennell, “Privatization in Sub-Saharan Africa”; White and Bhatia, *Privatization in Africa*; E. Berg, “Privatisation in Sub-Saharan Africa: Results, Prospects and New Approaches” in Paulson, ed., *African Economies*, Vol. 1, pp. 229–89; E. Harsch, “Privatization shifts gears in Africa: More Concern for Public Acceptance and Development Impact But Problems Remain,” *Africa Recovery*, 14, 1 (April 2000), pp. 8–11, 14–17.

¹⁵ Perry Anderson has made the most theoretical case for Portuguese colonial exceptionalism, depicting it as “ultra-colonialism,” that is, “the most extreme and the most primitive modality of colonialism. Forced labor in the Portuguese colonies is the most extreme form of exploitation existent anywhere in Africa. . . . But at the same time forced labor, the edifice and emblem of Portuguese colonialism, provides the clearest evidence of its retardation” (p. 99) in P. Anderson, “Portugal and the End of Ultra-Colonialism,” Parts 1–3, *New Left Review*, 15–17 (1962). The theme of ultra-colonialism underpins several works on Mozambique; see for example A. Isaacman and B. Isaacman, *Mozambique: From Colonialism to Revolution, 1900–1982* (Boulder, CO: Westview Press, 1983), pp. 19–58 and Hanlon, *Mozambique: Who Calls the Shots?*, p. 9.

Cambridge University Press

0521820111 - Transforming Mozambique: The Politics of Privatization, 1975-2000

M. Anne Pitcher

Excerpt

[More information](#)

10 Transforming Mozambique

modernizing, and socialist ideological agenda of the new government, and the implementation of policies that both reflected and compromised that agenda. It then charts Mozambique's economic reorientation from a command economy to a capitalist one, and its political reconfiguration from a highly interventionist state with multiple roles to one whose roles are less visible but no less complex. Drawing upon interviews with national and local government officials, foreign and domestic investors, and representatives of non-governmental organizations, the study evaluates how the privatization process is structuring relations between state and business and assesses the impact of capital formation on the state's regulatory powers, policy-making capacity, and legitimacy. It examines who is investing, what types of investments foreigners and nationals are making, and the conflicts and coalitions that are emerging in industry and agriculture. Furthermore, it explores the visual and rhetorical effects of transformation by deconstructing government speeches and corporate advertisements. Finally, the work relies on several periods of fieldwork, household surveys, and interviews with smallholders, "traditional authorities," and government and company officials in Sofala, Zambezia, Nampula and Cabo Delgado Provinces during the years 1994–98 to gauge local level responses to, and influences on, the period of state intervention and that of liberalization and privatization.

My analysis blends the insights of comparative and historical institutional theory offered by Peter Evans and Theda Skocpol, the macro-historical approach of Barrington Moore, and the attention to states and social forces employed by James Scott, Jean-François Bayart, David Stark, Joel Migdal, and Sara Berry among others. It also builds on the work of Harvey Feigenbaum, Jeffrey Henig, and Chris Hamnett regarding the "political underpinnings" of privatization. The book weaves together four theoretical approaches to explain the complexity of state–market relations in transitional economies. First, it acknowledges that international trends and the transmission of global ideas and policies influence domestic policy decisions. It agrees that the international context may set the parameters for the choices that states make. Yet it also recognizes that international developments are themselves dynamic and changing, and that alone they cannot explain the causes and consequences of transition.¹⁶

Second, just as historical legacies shaped the nature of socialism, they have also molded the recent transitions to capitalism. As Barrington Moore so persuasively argued many years ago, developing countries share common problems, but "historical preconditions" from the existence of particular domestic institutions to the strength of certain classes can favor despotism or democracy, capitalism or communism.¹⁷ Contemporary writers also trace the way

¹⁶ M. Bratton and N. van de Walle, *Democratic Experiments in Africa: Regime Transitions in Comparative Perspective* (New York: Cambridge University Press, 1997), pp. 27–30.

¹⁷ B. Moore, *The Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World*, (Boston, MA: Beacon Press, 1966), chapter 7.