

Let them eat cake – one equitable slice at a time!

If the State Budget was a cake, each slice would be equivalent to different public policies and programmes implemented on an annual basis. But cutting this cake is not a neutral decision. Eventually, some slices are more generous than others. And these decisions have direct implications on the lives of children, particularly those living in vulnerable conditions.

The 2011 Budget Briefs in Mozambique, produced by the Foundation for the Development of Communities (FDC) and the United Nations Children's Fund (UNICEF), encourage public participation and understanding around these decisions from the perspective of trends in budget allocations.

The briefs are based on the Mozambican 2011 State Budget before it was revised by the Parliament in May, which approved an increase in the budget envelope from US\$ 4.4 to US\$ 4.7 billion. This change didn't affect the total budget for the social sectors – the main object of analysis of the briefs. The increase mostly targeted 'extraordinary' expenses (e.g. subsidies, food basket, etc.) developed to buffer the impact of the international rise of food and fuel prices on vulnerable groups.

The concern is warrant. More than half of the Mozambican population lives below the poverty line with only US\$ 0.05 a day. But the adopted measures have no concrete medium-term vision aimed at mitigating these widespread risks and vulnerabilities. In fact, some of these measures will no longer be implemented, as it's the case of the short-lived plans for the food basket initiative.

Mozambique already has an array of social protection programmes, whose objective is exactly aimed at helping poor people reduce their vulnerability. These programmes, however, receive only 0.05 per cent of the total State Budget (that is less than one fourth of the outstanding claims to be paid to fuel importers as a result of the 2010 fuel

subsidies!). The Food Subsidy Programme, for example, is the oldest cash transfer programme in Africa. Its budget and number of beneficiaries have increased overtime. But the value of the transfer has remained the same since 2008. With inflation, it has actually reduced by 26 per cent. And the per capita allocations of these social protection programmes are lower in the poorest provinces.

Regional disparities are also observed in other social sectors. Education expenditure in Nampula Province is only US\$ 15 per person. In Maputo City, it's US\$ 37. But Nampula has the lowest primary attendance rates in the country (74 per cent). And Maputo City has the highest (96 per cent).

Similarly, the health sector spends US\$ 8 per person in Maputo City and only US\$ 4 in Zambézia Province. Even though the number of health workers has increased in the most populous provinces, Zambézia boasts the dismal distinction of having the highest under-five mortality rate in the country.

The State Budget should be seen as a strategic tool to mitigate these disparities, with higher investments targeting the least privileged areas. To achieve national goals of poverty reduction and inclusive growth, it's critical to adopt a more equitable approach for resource distribution and to reinforce existing social protection systems. Forsaken provinces, like Zambézia, which occupies the lowest ranking in human development in the country, tend to receive the least per capita amount of the budget.

It's necessary to start giving some serious thought about the adoption of criteria for more equitable budget allocations. These criteria should take into account different levels of poverty and human development indicators across provinces. The Mozambican government already uses similar approaches for allocating investment expenditures to districts. But this approach should be expanded to ensure that opportunities to access basic social services, which are the step stone for a future life without poverty, are the rights of all Mozambican children. In all provinces. No exceptions.