MOZAMBIQUE News reports & clippings

389 23 October 2017 Editor: Joseph Hanlon (j.hanlon@open.ac.uk)

To subscribe: tinyurl.com/sub-moz **To unsubscribe:** tinyurl.com/unsub-moz This newsletter can be cited as "Mozambique News Reports & Clippings" Articles may be freely reprinted but please cite the source.

Claims of a blood sucking elite cause riots in Zambézia

Rioters in Gilé, Zambézia, on Thursday (19 Oct) attacked government offices, the police, and the houses of administration officials and community leaders, forcing them to flee. They broke into the district prison and released the 76 people. The rioters were protesting against "chupa sangue" or blood sucking. The police opened fire on the mob, killing two children playing nearby.

Early Saturday morning (21 Oct) in Morrua, Mulevala district, Zambézia, local people attacked the police post and the houses of a community leader and the local health worker. They were responding to the presence of an anti-malaria team. Reports are unclear if the team was accused of spreading malaria or of collecting blood. (Radio Moçambique 22 Oct) In Memba, Nampula, there was a similar incident against a cholera team. (*O Pais* 20 Oct)

This follows an attack the previous week in Muiane, Gilé, in which the house of the administrator, the house of the Frelimo secretary, and the police post were attacked over their links to alleged vampires. There were five arrests in Muiane. In September, police arrested 16 people in Madal, Zambézia, for attacking a police post and the house of a community leader, saying they were linked to chupa sangue. (*Txopla* 16 Oct, Radio Moçambique 22 Oct, Lusa 18 Sep, *O Pais 13 Sep*)

There have been other attacks on the police this month. On 1 October an angry crowd burnt down the home of the police commander in Mandimba, Niassa, and on 5 October Islamist extremists attacked the police and other government facilities in Mocímboa da Praia, Cabo Delgado, where police arrested 52 people; 11 more were arrested in Palma. Police spokesperson Inacio Dina said the police had lost patience and will use "violence against violence". He said the security service SISE had been sent to Gilé to prevent further attempts to stir up social instability. (AIM En, 16, 20, 21 Oct; *Txopla* 16, 19, 20 Oct.)

In neighbouring Malawi, over the past month 8 people have been killed after being accused of being vampires and police have arrested 140 people for being part of vampire hunting mobs. <u>http://www.bbc.com/news/world-africa-41692944</u>

<u>Comment</u> Poor believe elite wants their blood

The myth of vampires has a long history in Zambézia and Nampula. Partly it is metaphorical, but it is also explicitly linked to the belief that the better off literally suck out the blood of poor people. Prof Carlos Serra has written extensively about this and to the linked belief that the rich are putting cholera in the water of the poor. His research has shown that poor Mozambicans believe that the elite - administrators, police, aid workers, health workers, and their own local leaders - want them dead, literally want to suck the life out of poor people in order to increase their own wealth, and will never act in the interests of the poor. (In Portuguese:

http://oficinadesociologia.blogspot.pt/search?q=chupa-sangue; my writing in English: https://www.open.ac.uk/technology/mozambique/sites/www.open.ac.uk.technology.mozambique/fil es/files/Hanlon_Preface_English_Cólera_e_catarse.pdf and http://www.artsrn.ualberta.ca/amcdouga/Hist247/winter_2011/resources/mozambique_poverty_han lon.pdf)

This is seen, in part, through the growing local corruption, with the police as the public face of using corruption to extract resources from the poor. The 2014/15 4th family expenditure survey showed more people below the poverty line than at the time of the 1st survey in 1996/97. The three northern provinces of Zambézia, Nampula and Niassa had more than 55% of the population below the poverty line. (bit.ly/MozPoverty) The economic crisis and inflation since the last survey has surely increased poverty - which is worst in rural areas.

The riots of 2008 and 2010 were triggered by rising prices and were in urban areas. The World Bank has been worried that the squeeze will trigger new urban riots and has been looking for ways to use public works to give temporary jobs and money to young people who would tempted to riot. But the first riots seem to be occurring in rural towns. Mocímboa da Praia is a centre for gas exploration and production with the presence of many better off outsiders, yet the local people feel they gain nothing. In elections the town of Mocímboa da Praia has always seen the vote closely divided between Frelimo and Renamo. Muiane is the site of a major tantalite mine which has seen three years of conflict between the mining company and local people. Gilé and Mandimba districts voted predominantly for Renamo in 2014. In these places, poor people see the Frelimo and state elite as being linked to the blood suckers.

Frelimo faces local elections in October next year and national elections in October 2019. The current campaign against corruption suggests that President Filipe Nyusi and some in Frelimo realise they have a problem. But the inability to challenge part of the old guard over the \$2 bn secret debt means no IMF programme which means no donor support for the government, which in turn means no pay rises for teachers and other civil servants who are already complaining about delayed payments - and so will be reluctant to stop asking ordinary citizens for bribes to top up their wages. And there will be little let up in the worsening rural poverty. In Britain, the US, and elsewhere, there have been voter backlashes against the establishment. In many parts of the world, local elections are used to make a statement against the governing party; in 2013, despite a Renamo boycott, the opposition won 42% of the vote in Maputo. Could the growing northern rural discontent point to difficulties for Frelimo in local elections less than a year from now? *jh*

Poor resource deals continue as Sasol accused of transfer pricing

Mozambique's ability to negotiate and enforce contracts with foreign companies continues to be very weak. The latest report is that Mozambique is gaining much less than expected from the Pande-Temane gas. Not only did Mozambique agree a poor contract, but CIP (Centro de Integridade Pública, Public Integrity Centre) last week accused The South Africa partner, Sasol, of transfer pricing and inflated costs. <u>http://bit.ly/CIP-Sasol</u> or <u>https://www.cipmoz.org/images/Documentos/Industria_Extrativa/SASOL_will_continue_to_milk_M</u> ozambique.pdf

The World Bank and its private sector arm IFC predicted Mozambique would earn \$500 mn in the first decade of the project to export gas by pipeline from Inhambane to South Africa. Actual earnings were only \$142 mn in the decade 2004-2015. In part this was because the initial contract limited the amount Sasol pays for gas, which turned out to be one-quarter of world market prices. The contract was renegotiated after the first decade, but earnings are still under \$80 mn per year.

CIP notes that Sasol owns 70% of the Mozambican gas production company, and accuses it of

charging too little to its South African parent, and inflating capital and operating costs. CIP also says that in the period 2011-14, the amount of gas produced as reported to the tax authorities was only two-thirds the amount given in other reports.

In an earlier, August 2017, report CIP accused Sasol of dubious conduct in its plan for production of light oil and gas from an adjoining field in Inhassoro and Temane. Sasol admits the project will be unprofitable and the government will earn little, yet it wants to go ahead. Why? CIP says that the Pande-Temane contract ends in 2029 and the gas field reverts to Mozambique, but the Inhassoro-Temane field is linked, so if the unprofitable field is producing Sasol would keep control of the adjoining and profitable Pande-Temane field.

https://www.cipmoz.org/images/Documentos/Industria_Extrativa/Exploration_of_natural_Gas.pdf

CIP also calls for the regulator, the National Petroleum Institute (INP, Instituto Nacional de Petróleos), to be made more independent by making it responsible to parliament instead in the Mining and Energy Ministry. An independent body with supervisory powers would have picked up the transfer pricing and other violations, CIP says.

https://www.cipmoz.org/images/Documentos/Industria_Extrativa/INP_LONGE_DE_SER_AUTORI DADE_REGULADORA.pdf

Fertiliser: Government continues to fail to make the best use of natural resource contracts for Mozambique's own development. Yara, the giant Norwegian fertiliser producer, earlier this year won the contract to produce fertiliser from gas. One of the biggest constraints to Mozambican agriculture is that farmers use very little fertiliser, because it is so expensive. Yara was prepared, if asked, to include distribution in Mozambique of reduced price fertiliser from gas. This would have been a boon for family farmers. But Mozambique's only goal in the gas tenders was to maximize income, so there is no cheap fertiliser for local farmers. Indeed, a year ago, Yara closed its fertiliser blending plant in Beira. (Zitamar, 23 Feb 2017)

Corruption: go after those at the top

Corruption has dominated President Filipe Nyusi's speeches for the past two months, but, as in the past, he concentrates on middle and low level administrative corruption, comments CIP (Centro de Integridade Pública, Public Integrity Centre) in a statement issued 17 October. There are no plans to go after ministers or senior elected officials, which was exactly what happened in the 2006-10

Recent reports

Special report on social protection http://bit.ly/MozSocPro

Secret debt documents and report:

Kroll full report (80 Mb!) http://bit.ly/Kroll-Moz-full

Kroll audit Executive Summary http://bit.ly/Kroll-sum

Parliamentary Report on the Secret Debt (complete, in Portuguese) <u>bit.ly/MozAR-debt</u> Key points from the Parliamentary Report on the Secret Debt <u>http://bit.ly/MozAR-debt-En</u> Mozambique should not pay the hidden debt <u>http://bit.ly/Moz-do-not-pay</u>

Following the donor-designed path to the \$2.2 billion secret debt <u>http://bit.ly/3WQ-hanlon</u> Other books and reports:

Local media monitoring of Mozambique elections (background of election newsletters) http://bit.ly/LSE-newsletter

Chickens and beer: A recipe for agricultural growth in Mozambique book by Teresa Smart and Joseph Hanlon, free English download http://bit.ly/chickens-beer

Há mais bicicletas - mas há desenvolvimento? book by Joseph Hanlon and Teresa Smart, free Portuguese download http://bit.ly/Mais-bicicletas

Gas for development or just for money? <u>http://bit.ly/MozGasEn</u> Minimum wages & exchange rates 1996-2017 <u>http://bit.ly/MinWage2017</u> Previous newsletters and other Mozambique material are posted on bit.ly/mozamb anti-corruption campaign. Nor does any pay attention to private sector corruption. <u>https://www.cipmoz.org/images/Documentos/Anti-</u> Corrupcao/Discurso_Anticorrupcao_de_Nyusi.pdf

In particular, CIP argues that Carlos Mesquita, transport minister and close friend and advisor to the president, should be dismissed for signing a contract with a ports company, Cornelder, run by his brother, and for signing an earlier contract with a his own trucking company, Transportes Mesquita.(*O Pais* 18 Oct)

The Cornelder contract is smaller than originally reported, and relates only to coastal shipping. In order to promote coastal shipping, Cornelder agreed to a 40-60% cut in the prices it charges for coastal shipping - in effect a subsidy. The Attorney General said the contract should be rescinded as it violated the public probity law, because at the time Mesquita's brother was head of Cornelder-Mozambique. It has been agreed that the contract will be resubmitted and signed by someone other than the minister. The other case involved, a contract to transport goods for the National Emergencies Institute (Instituto Nacional de Gestão de Calamidades, INGC) which is part of his ministry, at a time when he claims there was a shortage of transport available in the centre of the country.

Comment: Clearly Mesquita violated the law when he signed contracts with family companies, and these contract should have been vetted and signed by someone else. But the case raises a broader (Trump) question. If we are to allow business people to hold high office, can they use their influence and contacts to negotiate a better deal for the government? Is this corruption, and how is it to be regulated? *jh*

Corruption cases in Zambézia prosecuted in the first nine months of the year involved \$6.6 mn, according to the provincial attorney general's office.

Investigations continue into the fire at the medicines warehouse in Chimoio which destroyed \$3.3 mn of medicines the day before a stock check was to be conducted. (AIM Pt 13 Oct)

This newsletter can be cited as "Mozambique News Reports & Clippings".

If you need to cite it for academic purposes, treat it as a blog. The normal citation format would be: "Mozambique News Reports & Clippings, number XXX", DATE, bit.ly/mozamb, accessed XXX. **Previous newsletters and other Mozambique material** are posted on <u>bit.ly/mozamb</u>

Election study collaboration: We have detailed election data from 1999 through 2014 and are inviting scholars to use this data collaboratively. <u>http://bit.ly/MozElecData</u>

=======

Other books and reports by Joseph Hanlon

Special report on four poverty surveys: <u>bit.ly/MozPoverty</u> Comment: something will turn up: <u>http://bit.ly/28SN7QP</u> Oxfam blog on Bill Gates & chickens: http://oxfamblogs.org/fp2p/will-bill-gates-chickens-end-african-poverty/

Bangladesh confronts climate change: Keeping our heads above water by Manoj Roy, Joseph Hanlon and David Hulme Published by Anthem Press http://www.anthempress.com/bangladesh-confronts-climate-change-pb

Chickens and beer: A recipe for agricultural growth in Mozambique by Teresa Smart and Joseph Hanlon In pdf format, 6 Mb file, free on <u>http://bit.ly/chickens-beer</u> E-book for Kindle and iPad, http://www.amazon.com/dp/B00NRZXXKE

Galinhas e cerveja: uma receita para o crescimento

by Teresa Smart & Joseph Hanlon.

Copies are in Maputo bookshops (Karibu at airport, Livaria UEM, Bazar Pariso, Mivany) or from

KAPICUA, which recently moved to Av de Maguiguana (nr Lenine), Maputo; Tel: +258 21 413 201. Telm.: +258 823 219 950 E-mail: kapicuadir@tdm.co.mz / kapicuacom@tdm.co.mz

Outside Mozambique, we have a few copies we can send from London. Please e-mail j.hanlon@open.ac.uk.

Zimbabwe takes back its land

by Joseph Hanlon, Jeanette Manjengwa & Teresa Smart is now available from the publishers <u>https://www.rienner.com/title/Zimbabwe_Takes_Back_Its_Land</u> also as an e-book and <u>http://www.jacana.co.za/book-categories/current-affairs-a-history/zimbabwe-takes-back-it-s-land-detail</u>

Do bicycles equal development in Mozambique? by Joseph Hanlon & Teresa Smart is available from the publisher http://www.boydellandbrewer.com/store/viewItem.asp?idProduct=13503 **Há mais bicicletas - mas há desenvolvimento?** free download of Portuguese edition (5 Mb)

Just Give Money to the Poor: The Development Revolution from the Global South

by Joseph Hanlon, Armando Barrientos, and David Hulme

Most of this book can be read on the web tinyurl.com/justgivemoney

NOTE OF EXPLANATION:

One mailing list is used to distribute two publications, both edited by Joseph Hanlon. This is my own sporadic "News reports & clippings", which is entirely my own responsibility. This list is also used to distribute the *Mozambique Political Process Bulletin*, published by CIP and AWEPA, but those organisations are not linked to "News reports & clippings" Joseph Hanlon

========

Mozambique media websites, Portuguese:

Notícias: www.jornalnoticias.co.mz

O País: www.opais.co.mz

@Verdade: http://www.verdade.co.mz

Diario de Moçambique (Beira): http://www.diariodemocambique.co.mz

Carlos Serra Diário de um sociologo: http://oficinadesociologia.blogspot.com

Mozambique media websites, English:

Club of Mozambique: http://clubofmozambique.com/

Rhula weekly newsletter: http://www.rhula.net/news-announcements.html

Zitamar: http://zitamar.com/

Macauhub English: http://www.macauhub.com.mo/en/

AIM Reports: www.poptel.org.uk/mozambique-news

This mailing is the personal responsibility of Joseph Hanlon, and does not necessarily represent the views of the Open University.