



# IPRIS Lusophone Countries Bulletin

## 2011 REVIEW

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*Kai Thaler*



# Mozambique in 2011: Staying the Path

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After 2010 brought new political dynamics and popular upheaval, albeit in brief doses,<sup>1</sup> Mozambique sailed smoothly and uneventfully through 2011, continuing on a path of stability, sociopolitical stagnation, and economic growth. The long-ruling Frelimo party remains firmly in power, the gross domestic product (GDP) has continued to grow, and civil society continues to struggle to find enough traction to effectively challenge the government. For much of the outside world, Mozambique appears to be a success story: a country that has emerged from civil war and abject poverty to enjoy two decades of peace and an enviable rate of consistent economic growth. This stability, however, has come at a cost: Mozambique remains a democracy largely in name only, and economic growth is occurring in forms and sectors that benefit elite and foreign interests, while leaving behind the impoverished majority of the Mozambican population and exploiting the country's natural resources in an unsustainable manner. When contrasted with neighbors such as Zimbabwe with its megalomaniacal dictator Robert Mugabe, Madagascar with its political conflict and instability, and South Africa with its astonishing levels of public sector corruption, it may seem strange to be criticizing Mozambique. Criticism, however, is desperately needed to force the government of Mozambique to address the social, political, and economic inequities that threaten the country's stability and future vitality.

This article reviews the major events and trends in Mozambique in 2011 in the realms of domestic politics, the economy, and security and diplomatic relations. I critique the current political system and development model and offer potential means for improvement. I also seek to find spots of optimism that suggest extant opportunities for Mozambique to break from its steady path and to enter a new political and developmental paradigm that will give voice and benefits to all Mozambicans.

## Politics: Frelimo's continued control and limited opposition

The 2009 parliamentary elections returned Frelimo to power until 2014, so perhaps the status quo was all we should have expected in 2011. The strong showing and novelty, however, of Daviz Simango's *Movimento Democrático de Moçambique* (MDM) party offered hopes for a revitalized and more effective opposition bloc in Parliament to check Frelimo's near-omnipotence. For most of the year, the MDM members in Parliament offered challenges to Frelimo in committee meetings and debates, yet they were unable to catalyze any real policy changes due to their small numbers and their lack of coordination with fellow opposition party Renamo. It appeared that the MDM might be a flash in the pan, a party that had built up a buzz by being a new alternative in the parliamentary elections, but that would then fade into the margins.

Any doubts as to the MDM's staying power were swept away, however, in the last days of 2011, as the party took advantage of special municipal by-elections in Cuamba, Pemba, and Quelimane to demonstrate its strength and reenergize Mozambique's political scene. Elections were called in the three cities after the resignations of their respective mayors in response to calls from Frelimo's national party organization for them to step down. The traditional opposition party, Renamo, boycotted the elections, continuing its contrarian stance and refusal to accept the authority of the National Elections Commission. The MDM, however, put forth candidates to challenge Frelimo. Cuamba and Pemba remained in Frelimo hands after relatively uneventful elections, yet Quelimane saw a victory for the MDM following a lively campaign, offering new hope for the future of democracy in Mozambique.

In Quelimane, Manuel de Araújo, a former Renamo member and an academic and political activist, stood in the elections for the MDM against Frelimo candidate Lourenço Abubacar Bico. Araújo emerged victorious with 62% of the vote, but almost as important as the victory itself was the manner in which Araújo campaigned and won. Araújo emulated the 2008 campaign of US Presi-

<sup>1</sup> Kai Thaler, "Mozambique in 2010: Strength on the surface, but fissures emerging" (*IPRIS Lusophone Countries Bulletin: 2010 Review*, March 2011), pp. 25-29.



dent Barack Obama and the opposition movements that have roiled the Middle East and Eastern Europe over the past few years, making heavy use of the Internet and working to engage and impassion youths about the political process. Araújo has been blogging for several years, and organized support through a Facebook page; in the offline world, Araújo organized public demonstrations of his populist appeal by holding a bicycle rally and mass march.<sup>2</sup> Araújo's grassroots organizing paid off, as he was able to seize on youth discontent about economic opportunities and general fatigue over Frelimo's hold on politics to win a convincing victory. This occurred even in the face of alleged police intimidation of voters to prevent them from voting for the MDM.<sup>3</sup>

Araújo's mayoral term will last until 2013, at which time he can stand for reelection, perhaps before seeking to advance to the national stage in the 2014 parliamentary elections. Araújo may be well served, however, by remaining at the municipal level where he can have greater influence, especially as Quelimane grows in importance as a shipment point for mineral resources. The MDM will have another opportunity to build on the momentum generated by Araújo's victory as it contests the April mayoral by-election in Inhambane to replace the late Frelimo Mayor Lourenço Macul, though this may be a more difficult task, given that Macul won over 90% of the vote in the 2008 election.<sup>4</sup>

The vitality and excitement surrounding the MDM and Araújo are in stark contrast to the state of Renamo, the historical opposition party in Mozambique. As the MDM's star has risen, that of Renamo has been fading. Renamo began 2010 in disarray, as party leader Afonso Dhlakama attempted to consoli-

date control over the party in the face of dissent from Renamo members of Parliament who disobeyed his call for a parliamentary boycott after the 2009 elections. In 2011, Dhlakama has been grasping for ways to stay relevant in a political system that has passed him by and that threatens to leave Renamo behind as well.

In an attempt to stay in the limelight, Dhlakama in August escalated his criticism of President Armando Guebuza and, in his own statements and through a spokesman, began spouting militant, inflammatory rhetoric attacking Frelimo and threatening the state. Dhlakama com-

plained that Guebuza was not as amenable to working with him as Guebuza's presidential predecessor, Joaquim Chissano, had been, and argued that Mozambique needed a 'peaceful' popular revolution to "chase Frelimo from power", similar to the successful Arab Spring uprisings. This peaceful talk, however, was followed by the announcement of plans to re-militarize Renamo by building barracks to house Renamo ex-combatants demobilized after the civil war. These ex-combatants would ostensibly act as a counterbalancing force against the Frelimo-controlled security services.<sup>5</sup>

Dhlakama also suggested that Mozambique should perhaps be partitioned, as had occurred in the division of Sudan and South Sudan, and the proposed Renamo barracks were all planned for northern provinces with historically strong Renamo support. This militant rhetoric, however, smacks of desperation, and given Renamo's current disorganization, it seems

unlikely that this saber-rattling will amount to any concrete actions or political destabilization.

Beyond the MDM's attention-grabbing challenge, Frelimo's main political enemy now is time. Guebuza's term will come to an end in 2014, and he has said he will not seek reelection, following in the footsteps of Chissano in stepping down peacefully from office. Speculation has

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<sup>2</sup> Janet Gunter, "Mozambique: Jubilation with Mayoral Opposition Win" (*Global Voices*, 8 December 2011).

<sup>3</sup> Fernando Veloso and Adelino Timóteo, "Manuel Araújo do MDM vence com 62%" (*CanalMoz*, 8 December 2011).

<sup>4</sup> "Mozambique: MDM Likely to Stand in Inhambane By-Election" (*AIM*, 13 January 2012).

<sup>5</sup> See Kai Thaler, "Barracks and bombast: is Renamo's rhetoric of militarization and partition a serious threat in Mozambique?" (*IPRIS Viewpoints*, No. 72, August 2011).



been building as to who will emerge to lead Frelimo after Guebuza, who is likely to be the last member of the independence-era leaders of Mozambique to head the government. Frelimo's leadership has been slow to elevate younger generations of party cadres to significant roles, a factor which has not to date greatly harmed the party, but which could breed discord over the next few years, since no clear successor to Guebuza has been groomed, and a number of young party officials could jockey for position.

Frelimo's struggles to embrace the younger generation within the party also reflect a disconnect with the youth population at large. Younger Mozambicans who did not live through the independence era and who were children during the civil war judge Frelimo by its contemporary practices and policies, rather than its historical achievements, and in the face of high unemployment and limited economic opportunities for youths, these judgments are not terribly favorable.<sup>6</sup> Frelimo will have to work to maintain party unity, while finding a new generation of leaders who can appeal to younger Mozambicans both as peers, and as reformers who will generate new policy prescriptions for job creation and more equitable economic growth.

#### **Economy: macro growth, micro neglect, and unsustainable development**

Mozambique's economic output continued to grow in 2011, with the GDP climbing by approximately 7%, a slight increase over 2010. International observers remain impressed by Mozambique's growth and relative economic stability, with the International Monetary Fund's Third Review under the Policy Support Instrument for Mozambique finding that the country had made progress in combating inflation and avoided major negative impacts from the Eurozone

crisis.<sup>7</sup> The macroeconomic strength of Mozambique has been bolstered by the prospect of continued growth in the petroleum sector following offshore exploration that re-

The macroeconomic strength of Mozambique has been bolstered by the prospect of continued growth in the petroleum sector following offshore exploration that resulted this past year in the discovery of large natural gas fields, in addition to increasing oil finds in recent years. The growth in international demand for fossil fuels seems unlikely to subside in the coming years, so oil, gas, and coal are poised to be cornerstones of the Mozambican economy for the near future.

sulted this past year in the discovery of large natural gas fields by Eni and Anadarko,<sup>8</sup> in addition to increasing oil finds in recent years. The growth in international demand for fossil fuels seems unlikely to subside in the coming years, as consumption increases rapidly in the developing world, so oil, gas, and coal are poised to be cornerstones of the Mozambican economy for the near future, driving GDP growth onward. From a macroeconomic perspective, these industries provide important opportunities for foreign exchange, bringing international investment into Mozambique.

Yet the petroleum industry, like other extractive industries, is capital-intensive and requires high levels of technical expertise. Economic growth ostensibly should result in better prospects for job growth and infrastructural development that benefit all Mozambicans. The expansion of oil and gas production in Mozambique instead will produce profits that will depart the country for Houston, Rome, and elsewhere, or will line the pockets of government officials who preside over lease deals; the jobs created will likely be given to foreign workers with the technical expertise needed to run complex drilling and processing equipment.

Within the energy sector, Mozambique has also seen an explosion of activity around biofuels production. Mozambique has been identified as one of the

countries with the greatest potential for biofuels production due to a wealth of arable land, a favorable climate,

<sup>6</sup> See Joseph Hanlon, "Mozambique – Can Frelimo Remain the Predominant Party?" (*African Arguments*, 6 October 2011).

<sup>7</sup> International Monetary Fund, "Republic of Mozambique: Staff Report for the Third Review Under the Policy Support Instrument and Request for Modification of Assessment Criteria—Staff Report; Supplement; and Press Release" (*IMF Country Report* No. 11/350, December 2011).

<sup>8</sup> Michael Kavanagh, "Anadarko in major gas strike" (*Financial Times*, 17 January 2012).



and low population density,<sup>9</sup> so with global demand for biofuels rising due to European Union targets and the global search for alternative fuel sources, Mozambique has seen many project proposals for biofuel production and the government has actively sought to promote biofuels as part of the national economic strategy.

With about 80% of the population in Mozambique economically engaged in agriculture and fishing, the agricultural sector is the main focus area of the government's current Poverty Reduction Action Plan (PARP), which runs from 2011-2014.<sup>10</sup> The PARP directs government policy toward the promotion of productivity among small farmers, the category into which the majority of the country falls, through improved access to inputs and markets. Since 2007, the Mozambican government has also been developing policies to increase biofuels production. While these policies have called for significant involvement of smallholder farmers in growing biofuel feedstocks like jatropha and sugarcane, the implementation of these policies has been uneven and has favored the interests of foreign corporate investors, rather than those of the farmers.<sup>11</sup> Biofuel feedstock cultivation tends to compete with food crops for land and water, and even if smallholder farmers do begin cultivating biofuel crops and increase their cash earnings, they are sacrificing control over their own subsistence and placing their food security in the 'invisible hands' of the market. In a country like Mozambique where over one-third of the population is malnourished<sup>12</sup> and food price hikes contributed to the eruption of the 2010 riots, the loss of autonomy in food production is a serious concern.

Biofuel production has yet to prove economically viable in Mozambique. Several planned projects have not come to fruition and the only company so far to have successfully produced biofuels and brought them to the market, jatropha biodiesel producer Sun Biofuels, folded in the fall

of 2011, just months after making its first deliveries.<sup>13</sup> Mozambique would be far better off concentrating on the development of food production for the domestic market, which would help tackle the dual problems of poverty and food security while avoiding the fluctuations of the international market.

Such a change in focus, however, would require the Frelimo government to turn back the clock and to reemphasize the party's original platform of collective social and economic development; this would require turning away from the neoliberal demand for economic growth that has dominated since the beginning of structural adjustment in the 1980s. This growth imperative has, since its inception, contributed to uneven and unequal development in Mozambique.<sup>14</sup> The government's rhetorical emphasis on smallholder production is encouraging, but to have a more positive impact on small farmers, there needs to be improved follow-through and more engagement of the farmers themselves in policy development and monitoring. An economic system based on natural resource extraction and farming of non-food crops for export is socially and environmentally unsustainable, but without a political shock in the form of a huge MDM advance or a security shock in the form of renewed large-scale un-

rest like the 2010 riots, it seems unlikely that Mozambique will soon break from its pattern of "growth without development".<sup>15</sup>

In 2011, Mozambique and South Africa concluded two agreements for South Africa to provide assistance with joint air and naval patrols along the coast of Mozambique, and eventually continuing further north along the Tanzanian coast. This special attention should help prevent any great expansion in piracy in the Channel, and this issue provides an opening for further defense cooperation with South Africa.

<sup>9</sup> Isilda Nhantumbo and Alda Salomão, *Biofuels, land access and rural livelihoods in Mozambique* (London: IIED, 2010), p. 7.

<sup>10</sup> Republic of Mozambique, "Poverty Reduction Action Plan: PARP 2011-2014" (3 May 2011).

<sup>11</sup> See Kai Thaler, "Brazil, Biofuels and Food Security in Mozambique and Guinea-Bissau", in Renu Modi and Fantu Cheru (eds.), *Promoting Food Security through South-South Cooperation: Assessing Chinese, Indian and Brazilian Investments in Africa* (London: Zed Books), forthcoming.

<sup>12</sup> FAOSTAT, "Mozambique".

<sup>13</sup> Damian Carrington, "UK firm's failed biofuel dream wrecks lives of Tanzania villagers" (*The Guardian*, 29 October 2011).

<sup>14</sup> For an early critique, see Judith Marshall, "Structural Adjustment and Social Policy in Mozambique" (*Review of African Political Economy*, No. 47, Spring 1990), pp. 28-43.

<sup>15</sup> Bertelsmann Stiftung, BTI 2010 — *Mozambique Country Report* (Gütersloh: Bertelsmann Stiftung, 2009).



### Security and diplomacy

Following the riots of 2010, Mozambique's security situation was quite calm in 2011. The biggest threat to stability that emerged came from nature, in the form of deadly floods from December 2010 to January 2011. The flooding, which affected much of the Southern African region, displaced thousands and destroyed crops, but a quick and relatively effective emergency response from the government and relief agencies forestalled any more lasting crisis.

Smuggling is becoming an issue, as Mozambique has emerged as a major transshipment point for illicit drugs. Concerns about drug trafficking hit the world stage in late 2010 with the release by Wikileaks of US diplomatic cables alleging that Mozambican businessman Mohamed Bachir Suleman is in fact a drug lord, involved in the smuggling of heroin and other drugs from Southwest Asia to Europe and South Africa; the cables also alleged that Suleman has benefited from close ties to high level government officials thanks to millions of dollars in donations to Frelimo.<sup>16</sup> Despite damage to his reputation and some of his business concerns, Suleman has not been arrested, and there have been no significant results from the investigation that Mozambique supposedly conducted based on the American allegations. Regardless of Suleman's involvement in drug trafficking or lack thereof, Mozambique has continued to serve as a popular transit point for drug shipments, as evidenced, for instance, by the arrest in April 2011 of six people, three of them Mozambicans, after the seizure in South Africa of 312 kilograms of cocaine from a shipping container bound for Mozambique.<sup>17</sup> American assistance will likely be forthcoming if Mozambique wants to crack down on drug trafficking, but for the time being, this does not seem to be a priority of the government.

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Cooperation with South Africa and the rest of SADC should also ensure that 2012 remains calm for Mozambique and the rest of the region. These diplomatic ties should help maintain regional stability in case a crisis arises, such as the death of Mugabe or a spillover of the conflict in the Democratic Republic of the Congo.

Piracy in the Mozambique Channel has not risen as sharply as feared, thanks in part to international naval assistance. The very end of 2010 saw the threat of piracy become a reality, when the fishing vessel Vega 5

was attacked by Somali pirates, who took the ship to Somali waters and turned it into a pirate 'mother ship'. The Vega 5 was intercepted in March 2011 by Indian naval ships in the international anti-piracy task force, which engaged and captured the Vega 5, freeing twelve Mozambicans, among others.<sup>18</sup> In 2011, Mozambique and South Africa concluded two agreements for South Africa to provide assistance with joint air and naval patrols along the coast of Mozambique, and eventually continuing further north along the Tanzanian coast. This special attention should help prevent any great expansion in piracy in the Channel, and this issue provides an opening for further defense cooperation with South Africa, with whom Mozambique has raised its level of relations by creating a permanent bi-national commission.<sup>19</sup> The Southern African Development Community (SADC) did not face any major crises in 2011, though tensions are still simmering in Zimbabwe, where President Robert Mugabe continues to antagonize his opposition, and negotiations are ongoing over the potential return to Madagascar of deposed former President Marc Ravalomanana, who is in exile in South Africa. Mozambique should continue to build up its relations within SADC in order to develop a stronger and more independent regional economy and to increase political cooperation so that the group can gain influence in transnational forums.

### Conclusions

Mozambique in 2011 saw relative political stability and continued prosperity from a macroeconomic perspective. The success of the MDM in the Quelimane mayoral by-election offers hope for a more vibrant democratic pro-

16 Donna Bryson, "Mozambique, a budding narco-state?" (*Mail & Guardian*, 23 March 2011).

17 "Mozambique: Connection to Cocaine Seized in South Africa" (*AIM*, 3 January 2011).

18 "South Africa: Govt and South Africa Sign Memorandum on Piracy" (*AIM*, 10 November 2011).

19 "Mozambique and SA forge closer bonds" (*Mail & Guardian*, 14 December 2011).



cess, one that may force Frelimo to be more self-critical and more responsive to popular demands. The by-election in Inhambane in April may provide another test of the MDM's popularity, but the true impact of the victory in Quelimane may be difficult to assess until the next round of parliamentary elections in 2014. It will also be interesting in 2012 to see if competition heats up among younger Frelimo officials seeking to position themselves as the successor to President Guebuza.

Economically, Mozambique should continue to see GDP and trade growth thanks to its mineral and petroleum resources. The economy lacks diversity, however, and remains structured in such a way that growth has not trickled down to the poor majority, exacerbating inequality in the country. The government should institute reforms through social and educational programs to develop greater domestic technical capacity and to enable Mozambicans to gain the jobs created by the mining and petroleum industries. Agricultural policy should shift from an emphasis on biofuels and export-oriented production to small farms that aim to produce for the domestic market and that can bolster food security.

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