**The Rich and the Poor -The Ecologist**

AnnaLiza totters through the lobby of ‘La Polana’ hotel in platform heels and drag-queen layers of makeup, air kissing friends and followed by wires and cameramen. She’s Maputo’s Naomi Cambpell. Feling Capella, poet, social commentator, scowls. “She’s exactly what I hate about the new Maputo- a tiny minority that is obsessed with twitter, MTV, meaningless chit chat, and pretending we’re American, or European. Drinking whiskey, gin, enjoying this boom time. She’s a model because she’s got the right family name, and looks the part.” Feling Capella is a young journalist on the state newspaper, poet by night, performing in the beautiful and crumbling art deco cinemas and clubs such as Gil Vicente and Nucleo Centro. In his poems he implores his country folk to wake up to the wonder of Mozambique, before they sell their very souls off to outsiders.

**Foreign Investors Queing up**

This boom time is very evident in Maputo, Mozambique’s capital. Contradictions are the name of the game. Skyscrapers and snazzy restaurants shooting up apace. Human faeces is a few yards away from one of the smartest five star hotels in Africa. Dom Perignon champagne at $320 a bottle. One hundred yards away people living on refuse scraps. Mozambique is one of the poorest countries in the world[[1]](#endnote-1).

In 2012, consolidated statistical figures[[2]](#endnote-2) pointed to approval of 384 investment and building projects worth a total of US$5 billion. Over the next three years Mozambique expects to receive investments totaling around US$10 billion according to the assistant director of the Ministry of Information, Godinho Alves.

Capella’s feelings are shared, and Mozambiquans are in no way passive: the future of Mozambique’s resources- natural gas, oil, coal, marine areas, land- are being hotly contested, on the global stage. Academics, artists, activists, the international NGO community are united around a common goal of navigating a course through these choppy waters. Earlier this year a coalition of human rights lawyers, Media activists, journalists, practitioners and academics from Mozambique’s Eduardo Mondlane University, diverse NGO’s and musicians banded together. Their combined skills cover geography, offshore deepwater mining, marine life, road building, social change, mining impacts and community development. They hope to provide a ‘fourth estate’ that can both critique the government, and offer suggestions of how to approach land degradation, and community consultation. [[3]](#endnote-3) Additionally OSISA exists in Mozambique to bring together five human rights legal groups, all focused on protecting land rights[[4]](#endnote-4).

In November 2012 Care and WWF created a coastal marine reserve in the Primeiras and Segundas Archipelago that will cover more than 4020 square miles and contains abundant coral and turtle species, mangroves, deepwater marine life, and rare corals. The creation of this conservation park, (the second in two years) will potentially also make it harder for oil and gas companies to ride roughshod through communities. The “Eyes on the Horizon project”, which involved the creation of the largest marine dugong monitoring and preservations, beach clean ups, is, as Florêncio Marerua, WWF-Mozambique´s Country Director says: “A particularly exciting project, because both the government authorities and local communities recognise the benefits of conserving these resources.”

On land, it’s proving harder to monitor what is happening. Mozambique is resource-rich: coal exploration and mining has been going on in Tete province since the end of the civil war in 1993. However efforts to safeguard the land, and people living on it, are less obvious. There have been notable outcries at the ‘relocation’ and land transference that have occurred this year. In May 2013 Human Rights Watch published a damning report[[5]](#endnote-5) that revealed that forced relocations, shoddily managed housing and sanitation projects and broken promises of work have resulted in thousands of people living in conditions causing illness, malnutrition and death. More recently, in August 2013, US oil giant Andadarko was accused of not consulting several thousand families in Cabo Delgado over the Liquid Natural Gas refraction plant and Terra Viva (a land rights organization) Executive Director Alda Salamao detained at 6am for police questioning[[6]](#endnote-6).

Salamao ascertains that over thousands of people have been forcibly relocated in a total of 72,000 HA of Mozambiquan land, and locations are going on right now, near Pemba, north Mozambique. She says, “As I am talking to you, right now, in Palma, a community has lost its rights and is not aware of it. The land rights were transferred to Anadarko, 7,000 hA of land, and offshore rights”. In Maputo, The Human Rights League are taking the government to court in several cases over resettlement and relocation in areas where minerals or natural gas exploration is happening. Director Dr. Alice Mabota is steely, and resolute. She explains the problem thus: “People really do not know there rights in these areas, they are never adequately consulted, nor do they know their rights, nor the real value of the land, and what lies beneath it. They are not aware that the oil, natural gas and other minerals that they farm over, every day, is potentially worth millions, and they will see none of it”

**Confidence in Mozambique’s Economy**

Since 2011 ‘PROMAPUTO’, a huge World Bank and IMF package designed to address legislation, tax and auditing systems, signals the death knell of the revolutionary the Marxist Leninist visions. As two private investors told me (one Brazilian venture capitalist, the other an Australian mining CEO) the underwriting of the Mozambiquan economy by the World Bank is effectively a massive vote of confidence, and a guarantee, a cushion for prospective private partnerships. They’re flocking in: Bosch, Siemens, industrial plant distributors, the large banks… Maputo must be the only city where the trendiest street also has a serious hardware shop in pride of place.

However none of the World Bank or IMF initiatives tackle the land resettlement, or land development issues associated with oil and natural gas.

Mozambique is only expected to gain around only $20bn (£13bn) during the lifetime of the 100 trillion cubic feet (2.8 trillion cubic metres) of gas discovered, because of the enormous capital investment of external partners[[7]](#endnote-7). It is still very early days: foreign investment could build the much needed thousands of miles of Mozambique roads, railways and water and sanitation. But the various commercial international players (mining operations, logistics) will need to work with the various UN departments. And they will need to listen to the local voices that are growing stronger, who ask, “Where do the Chinese and Asian markets fit in”? They have replaced the UAE as the biggest investor in Mozambique. So far they have reinvigorated their loans and commitment to Mozambique, and account for a third of all exports[[8]](#endnote-8). In May 2013 a US$500 million Beira Special Economic Zone (ZEE) created by a the Chinese firm Dinsheng (source Economist Intelligence Unit)[[9]](#endnote-9) and the Mozambique government will strengthen railroads, the mining sector, and will join other special economic zones such as Tete, the Nacala Corridor and the Beluluane Industrial Park, in Matola, on the outskirts of Maputo.

Perhaps most importantly, as the independent (and free) national newspaper Los Verdades (The Truth) stresses, who will monitor the environmental and social dynamics and transgressions with all this development? Planning gains (a system whereby companies ‘compensate’ for resources destroyed or taken) are not in place[[10]](#endnote-10). Earlier this year the construction company Somague, signed the contracts that awarded it two construction projects in Mozambique for Brazilian mining group Vale to the value of US$228 million, both projects are to provide rail links to remove coal and other minerals from the Tete province. This project too lacked any ‘social responsibility’ or environmental angle, no schools, hospitals or community provisions for the villagers and people that live there already. Compensation has not been offered either[[11]](#endnote-11).

**The Resource Curse?**

In November 2012 iconic widow of Mozambique’s Revolution hero Samora Machel, Graca, accompanied the president of Brazil ‘Lula’ on a mission around the country. She commented on the growing rich/poor divide in Mozambique. No figures exist on the wealth disparity: Mozambique is a jumble of statistical contradictions: amongst the highest GDP growth rate in the world. Yet also 184 and out of 187 on the Human Development Index(3) the second poorest country in the world, with over 55% of the population officially below the poverty line. Graca Machel is right, even though she is undoubtedly deeply embedded in the Frelimo old guard who give themselves, their daughters, sons, nieces and grandkids jobs and access.

The international hotels in Maputo are booked to 95% capacity in the week with business men from everywhere- Australia, America, UAE, Norway, Brazil and China, the majority here for oil and natural gas. Radio Mozambique and BBC correspondent Jose Tembe says: “The key problems are nepotism and corruption. If people are not corrupt, they make sure the investors abide by the rules. But if the government man is given money to keep his mouth shut, he won’t check up on the investors. This impacts our environment, on the social inequality, the two are linked”.

Feling Capella agrees: “We must tackle corruption: the will and skill is here with our people to manage our environment, our democracy. But we must face the spotlight on those who don’t want to share, or be accountable”.

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1. 2013 global Human Development Report published March 2013 by the United Nations Development Programme (UNDP). The Human Development Index (HDI) is a composite measure, which considers what the UNDP regards as the three fundamental dimensions of human development – life expectancy, educational attainment and a decent standard of living. Each of these is given a weighting of a third in calculating the index. A country’s score can range, in theory from zero to one. Some developed countries come close to one – at the top of the index is Norway, with a score of 0.955. Mozambique’s score this year is 0.327. But this is rather higher than last year’s score of 0.322, and much higher than either the 2000 figure of 0.247, or the 1980 score of 0.217. The UNDP representative in Maputo, Jennifer Topping, said that Mozambique’s HDI has grown at an average of 2.37 per cent since 2000, and shows an accumulated growth of 51 per cent since 1980. The two countries that score lowest on the HDI index are DRC and Niger, in joint bottom. [↑](#endnote-ref-1)
2. From the Mozambican Centre for Investment Promotion (CPI), the Office of Accelerated Economic Development Areas (Gazeda) and the Mining Resources Ministry cited by Mozambican newspaper Notícias. [↑](#endnote-ref-2)
3. http://www.osisa.org/hrdb/mozambique/human-rights-commission-mozambique [↑](#endnote-ref-3)
4. http://www.osisa.org/hrdb/mozambique/human-rights-commission-mozambique [↑](#endnote-ref-4)
5. http://www.hrw.org/news/2012/09/17/human-rights-watch-recommendations-mozambique-s-resettlement-decree [↑](#endnote-ref-5)
6. http://allafrica.com/stories/201309171474.html?viewall=1 [↑](#endnote-ref-6)
7. Nationally, the gas is thought to be worth an estimated $350bn (£233bn) while projections predict that from 2015 the country could produce 100 million tonnes a year, putting it just outside the top 10 producers in the world. A huge amount, for a country with an economy that produces just $26bn (£17bn)(1). [↑](#endnote-ref-7)
8. On March 15 2013, China National Petroleum Corporation (CNPC) announced that it acquired a 28.57% stake in ENI East Africa, owner of a 70% interest in an offshore gas block in Mozambique. With an investment of US$4.21bn, the deal is CNPC’s largest overseas purchase ever, according to Bloomberg. It marks the entry of a Chinese major in the highly prospective natural province, adding to Asian interests in the Rovuma basin. Malaysia’s Petronas holds 90% in Areas 3 and 6. China holds the rest

   Cove Energy Acquisition. Thailand’s PTTEP acquired Cove Energy for GBP1.22bn (~US$1.8) after a bidding war with Royal Dutch Shell. Cove Energy held 8.5% stake in Area 1 and 10% stake in the onshore block. Anadarko (US) holds 36.5% in Area 1, Mitsui (Japan) 20%, ENH 15%, Bharat Petroleum 10%, Videocon 10% and PTTEP 8.5%.

   Africa – Asia Economic Nexus. Asia accounts for about one third of exports from Africa. Asia primarily imports commodities from Africa and exports manufactured goods. Emerging Asian economies are estimated to have exported to Sub-Saharan Africa, including Mozambique, goods worth over US90bn and imported close to US$120bn in 2012. Asian investments in Africa are widely dispersed across countries and industries. Asian companies operated in resource extraction, energy, petroleum processing, telecoms, shipping and freight, banking and financial services, tourism, real estate and agriculture. Major companies from Japan, Korea, China, India, Thailand, Malaysia and other Asian countries operate in a variety of sectors. In July 2012, China offered US$20bn in concessional loans to African countries over three years. Africa and India aim to increase trade to US$90bn by 2015. The parties are reportedly discussing 250 projects worth US$30bn. http://allafrica.com/stories/201308161480.html [↑](#endnote-ref-8)
9. Sebastien Marlier, an analyst at the Economist Intelligence Unit who tracks developments in Mozambique, is not confident that the country will be East Africa's Norway. "I think Mozambique will have a very hard time reaching the standards set by Norway," says the economist. "Corruption has become a major concern in Mozambique. A small elite associated with the ruling party and with strong business interests, dominates the economy." [↑](#endnote-ref-9)
10. Source “Will Mozambique end up like Nigeria or Norway?” By Alexis Akwagyiram http://www.bbc.co.uk/news/world-africa-22008933 [↑](#endnote-ref-10)
11. http://www.foei.org/en/resources/publications/pdfs/2011/lords-of-the-land-analysis-of-land-grabbing-in-mozambique/at\_download/file [↑](#endnote-ref-11)