

MOZAMBIQUE News reports & clippings

300 12 October 2015

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Note from the editor. I suspect I am as surprised as my readers that this newsletter has reached its 300th edition. Begun in 2000 to report the assassination of Carlos Cardoso and then the still unsolved murder of Siba Siba Macauca, the number of subscribers kept increasing, so we have continued. This is entirely voluntary and unpaid and done in my spare time, which explains why it is irregular and still only on old-fashioned e-mail. The irregularity will continue as I am also working on another book, on Bangladesh's response to climate change, which is taking most of my time. *Joseph Hanlon*

Dhlakama house raided; guards disarmed

Afonso Dhlakama left the bush via Gorongosa and went to Beira Thursday 8 October, accompanied by mediators and journalists. But at about 7 am the next morning the house in the Palmeiras neighbourhood of Beira was surrounded by riot police (FIR) and the police special brigade (Brigada de Operações Especiais) who were heavily armed and with at least one armoured car. Dhlakama's personal guard of 8 (or 11) people were taken by the police. Residents of nearby houses were told to leave.

The raid was clearly unexpected by Dhlakama, because none of his key people nor mediators nor journalists were there. During the day there was extensive activity and more people arrived at the house, including mediators Anglican Bishop Dinis Sengulane and Lourenço do Rosário, Renamo parliament head Ivone Soares, Beira Catholic Archbishop D. Claudio Zuanna, Beira Catholic Emeritus Bishop D. Jaime Gonçalves, MDM mayor of Beira Daviz Simango, MDM Mayor of Quelimane Manuel de Araujo, and Human Rights League head Alice Mabota. Sofala governor Helena Taipo arrived at noon and began talks with the mediators.

By 14.30 a settlement had been negotiated, in which weapons were handed over by Renamo. The police then left and Dhlakama went onto the street to address a the hundreds of people waiting outside. The 8 (or 11) Renamo guards were finally released at midnight.

Media reports on the agreement are confused and contradictory. Manuel de Araujo read out a written agreement and Lusa (10 Oct) reports that he said 16 AK47s, one Tokarev pistol, a dagger, munitions and three magazines were handed in to mediators who passed them to the police. *Noticias* (10 Oct) reports that in a brief statement Dhlakama said that he had only handed in those weapons which were in the possession of the detained guards, and no others. *@Verdade* reports that Dhlakama also claimed that three of those weapons had been captured from attackers during the 25 September ambush of Dhlakama's convoy.

Noticias (10 Oct) reports that the written agreement read out by Araujo said that the detained men would join either the police or the army. *@Verdade* (10 Oct) reports that Dhlakama also said that "for me, this is the beginning of reintegration" of Renamo forces.

But *Noticias* reports that Dhlakama said he would not accept protection from the Mozambican

police and would hire a private security company. On the other hand, AIM (10 Oct Eng) suggests that if the guards are trained as police, they could return to protect Dhlakama, but this time in Mozambique police uniform and using police weapons.

AIM wonders if this might be a model for the integration of Renamo forces into the police and army..

The most detailed hour by hour report of the Friday confrontation is on the [CanalMoz Facebook page](#). CanalMoz had two journalists present through the day.

Agriculture

Are there lessons from India for Mozambique?

India has hugely increased food production and maintained food self-sufficiency in part because of a massive national fertiliser subsidy. Falling gas prices will reduce the subsidy to about \$9 billion this year. India produces urea (the most common nitrogen fertiliser) for \$375 per tonnes but sells it to farmers for a subsidised \$80 per tonne. (*New Age*, Dhaka, 5 Sept 2015) By contrast the price in Mozambique is ten times as much, about \$800 per tonne. (www.amitsa.org) This year the subsidised price of urea in Malawi is \$125 per tonne. Not surprisingly, Mozambican farmers use little fertiliser and have very low productivity. (<http://www.nyasatimes.com/2015/08/07/malawi-increases-price-of-subsidized-fertilizer-by-600-minister-says-govt-has-been-pushed-left-and-right/>)

India also has a system of buying grain from poor producers at higher than market price and selling it to poor consumers at below market price. At the World Trade Organization (WTO) meeting in Nairobi 15-18 December, the United States will again argue that this protection is an illegal subsidy under WTO rules, and that India cannot maintain food self-sufficiency in this way. India, China and Indonesia are resisting US pressure. Under the very complex WTO rules, the US is allowed much larger subsidies. The US maize subsidy is roughly \$35 per tonne. WTO rules are highly complex and based on historic prices and subsidies, allowing developed countries large subsidies and poor countries only small ones. Timothy Wise and Biraj Patnaik of Tufts University in the US explain some of this well in <http://www.livemint.com/Opinion/JPi4o78XnwziAnsbzTHgrJ/Destruction-of-US-credibility-at-WTO.html> *jh*

Looking again at rural development

For three decades "the global development industry has kept searching for magic silver bullets for poverty alleviation", which has led to fads like microfinance and property rights. This reflects a shift which started in the 1980s from looking at "development" to instead looking at "poverty alleviation", and thus a shift from looking at broader economic processes to looking narrowly at the individual poor. This is the view of Jayati Ghosh, a leading economist and Professor of Economics at the Jawaharlal Nehru University, New Delhi, in a 6 October talk in London and a recent paper: [From 'Development' to 'Poverty Alleviation': What have we lost?](#)

This has direct relevance for Mozambique. Ghosh argues that poverty cannot be reduced without economic development, and development happens through economic diversification and a move to higher value added activities. But she notes that this does not just happen in the cities. More productive small commercial farms and local processing involves diversification and high valued added activities. And she points to China.

Calestous Juma, a Kenyan who is now Professor at Harvard University, argues that "there is growing evidence that the Chinese economic miracle is a consequence of the rural entrepreneurship which started in the 1980s." Millions of township and village enterprises were

created. Key was fertiliser, small scale mechanisation, and extensive government support. This stimulated local economies and created jobs with small businesses that marketed and processed agricultural commodities and supplied inputs. And Juma concludes: "The potential growth of Africa's food and beverage markets will only be possible with adequate investment in small and medium-sized agribusiness enterprises." "[What Africa Can Learn from China about Growing its Agribusiness Sector](#)"

Ghosh makes two other points. First, it is important to see wages not as a cost, but as generating local demand and stimulating the local economy. The priority should not be to reduce the wage bill but to increase productivity. Second, environmental constraints mean that growth must be green, but there is "massive potential" for green growth, she argued, from solar energy to sustainable farming. But the private sector will not back that kind of transformation, so "huge government intervention" and investment is required. *jh*

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Belated troubles for 2 apartheid profiteers

Two companies built on the huge profits of apartheid and which backed apartheid South Africa's destabilisation of Mozambique in the 1980s have finally come a cropper because of the current mining crisis. Glencore and Anglo American shares have both fallen to one-third their price of five years ago.

Marc Rich & Company became Glencore in 1994, when Rich sold the company. Marc Rich had become wealthy and made more than \$2 billion dollars through sanctions busting, mainly supplying oil to white-ruled South Africa in the 1970s and 1980s. but also buying oil from Iran when it was subject to sanctions. (<http://www.dailymaverick.co.za/article/2013-07-19-marc-rich-apartheids-oil-man-his-most-important-and-most-profitable-business/-VhpRIhNVhBc>) Rich was indicted in the US for sanctions busting and was on the FBI's most wanted list for nearly two decades, until he was pardoned by President Bill Clinton on his last day in office in 2001. This may have been connected to Rich family contributions of \$100,000 to the Senate campaign of Hillary Clinton (now a presidential candidate), \$450,000 to the Clinton Library, and \$1 million to the Democratic Party.

It was profits from apartheid that allowed Anglo American Corporation of South Africa (now just Anglo American) to become one of the biggest mining companies in the world, but it too has been hit by falling commodity prices. On 1 October Anglo American closed its office in the Maputo as part of cost cutting measures - its second withdrawal from Mozambique. It was by far the largest conglomerate in apartheid South Africa. It backed Ian Smith's sanctions busting in Rhodesia in the 1970s and backed P W Botha's programme of destabilising the neighbour countries in the early 1980s. As part of the campaign, in 1981 Anglo suddenly abandoned its two profitable cashew factories in Mozambique, ending Mozambique's biggest export at the time. In 1985, it backed President P W Botha's harder line in defence of apartheid by closing the anti-apartheid daily newspaper, the *Rand Daily Mail*. But Anglo then saw the writing on the wall, and opened talks with the African National Congress (ANC). But it continued to benefit from apartheid, moving capital out of South Africa (and after majority rule moved the headquarters of the company to London) and using its profits from apartheid to buy up the South African subsidiaries of companies that were disinvesting as the result of the growing global anti-apartheid campaigns.

Which leads inevitably to South African Breweries - now SAB Miller and about to be taken over by Budweiser (Anheuser-Busch InBev). SAB was a strong backer of apartheid and left Mozambique at independence; SAB came under control of Anglo American, and after the end of apartheid took over the Mozambican brewing sector. Anglo no longer in involved with SAB.

The takeover by InBev could have implications for Mozambique. The two have very different

marketing models - SABMiller has maintained a large range of beers and kept producing the beers it has taken over; InBev has stressed a few big (and largely tasteless) beers, such as Budweiser, Stella Artois and Beck's. Big South African beers like Castle will surely still be promoted, but would InBev abandon Impala and the production of cassava-based beer in the north of Mozambique? *jh*

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Author Henning Mankell died last week of cancer at the age of 67. The Swedish novelist and playwright had been involved Teatro Avenida since 1986 and lived part of each year in Maputo.

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Chickens and beer: A recipe for agricultural growth in Mozambique

by Teresa Smart and Joseph Hanlon

E-book for Kindle and iPad, for \$9.32 from US Amazon -
<http://www.amazon.com/dp/B00NRZXXKE> - £5.14 from UK Amazon.

In pdf format, 6 Mb file, free on <http://bit.ly/chickens-beer>

Galinhas e cerveja: uma receita para o crescimento

by Teresa Smart & Joseph Hanlon. Copies are in Maputo bookshops or from
KAPICUA, Rua Fernão Veloso 12, Maputo; Tel.: +258 21 413 201 or +258 21 415 451
Telm.: +258 823 219 950 E-mail: kapicudir@tdm.co.mz / kapicuacom@tdm.co.mz

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

Zimbabwe takes back its land

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

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Do bicycles equal development in Mozambique?

by Joseph Hanlon & Teresa Smart
is now available in **paperback**, for £17.99 (+ p&p)
from the publisher <http://www.boydellandbrewer.com/store/viewItem.asp?idProduct=13503>

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 now be **read on the web**
tinyurl.com/justgivemoney

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Also on the web: Previous newsletters and other Mozambique material are posted on
bit.ly/mozamb

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NOTE OF EXPLANATION:

This 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

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Mozambique media websites:

Noticias: www.jornalnoticias.co.mz

O Pais: www.opais.co.mz

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

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

CanalMoz on Facebook: <https://www.facebook.com/CanalMoz>

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

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

Carlos Serra Diario de um sociologo: <http://oficinadesociologia.blogspot.com>

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