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Mozambique

The new civil war in Mozambique

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Joseph Hanlon, editor of *Mozambique News Reports and Clippings*, was interviewed by Mariana Carneiro, a journalist at the Esquerda.net website, linked to Portugal's Left Bloc. This interview was first published in Portuguese on 20 June, 2021, <u>"Cabo Delgado: "Pior cenário é Moçambique transformar-se no Afeganistão"</u>.

The greed and corruption of the leaders of the ruling party, Frelimo, play a central role in the conflict in Cabo Delgado. But this role would not be possible without the support and encouragement of the international community, foreign institutions, and banks.

Frelimo established itself in the post-independence period as a multiracial government claiming to be socialist and representing a threat to the United States of America and apartheid South Africa. [1] When Ronald Reagan became president of the United States, he intensified the Cold War and started proxy wars. One of these wars took place in Mozambique. The United States used South Africa to attack the country, creating Renamo and so on. [2]

With the end of the Cold War, the proxy war came to an end. The damage was enormous. At least one million people died in this war. Infrastructure has been severely affected, as Renamo destroyed all economic activities in rural areas. The World Bank and the International Monetary Fund (IMF) came in and said, "We're going to save you". And they demanded the same thing they imposed in Eastern Europe and Central Asia: "shock therapy", essentially trying to quickly convert "Communists" into capitalists. And to create oligarchs and massive corruption, which happened in Mozambique.

Thus, since 1995, new capitalists have been created in Mozambique. [3] They were given privatised companies, granted loans from the World Bank, without having to worry about repaying them. And their companies depend entirely on contracts with the state. The fact that they are the elite of the state is therefore the way to get into business. The construction of capitalist Mozambique requires a merger of party and business.

It is important to mention that in 1995 Mozambique was an extremely poor country. At the time, natural resources were not yet exploited. All connections for making money involved foreign capital. Over the next twenty years, a system was developed that I call "comprador oligarchs". [4] The biggest oligarch is Armando Guebuza, possibly already the richest man in the country when he became president of Mozambique. [5] What is important about Armando Guebuza is that he had been commander of Frelimo during the War of National Liberation. [6]

Under Guebuza's presidency, a very complex system of clientelism was created. [7] The IMF and the World Bank have taught Mozambicans that you have to pay for everything, even for the services that should be guaranteed by the state. This was capitalism.

In this clientelist system, everyone below you does what you tell them to do. And you do what everyone above you tells you to do. And the person in the middle earns money from their position. This system is known locally as "cabritismo", after the saying "the goat ("cabrito") eats where it is tied". At the district level, at some point, the local official receives a phone call from a minister or governor telling them to hand over land to a certain person. The whole system works in this way, to the point that education is captured by the electoral machine. Teachers must satisfy the principal of the school by working actively [for Frelimo] during elections and, in return, they can ask for bribes from students and parents, and they are not required to attend classes. [8] Teachers who support the opposition, meanwhile, are transferred to a bush school. [9]

When did the wave of privatization start in Mozambique?

During the war. Mozambique privatized literally thousands of companies. This was a condition of the "shock therapy" imposed by the IMF and the World Bank, which also demanded the privatization of the state-owned commercial banks (Banco Comercial de Moçambique and Banco Popular de Desenvolvimento). The most profitable companies were entrusted to foreign multinationals. And everything else went to the Mozambican elite. Frelimo itself wanted to buy the generals for the war, giving them companies, land and so on.

One of the things we now know, officially, is that the World Bank insisted that loans be given to Mozambicans to acquire the privatised companies. This process was carried out with a fund from the World Bank. Mozambican banks have warned that these companies will not be able to repay the loans. An official internal evaluation report indicates that the World Bank has instructed them to continue to grant them.

In the meantime, mineral resources appeared...

Starting in 2005, several resources were discovered, and we realized that Cabo Delgado was rich in minerals. [10] There is graphite, rubies, oil sands and so on. The ruby mine is controlled by the oligarch Raimundo Pachinuapa, who was a guerrilla fighter in the national liberation struggle. [11]

He became a general...

A general and member of the political committee of Frelimo. Almost sixty years later, the same people are leading the party. And the greatest oligarch of Cabo Delgado is Alberto Chipande, who is supposed to have fired the first shot during the war. [12] Chipande also always remained a member of the political committee of Frelimo as the "godfather" of Cabo Delgado.

Pachinuapa allied with the British mining company Gemfields...

He used his position to seize the land where the mine is located, drove out thousands of people and entrusted Gemfields with 75% of the company on the condition that he did nothing and kept 25% of the money raised.

The director of Gemfields in Mozambique is Samora Machel Júnior, Samito. [13] It's all in the family. These people control the economy of Cabo Delgado, whether legal or illegal. And what is legal or illegal changes. The inhabitants of the coast had been trading in these products – ivory, timber and so on – for generations. It has become, technically, illegal, but no one initially took this ban very seriously. In the meantime, the oligarchs have come to control all these transactions, in association with the families of Asian traders established in the province. In southern Italy, there are a group of mafia families who control the territory. In Cabo Delgado, there is a group of oligarchs who control the economy. Thus, investments in Cabo Delgado have not benefited and still do not benefit the people because the oligarchs keep all the money.

Oligarchs and foreign multinationals...

I'm talking here about the period before natural gas. At this time, we have the timber trade going to China, the drug trade coming from Afghanistan. When the gas was discovered, around 2010, the scale became different. It is the second largest gas field in Africa. And this comes at a time when liquefied natural gas (LNG) is being transported around the world. A gas which, twenty years ago, would have had no commercial viability, can now be transported as LNG.

Suddenly, people started talking about huge sums of money: 100 billion euros of investments, income for Mozambique in twenty-five years of 95 billion euros. The political and economic elite believed that Mozambique would be "El Dorado", just like Abu Dhabi, Qatar and Kuwait.

And then Credit Suisse came on the scene...

Credit Suisse established links with Guebuza, or at least with Guebuza's family. And they proposed a wonderful agreement: a loan of 2 billion dollars which would not have to be repaid, because the money from gas would cover it, and a system of coastal protection. In addition, the bribes received could amount to \$300 million or \$400 million. All for free. And the Mozambicans said yes, it seemed like a good deal to them. The Swiss Government, however, warned that the agreement should remain secret because it violated IMF rules. We are talking about one of the biggest banks in the world saying: "Don't worry, everything is fine, the gas will repay the loan". The bank therefore wanted to increase the size of the debt, to increase the amount of the loan. The secret proposal provided for the creation of a tuna fishing fleet, a maritime safety company and a ship repair and maintenance company.

When the loan to Ematum – Empresa de Atum de Moçambique – was made public in 2013, the Mozambican government guaranteed that there were no more debts, and the IMF only requested that the loan be included in the state budget. [The loan of 850 million euros was for a tuna fishing and maritime safety fleet of vessels, 33% owned by IGEPE (a state holding company), 33% by Emopesca (state fishing company) and 33% by SISE (State Information and Security Service, the all-powerful secret police whose budget often exceeds that of the Ministry of Agriculture). The order was placed at the Cherbourg shipyards and the inauguration of the shipyard was made in the presence of the then French president François Hollande in 2013.]] However, in April 2016, the *Wall Street Journal* revealed a hidden debt of \$622 million to ProIndicus and another of \$535 million to MAM, both with guarantees from the Mozambican state. [14] Once again, the Mozambican government asserted in the face of Christine Lagarde that the secret agreement had not taken place, that there was no hidden debt. [15]

The loans to the three companies – Ematum, ProIndicus, and MAM – included major purchases of ships, aircraft, communications equipment, and other equipment from France, Germany, Portugal, Turkey, China, India, Israel, Sweden, Austria, Romania and the United States. Two other secret supplier credits of \$221 million contracted by the Ministry of the Interior between 2009 and 2014, including armoured cars to respond to the threat of riots in Maputo in April 2016, have also been made public. In total, the government secretly guaranteed \$2,228 million in debt.

Christine Lagarde considered it a personal offence to be deceived by ministers of the government of Mozambique. The IMF then cancelled the lines of credit, and the donors of budgetary aid stopped their payments. But they continued to finance projects. [16] Frelimo has managed to survive this situation, by ceasing to pay its bills, by abandoning projects...

A recent study by the Center for Public Integrity reveals that the real cost of hidden debts to Mozambicans amounts to \$11 billion, mainly due to the damage that donors have caused to the economy, to punish the government. And sanctions rarely work, because they penalize people, not governments.

What happened with the advance of gas exploration?

The gas project advanced initially with the US oil company Anadarko and the Italian company Eni. At that time, several foreigners and people from the South began to come to Cabo Delgado. [17] The local population realized that they would not benefit from gas exploration. Anadarko told bankers that 15,000 workers, mostly Filipinos, would be brought in from abroad.

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The \$14.9 billion loan agreement, signed in July 2020 to finance the gas project, provided that UK Export Finance would guarantee \$1 billion, supporting the creation of 2,000 jobs in the United Kingdom, and that US Export-Import Bank would contribute \$4.7 billion, which would guarantee 16,700 jobs in the United States. The construction project itself would provide only 2,500 jobs for Mozambicans. In addition, most Mozambican jobs are reportedly not filled by people from Cabo Delgado, which has fuelled feelings of marginalization and injustice.

And this sense of exclusion has been ultimately exploited by the insurgents, known locally as "machababos".

Yes. There is a global phenomenon of fundamentalists, Christians as well as Muslims. In northern Mozambique and Tanzania, we have both at the same time. The Mwani coastal region is Muslim. [18] And there are fundamentalist preachers there who tell the children and young people of the region that Sharia law will bring equality, guaranteeing everyone a share of this wealth. Their message is very simple: Sharia is socialist. This was the message that the national liberation movements were spreading in the late 1960s: that of independence and that socialism would guarantee a fair redistribution of wealth. More than fifty years later, the message is the same, but instead of independence, it is Sharia law.

There is another phenomenon that is also at the origin of the war in Cabo Delgado: violence along the coast. The inhabitants are convinced that the elites not only want to exploit them, but also to kill them. [19] And so, they believe that they have to fight and maybe kill the elites. There is total mistrust. Because they are used to having to pay to access health services, if someone comes to tell them that they are going to put chlorine in the water and do not ask them for money, they think they are going to put cholera in the water and want to poison them. Health workers and elites have been killed with machetes.

If we look at the Mozambican peasants, they have only two tools: hoes and machetes. It is an agricultural tool. When the *machababos* began to make the first incursions, with a dozen people, they had only one or two weapons. [20] The attacks were done with machetes.

When the attack on Mocímboa da Praia took place, recruitment began among the local inhabitants. [21] The war has spread. Since then, we have seen the use of guerrilla tactics. If we look at the Renamo war, we find several similarities. And this has nothing to do with fundamentalist Islamism. That is what the guerrillas are doing. It is possible that they receive external training. Cabo Delgado became an anchor, and certainly jihadists with no prior organizational ties were lured into the province. [22]

The 2020 attack on Mocímboa da Praia was probably better coordinated. All weapons, with the possible exception of mortars, had been stolen from the police. But in Mocímboa da Praia, someone sank a boat with an RPG grenade launcher. I think that suggests that this person has been trained and had learned to handle it.

The *machababos* do not convey an Islamic message, but an anti-government message. In Palma, they told the people [of the village] that they did not want to touch them, nor the peasants. [23] The target was the district administration. They have not even touched international interests. It was government soldiers who spent ten days sacking Palma. [24]

...and looting banks.

That's right.

Meanwhile, the war is intensifying...

When the government used mercenaries, the insurgents sought support to balance the forces. And it seems that they were able to defeat the Russians [Wagner Group] very easily. But they could not defeat the DAG [Dyck Advisory Group, from South Africa].

What is the best way to fight this war?

The best way to resolve this war is to create jobs. Most of the insurgents are fighting because they want a job, a wage. If 10,000 jobs were created, the war would be over, because there would be no one left to fight. And it's easy to do, we know how to do it.

I always give the example of Franklin D. Roosevelt in the United States, president during the Great Depression of the 1930s. The fear was that the unemployed would become Communists and overthrow the government. Roosevelt instituted the Works Progress Administration (WPA), which very quickly created millions of jobs and provided education and vocational training for workers. If we wanted to, we could stop the war, but it seems that no one is interested in doing so.

At the moment, several countries want to participate in the action.

Everyone wants to play. Everyone wants to send their soldiers to Mozambique, for different reasons.

What do these countries want?

If they send troops, even if only for training, they can't say they're sending the army to help the oligarchs kill starving peasants. They must say that they are fighting the "Empire of Evil". And who is the new "Empire of Evil"? Islam. The version must therefore be that this whole situation is linked to Islamic terrorism and comes from outside.

The United States of America is taking the lead in this process. The country has long wanted to have a base in Mozambique, in Nacala. It's a pretty deep place for submarines, and there's a big airport. [25] Therefore, the United States wants to make Mozambique the new Afghanistan.

Portugal and South Africa both lost wars in Mozambique. South Africa lost the Renamo War, and Portugal lost the War of Independence. They absolutely want to have troops on the ground for psychological reasons. [26] And the armies of these countries need support. South Africa is reducing its military budget. If the European Union were to pay South Africa to send its soldiers, that would be wonderful. Portugal still has a hangover after being beaten by Frelimo.

France and South Africa also wanted to continue to control the Mozambique Channel, and France was very interested in sending the Foreign Legion to the country. It is interesting to note that none of the countries that want to send military personnel to Mozambique has ever won a guerrilla war. They are sending a bunch of losers to help Mozambique.

It's a good perspective...

All the losers want to try again. France has yet another problem. The country really wants to defend Total and secure gas exploration. There remains Rwanda, which has a very professional army. They are one of the major contributors to peacekeeping forces in Africa. They can create the security zone that Total needs if France or the European Union pays. Several negotiations are still under way. [27]

But the future of gas is also conditioned by the climate crisis.

When gas was discovered ten years ago, it was the miracle fuel. It contains half as much carbon as coal, is excellent for the environment and so on. Two different global warming targets are used – an increase in temperature from pre-industrial levels of 1.5°C or 2°C. The difference seemed minimal until science and business looked at things more closely.

For Mozambique, a warming of 2 °C would lead to much more violent cyclones and more severe droughts than a warming of 1.5°C. BP last year and, very recently, the International Energy Agency (IEA) have made models on what energy consumption would be at 1.5°C and 2°C. At 1.5°C, the gas peak has already been reached. The IEA has pointed out that in this case there is no longer a market for the new gas.

Basically, it says that there is no future for the development of gas projects in Mozambique?

If the world agrees on a target of 1.5°C, there is no market. But the gas companies are hoping for a 2°C target, as this will mean a huge market for gas, including Mozambique. Mozambique was asked to accept gas money in exchange for worsening cyclones and droughts. Once again, it is the people who will suffer.

But the environment is changing. In recent weeks, Exxon Mobil has come under enormous pressure from its shareholders, who claim that the company will become more profitable if it stops using fossil fuels. It seems unlikely that Exxon Mobil will move forward with its share of gas at Cabo Delgado.

Total's decision will have to take into account safety and the market. It must be understood that the only function of the CEOs of these companies is to increase the price of shares. Total's CEO will be gone long before the project starts producing gas.

In this context, what are the best and worst scenarios?

The best scenario is to create 10,000 jobs and end the war. The worst-case scenario is that Mozambique turns into a new Afghanistan.

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[1] Frelimo (Frente de Libertação de Moçambique) led the anti-colonial armed struggle against Portugal from 1964 to 1974. It has been in power since 1975, first as a "Marxist-Leninist" party in a one party state from 1975 to 1990, then as a neoliberal hegemonic party. It has won all Mozambique's elections under more or less fraudulent conditions and is plagued by massive corruption. The first multiparty elections were held

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under the auspices of the United Nations in October 1994 and the first elected government took power in January 1995.

[2] Renamo (Resistência Nacional Moçambicana), created with the support of Rhodesia in 1976 and then supported by South Africa, led an armed revolt against the Frelimo regime from 1977 to 1992, the date of the Rome peace accords.

[3] The first neoliberal turning point in Mozambique's economy took place during the period of "Marxism-Leninism" in the mid-1980s, with the country's accession to the IMF, the World Bank, and Lomé Convention and the structural adjustment plan of 1987. The neoliberal turn has continued, despite the food riots of 2008 and 2010.

[4] Mozambican oligarchs acting as agents of foreign organizations engaged in investment, trade, or economic or political exploitation.

[5] Following the elections of October 2004, he took office in January 2005. He had been Minister of Transport during the Civil War and had defended within the party the thesis of the direct transformation of Frelimo's political elite into a "national bourgeoisie" which he implemented himself.

[6] He had also been a national political commissar at independence and was supposed to be close to the USSR, which did not prevent him from developing his business (a "duck farm", he said).

[7] He served two terms as president (2005–2009, 2010–2014) but failed to convince his own party to amend the constitution to allow him to run for a third.

[8] Requests for sexual favours are also commonplace and very rarely punished. Parents often even advise young girls not to complain, in order to obtain the diploma.

[9] One opposition party, the MdM (Movimento Democrático de Moçambique), is quite well supported among teachers.

[10] Cabo Delgado is a large province in the north-east of Mozambique, bordering Tanzania, opposite the Comoros archipelago. Its multi-ethnic population has a rich civilization forged by centuries of insertion into the Swahili and Indian Ocean spheres. It is one of the areas of strongest implantation of Islam in the country, especially in the form of Sufi brotherhoods.

[11] Rubies had already been exploited for several years in artisanal fashion, until Pachinuapa's company obtained the concession and expelled the artisan miners – which led to several killings. Some of these former miners later joined the jihadist rebellion.

[12] According to the official version, the first engagement of the War of Liberation was on 25 June 1964, with a group commanded by Chipande.

[13] One of the sons of Samora Machel, the charismatic former president of Mozambique, who died in a plane crash in 1986.

[14] ProIndicus is a company set up to ensure maritime safety, in particular for offshore oil and gas operations, 50 % of which is held by Monte Binga (Ministry of Defence and central government company) and 50% by the SISE. 17. Mozambique Asset Management is a company incorporated for maritime repair and maintenance, 98% owned by SISE and 1% each by Ematum and Proindicus.

[15] Loans of such an amount would, according to the constitution, have had to be approved by the National Assembly, which did not pose a political problem (Frelimo is in the majority), but would have prevented secrecy and alerted the IMF, which monitored the country's maximum level of debt. These clandestine loans, guaranteed by the state, were therefore also illegal.

[16] It is mainly direct foreign aid to the state budget that has been halted.

[17] Historically, Frelimo's political elite originated mainly from the extreme south region, where the capital, Maputo, is located.

[18] The Mwani are the majority coastal population of Cabo Delgado, historically linked to the Swahili and Muslim area. They have always been marginalized by Frelimo in favour of the Maconde, a minority group further inland, who spearheaded the guerrilla war at the beginning of the

anti-colonial armed struggle (although the political leadership was mostly southern).

[19] This belief is old, hence, for example, the frequent refusal of vaccinations (taken for an injection of poison) and so on. The confiscation of peasant land by leaders for agro-business or gas projects reinforces this conviction.

[20] The insurgents are known as Al-Shabaab, which means "the young" because the rebellion began in the form of a Salafist dissent led in particular by young people. In local Portuguese, with the Bantu plural "Ma- "and the plural in Portuguese "-os", this makes *Machababos*.

[21] This attack was in 2017. This city was taken in August 2020 by the insurgents and never reconquered by the authorities.

[22] The group has officially joined Islamic State (Central African region), but this does not reduce the importance of local factors.

[23] Palma is a village north of Mocimboa da Praia, six kilometres from Afungi where Total had its basecamp, since abandoned.

[24] As soon as the insurgents left the town (while remaining in the vicinity), government military detachments looted the city (including banks and the Catholic church, which the insurgents had not touched).

[25] Nacala, located south of Cabo Delgado, has an outstanding natural port that has always interested NATO.

[26] Portugal used its presidency of the European Union from January to June 2021 to push for military intervention.

[27] After the attack on Palma (March 2021), Total (temporarily) ceased operations, withdrew all its staff and froze subcontracting agreements with Mozambican companies. Since this interview, the Rwandan army has begun to intervene in Cabo Delgado.