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# Working Paper

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## **Resettlement and Development Moving from Rehabilitation to Growth in Mozambique and Angola**

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## **Abstract**

Mozambique and Angola have both seen horrific civil conflict and massive displacement of population, both internally and across borders to neighboring states. The result has been virtual depopulation of many rural areas, with a consequent fall in production as those displaced are necessarily dependent on food aid and other assistance to survive. The task of restoring peace is complicated, but the transition from emergency humanitarian aid conditions to development and growth has proven more difficult in some respects than had been anticipated, and indeed has still not been achieved in many areas. This brief paper discusses some issues relevant to this debate, focusing on the transition from resettlement and rehabilitation to true development and growth.

# Resettlement and Development

## Moving from Rehabilitation to Growth in Mozambique and Angola<sup>1</sup>

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April 16, 2004

### I. Introduction

Mozambique and Angola have both seen horrific civil conflict and massive displacement of population, both internally and across borders to neighboring states. The result has been virtual depopulation of many rural areas, with a consequent fall in production as those displaced are necessarily dependent on food aid and other assistance to survive. The task of restoring peace is complicated, but the transition from emergency humanitarian aid conditions to development and growth has proven more difficult in some respects than had been anticipated, and indeed has still not been achieved in many areas.

This brief paper discusses some issues relevant to this debate, focusing on the transition from resettlement and rehabilitation to true development and growth.

### II. Rehabilitation vs. Growth

Speaking from a purely statistical viewpoint, some of the most remarkable growth statistics ever achieved are those posted during the process of resettlement and rehabilitation as dislocated populations return to the lands they vacated during the hostilities. However, part of this is purely statistical artifact - growth rates always look good when the base is zero - and most of the rest reflects the fact that people are merely reestablishing production levels they had already achieved with technologies they already were familiar with. In economists' parlance, they were simply moving out to their "production possibility frontier" and not shifting the frontier itself.

It is this latter process, that of moving the production possibility frontier outwards, that is what true "development" is. It involves both the development of new technology, and the use of new resources through increased knowledge and human capital. It is a much more time consuming and

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difficult process than re-attaining that which had already been achieved previously. In the Angolan and Mozambican cases, most of the resettled families engaged in hand-hoe agriculture at a near subsistence level. Reaching this level again after resettlement is much easier than moving beyond it, regardless of the history of dislocation and/or resettlement.

It is important in this context to point out a major difference between the Angolan and Mozambican cases. In both countries a major goal of economic and rural development is to achieve self-sufficiency in food production with domestic farmers producing those staple foods needed in major urban demand centers. In Angola this involves reestablishing market linkages that were well developed in colonial times in which domestic producers in the interior grew more than enough to feed the cities, with the surplus exported abroad. In Mozambique, however, the situation is quite different. Though it is likely that Mozambican producers can efficiently produce enough staple foods for national self sufficiency, this is something that was never done before either before or after independence. Rather, the southern cities relied on food imports funded by labor remittances from miners and other workers sent to South Africa while the center and north were largely self sufficient, but separate in economic terms from the south. Developing these market linkages between regions is a task that will take time, since it is not an issue of rehabilitation, but rather of development of something that never existed.

Exactly where the dividing line is between rehabilitation and development is somewhat blurry. This is particularly true since the departure of the Portuguese upon independence meant that many institutions and structures deteriorated or disappeared in the years since 1975. Thus, in some cases development will have to begin anew while in others the basic knowledge and/or infrastructure remains either available or in a state capable of being rehabilitated. However, what is certain is that the initial burst of growth will slow down as “easy” growth turns into more difficult transformation and change.

### **III. The Human Element**

#### *Human Capital and Agriculture*

Of particular importance is the human element in transitioning from rehabilitation to development. Many have written about the difficulties of demobilization and resettlement of former combatants and this is entirely appropriate. The existence of large formations of ill-paid troops would be inimical to peaceful development, while the conversion of long-time soldiers into sedentary farmers is not an easy task.

However, what is often minimized is that fact that even for non-military populations, there is also a significant issue of lost human capital and difficult transition. Many dislocated populations have been away from their traditional homelands for periods ranging from several years to (in some cases) a decade or more. While former farmers can relatively easily move from a town or city back to a

subsistence farming mode (though even here the difficulties should not be minimized) there is in many cases a “lost generation” of farmers in that children have not grown up in a farming society, economy or culture, and have not absorbed the knowledge that is necessary to thrive in that context.

The point is that farming is a skill. It is one that is passed down largely by example; children learn the trade by seeing their parents do it and by helping them more and more as they grow older, until they reach the point that they form their own household. This chain has been broken in many instances in Mozambique and Angola, with many younger people having grown up in places other than their traditional farmlands. In the more extreme cases, children have experience only of urban settings and may not even want to return to a rural life. In other cases, they may return but have no direct knowledge of agricultural production. In still others, they may have farm production experience, but lack the intimate knowledge of local soils, rains, etc. that allow farmers to maximize production on any given piece of land.

The obvious question that follows from this is “What do we do about it?”. The first response (and appropriately so) of the donor community is some form of “Seeds and Tools” assistance. In Mozambique and Angola various forms of agricultural production packages have been distributed to newly resettled families in order to help them get started as they reestablish themselves on the land. This is good as far as it goes, but amounts to rehabilitation as defined above rather than development.

The problem these farmers then face is two-fold: First, they need to move beyond subsistence agriculture by improving their production technology and increasing output. This is the standard problem of agricultural development, but is complicated by the lack of roads and other infrastructure (both physical and institutional) that links farmers to markets. The second issue that occurs somewhat later in the process is that of declining fertility. An unintended consequence of large dislocations of population is an increase in fallow time in many areas and a consequent increase in fertility. This advantage can be quickly exhausted, however, if shifting cultivation is no longer possible due to increased populations and/or soil nutrients are not replaced. These problems are particularly constraining in some of the poorer soils located around some urban areas in the two countries.

### *Aid Workers - From Emergency Assistance to Development Work*

The above discussion implies that there will be an extremely important role for aid to newly resettled farmers beyond simple provision of seeds and tools to get them started. They will also need help in the form of agricultural extension and development if they are to move beyond mere subsistence to full integration into the national economy. Here, however, there are several major issues:

- Agricultural extension services are weak. This is a result of both persistent underfunding of this function, but also because of a lack of appropriate models for assistance to smallholder farmers.

Traditional top-down extension models have proved of limited success, while the ability of national systems to reach all those who need services is woefully inadequate.

Another problem with government extension services is that there is a history of political involvement in the past. Ruling parties in both countries used rural extension services as an extension of the party apparatus in communicating with rural people. This makes it difficult to switch to the purely technical type of aid needed for agricultural development and growth, both because the extension workers themselves may be inadequately trained but also because target populations may have reservations about the messages conveyed.

- NGO's are in many cases ill suited to transition from emergency aid to development work. Both Mozambique and Angola have dozens of foreign and domestic NGO's engaged in emergency humanitarian assistance in rural areas. These organizations have filled a very important need as the ability of the governments to provide what is needed has been severely limited. However, it is difficult to move from emergency assistance mode to development mode for several reasons. First, the skills that are needed for one are not the same as for the other. In an emergency situation, getting food and medicine to the most needy as fast as possible is the overarching goal. This is quite distinct from the longer term goals of agricultural development in which demonstration and transfer of technological improvements is the main goal. On the question of soil fertility many aid workers have strongly held beliefs about the need for fertilizer or other purchased inputs which, when combined with the existing institutional weaknesses in the government, can make communication of accurate information and/or the ability to act on it difficult.

Even in cases where aid workers or organizations do have the necessary know-how to make the transition, there is a major problem when people or institutions have already developed a patron-client relationship based on free provision of goods and services. In an emergency there is no question that free distributions are needed to ward off humanitarian disaster, but once such a relationship is established it is often impossible (or at a minimum very difficult) to switch to a relationship in which the only free distribution is the knowledge embodied in new technology and not food or tools themselves. Indeed, it is an axiom of agricultural development efforts that free or heavily subsidized provision of inputs can undermine the success of a long term strategy by creating dependent relationships that cannot survive the withdrawal of aid.

#### **IV. The Curse of History**

Finally, there are two senses in which history can pose major problems to a newly launched development effort. First, is that the world has changed drastically since before hostilities commenced, while the second is that Mozambique and Angola themselves have changed as well.

In terms of the world, the most obvious change in economic terms is the evolution of international commodity markets since the 1970's. Export markets that were once quite lucrative have become much more competitive and the conditions for profitability have accordingly changed.

In Angola's case the most obvious change is in the world coffee market. Angola, once one of the four biggest producers in the world, now faces a market with a glut of production from old and new producers, among them Viet Nam which vaulted into second place in the world during the period Angolan production plunged to near zero. In addition to this, the world market has increasingly put a premium on *arabica* varieties rather than the *robusta* varieties that constitute the majority of Angolan production. Internally, the old coffee economy is unlikely to be easily reconstituted since it relied heavily on plantation production fueled by cheap (often forced) labor from African populations.

In Mozambique's case, the world cashew market is now much more difficult to compete in than it was previously as India and others have ramped up production and have developed processing sectors which compete with Mozambique's own for raw nuts. Internally, Mozambique suffers from decades of neglect of its cashew trees, during which time little maintenance or replanting took place. Disease is also a problem, as is the lack of a well developed marketing system in many areas.

In a larger sense, the problem is one of wanting to recreate the best of what pre-hostility economies had to offer without recreating the colonial power relationships that went with them. In some cases this will be possible, but in others it will be necessary to look for alternatives to past income producing activities.