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Review of the Single Salary Scale:

Government's proposed cuts are insignificant to achieve payroll sustainability

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1. Introduction

The proposal to reduce the salaries of the sovereign bodies and senior State leaders, approved by the Council of Ministers last week¹, will allow for a reduction in the salary bill of about MT 118.84 million per month, which amounts to an annual value of M T1.46 billion. This reduction is still quite insignificant to achieve the sustainability of the State payroll.

In order to eliminate the deficit in wages and salaries, the Government needs to cut around MT 12.35 billion per year. The measures announced will allow the reduction of only 12% of this amount.

The proposed wage cuts have been in parliament since 25 May this year and are due to be debated from this Tuesday, 30 May 2023.

The proposal essentially aims to revise downwards the remuneration and representation allowances of Members of Parliament, Secretaries of State, Ministers, Deputy-Ministers, among other staff and members of public bodies.

The Government proposes to change the tax base for the salaries of members of parliament from 75% to 57.5% and the representation allowance from 30% to 15%; the salaries of ministers, counsellor judges of the Supreme Court, Administrative Court and Constitutional Council, and deputy public prosecutors are proposed to be reduced from 75% to 67.5% and the representation allowance from 30 to 15%.

For the members of the provincial assemblies, the proposal consists of reducing the salary base from 30% to 12.5% and the representation allowance from 10% to 5%.

Regarding the members of the provincial assemblies, the Government also claims that their current salary, which was introduced under the TSU, breaches the principle of salary justice, as they receive higher salaries than those of the executive bodies at provincial and national level, as well as specialist professionals from various State sectors.

This paper provides a detailed analysis of the impact of the proposed law to amend the rules and criteria for setting the salaries of sovereign bodies and other staff and members of public bodies; it seeks to explain to what extent the approval of these measures may reduce the wage bill and create sustainability in the payroll.

¹ The Council of Ministers approved in its 18th session held on the 25th May 2023 the Amendment Proposal of Law nº 5/2022, of 14 February, that defines the Rules and Criteria for the Fixation of Remuneration of Civil Servants, Staff or Members of Public Bodies and Staff and Members of the Justice Administration Bodies.

1. Overall impact of the proposal to amend the TSU

As shown in table 1, the change in the proposal, made by the Government, if approved as it is, will provide a monthly reduction of about MT 118.84 million MT, for a total of MT 1.46 billion per year.

Table 1: Remuneration criteria for Members of Parliament

Descrição	TSU 2022		Proposta 2023		Valor reduzido unitario	Valor reduzido Mensal	valor reduzido anual	% da redução
	Remuneração mensal Individual	Remuneração mensal Total	Remuneração mensal	Remuneração mensal Total				
Presidente	368 922,40	368 922,40	342 570,80	342 570,80	26 351,60	26 351,60	316 219,20	7%
Assembleia da República	3 614 121,94	64 249 153,54	2 604 658,02	44 136 755,99	1 009 463,92	20 112 397,55	241 348 770,56	31%
Tribunais, CC, Conselho de Ministros e Procuradoria Geral da República	2 644 646,58	13 435 626,78	2 225 853,77	10 817 134,16	418 792,80	2 618 492,61	31 421 911,36	19%
Titulares e membros de órgão público	4 064 734,30	101 937 870,65	3 553 513,26	82 029 236,85	511 221,04	19 908 633,80	238 903 605,60	20%
Governador da Provincia e Assembleias Provinciais	753 655,76	45 001 944,90	447 647,81	19 901 057,72	306 007,96	25 100 887,19	301 210 646,22	56%
Conselho Autarquico e Vilas Municipais	2 897 120,90	97 912 121,08	1 855 811,43	46 807 161,26	1 041 309,47	51 104 959,83	613 259 517,90	52%
TOTAL	13 974 279,48	322 536 716,95	10 687 484,29	203 691 345,98	3 286 795,19	118 845 370,97	1 457 882 582,20	

Source: Drafted by the author based on Decree 1/2023 of 17 January and the Proposed Amendment to Law No. 5/2022 of 14 February

The document issued by the Council of Ministers, deposited in Parliament, indicates that the MP's global remuneration will reduce from the current MT 64,25 million to MT 44,14 million per month, a reduction of about 31%. On the other hand, the remuneration of governors and members of the provincial assemblies will reduce from MT 45 million to MT 19,9 million per month.

The global remuneration of ministers, courts staff, Constitutional Council and the Attorney General's Office will reduce from MT 13,43 meticaís to MT 10,82 meticaís per month.

The President of the Republic, which is the reference for salaries of all State officials, currently earns MT 368.922,40 MT per month and in the proposal of the Council of Ministers, he will earn MT 342 570, 80, a 7% reduction.

2. Reduction of salaries and allowances of the sovereign bodies, staff and members of public bodies

This section presents the details of the proposed reduction in individual remuneration of Members of Parliament, members of provincial assemblies, governors, ministers and deputy ministers, counsellor judges and other staff and members of public bodies.

2.1 Parliament

For the Members of Parliament, new percentages have been introduced for MPs in charge as head of the parliamentary wing, members of standing committees, spokespersons, among others. The proposal refers to a reduction from 75% to 57,5% for MPs and the reduction of the representation allowance from 30% to 15%. In monetary terms, the salary of each MP will reduce from the current MT 256,928.10² to MT 174,249.96, a reduction of MT 82,678.15.

² It is important to remember that the salary of the Members of Parliament includes the house rent subsidy of about 74.000 MT, the circle subsidy (about MT 540.000, annually), thus increasing their annual income. Mozambique for all. (2022). *1001 reasons for MPs' applause for the lack of 13th salary*. Available at: https://macua.blogs.com/moambique_para_todos/2022/12/1001-motivos-para-os-aplausos-dos-deputados-à-falta-do-13-salário.html (consulted on 29 May 2023)

Overall, for the Parliament, salaries could be reduced by 20.1 million MT per month, about MT 241.3 million per year. See table 2.

Table 2: Remuneration criteria for Members of Parliament.

Critérios de remuneração dos órgãos de soberania e Procuradoria-Geral da República										
Descrição	TSU 2022				Proposta de alteração TSU 2023				Valor reduzido Unitário	Valor reduzido Total
	Descrição	% Subsídio de Representação	Remuneração mensal Individual	Remuneração mensal Total	Descrição	% subsídio de representação	Remuneração mensal	Remuneração mensal Total		
Presidente	21A+100%de 21A	40%	368 922,40	368 922,40	21A+100%de e 21A	30%	342 570,80	342 570,80	26 351,60	26 351,60
Assembleia da republica				-				-		-
Presidente da Assembleia da republica	80%	30%	274 056,64	274 056,64	80,0%	15%	242 434,72	242 434,72	31 621,92	31 621,92
Vice presidente da Assembleia da republica	75%	30%	256 928,10	256 928,10	62,5%	15%	189 402,13	189 402,13	67 525,98	67 525,98
Chefe da Bancada Parlamentar	75%	30%	256 928,10	770 784,30	62,5%	15%	189 402,13	568 206,38	67 525,98	202 577,93
Membro da Comissão Permanente	75%	30%	256 928,10	3 596 993,40	61,5%	15%	186 371,69	2 609 203,67	70 556,41	987 789,73
Vice- Chefe da Bancada	75%	30%	256 928,10	770 784,30	61,5%	15%	186 371,69	559 115,07	70 556,41	211 669,23
Relator da Bancada	75%	30%	256 928,10	770 784,30	60,5%	15%	183 341,26	550 023,77	73 586,84	220 760,53
Presidente da Comissão de Trabalho	75%	30%	256 928,10	2 055 424,80	60,5%	15%	183 341,26	1 466 730,06	73 586,84	588 694,74
Porta Voz de Bancada	75%	30%	256 928,10	770 784,30	59,5%	15%	180 310,82	540 932,47	76 617,28	229 851,83
Relator da Comissão de Trabalho	75%	30%	256 928,10	2 055 424,80	59,5%	15%	180 310,82	1 442 486,58	76 617,28	612 938,22
Membro da Conselho de Administração da Assembleia da República	75%	30%	256 928,10	1 027 712,40	59,5%	15%	180 310,82	721 243,29	76 617,28	306 469,11
Vice - Presidente da Comissão de Trabalho	75%	30%	256 928,10	2 055 424,80	58,5%	15%	177 280,39	1 418 243,11	79 647,71	637 181,69
Vice - Relator da Comissão de Trabalho	75%	30%	256 928,10	2 055 424,80	58,5%	15%	177 280,39	1 418 243,11	79 647,71	637 181,69
Membro de Comissão	75%	30%	256 928,10	-	57,5%	15%	174 249,96	-	82 678,15	-
Deputado da Assembleia da republica	75%	30%	256 928,10	47 788 626,60	57,5%	15%	174 249,96	32 410 491,63	82 678,15	15 378 134,97
TOTAL			3 614 121,94	64 249 153,54			2 604 658,02	44 136 755,99	1 009 463,92	20 112 397,55

Source: Drafted by the author based on Decree 1/2023 of 17 January and the Proposed Amendment to Law No. 5/2022 of 14 February

2.2 Courts, Constitutional Council, Attorney General's Office and Council of Ministers

In the case of counsellor judges, deputy attorneys general and ministers, they will have a reduction in the base percentage for salaries from 75% to 67.5% and a reduction in the representation allowances from 30% to 15%. In numerical terms, this means that each Prosecutor General, Minister, Judge Advisor of the Constitutional Council and Judge Advisor of the Supreme Court and Administrative Court will have a reduction of MT 52,373.81, from MT 256,928.10 to MT 204,554.30 per month (as detailed in table 3)

Overall, the salary reduction for the courts, Constitutional Council and Ministers will provide a global monthly reduction of MT 2.6 million, about MT 31.4 million per year.

Table 3: Remuneration criteria for sovereign bodies and the Attorney General's Office

Critérios de remuneração dos órgãos de soberania e Procuradoria-Geral da República										
Descrição	TSU 2022				Proposta de alteração TSU 2023				Valor reduzido Unitário	Valor reduzido Total
	Descrição	% Subsídio de Representação	Remuneração mensal Individual	Remuneração mensal Total	Descrição	% subsídio de representação	Remuneração mensal	Remuneração mensal Total		
Tribunal Supremo				-				-		-
Presidente do tribunal Supremo	80%	30%	274 056,64	274 056,64	80,0%	15%	242 434,72	242 434,72	31 621,92	31 621,92
Juiz conselheiro do tribunal Supremo	75%	30%	256 928,10	1 541 568,60	67,5%	15%	204 554,30	1 227 325,77	52 373,81	314 242,83
Tribunal Administrativo				-				-		-
Presidente do tribunal Administrativo	80%	30%	274 056,64	274 056,64	80,0%	15%	242 434,72	242 434,72	31 621,92	31 621,92
Juiz conselheiro do tribunal Administrativo	75%	30%	256 928,10	1 541 568,60	67,5%	15%	204 554,30	1 227 325,77	52 373,81	314 242,83
Conselho constitucional				-				-		-
Juiz presidente do conselho constitucional	80%	30%	274 056,64	274 056,64	80,0%	15%	242 434,72	242 434,72	31 621,92	31 621,92
Juiz conselheiro do conselho constitucional	75%	30%	256 928,10	1 541 568,60	67,5%	15%	204 554,30	1 227 325,77	52 373,81	314 242,83
Conselho de Ministros				-				-		-
Primeiro ministro	77%	30%	263 779,52	263 779,52	77,0%	15%	233 343,42	233 343,42	30 436,10	30 436,10
Ministro	75%	30%	256 928,10	5 395 490,10	67,5%	15%	204 554,30	4 295 640,20	52 373,81	1 099 849,91
Procuradoria geral da republica				-				-		-
Procurador geral da republica	80%	30%	274 056,64	274 056,64	80,0%	15%	242 434,72	242 434,72	31 621,92	31 621,92
Procuradores gerais Adjuntos	75%	30%	256 928,10	2 055 424,80	67,5%	15%	204 554,30	1 636 434,36	52 373,81	418 990,44
TOTAL			2 644 646,58	13 435 626,78			2 225 853,77	10 817 134,16	418 792,80	2 618 492,61

Source: Drafted by the author based on Decree 1/2023 of 17 January and the Proposed Amendment to Law No. 5/2022 of 14 February

2.3 Governors and members of provincial assemblies

For provincial governors, individual remuneration will fall from the current MT 159,427.18 per month to MT 130,440.42, a reduction of about 18%. In turn, the members of the provincial assemblies will have their salary base reduced from 30% to 12.5%, and the representation subsidy will fall from 10% to 5%. This implies that the remuneration of each member of the Provincial Assembly will be reduced by 60% (MT 52,373.81), from MT 86,960.28 to MT 34,586.48 (see table 4).

Overall, the governor and the members of the provincial assemblies will provide a monthly reduction of MT 25.1 million, about MT 258 million per year.

Table 4: Remuneration criteria for governors and members of provincial assemblies

Critérios de remuneração dos titulares e membros de órgão público												
ord	Descrição	TSU 2022				Proposta de alteração TSU 2023				Remuneraçãoreduzida mensal	Remuneraçãoreduzida individual	% redução
		% subsídio de representação	% subsídio de representação	Remuneração individual mensal	Remuneração mensal total	% subsídio de representação	% subsídio de representação	Remuneração mensal	Remuneração total mensal			
Governador da província e Assembleias provinciais												
	Governador de Província	55%	10%	159 427,18	1 753 698,98	45%	10%	130 440,42	1 434 844,62	28 986,76	318 854,36	18%
	Presidente da Assembleia Provincial	55%	10%	159 427,18	1 594 271,80	45%	10%	130 440,42	1 304 404,20	28 986,76	289 867,60	18%
	Chefe de Bancada	30%	10%	86 960,28	869 602,80	14,5%	5%	40 120,31	401 203,11	46 839,97	468 399,69	54%
	Membros da Mesa	30%	10%	86 960,28	4 348 014,00	14,0%	5%	38 736,85	1 936 842,60	48 223,43	2 411 171,40	55%
	Presidente da Comissão de Trabalho	30%	10%	86 960,28	6 956 822,40	13,5%	5%	37 353,39	2 988 271,44	49 606,89	3 968 550,96	57%
	Relator da Comissão de Trabalho	30%	10%	86 960,28	6 956 822,40	13,0%	5%	35 969,93	2 877 594,72	50 990,35	4 079 227,68	59%
	Membro da Assembleia Provincial	30%	10%	86 960,28	22 522 712,52	12,5%	5%	34 586,48	8 957 897,03	52 373,81	13 564 815,50	60%
TOTAL				753 655,76	45 001 944,90			447 647,81	19 901 057,72	306 007,96	25 100 887,19	

Source: Drafted by the author based on Decree 1/2023 of 17 January and the Proposed Amendment to Law No. 5/2022 of 14 February

2.4 Secretaries of State, CNE, rectors and other public office staff

For staff and members of public bodies as is the case of deputy ministers, secretaries of State, rectors of public universities and members of the National Elections Commission, the Council of Ministers proposes a reduction of salary base from 70% to 60%, which in absolute terms means a reduction of 30 thousand meticais for each, from MT 212.130,00 to MT 181.826,04.

The district administrators will have their salary base reduced from 40% to 30%, going from MT 72,466.90 to MT 43,480.14 per month, a reduction of MT 28,986.76. Overall this group will have a reduction in the global value of MT 19.9 million/month as shown in table 5.

Table 5: Remuneration criteria for staff and members of public bodies

Critérios de remuneração dos titulares e membros de órgão público											
ord	Descrição	TSU 2022				Proposta de alteração TSU 2023				Remuneraçãoreduzida mensal individual	Remuneraçãoreduzida da mensal total
		Descrição	% subsídio de representação	Remuneração individual mensal	Remuneração mensal total	Descrição	% subsídio de representação	Remuneração mensal	Remuneração total mensal		
1	Presidente	21A+100%de 21A	40%	368 922,40		21A+100%de 21A	30%	342 570,80		26 351,60	
2	Provedor de Justiça	75%	30%	256 928,10	256 928,10	67,5%	15%	204 554,30	204 554,30	52 373,81	52 373,81
3	Diretor-geral do SISE	75%	30%	256 928,10	256 928,10	67,5%	15%	204 554,30	204 554,30	52 373,81	52 373,81
4	Presidente da Comissão Nacional de Eleições	70%	15%	212 130,38	212 130,38	60%	15%	181 826,04	181 826,04	30 304,34	30 304,34
5	Presidente da Comissão Nacional dos Direitos Humanos	70%	15%	212 130,38	212 130,38	60%	15%	181 826,04	181 826,04	30 304,34	30 304,34
6	Vice-Ministro	70%	15%	212 130,38	4 454 737,98	60%	15%	181 826,04	3 818 346,84	30 304,34	636 391,14
7	Secretário do Estado	70%	15%	212 130,38	424 260,76	60%	15%	181 826,04	363 652,08	30 304,34	60 608,68
8	Reitor da Universidade Pública	70%	15%	212 130,38	1 909 173,42	60%	15%	181 826,04	1 636 434,36	30 304,34	272 739,06
9	Diretor-geral Adjunto do SISE	70%	15%	212 130,38	212 130,38	60%	15%	181 826,04	181 826,04	30 304,34	30 304,34
10	Membro da CNE	65%	15%	196 978,21	3 348 629,57	55%	15%	166 673,87	2 833 455,79	30 304,34	515 173,78
11	Secretário do Estado na Província	55%	15%	166 673,87	1 833 412,57	45%	15%	136 369,53	1 500 064,83	30 304,34	333 347,74
12	Embaixador Extraordinário e Plenipotenciário	55%	15%	166 673,87	166 673,87	45%	15%	136 369,53	136 369,53	30 304,34	30 304,34
13	Vice-Reitor da Universidade Pública	55%	15%	166 673,87	1 500 064,83	45%	15%	136 369,53	1 227 325,77	30 304,34	272 739,06
14	Presidente da Autoridade Tributária de Moçambique	55%	15%	166 673,87	166 673,87	60%	15%	181 826,04	181 826,04	(15 152,17)	(15 152,17)
15	Presidente do Instituto Nacional de Estatística	55%	15%	166 673,87	166 673,87	60%	15%	181 826,04	181 826,04	(15 152,17)	(15 152,17)
16	Presidente do Instituto Nacional de Gestão de Riscos de Desastres	55%	15%	166 673,87	166 673,87	60%	15%	181 826,04	181 826,04	(15 152,17)	(15 152,17)
17	Reitor do Instituto Público	50%	15%	151 521,70	1 212 173,60	45%	15%	136 369,53	1 090 956,24	15 152,17	121 217,36
18	Reitor da Academia Militar	50%	15%	151 521,70	151 521,70	45%	15%	136 369,53	136 369,53	15 152,17	15 152,17
19	Reitor da Academia Policial	50%	15%	151 521,70	151 521,70	45%	15%	136 369,53	136 369,53	15 152,17	15 152,17
20	Vice-Reitor do Instituto Público	45%	15%	136 369,53	1 090 956,24	40%	15%	121 217,36	969 738,88	15 152,17	121 217,36
21	Vice-Reitor da Academia Militar	45%	15%	136 369,53	136 369,53	40%	15%	121 217,36	121 217,36	15 152,17	15 152,17
22	Vice-Reitor da Academia Policial	45%	15%	136 369,53	136 369,53	40%	15%	121 217,36	121 217,36	15 152,17	15 152,17
23	Administrador de Distrito	40%	10%	115 947,04	17 855 844,16	30%	10%	86 960,28	13 391 883,12	28 986,76	4 463 961,04
25	Chefe do Posto Administrativo	25%	10%	72 466,90	32 175 303,60	15%	10%	43 480,14	19 305 182,16	28 986,76	12 870 121,44
26	Chefe da Localidade	10%	10%	28 986,76	33 740 588,64	10%	10%	28 986,76	33 740 588,64	-	-
TOTAL				4 064 734,30	101 937 870,65			3 553 513,26	82 029 236,85	511 221,04	19 908 633,80

Source: Drafted by the author based on Decree 1/2023 of 17 January and the Proposed Amendment to Law No. 5/2022 of 14 February

2.5 Municipal Councils

Mayors and Municipal Assembly members will see an overall monthly reduction of about MT 51.1 million, equivalent to MT 613 million per year. The sharpest reductions are for members of the A-level municipal assemblies. Their individual salary will fall by MT 58,966.71 (about 63%) from MT 93,553.18 to MT 34,586.48, as shown in table 6.

Table 6: Remuneration criteria for level A, B, C and D municipal assemblies and village councils

Critérios de remuneração dos titulares e membros de órgão público											
ord	Descrição	TSU 2022				Proposta de alteração TSU 2023				Remuneraçãoreduzida mensal individual	Remuneraçãoreduzida mensal total
		Descrição	% subsídio de representação	Remuneração individual mensal	Remuneração mensal total	Descrição	% subsídio de representação	Remuneração mensal	Remuneração total mensal		
Conselho Autárquico Nível A											
II	Presidente do Conselho Autárquico Nível A	55%	10%	159 427,18	159 427,18	45%	10%	130 440,42	130 440,42	28 986,76	28 986,76
	Presidente da Assembleia Municipal Nível A	55%	10%	159 427,18	159 427,18	45%	10%	130 440,42	130 440,42	28 986,76	28 986,76
	Presidente de Mesa	30%	10%	93 549,18	93 549,18	14,5%	5%	40 120,31	40 120,31	53 428,87	53 428,87
	Vice-Presidente de Mesa	30%	10%	93 550,18	93 550,18	14,0%	5%	38 736,85	38 736,85	54 813,33	54 813,33
	Membros da Mesa	30%	10%	93 551,18	280 653,54	13,5%	5%	37 353,39	112 060,18	56 197,79	168 593,36
	Secretário	30%	10%	93 552,18	93 552,18	13,0%	5%	35 969,93	35 969,93	57 582,25	57 582,25
	Membro da Assembleia Municipal	30%	10%	93 553,18	25 221 937,33	12,5%	5%	34 586,48	9 324 513,66	58 966,71	15 897 423,67
Conselho Autárquico Nível B											
III	Presidente do Conselho Autárquico Nível B	45%	10%	130 440,42	130 440,42	40%	10%	115 947,04	115 947,04	14 493,38	14 493,38
	Presidente da Assembleia Municipal Nível B	45%	10%	130 441,42	130 441,42	40%	10%	115 947,04	115 947,04	14 494,38	14 494,38
	Presidente de Mesa	28%	10%	81 162,93	81 162,93	14,5%	5%	40 120,31	40 120,31	41 042,62	41 042,62
	Vice-Presidente de Mesa	28%	10%	81 162,93	81 162,93	14,0%	5%	38 736,85	38 736,85	42 426,08	42 426,08
	Membros da Mesa	28%	10%	81 162,93	243 488,78	13,5%	5%	37 353,39	112 060,18	43 809,54	131 428,61
	Secretário	28%	10%	81 162,93	81 162,93	13,0%	5%	35 969,93	35 969,93	45 192,99	45 192,99
	Membro da Assembleia Municipal	28%	10%	81 162,93	21 881 525,39	12,5%	5%	34 586,48	9 324 513,66	46 576,45	12 557 011,73
Conselho Autárquico Nível C											
IV	Presidente do Conselho Autárquico Nível C	40%	10%	115 947,04	115 947,04	35%	10%	101 453,66	101 453,66	14 493,38	14 493,38
	Presidente da Assembleia Municipal Nível C	40%	10%	115 947,04	115 947,04	35%	10%	101 453,66	101 453,66	14 493,38	14 493,38
	Presidente de Mesa	25%	10%	72 466,90	72 466,90	14,5%	5%	40 120,31	40 120,31	32 346,59	32 346,59
	Vice-Presidente de Mesa	25%	10%	72 466,90	72 466,90	14,0%	5%	38 736,85	38 736,85	33 730,05	33 730,05
	Membros da Mesa	25%	10%	72 466,90	217 400,70	13,5%	5%	37 353,39	112 060,18	35 113,51	105 340,52
	Secretário	25%	10%	72 466,90	72 466,90	13,0%	5%	35 969,93	35 969,93	36 496,97	36 496,97
	Membro da Assembleia Municipal	25%	10%	72 466,90	19 537 076,24	12,5%	5%	34 586,48	9 324 513,66	37 880,43	10 212 562,58
Conselho Autárquico Nível D											
V	Presidente do Conselho Autárquico Nível D	25%	12%	73 784,48	73 784,48	25%	10%	72 466,90	72 466,90	1 317,58	1 317,58
	Presidente da Assembleia Municipal Nível D	25%	12%	73 784,48	73 784,48	25%	10%	72 466,90	72 466,90	1 317,58	1 317,58
	Presidente de Mesa	25%	12%	73 784,48	73 784,48	14,5%	5%	40 120,31	40 120,31	33 664,17	33 664,17
	Vice-Presidente de Mesa	25%	12%	73 784,48	73 784,48	14,0%	5%	38 736,85	38 736,85	35 047,63	35 047,63
	Membros da Mesa	25%	12%	73 784,48	221 353,44	13,5%	5%	37 353,39	112 060,18	36 431,09	109 293,26
	Secretário	25%	12%	73 784,48	73 784,48	13,0%	5%	35 969,93	35 969,93	37 814,55	37 814,55
	Membro da Assembleia Municipal Nível D	20%	12%	59 027,58	15 913 836,65	12,5%	5%	34 586,48	9 324 513,66	24 441,11	6 589 322,99
Vila e Assembleia Municipal de Vila											
VI	Presidente do Conselho Autárquico de Vila	20%	13%	59 291,10	59 291,10	20%	10%	57 973,52	57 973,52	1 317,58	1 317,58
	Presidente da Assembleia Municipal de Vila	20%	13%	59 291,10	59 291,10	20%	10%	57 973,52	57 973,52	1 317,58	1 317,58
	Presidente de Mesa	15%	13%	46 116,30	46 116,30	12,0%	5%	33 203,02	33 203,02	12 913,28	12 913,28
	Vice-Presidente de Mesa	15%	13%	46 117,30	46 117,30	11,5%	5%	31 819,56	31 819,56	14 297,74	14 297,74
	Membros da Mesa	15%	13%	46 118,30	138 354,90	11,0%	5%	30 436,10	91 308,29	15 682,20	47 046,61
	Secretário	15%	13%	46 119,30	46 119,30	10,5%	5%	29 052,64	29 052,64	17 066,66	17 066,66
	Membro da Assembleia Municipal	15%	13%	44 797,72	12 077 465,31	10,0%	5%	27 669,18	7 459 610,93	17 128,54	4 617 854,38
TOTAL AUTARQUIAS E VILAS				2 897 120,90	97 912 121,08			1 855 811,43	46 807 161,26	1 041 309,47	51 104 959,83

Source: Drafted by the author based on Decree 1/2023 of 17 January and the Proposed Amendment to Law No. 5/2022 of 14 February

3. Changes proposed by the Government are far from ensuring salary sustainability

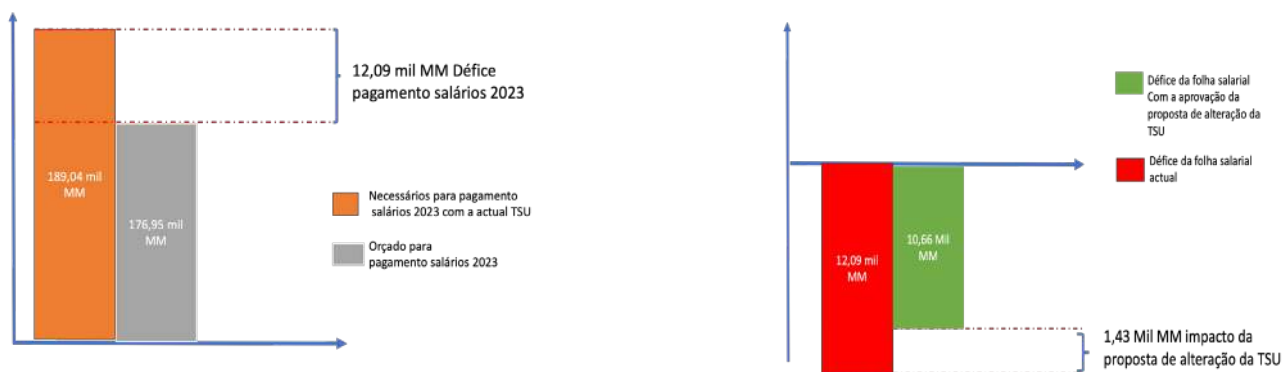
The quarterly balance of the Economic and Social Plan and State Budget (PESOE) for 2023 shows that the Government spent MT 47.26 billion, an execution level of 26.7%, in January to March. It should be noted that the Government's forecast for 2023, in salaries, is MT176.95 billion.

With the high levels of salary expenditure, the forecast is far below what is required for the payment of salaries by the close of the financial year. MT 12.35 billion [MT 189.04 billion (MT 47.26/quarter x 4 quarters) – MT 176.95 billion] is required for the Government to pay salaries by December 2023.

The value of the impact of the proposed change in the TSU, MT1.46 billion (12% of the budget deficit for the payment of salaries for 2023) is well below the value needed for the payment of salaries, still showing a deficit of 88% of the value needed.

The Chart below illustrates the amounts required for the payment of salaries, taking into account the execution of the first quarter of 2023 and the amount budgeted in the PESOE 2023 for salary payment.

Chart: Budgeted value for salary and deficit in payroll



Source: Drafted by the author based on the PESOE Balance Sheet, January to March 2023, and on the Proposed Amendment to Law no. 5/2022, of 14 February

The data in Chart 1 shows that the proposed change in the salaries of the senior State leaders will not in itself solve the problem of salary sustainability. The Government needs to implement bolder measures to make the wage bill sustainable.

The difference between budgeted and executed amounts shows that the Government made rather optimistic forecasts regarding the implementation of the TSU and is now faced with the situation of having to make adjustments in order to be able to pay salaries.

4. Conclusions

Cutting the salaries of senior state officials is a necessary measure to reduce the State's wage bill, which is currently unsustainable. However, the cuts proposed by the Government are insignificant to achieve this objective.

If the proposal submitted by the Government to Parliament is approved as it stands, it will allow the State to save only about MT 1.46 billion per year, corresponding to 12% of the total deficit of the salaries and wages of State employees and agents.

There is also a disparity in the reduction of individual salaries of the different heads of State bodies. For example, the salary of ministers is reduced by 20.4% and that of Members of Parliament by 32.2%. The salary of the President of the Republic is reduced by 7% only, while the salary of the level A Municipal Assembly member (Maputo, Nampula, Beira) is reduced by 63%.

The poor projection of Government expenditure, coupled with the high salaries of the sovereign bodies and members of public agencies, has meant that salaries are being executed above budget.

For the sustainability of the wage bill, it is necessary for the Government to further reduce the remuneration of the sovereign bodies and public administration and downsize the government structure by eliminating some functions and institutions that make the wage bill high.

5. References

Laws

- Law n° 5/2022, of 14 February, which approves the rules and criteria for setting the remuneration of public servants, staff or members of public bodies and staff and members of the bodies of the administration of justice;
- Law n° 14/2022, of 10 October, which amends Law n° 5/2022, of 14 February, which defines the rules and criteria for setting the salary and remuneration of public servants, staff or members of public bodies, staff and members of sovereign bodies and staff and members of the bodies of the administration of justice and approves the Single Wage Scale (TSU).
- Decree n° 29/2022, of 9 June, which approves the procedures to be adopted for the framework of public servants, staff or members of public organ and staff and members of the organs of the administration of justice.
- Decree No.° 31/2022, of 13 July, which approves the system and amounts of supplements for public servants, staff or members of public bodies and staff and members of the bodies of the administration of justice.
- Decree no.° 32/2022, of 13 July, which defines the regime and the amounts of the salary levels and steps of the Single Salary Table.
- Decree no° 1/2023 of 18 January amending Article 9 and Annexes I, II, IV of Decree 31/2022 of 13 July.
- Decree No° 2/2023 of 18 January amending Annex I of Decree 32/2022 of 13 July.
- Decree 3/2023 of 18 January amending Annex I of Decree 55/2022 of 14 October.
- Decree 4/2023, of 27 January, which amends the Regime and the Amounts of the Supplements and the Amounts of the Wage Levels and Steps of the Armed Defence Forces of Mozambique, approved by Decree 53/2022, of 14 October, under paragraphs b) and c) of Article 16, in conjunction with Article 22, of the same Law.

Consulted Documents

- Office of the Prime Minister. (2023). Proposed Amendment to Law No. 5/2022, of 14 February, Defining the Rules and Criteria for Fixing the Remuneration of Public Servants, Staff or Members of a Public Body and Staff and Members of the Bodies of the Administration of Justice.
- Ministry of economy and finance (2023). PESOE balance sheet for the 1st quarter of 2023. Available at: <https://www.mef.gov.mz/index.php/todas-publicacoes/instrumentos-de-gestao-economica-e-social/plano-economico-e-social-e-orcamento-do-estado-pesoe/pesoe-2023/bdpesoe-i-trimestre/1853-balanco-do-plano-economico-e-social-e-orcamento-do-estado-referente-ao-i-trimestre-2023/file?force-download=1> accessed 29 May 2023.
- Radio Mozambique (2022). *TSU. Government assures budget for salary payments.* <https://www.rm.co.mz/tsu-governo-assegura-existencia-de-verba-para-pagamento-de-salarios/> (consulted on 28 May 2023)



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