OMR
Observatório do Meio Rural

OBSERVADOR RURAL
No. 143
April 2024

CONFIGURATION OF MOZAMBIQUE'S ECONOMIC STRUCTURE IN A LONG-TERM PERSPECTIVE

João Mosca

The working paper OBSERVADOR RURAL (OMR) is a publication of the Observatório do Meio Rural. It is a non-periodical publication for institutional and individual distribution. The OBSERVADOR RURAL can also be accessed on the OMR website (www.omrmz.org).

The objectives of the OBSERVADOR RURAL are:
• Reflect and promote the exchange of opinions on current Mozambican topics and international affairs.
• Make society aware of the results of debates, research, and reflections on relevant themes in the agricultural sector and rural areas.

The OBSERVADOR RURAL is a publication space intended mainly for researchers and technicians who research, work or have some interest in the area covered by the OMR. Other nationals or foreigners may also propose works for publication.

The contents are the exclusive responsibility of the authors, not binding, for any purpose, the Observatório do Meio Rural or its partners or sponsors.

The texts published in OBSERVADOR RURAL are in draft form. The authors are grateful for contributions to deepening and corrections to improve the document.

CONFIGURATION OF MOZAMBIQUE'S ECONOMIC STRUCTURE IN A LONG-TERM PERSPECTIVE

João Mosca

ABSTRACT:

This paper aims to study how Mozambique's economic and social structure results from long-term (re)configurations and where internal and external political, economic, social, and cultural factors interrelate, whose contexts have been adjusted over time. The long-term perspective allows us to understand the constancy of fundamental characteristics which, despite contextual variations over time, remain structuring.

In summary, the penetration of capital in different forms, depending on the development of the metropolitan society and economy and internationally, has always aimed at the resource extraction and extroversion with economic dependence, ensuring the progressive integration of local societies and economies according to the reproduction needs of the colonial and international system and economy. Capital has been, and continues to be, supported by political powers, instrumentalising States that have exercised different functions according to the need to impose political and military domination and the expansion of capitalism. State - military power/conflict - capital - and political and economic dependence are the long-term elements in the formation of Mozambican society and economy.

1. INTRODUCTION

This paper aims to study how Mozambique's economic and social structure results from long-term (re)configurations and where internal and external political, economic, social and cultural factors interrelate, whose contexts have been adjusted over time. The long-term perspective allows us to understand the constancy of fundamental characteristics which, despite contextual variations over time, remain structuring.

The author bases his argument on the presence of militarily supported political and economic systems in the territory, with the aim, in each historical period, of extracting resources and labour and, later, after the Berlin Conference, the penetration of agrarian, mining and service capital (ports and railways to the hinterland), emigration of miners to South Africa and the construction of public infrastructure - roads, railways and urban centres.

The influx of different cultures, religions and civilisations led to disputes over the control of trade routes and the occupation of territories, which today influence the nature of the country's foreign relations and conflict situations, as well as the dominance of religions, especially Catholic and Islamic.

In addition to the introduction, this paper has five more sections. In section two, a brief historical contextualisation is given of the characterising aspects of the Mozambican economy, which are developed from a historical perspective, in section three, the following types of extractivism are mentioned: the territoriality of development; urban settlements; the penetration of capitalism in different historical periods (the colonial period, post-independence "socialism", the Economic

Rehabilitation Programme) and a summary of the penetration of capital; conflicts; and external relations and contexts, highlighting the Indian Ocean and international and local conflicts and their relations. Section four summarises the country's current economic structure. Finally, section five provides a summary.

2. BRIEF HISTORICAL CONTEXTUALISATION

Extractivism and extroversion are the result of pre-colonial internal conditions, colonisation and the functionalities and conflicts created with local economies and societies, colonial models of growth, conflicts, and alliances between colonial powers and between them and local societies, and relationship/subordination with the world's economies[1]. After independences in Africa, the relationships with the colonising powers were maintained through multinationals combined with different forms of political and military influence or intervention, with economic relations adapting to the different types of dependency, within the framework of economic globalisation, strategic interests of a political and military nature, which justify disputes between the great powers. After independences in many African countries and also in Mozambique, conflicts of different intensities and durations resumed, based on economic influences for spaces, as well as internal political struggles for power and ethnic struggles.

Disputes between the great powers arose, or intensified, firstly over the division of the world among the former colonial powers[2] for the effective occupation of territories, through conflicts

[1] We can't neglect the secular relationships that somehow influenced societies and cultures before European colonisation, such as those linked to the silk road from China, the Arab influence in Europe (with the caliphate in Spain (Cordoba) and the domination of a significant part of Europe and Mediterranean Africa), the Roman and Byzantine-Ottoman empires, the Incas, among others. In the case of Africa, and before European colonisation, the Arab and South Asian influence (India) was of greater importance.
The Silk Road was a series of interconnected routes through South Asia used in the silk trade between the East and Europe. These routes were not only important for the growth and development of regions and great civilisations, such as Ancient Egypt, Mesopotamia, China, Persia, India and Rome. They were also important for the beginning of the modern world.
The Arab influence on the east coast of Africa did not come about through territorial occupation, but through trade, first in slaves to North Africa and the Middle and Far East. Based in Quiloa, Tanzania (Dar es Salaam basin), the Islamic dynasty of this region of Africa was formed.
"... the Arabs began to settle, preferably on the islands for strategic reasons: defence against possible attacks from the "natives" and control and participation in maritime trade. In Mozambique, the first Arab contacts were on the Quirimbas islands. After the arrival of the Portuguese and after situations of conflict between the Portuguese and the Arabs over control of trade (the Arabs were expelled from most of the territories south of Angoche). Carolina do Nascimento de Jesus (2020).*Tráfico de escravos e comércio árabe em Moçambique*. Revista Eletrónica, volume 7 Universidade Federal do Recôncavo da Bahia.
"In the 17th and 18th centuries, relationships of mutual interest were established between the Portuguese and the sheikhs and sultans of the coastal communities. The Portuguese expected the Muslim chiefs to discourage any commercial activity that could be carried out with other European powers, as well as expecting them to provide aid to shipwrecked survivals who reached the coast; the Sheikhs, in turn, wanted to establish trade with the Portuguese and both recognised the need to join forces against possible attacks by local chiefs", Ibid.
On the slave trade, see also Capela, José & Eduardo Medeiros (1987). *O Tráfico de Escravos de Moçambique para as ilhas do índico, 1720-1902.* Maputo; Núcleo Editorial da Universidade Eduardo Mondlane.

[2] There were various "divisions" of the world, such as the Treaty of Tordesillas between Spain and Portugal, the Berlin Agreement in 1895, after the Second World War.

and/or military conquest. It should be emphasised that some of the first State officials came from Portugal and the then Portuguese Indies, especially Goa. They initially held senior positions in the local police (the "sipaios[3]") and later in subordinate roles in the district administrations and in the judicial system, for example as court clerks. However, even after the agreements on the division of territories (Berlin Conference), border disputes persisted [4].

The relationship between developed and underdeveloped economies have been changing over time, with extractive-led penetrations standing out (slave, ivory and gold trade circuits[5], that interpenetrated over time), which led to the first phase of the internationalisation of economies based on transcontinental trade, according to the interests of the colonial economies and their imperial domains[6].

---

[3] The term "*sipai*" (plural "*sipaios*"), also "*cipaios*", comes from the Hindu language. The "shipahi" were locally recruited Indian soldiers who served in the army of the British East India Company, under the orders of British officers. In Mozambique, they belonged to the local forces, usually led by a Portuguese officer (usually from Goa) or directly by the district administrator. They were local agents of repression, collecting taxes, recruiting compulsory labour, and guarding prisons, among other duties. Britain also used these "shipahi" in South Africa, which may explain the presence of fairly large communities of these origins, as in Mozambique.

[4] There were military disputes between the colonial powers during World War II, for example, in the case of Mozambique, in Niassa, Tete, Manica and Cabo Delgado, particularly on the Chire River (Tete), for reasons of navigability of the Zambezi River.

[5] "The sale of African slaves became a routine in the 7th century, when Islam gained strength in North Africa - seven centuries before Europeans explored the continent, ten centuries before Africans were shipped across the Atlantic to be sold in America.
At that time, Muslim Arabs from North and East Africa sold Africans in the Near and Middle East. They worked in the fields, as teachers or as watchmen in harems, for which reason the castration of male slaves was common. On the other hand, Muslims - including Africans - could not be enslaved according to Islamic law (...).
(...) "First, Arab Muslims brought white slaves from Eastern and Central Europe to sell them to Arabia," explains Senegalese author Tidiane N'Diaye in an interview with DW. "However, the strengthening of Europe's military power put an end to Islamic expansion and, as there was a shortage of slaves, the Muslim Arabs turned to sub-Saharan Africa (...).
(...) "Slavery already existed in almost every civilisation," explains N'Diaye. And in Africa too, even before the settlers came from outside. In central East Africa, ethnic groups such as the Yao, the Makua and the Marava fought each other and there were peoples in the interior of the continent who sold people they captured in wars (...).
(...) Slavery was part of many African cultures," says Abdulazizi Lodhi, a professor at Uppsala University in Sweden. "When it came to exports, the Africans themselves were the main protagonists. In many African societies there were no prisons, so people who were captured were sold." In Escravatura na África Oriental: Um capítulo esquecido, Silja Fröhlich. https://www.dw.com/pt-002/tr%C3%A1fico-de-escravos-na-%C3%A1frica-oriental-um-cap%C3%ADtulo-esquecido/a-50119075. Accessed on 09/05/2023.

[6] Capela (1995: 41) states that, "Whilst gold attracted the Portuguese to the interior of Africa, it was ivory, however, that soon became the main export product in terms of quantity and value. And so it remained until the end of the 19th century, apart from the short period when the slave trade peaked in the first decades of the 19th century."
Slavery arose as a consequence of the development of commercial capital and, later, industrial capital (mainly, at first, in the sugar industry) in the Portuguese colonies in Brazil, the French Indian islands and the Caribbean, which created disputes. This reality was part of "trade flows on a transcontinental scale, for example: English and Indian cloth - exchange for slaves, gold and ivory in Mozambique - sugar production in Brazil - export of sugar to Portugal or England, where the circuit closes", Capela (1977). However, the slave trade dates back to earlier centuries, when the Arabs traded them to India and the Persian Gulf. With the slave trade, the island of Mozambique, then the capital of the colony, lost its mercantile hegemony,

The effective colonisation had several phases of occupation: first, along the ocean coasts, especially in the slave trade phase, where slavers stayed in coastal forts and hired local clan hierarchies in exchange for goods and weapons that they used in their conquests and territorial disputes[7]. Penetration inland took place with the so-called military expeditions, in most cases along the great rivers, building fortified settlements at certain points, whose objective continued to be the traffic in ivory, gold, metals and other goods.

The east coast of Africa (as in the rest of Africa) was thus the scene of various struggles between colonial powers for the control of trade. The Indian Ocean was an area of influx of secular political and economic powers[8], with intersections of cultures, civilisations, and religions[9], whose presence needed to "exploit" ("take advantage of") the disputes of empires, such as the Monomotapa and kingdoms such as the Barué, in the centre of the country. There were several wars of violent resistance to the occupation, others, already in the 20th century, of a proto-nationalist nature (for example, that of Kamba Simango in the Manica area with influence from the colony of Southern Rhodesia; among others)[10].

According to recent studies, before the European presence and future colonial powers, there were economic and cultural interactions between East African coastal societies and the Eastern World system and subsequent contact, from the 10th century AD onwards, with the mercantile heyday of the Mediterranean Sea, when large quantities of grain were traded (as well as

---

which Sofala (a trading post) had gained in 1507. Quelimane and Ibo became the main ports (Eduardo Mondlane University, 1988).

The confluence of the Portuguese and the Arabs, especially in terms of trade routes and ports, led to disputes, with the Arabs always looking for new access routes for the flow of goods.

[7] See Capela, José & Medeiros Eduardo (1987). *O Tráfico de Escravos de Moçambique para as ilhas do índico, 1720-1902*. Maputo; Núcleo Editorial da Universidade Eduardo Mondlane,

[8] For example, the aforementioned Silk Roads, the Arab Sultanates and the presence of France, England and Portugal.

[9] Mainly Christianity, Islam and Hinduism (small Jewish presence), and various polytheistic religions (mainly local ones).

[10] See, for example, and in summary form, Mosca, João, Cravino, Janete and Dadá, Yasser Arafat (2023). *Zona Centro de Moçambique: porquê o epicentro dos conflitos pós-independência?* Maputo, Escolar Editora.

The first armed resistance was at the very beginning of the colonial conquest, perpetrated by the Makua Murimuno against the Portuguese expeditionary body in the attack on Macuana in 1753. See Antunes, Luís Frederico Dias (2017). Formas de Resistência Africanas às Autoridades Portuguesas no Século XVIII: *A guerra de Murimuno e a tecelagem de machira no Norte de Moçambique. Cadernos de Estudos Africanos*. https://journals.openedition.org/cea/2195

There were also various forms of resistance to the occupation of a proto-nationalist nature (for example, Kamba Simango in the Manica area, influenced by the colony of Southern Rhodesia), others against the compulsory farming of cotton in the north of the country, the revolt of sugar company workers in Maragra and Xinavane, and urban movements, for example in Lourenço Marques, reported in the well-known newspaper Brado Africano. This newspaper is considered to be the first written by Mozambican authors. The book "points to clues for a more complex analysis of the conceptual meanings of citizenship, race and resistance in urban space, in specific political actions. At the same time, this approach contributes to a deeper reading of the meanings of being colonial Lourenço Marques, in a specific context. This focus on the urban space of a colonial city is particularly interesting for understanding the persistent silencing of political resistances that contributed to foster a national feeling, struggles that are still absent from the current national project in Mozambique." In Meneses, Maria Paula (2019). *Silencimentos de lutas em Moçambique: os jornais O Africano / Brado Africano como espaços de reivindicação de cidadania.* Caligrama: Revista de Estudos Românicos. Faculdade de Letras da Universidade Federal de Minas Gerais.

ceramics, glass and jewellery), a trade monopolised by large merchants due to the risks and high costs involved in this traffic[11].

3. HISTORICAL ELEMENTS OF THE CONFIGURATION OF THE CURRENT ECONOMIC STRUCTURE OF MOZAMBIQUE

In this section, the structural factors that shape and reproduce underdevelopment in Mozambique (referred to above) are highlighted.

3.1 Resource extractivism, with changes in the nature and type of resources over time, has always been present [12]: slaves, gold and ivory; agricultural products (raw materials - commodities); timber and fisheries; coal, gas, rubies and minerals; and the labour force (emigration to RSA and Southern Rhodesia - now Zimbabwe). Today, the extractivist nature of foreign capital and the extroversion of the economy are very important axes in the structure and overall economy of the country[13].

The transformations took place mainly due to the following factors: (1) traffic in gold, ivory, copper and slaves that remain under ancient or more recent forms, which led to conflicts between militarily supported slavers and struggles between local social and ethnic groups, some of which in alliance with the slavers; (2) penetration of capital and the integration of peasants as a cheap labour force (in agriculture, mining, infrastructure construction) and the economic and social restructuring of pre-colonial activities and societies; (3) migratory phenomena related to urban growth, mainly due to colonisation and to areas of greater economic activity, creating expectations of employment (generally greater than the creation of demand for employment) and consequent unemployment or underemployment, and the growth of informal economies.

In this concept, the extractivism of the labour force is important, from slavery, forced labour to deportations, internal and external migration, poverty wages practised by the late capitalism of some colonial powers, whose competitiveness is based on cheap labour, the construction of infrastructure (ports, roads, bridges, cities, dams, etc.) and the so-called brain drain[14]. Currently, extractivism is diversified with some concentration on goods and services depending on the

---

[11] The Phoenicians developed maritime navigation techniques and became the greatest navigators in antiquity (1200-800 BC). The European cities that controlled the monopolies of Mediterranean trade were Venice, Genoa, Florence and Naples. There are signs of Phoenician contacts with the Mozambican coast: "... around 620 BC, the Phoenicians trafficked gold from mines located in Chimoio (Manica province) and Chifumbazi (Tete province)" (Frei, 2017), as well as Quelimane (basin of the Bons Sinais river). Frei, Vanito Viriato Marcelino (2017). *No país do mano Muça, eu sou carvão: implicações socioterritorial dos megaprojetos de mineração nas comunidades locais da província de Nampula*. Universidade Federal de Goiás. Goiânia-GO.

[12] Some historians refer to circuits of different goods (slaves, gold, ivory, etc.). Periodisation is contested by others. The author of this text is not an advocate of a particular periodisation, although sometimes trade is more focused on one good or another, since in the same historical period, the extraction of two or more products may have taken place simultaneously.

[13] Mosca, João (2023). *Financeirização e extroversão agrária em Moçambique*. Destaque Rural Nº 201. OMR.

[14] In October 2016, a report by the International Monetary Fund (IMF) predicted that "the number of migrants [from sub-Saharan Africa] in Organisation for Economic Co-operation and Development (OECD) countries could increase from around 7 million in 2013 to around 34 million by 2050." https://pt.unesco.org/courier/janeiro-marco-2018/existe-alternativa-fuga-cerebros-da-africa.

reality of each region/country; in the case of Mozambique, the concentration is on gas, coal and other minerals, fishing, timber and commodities based on cheap land and the exploitation of labour, as factors of competitiveness between multinationals and (developed and underdeveloped) countries.

In recent years, green extractivism has emerged in connection with the carbon market[15], which allows pollution to continue in developed economies while underdeveloping less developed economies. This market allows the purchasing countries (usually the most developed countries) to continue polluting in the amount of carbon purchased. In defence of this market, it is argued that it represents new sources of income for less developed countries and ensures, through the conservation and increase of forest areas and biodiversity, a contribution to increasing resilience against environmental shocks.

To summarise, extractivism is supported by internal and external, political and economic powers, which reproduce each other, and is a long-lasting feature that consolidates itself by taking on new forms. Extractivism seeks to take resources abroad, undermining domestic economies and introducing local social and environmental externalities. The configuration of economic structures adjusts according to the demand for goods and services related with foreign trade, introducing the extroverted characteristic of the economy and, at the same time, the risks deriving from external crises and the instability of international prices.

3.2 The territoriality of development has been taking shape for centuries, for example: the trade in gold, copper, precious stones and ivory in the areas that are now essentially the Zambezi valley and, to the south, the territory between Zimbabwe and the port of Sofala (Monomotapa corridor), where fortified posts were built on the coast and along the major rivers, such as Quelimane, Sena, Tete, Zumbo and Sofala.

This was followed, at the end of the 16th century, in the Zambezi valley, by the *Prazos da Coroa*[16] which gave rise, in most cases, to one or more chartered companies (*companhias majestáticas)*

[15] "The carbon market consists of buying and selling carbon credits, which allow buyers to use the carbon credits to emit the equivalent in tonnes of CO2." Bruna, Natacha (2023). *Ouro invisível: o carbono e a usurpação de direitos de emissão*. Destaque Rural Nº 212. OMR.

[16] Within the framework of functional relations between the Portuguese colonies, it should be pointed out, in the context of the Indian Ocean, that from the period of the chartered companies, there was a colonisation from the Portuguese colonies of Goa, Daman and Diu, mainly of subordinate officials from the colonial administration and the chartered companies, extending over time with the "*cipaios*" and officials from the judicial system (mainly clerks).

As a result of this action, there was a marked racial and cultural miscegenation in the areas where the first phases of the establishment of the Portuguese administration took place, such as in the Zambezi valley in connection with the *Prazos da Coroa* and the Chartered Companies. On this subject, see Capela, José (1995): Donas, Senhores e Escravos. Porto: Afrontamento.

The first " *Donas do Zambeze*" (Owners of the Zambezi) were from Goa and then Portugal, who married Portuguese settlers as a way of ensuring ownership of the land through inheritance (since land was inherited through the wife). There were later marriages between whites and Indians and black women. By the end of the 18th century, women were the main holders of most of the Zambezi Valley's land, although there were variations throughout the valley. See Costa Rosário, Carmeliza Soares da (2017). Donas da cidade. Navegando arquivo de factos e fantasia na memória das donas de Quelimane. Museologia & interdisciplinaridade vol. 6, nº117.

Today, the presence of descendants of this miscegenation is visible in different roles in Mozambican political, economic, and social life, especially those from Zambézia.

(at the end of the 19th century). More recently, in the 20th century, the large sugar, copra and tea plantations emerged (mid-20th century) that still exist and also have their roots in the *prazos da coroa* and the chartered companies; today, the large sugar, cotton and tea plantations in the centre of the country (Zambézia and Sofala provinces), the ports and rail and road transport services, which today constitute the development corridors, the Cahora Bassa dam (at the end of the 1960s) and peasant agriculture, which covers almost 70% of the country's population, are some of the main pillars of the Mozambican economy**.**

The Monomotapa empire[17], which penetrated as far as southern Mozambique (Limpopo), influenced the gold zone on the Manica border with Zimbabwe, which persists to this day; in the same area, Central Mozambique, the port of Sofala was built, which became the first colonial trading post (1505) for gold, ivory[18], and spices from Zimbabwe; then, from the end of the 19th century, the construction of the Beira port and railway began (1892-1898) to serve the hinterland[19]. Today, the Centre's economic activities are still focused on rail-port services to Zimbabwe, Zambia, and Malawi[20], large plantations (sugar, cotton, and citrus), small farms, and mining, mainly for gold, and fisheries.

The south developed mainly with the transfer of the capital from the Island of Mozambique to Lourenço Marques in 1898 (it had been a trading post since 1782, and where the fortress was built in 1787). This transfer was motivated by the growing economic importance of the Transvaal (Union of South Africa), with the railway line being built in 1898, linking Lourenço Marques to Pretoria; the port of Lourenço Marques received basic infrastructure in 1850 and the quay was completed in 1903; today, the Maputo railway-port complex serves the Maputo and Lebombo corridors. It was from the south, due to legal requirements below 22º south latitude, that men were extracted to neighbouring countries, reaching between 70 and 90 thousand emigrants in the seventies of the 20th century, which corresponded to high percentages of the working-age male[21] population. After independence, Frelimo prevented migration and the number of emigrants from Inhambane province fell from 20,000 to around 8,700 in 1976[22]. Emigration has continued (there is no data on recent emigrants), although in different forms and on a smaller

[17] It was an empire that flourished between the 15th and 18th centuries in the region south of the Zambezi River, between the Zimbabwe Plateau and the Indian Ocean, probably extending as far as the Limpopo River.

[18] The xonas (or shonas) were (and are) known as elephant hunters.

[19] The construction was carried out following a treaty signed between Portugal and England, by a British company controlled by Cecil Rhodes and his BSAC (British South Africa Company). The construction cost the Portuguese government nothing.

[20] The Sena railway Line, running from the Beira-Machipanda (Zimbabwe) railway in Dondo, to Moatize, Maláui (Lilongué) and Chipara in Zambia, and a branch line linking Inhamitanga (Inhaminga) to Marromeu, mainly to transport coal from Tete and sugar from Marromeu. Construction of the entire line, including branches, was completed in 1930, initially with the aim of transporting cotton from Malawi and the Zambezi valley (Sena region), and later coal from Moatize and sugar from Marromeu.

[21] For the period 1950-1959, the percentage of recruits in relation to the male labour force was 23%, which implies an average percentage of migrants in relation to the male labour force of around 31%, in other words, just under a third of the male labour force. For the period 1960-1975, the ratio between recruits and men of working age fell to an average of 14%, which implies an average percentage of migrants in relation to the male working population of 19%, or almost a fifth of the male working population (for the period 1960-1969 the percentages were 15% and 20% respectively; and for the period 1970-1975 they were 13% and 17% respectively), in Ruth First (coordenadora) (2015). O mineiro moçambicano: um estudo sobre a exportação de mão-de-obra em Inhambane. Coleção Clássicos 2. Editora UFPE. Recife. Brazil

[22] Ruth First (coordenadora) (2015). Ibid.

scale, mainly due to the modernisation of the South African mining sector. Around 25 to 30% of the working-age population of southern Mozambique remained as emigrants in South Africa, which restructured the agricultural economy of the small producers in the area[23]; the emigrants' remittances, in addition to improving living conditions and productive capacity, through investments in animals (mainly cattle, traditional in the south) and animal-drawn ploughs, moulded or introduced cultural aspects[24].

Agriculture in the areas around the capital city, covering today´s districts of Matutuíne, Boane, Moamba, in the coastal area up to Xai-Xai, and in the Limpopo valley up to Chokwé, remains one of the important economic activities in the south, driven by the capital city, and is one of the most developed in the country, as a result of the establishment of settlements and Portuguese and Chinese farmers to meet the growing demand arising from urbanisation and the emergence of non-"local" diets, due to colonial immigration, especially after the 1950s.

In the context of colonisation and during the *Estado Novo* period, there was what can be called a division of labour in the "Portuguese empire". For example, the colonies could not produce vines, Angola was intended to produce coffee and Mozambique tea. Cotton was produced in Angola and Mozambique due to the growing demand for the raw material from the Portuguese textile industry[25].

3.3 Urban settlements originated from the penetration for commercial purposes mentioned above and from the growing immigration of settlers for administrative and economic occupation and have developed from the coast to the interior (along rivers, as access routes to the interior, and for reasons of military protection). Today, this network of cities and villages remains fundamentally based on productive foundations formed over decades and centuries, and which developed differently according to the importance of political and economic implantation and the respective geographical outlines.

Lourenço Marques developed after becoming the capital of the colony in 1898, with the respective establishment of public administration bureaucracies, the construction of the railway-port complex and the immigration of settlers and internal migrations due to the construction of

---

[23] Brito, Luís de (1980): "*Dependência Colonial e Integração Regional*". Estudos Moçambicanos, n.º 1. Maputo, Centro de Estudos Africanos.

[24] "...the completion of a labour contract (between 12 and 18 months) in the South African mines represented the sign of maturity indispensable for marriage. "These aspects, initially linked to mechanisms to encourage emigration (in the interest of the public administration) and to increasing the young person's ability to pay the (bride-price*) lobolo* (in the interest of the community), were adopted socially as a cultural standard/value that was maintained considering the underlying interests mentioned", Mosca, João. (2002). *Encruzilhadas de África. Ênfase para os PALOP*. Lisboa, Instituto Piaget.
In this respect, the CEA study (1978: 119) states: "Ideological statements such as 'only a man who has been to the mines is an adult man' and 'the boy has to eat a lot to be able to work in South Africa', etc. have a material, that is to say, economic basis.

[25] See, for example, Direcção dos Serviços de Planeamento e Integração Económica (1966): *III Plano de Fomento*. Lourenço Marques. The same source (1973) for the 4th Development Plan.
In the case of Mozambique, there were four development plans. The last one had limited implementation due to independence. These plans had two main objectives: (1) to programme State intervention and public investment in the creation of infrastructure to promote economic development; (2) to plan and integrate the economies of the colonies into the Portuguese capitalist system with a clear spatial division of labour. For example, there were crops that were not allowed in Mozambique and Angola, and some were possible in Angola but not in Mozambique, and vice versa.

urban and economic infrastructure. In addition, the British, in particular, chose the Gaza region and the port of Lourenço Marques as strategic objectives for the transport of raw materials from the Transvaal, which was linked to the British territorial claims. The Maputo Bay was called Delagoa Bay by the British. This territory was disputed between the English and the Dutch in the areas of Catembe - written as Katembe – Tembe´s Land), still today an familiar surname in southern society.

Beira, with city status since 1907, based on the Aruângua settlement founded in 1887 (or 1988[26]), is currently the second largest economic city in the country [27]; it developed, especially after the end of the 19th century, following the creation of the Mozambique Company (1891) and the construction of the Beira port and railway (now the Beira corridor). After the end of the Mozambique Company (1942), it continued to operate under the name *Companhia de Moçambique S.A.R.L.*) and with the formation of large agricultural companies (namely the *Grupo Entreposto*, with various economic activities). In the Centre Zone, there are currently agricultural and livestock companies mainly engaged in export crops (sugar, cotton, and citrus), fishing, beach tourism; the latter was important (especially before Zimbabwe's independence), as well as hunting and cinegenic tourism (wildlife).

Nampula is the country's third economic centre, resulting mainly from the Arab commercial penetration and from large plantations originating in the Niassa Chartered Company (1896), being one of the last areas to be effectively occupied in the colony (1913). Much of the colonial province was occupied by the German army during the First World War. It is a city of military origin with the conquest of the lands of Whampula, the first colonial building being the Macuana barracks (command for the whole of northern Mozambique) and from where expeditions of conquest left for the interior of the territory; during the colonial war, the city housed the military command of Mozambique and, currently, the Samora Machel Military Academy[28]. It was in the Nampula area where cotton farming was introduced as a mandatory crop and cassava was introduced as a food crop in order to make labour more available for cotton production, which is very labour-demanding. Sisal was also an important crop that emerged after World War I, as it had characteristics that could be used militarily. It should be noted that, unlike the ports and railways of Maputo and Beira, the construction of the Nacala railway began in 1915, initially as a project to connect the port of Lumbo to the vast hinterland as far as the Niassaland Protectorate. The first 90 kilometres, up to Monapo, were opened for operation in 1924, but the project stalled due to lack of resources. In 1932, the railway reached 350 km, connecting Nacala to Mutivasse, and extended afterwards up to Cuamba, 538 km from Nacala. The Cuamba-Lichinga railway link was completed in 1968 and inaugurated in 1969[29].

[26] There is no consensus among historians about these dates.

[27] In terms of population, the city of Beira is currently fourth, after Matola, Maputo and Nampula

[28] For a brief review and characterisation of the city of Nampula, see Mendes de Araújo, Manuel (undated). *Cidade de Nampula: a Rainha do Norte de Moçambique.* Universidade Eduardo Mondlane. Departamento de Geografia da Faculdade de Letras e Ciências Sociais.

[29] There is no consensus on the completion dates of the railway line to Cuamba and Lichinga. See https:/wikipedia.org/wiki/Ramal_Cuamba%E2%80%94Lichinga e https://www.google.com/search?client=firefox-b
d&q=Os+primeiros+90+km%2C+at%C3%A9+Monapo%2C+foram+abertos+%C3%A0+opera%C3%A7%C3%A3o+j%C3%A1+em+1924%2C+por%C3%A9m+o+projeto+declinou+por+falta+de+recursos.

This means that the northern zone lost its importance in the economic strategy of colonisation and that less regionally integrated as a political strategy.

3.4 The penetration of capitalism in Mozambique

Colonial period

Capitalism in Mozambique emerged mainly with the effective occupation of the territory, through the penetration of merchant capital (rural commercial network) and in the service sectors (Maputo, Beira and Nampula railway-port complexes) and later, especially after the establishment of the *Estado Novo* in Portugal within the framework of the colonial pact[30], with agricultural and industrial capital for import substitution [31], as a way for the colonies (including Mozambique) to be balanced in terms of the balance of payments and the State budget.

Salazar's economic nationalism protected metropolitan Portuguese capital and the emerging accumulation in the territory, especially in relation to South Africa, and the possibilities of exploiting natural resources, mainly coal, gas and oil, whose prospecting was carried out by foreign companies (in relation to Portugal) indicated the existence of these resources.

Agricultural and industrial capitalism had three objectives: (1) to produce agricultural consumer goods (rice, vegetables, potatoes, oilseeds, etc.) and industrial goods (textiles and clothing, inputs and equipment for agriculture, beverage, paper and packaging, glass, among others) to meet the demand from new diets and consumer goods due to the growth of the urban population and of settlers; (2) agricultural products for processing in metropolitan industry, such as cotton, oilseeds, among others.

Small and medium-sized business agriculture was encouraged by the colonial State after the end of the 1950s, through the establishment of *colonatos* [32], first with Portuguese farmers, and in some places with Chinese and Mozambicans with the same objectives: to satisfy new diets and emerging consumption and export raw materials. One of the most important colonisation

[30] See Hugon, Philipp (1999): Economia de África. Lisbon, Editora Vulgata

[31] See, for example, Leite, Joana Pereira (1999): *A Guerra do Caju e as Relações Moçambique-Índia na Época Pós-Colonial.* Documento de Trabalho n.º 57, CESA, Centre for Studies on Africa and Development. Lisbon, UTL, ISEG.

[32] The Limpopo River *colonato* is perhaps one of the most emblematic. "This investment was made as part of the First Development Plan. According to Morais (1960), this project was planned in 1924 and 1925 and ordered to be built by Salazar in 1951. Simultaneously with the irrigation work, the Lourenço Marques - Southern Rhodesia railway was built, and the Limpopo River fed the Macarretane dam, which served as a water reservoir for the approximately 22,000 hectares of irrigated land built during the 50s. In addition to the irrigated areas, investments were made in food industries (rice husking, sausages, dairy products, tomato paste, lucerne processing, among others) and villages were built for farmers to settle in" (...)
"The Limpopo irrigation project is intended for colonisation, this settlement project being understood as valuing the Portuguese, white and black population and their activities. It was done without racial bias and with a view to national unity, which has been secularly underpinned by the doctrine of Christ, which created and strengthened the fraternal coexistence of the multi-racial Portuguese world". The same author adds: "It has room for everyone. It is a work in which life together of whites and blacks will be fraternally linked by the yearning for the spiritual and material growth of the nation. ... We are all inhabitants of a single nation, and we must all share in the benefits of the work of common good undertaken by the State in the Limpopo valley", in Mosca, João (2005). Ibidem.

actions in the interior was the establishment of *colonatos* for poor farmers from Portugal and then for Portuguese soldiers after the end of their mission in the colonial war, Mosca (2005).

The *colonatos* had the following objectives: to populate Mozambique with Portuguese, as a way of reinforcing the regime's presence in the interior of the territory, and to create alternatives for citizens emigrating from Portugal to Central Europe and the Americas; to produce food that was not part of the local production systems. The large cotton, sisal, tea and copra plantations and their respective industries continued after the transformation of the chartered companies.

Small-scale agriculture was integrated into the market in different ways. Firstly, the production and sale of surpluses was encouraged by the supply of industrial goods by the rural commercial network, which sold goods to improve life (fabrics, bicycles, lamps, lighting oil, shoes, agricultural tools, etc.), that is, by creating new demands from the rural population. Secondly, by the gradual introduction of inputs, both by traders and by State agencies, to promote certain crops (such as the *Instituto de Cereais de Moçambique*) and also by medium-sized producers' associations (such as the *Grémio de Lavoura de Manica*[33]), which supplied inputs and purchased surpluses. Thirdly, through employment, which generated more income for families who used it to buy goods not produced locally being sold by traders. Fourthly, and not the least, through remittances from emigrants sent to neighbouring countries, plantations, and cities.

The increase in surplus production encouraged the emergence of corn mills and animal feed mills, as well as livestock production, whose investments originated and were applied to local accumulation.

The rural commercial network and land-based development were also boosted after the *Estado Novo*. In 1966[34], there were 11,610 general shops, of which 6,505 (56%) were located within urban areas, where only 3% of the population lived (Mosca, 1989: 32). "Commercial settlements emerged with *cantinas (rural shops*) whose owners were mainly Portuguese, Indian and Pakistani. It was only in the 1960s that Mozambican traders appeared in rural areas. The initial objectives were to extract resources and surpluses, both for export and to supply the large concentrations of workers on the plantations and to satisfy the growing demand from the urban centres. The variety of supply increased and in recent decades, trade was a prosperous activity, considering the growing purchasing power of the population due to the increase in production surpluses, growing proletarianisation and semi-proletarianisation, and other factors" (Mosca, 2005)[35].

[33] The main functions of the public agricultural marketing companies and agencies were as follows: to ensure supplies to urban centres and build up food security reserves; to stabilise prices around those set administratively; and to ensure the purchase of surplus products from peasants in regions with poor commercial network coverage. Mosca, João (2005). *Economia de Moçambique, século XX*. Editora Piaget. Lisboa.

[34] According to Mosca (1989), it was only in 1966, with the preparation of the Third Development Plan, that the first systematic survey of the commercial network in Mozambique was carried out". Mosca, João (1989): A Estrutura Agrária de Moçambique no Período Pré-independência. Maputo, Ministério da Agricultura, mimeografado.

[35] Mosca (2005). Ibid. Page. 109.

Light industry[36] emerged on the same perspective: replacing imports and carrying out the first processing for export of agricultural raw materials (Mosca, 2005)[37]. Corn mills, rice husking and flouring of (imported) wheat, the edible oil industry, textiles, animal feed factories, sugar, cashew, copra, sisal, tea, among other agro-industries, emerged. With the emergence of medium-sized and large farmers and the corresponding increase in the use of equipment, the industry of implements, trailers, fertilisers, and pesticide mixtures emerged, among others. The construction industry experienced a major increase, especially after the 1950s, as a result of urbanisation and infrastructure.

The colonial State has always had an important influence on the economy, both through its regulatory and supervisory activities, and through investments in structuring sectors of the economy (passenger and goods transport) and investments in infrastructure and services related to energy production that complement the private activity in these sectors.

In summary, the economic structure of Mozambique after the *Estado Novo*, according to Wuyts [38], had the following main characteristics, between 1890 and 1926: labour reserve for South Africa and plantation economy; 1926 to 1960 as the period of economic nationalism for the production of raw materials for the metropolis, exchange of manufactured products; and, from 1960/63 to 1973, as the period of capital restructuring in the colony.

Colonisation had in mind the dream of building a Portuguese overseas "empire", based on an increasingly "local" administration and benefiting from the formation of a politically and culturally assimilated black middle class, and the economic integration of the "Portuguese" space, taking into account the continuity of occupation since the 16th century[39], and, more intensely, after the Berlin Conference. The aim of this "empire" was to develop capitalism in Portugal (which was more backward than in other European countries), through a division of labour that would ensure the development of industry and services, while at the same time allowing the emergence of accumulation capitalism in the "overseas" territories based on agriculture, rural trade to capture agricultural surpluses, rail-port services, foreign currency from labour emigration, and natural resources. This strategy also had a territoriality for the establishment of economic activities and urban spaces that was shaped over decades and centuries. In other words, power, conflicts, capital, extractivism and territory are characteristics of society and the economy that have remained in place for centuries in Mozambique. The territorial division of Mozambique's economy since the beginning of the 20th century, with the

[36] In 1970, the food and textile industries accounted for 48% of the total manufacturing industry. Mosca, Joao (2005). Ibid.

[37] Leite, Joana H. M. F. P. Pereira (1989). *La formation de l´économie coloniale au Mozambique. Pacte coloniale et industrialisation: du colonialisme portugaise au réseaux informels de sujétion marchande – 1930/1974.* Doctoral Thesis. Paris, Grenoble, Hautes Etudes des Sciences Sociales.

[38] Wuyts, Marc (1980): "Economia Política do Colonialismo em Moçambique". *Estudos Moçambicanos,* Nº 1. Maputo, Centro de Estudos Africanos. See also Mosca, João (2007): *Salazar e a Política Económica do Estado Novo*. Lusíada. História, Série II, Número 4.

[39] "The Portuguese arrived in Mozambique in 1498 and the colonial administration was set up three years later, with the territory remaining dependent on the State of India until 1752. In 1569, Mozambique was elevated to the status of captaincy-general, encompassing the Sofala and Monomotapa regions. The occupation of Mozambique began in 1507, but according to historian Luiz Felipe de Alencastro, the Portuguese penetration of Mozambique was very fragile, especially when compared to the conquest and occupation of Angola, on the west coast of Africa". http://historiacolonial.arquivonacional.gov.br/index.php?option=com_content&view=article&id=3053&Itemid=327

predominance of services and emigration in the south, large plantations in the centre and connections through the Maputo and Beira corridors, the north has been transformed into an agriculture producing goods by small producers and a rural commercial network that acquired or exchanged these goods for industrial products.

After the 1960s and with the emergence of independence movements, groups of settlers emerged in Mozambique, mainly businessmen who had accumulated in the territory, with initiatives that sought a white independence inspired by Ian Smith's Unilateral Declaration of Independence in Southern Rhodesia. These movements wanted a "white" independence as an opposition to the liberation movements (especially Frelimo) and were also dissatisfied with some of Lisbon's economic measures that strangled the colony's entrepreneurial and capitalist development (as a result of the colonial pact). These initiatives were unsuccessful and were violently attacked by Frelimo soon after the signing of the Peace Agreement in Lusaka on 20 September 1974.

THE "SOCIALIST" EXPERIENCE IN MOZAMBIQUE[40]

In the post-independence period, there was an intention to set up a socialist system, but it collapsed for various reasons: (1) maladaptation of the model to the Mozambican reality, in particular as to the existence of a working class (in numbers and possessing a class consciousness "in itself" and "for itself"); (2) radicalised application of the political principles and planned economy (nationalisation and cooperativisation of the economy and central planning excluding informal small-scale economies; (3) sidelining of the agricultural sector and small producers; (4) the "villagisation" (communal villages) of the rural population, which also had the political objective of controlling the population and establishing power structures at grassroots level, in addition to the narrative of the socialisation of the countryside; (5) the collapse of the socialist bloc with which political and economic co-operation had been established; (6) the civil war that began in 1977[41] with the support of the then Southern Rhodesia, South Africa and Western powers and, on the side of the Mozambican government, the socialist countries of Europe, Cuba, China, Algeria and Morocco. It should be noted that Mozambique, for its part, supported Robert Mugabe's Southern Rhodesian liberation movements, the Zimbabwe African People's Union (ZAPU), in military training and logistics, guerrilla actions inside Southern Rhodesia and diplomatically. The other main liberation movement in Zimbabwe, Joshua N'Komo's African National Union, was not fully sympathised with by Frelimo, nor by other movements that later took power, such as the MPLA (Angola) and the ANC (South Africa)[42].

The collapse of the economy and the unsustainable political and military crisis caused by the civil war forced Mozambique to sign the N'komati Agreement with South Africa, and to enter the Lomé Convention and the IMF and World Bank (WB) and consequent adoption of the Structural Adjustment Programme, which began in January 1987. The agreements between the

[40] This section is based on the book by Mosca, João (1999). *A experiência socialista em Moçambique,* 1975-1986. Editora Piaget. Lisboa.

[41] In reality, the first military confrontations took place in 1976. Renamo officially considers 1977 to be the beginning of the conflict, justifying it as a war against communism and for democracy, given the III Frelimo Congress in 1977, which proclaimed a Marxist-Leninist party and the socialist option as a political and economic strategy and objective.

[42] The reasons for the positions of Mozambique and Frelimo in relation to the two liberation movements in Zimbabwe have historical roots, the description of which is marginal to the subject of this paper.

Mozambican government and the Bretton Woods Institutions (BWI) resulted in the following: (1) privatisation of the State sector of the economy and an end to the processes of cooperativisation in agriculture, while maintaining a large State presence in the sectors referred to above as structuring the economy; (2) end of centralised economic planning and a return to a market economy, although with continued State direction, directly and indirectly, through fiscal and monetary policies and through public companies and/or shareholdings in privatised companies; (3) opening up the economy to foreign investment, especially in the sectors of natural resources, export agriculture and the "transit[43]" industry, offering significant tax benefits and operating and logistical facilities; (4) development of national capital, especially related to the logistics of major investments ("mega projects"), such as ports and rail and road transport, and services (real estate, hotels, restaurants and passenger transport); (5) continued marginalisation of small-scale agriculture and food production; (6) structuring relations with the outside world on two pillars: foreign investment and international aid/cooperation; (7) bi- and multilateral cooperation with the presence of non-governmental organisations that are functionally articulated to facilitate the actions of multinationals, to influence domestic policy and in international concertation (e.g. representations in international organisations); (8) direct and indirect military support, both during the civil war and in the war in the Central Zone and in Cabo Delgado, through military training, equipment and logistics and the presence of foreign troops (Tanzanians and Zimbabweans in the civil war and Rwandans and a number of other African countries, Portugal and other European and Asian countries in the war in Cabo Delgado).

This period (1975-1986) can be considered a short-lived period in which a break with the political and economic past was intended, but which, in reality, was neither long-lasting nor intense enough to create alternative dynamics.

THE ECONOMIC REHABILITATION PROGRAMME[44]

The Economic Rehabilitation Programme (PRE - acronym in Portuguese) PRE represents the adoption of the Structural Adjustment Programmes (SAPs) model, implemented under the "influence"/pressure of the BWIs, which could imply significant losses of sovereignty for the adopting countries[45]. The reforms began before PRE was made official (January 1987), with some liberalisation measures, for example, on the prices of products on consumer markets, bringing the official market closer to the then called "black" market. The main measures from 1987 onwards were the following: (1) an end to central planning and control over the allocation of financial and material resources, which until then had been concentrated in State companies; (2) liberalisation of markets (prices); (3) privatisation of State companies, with the exception of those considered to be "strategic" / structuring the economy, which were transformed into public companies ("State business sector") or with State participation; (4) devaluation of the national currency; (5) strong devaluation of the currency and consequent effects on exchange and interest rates, (6) opening up to foreign investment.

[43] A "transit" industry is one that processes raw materials obtained in other countries and exports the final or semi-finished product to other countries. This expression has its roots in the industries that fulfil the same function in Mexico, known as "*maquiladora*" industries. In Mozambique, it is the case of MOZAL.

[44] This section is based on the chapter on The Structural Adjustment Period (1987-2000) in the book by Mosca, João (2005). *Economia de Moçambique,* século XX, Editora Piaget. Lisboa

[45] These programmes were and are implemented in countries with serious economic crises, especially high inflation, budget deficits and external debt, low or negative growth and conflict risks.

The way PRE was implemented involved: (1) privatisation on the cheap for the benefit of Frelimo elites with no business or productive tradition, which resulted in the shutdown of many companies and deindustrialisation[46], in favour of imports of goods and services, creating, on the basis of Frelimo's political and military elite, a new, corrupt, promiscuous rentier elite[47] [48]; (2) sacrifices in employment and in household purchasing power, and unemployment; (3) a restrictive monetary policy with high interest rates and credit restrictions, making it difficult to invest with national resources. It should be noted that the impositions of the BWI have continued to this day, especially at the Bank of Mozambique and the Ministry of Economy and Finance.

The major investments ("mega projects") began at the end of the 20th century, starting with Mozal (an aluminium smelter), the resumption of coal mining (in Tete), heavy sands and rubies, and the continuation of gold and precious stones mining, the resumption the production of tobacco, cotton, and cashew, the construction/rehabilitation/increase in infrastructure capacity to serve the major investments (Nacala airport and railway line, Sena railway line, rehabilitation of national roads No. 1, 4, 6 and 7, bridge over the Zambezi River in Tete, among others). These investments were funded by foreign direct investment, loans and foreign donations. The Mozambican State was "bankrupt" and inefficient, and domestic capital lacked investment capacity, not only because of the entrepreneurial tradition and culture of Mozambicans, but also because of low domestic savings, high interest rates, the country's risks and the elite's assault on the assets and businesses of the then private and State companies after independence.

---

[46] Castel-Branco, Carlos Nuno (2003). *Indústria e Industrialização em Moçambique: Análise da Situação Actual e Linhas Estratégicas de Desenvolvimento*. I Quaderni della Cooperazione Italiana No. 3/2003. Maputo.

[47] Brito, L. (2009). *Moçambique: de uma economia de serviços a uma economia de renda*. IDEIAS, Boletim Nº 13. IESE. Maputo

[48] There is ample evidence of generalised and endemic corruption among the elites and in the State apparatus. Corruption in schools and universities to pass exams, in hospitals to wait in queues, the granting of DUATs, participation in companies without or with a symbolic disbursement into the company´s social capital, commissions received monthly as "local partners" to influence decision-making circles, access to decision-making centres and, as a paradigmatic example, the case of the "hidden" debts. Promiscuity is present in many State officials, such as the limits of the principle of republican ethics between public and private interests and the misuse of public assets, including perks that can be considered obscene. See Centro de Integridade Pública (2014). "*Uma análise socioeconómica dos salários e regalias do Presidente da República e dos deputados da Assembleia da República*". CIP. Maputo.
In O País of 16/0472020, it can be read: For example, of the 2.9 billion Meticais, the "largest sum is earmarked for current transfers, which include expenses such as medical care and medication, payment of quotas to international organisations, funeral allowances, reintegration allowances and the sum also includes a pension fund for retired MPs. There will be 1.3 billion (1 356 836 776.58) to be spent. This is followed by expenses with MPs' salaries, house rent allowance, constituency allowance and installation allowance, besides transport allowance, attendance tickets and allowances for travelling in and out of the country. These expenses will cost the State coffers 1.2 billion meticais (1,202,263,255.31).
Goods and services will cost the State coffers more than 275 million meticais (275 135 187.60). In addition to goods that Parliament's budget doesn't specify, these include fuel and lubricants (this expense alone will consume 28.2 million meticais). Overall, the goods are valued at 83.7 million meticais.
As for services, there are no specifics in the budget either. All that is known is that they include general communications and money to be spent on working committees and the offices of Parliament's national groups. These services (including those not specified) total 191.3 million meticais.
The salaries of Parliament's secretariat-general staff will consume 186 million meticais (186,914,940.00)." Accessed on 09/05/2023. https://opais.co.mz/das-regalias-salarios-e-investimentos-parlamento-vai-consumir-29-bilioes-de-meticais-este-ano/.

Domestic capital has been invested in complementary investments and in sectors that are unattractive to foreign capital (passenger transport, real estate, hotels and restaurants and some logistics), mainly due to a lack of competitive capacity[49], meaning that there are weak inter-sectoral relations, innovation and significant investments as a result of the implementation of major investments. When crises arise in the activities of major investments, national companies, being dependent on demand, also fall into crisis [50].

Major investments have generally had significant production variability due to international prices and markets and, consequently, instability in the complementary local business tissue and in the country's foreign revenues, despite the fact that between 60 and 70% of the country's foreign currency is derived from exports by these foreign investments (aluminium and natural resources)[51].

Foreign capital operates in the country with great comparative advantages over national capital and possible competition with some countries in the area, in terms of tax benefits, and consequently makes little contribution to public revenue, little local reinvestment of profits, and great mobility of technicians and political support[52], lack of supervisory and auditing capacity of specialised State bodies. Multinationals develop what is known as "social responsibility", which has taken the form of small investments in places where the population is negatively affected or subject to resettlement (schools, health centres, distribution of seeds and agricultural inputs), with the aim of mitigating the negative effects[53]. On the other hand, there is the opinion that instead of these actions, which can be demagogic and deviate from possible demands, multinationals should have fewer tax benefits, and the State, within the framework of its functions, could carry out these actions with priority for the areas affected by negative effects, or take measures to prevent them from happening, defending the rights of the concerned citizens.

The main problems arising from the activities of major projects are generally the following: (1) occupation of land without due consultation and respect for the rights of the concerned populations, and often without respect for the Land Law [54] by the public administration; (2)

[49] These include price, quantity (scale) and risk (continuity and quality of supply), among other aspects.

[50] This was the case for the domestic business community in Tete, when there were fluctuations in coal production, essentially due to prices and international demand for this energy source.

[51] On this subject, see Castel-Branco, Carlos Nuno (2008). *Mega Projectos em Moçambique: Que Contributo para a Economia Nacional?* Fórum da Sociedade Civil sobre Indústria Extractiva. IESE. Maputo.
"The positive contribution of mega-projects to the Mozambican export agenda is indisputable and, to date, this is the second positive factor of these companies for the national economy. On the other hand, we should not forget that they have a very small impact on the growth rate of GDP and unemployment, generate little tax revenue and are concentrated in the extractive sector." Page 96 in Mucanze, Nelson Alberto (2016*). Investimento direto estrangeiro em Moçambique: aspectos positivos e negativos.* Araraquara - S.P.

[52] "I was there from the beginning, when President Chissano held a meeting in Tete and asked me to help the company." Marina Amaral (2016), https://landportal.org, accessed 19/04/2023.
The President of the Republic (Armando Guebuza) "launches the start of operations at the Moatize coal mine". Tete provincial government website, accessed on 19/04/2023.

[53] See, for example, Selemane, Thomas (2016). Between the Implosion of El Dorado and the continuous degradation of the living conditions of the resettled. Observador Rural Nº 45. OMR. Maputo.

[54] Example of the allocation of 7,000 hectares to Rovuma Basin LNG Lando Limitada (RBLL), on the Afungi peninsula, Palma district, Cabo Delgado, for the construction of a natural gas liquefaction plant. "RBLL is a company set up in 2012 by Anadarko Mozambique Area 1 (AMA1) and Empresa Nacional de Hidrocarbonetos (ENHP, E.P)," in Folha de Maputo, 19/05/2015, accessed on 19/05/2023.

resettlement with disadvantages in terms of production conditions, types of residence, housing planning, distances to basic services, access to transport, among other aspects[55].

As can be seen, all the productive sectors (agriculture, mining, and infrastructure) have a territoriality of implantation, as well as the main urban settlements, which remain identical over decades or even centuries. Since the colonial period, the State has had similar functions over time and its main characteristics have remained the same, namely: defence of established power (preservation or conquest), if necessary by force (wars); an economic tissue subordinated or influenced by the power that guarantees the reproduction of elites who articulate power and business; bureaucracies that facilitate business dominated by alliances of interests, internal and external, in favour of the latter. These realities shape extractivist and extroverted economic structures, with the State bureaucracies taking on the role of "facilitator" of business through laws and public policies that are favourable and applied discriminately (between internal and external capital) and exemptions, creating legislative and capital supervision weaknesses, and intervening directly in the economy with public companies (State-owned during the "socialist experiment"), the vast majority of which are chronically in deficit, lack management autonomy from the State, are poor servants of the public and users, and pay their managers high salaries plus benefits. State companies are controlled by the administration and are an important distributor of resources and permissive in terms of the boundaries between private and public, allowing the reproduction of politicians-entrepreneurs and entrepreneurs-politicians, under the cover of the State and the Frelimo party.

THE EVOLUTION OF CAPITALISM (SUMMARY)

It can be observed that international capitalism acted in different ways from the beginning of colonisation, an aspect directly related to the system and the development and political systems in Portugal and of the colonial powers, and the power relations between them, globally and regionally. Initially, in the purely extractive period, the capitalism of the colonial powers, still in the final phase of feudalism and incipient capitalism (or perhaps classified as commercial capitalism - mercantilism[56]), supported by the respective governments, found articulations with the local hierarchies, whose extractive and agricultural production systems existing in the territories can be considered feudal/slavery [57].

[55] For a general reading, see Mosca, João e Selemane, Tomas (2011). *El Dorado Tete: os mega projectos de mineração*. CIP. Maputo. See also Selemane, Thomas (2016). Between the Implosion of El Dorado and the Continuous Degradation of the Living Conditions of the Resettled people. Observador Rural Nº 45. OMR, and Teles de Azevedo Artur Manhique (2022). Reassentamento e direitos sociais das comunidades locais em Moçambique. REVES, Revista de Relações Sociais, Vol. 5; núm 2. Lisboa.

[56] Mercantilism was a set of economic practices and ideas that prevailed in Europe from the 15th to the 18th centuries, in the transition between the end and crisis of feudalism and capitalism and between absolutist kingdoms, the strengthening of the national State and the modern State. The wealth of the nations in formation lay in the accumulation of precious metals (which justified the colonial powers' demand for gold, copper, precious stones, and ivory) to strengthen the monarchies (power), in the State's intervention in the economy (as a driving force and investor in the "discoveries" and the nascent industry), in the positive trade balance and in protectionism. Thomas Mun is one of the initial theorists of mercantilism as a political economy, and one of the main critics was, for example, David Hume.

[57] C.E.R.M.'s book describes this mode of production, integrating historical, cultural, and economic aspects and "modernity", calling into question the succession of the five modes of production, considered dogmatic. With regard to the African mode of production, the same book also rejects the five phases, pointing out that in vast areas of Africa, social organisation was previously based on what it calls "primitive

After the purely extractivist phase and the partial occupation of the territory (sea coast, river valleys, and trade routes) as well as commercially through trading posts, an economic system developed which, while still extractivist/mercantilist and outward-looking, moved on to an equally extractivist and outward-looking agrarian and commercial capitalism, and, finally, to the stage of Portuguese late industrial capitalism[58] after the *Estado Novo* and with a philosophy of economic nationalism (protectionism) in relation to other powers´ economic interests in relation to the Portuguese colonies. Finally, there is the financialisation of capital, whose operating strategies are associated with the world's major financial companies ("financialised" capitalism)[59] which, whenever possible, exert influence or invade national sovereignty with the so-called "conditionalities" / impositions of monetary and budgetary policy through the IMF and the development projects financed by the World Bank and multi- and bilateral cooperation. The actions of the BWIs transmit signals about the business environment and economic risks to other banks (European Central Bank, African Development Bank, etc.), multinationals and donor countries.

The "socialist" phase was characterised by an economic system of State monopoly capitalism[60]. "…the State has functions of repression, integration and promotion of the general conditions of production, guarantees the hegemony of the ruling class by acting not only in the sphere of the superstructure, but also in the sphere of production" (Mandel, 1982)[61]. Above, reference was made to the failure to apply a socialist political and economic model that was transformed into State capitalism, due to the concentration of production and distribution of resources through administrative planning decisions without taking the market into account (especially in relation to the "formal" economic tissue). Private accumulation was partially replaced by State accumulation and the distribution of resources via the markets gave way to the privileged allocation of benefits to party bureaucracies, public administration and State companies. Instead of the appropriation of "capitalist surplus value" (in Marxist terms), the appropriation of the State emerged.

---

community" and "tribal society" or "patriarchal tribe", where subsistence, based on hunting and gathering ("collecting"), did not allow for individual/private accumulation. It was the head of the clan (patriarch or head of the family) who distributed subsistence goods and land to family members and members of the village/community. In both the African and Asian cases, the feudal mode of production was rejected, advocating an immediate transition to capitalism or, in other realities, the transition from feudalism to socialism, as advocated by Mao Zedong and Chinese authors and scholars of the Chinese process. C.E.R.M. (1974*). O modo de produção asiático*. Seara Nova, colecção Universidade Livre. Lisboa.

[58] See Mandel, Ernest (1982). O capitalismo tardio. São Paulo: Abril Cultural (Série Os Economistas) and Baran, P. A.; Sweezy, P. M. (1966). *Capitalismo monopolista: ensaio sobre a ordem econômica e social americana*. Rio de Janeiro: Zahar.

[59] See Mosca, João and Dadá; Yasser Arafat (2023). Financialisation and agrarian extroversion in Mozambique. Destaque Rural Nº 202. OMR. Maputo.

[60] Sweezy, P. (1974). Sobre a Teoria do Capitalismo Monopolista. In: Magdoff, Henry (Org.). Teoria e História do Capitalismo Monopolista. Porto: Firmeza.

[61] Rocha, Islânia Lima da (2018). *Capitalismo monopolista, Estado e serviços sociais: a indissociabilidade entre funções econômicas e políticas para a preservação e o controle da força de trabalho*. Universidade Federal de Alagoas. Anais do 16º Encontro Nacional de Pesquisadores em Serviço Social.

After the adoption of the PRE, there followed what can be called an "economy of abundance[62]" (between the first years of this century and the middle of the second decade) within the framework of a financialised economy, increasingly dependent and extroverted, with a State that was weakened in some respects (legislation and legislative power, supervisory capacity, and a bureaucracy that distributes resources and business, lacks transparency and protects economic interests, including corruption). As before, the dominance of external capital, manifested in investment and extroversion (export of goods and of capital), is concentrated in natural resources and agricultural commodities, and in infrastructures that serve the flow of related goods, and an domestic capital, secondary and based on services related internally to external investment. The Mozambican economy is becoming more and more narrowly focused with few economic sectors, spatially concentrated, with little job creation and undesirable social and public health effects [63].

At this stage, there has been an increase in rent-seeking elites, whose external manifestations of wealth do not correspond with their known and legal activities, and an increase in cases of corruption. Trafficking in drugs, ivory and timber, the involvement of police officers in crimes of different kinds, "ghost"[64], companies, hidden debts, the "kidnapping industry", drug trafficking, etc. have become a reality in the country's daily life, in the media and with cases in court. Mozambique is already classified as one of the most fragile States in the world[65], with a strengthening of authoritarianism [66], classified in the "grey zone" in the classification of countries at risk of terrorist financing and money laundering[67] and the possibility of being classified as a failed State is great.

---

[62] An economy characterised by rapid expansion, with extraordinary inflows of external resources and the emergence of a local business sector, mainly related to external investment, the construction of infrastructure and the provision of services, with the creation of some employment and self-employment opportunities and the emergence of informal economies. In this period, there is the idea and perception that there are abundant resources which, in many situations, are used inefficiently and in non-essential activities. On this subject, see, for example, Ocampo José Antonio (2007). *La macroeconomia de la bonanza económica latino-americana*. CEPAL Journal No. 93.

For the case of Mozambique, see Mosca, João, Abbas, Máriam, and Bruna, Natacha (2013). *Economia de Moçambique 2001-2010. Um mix de populismo económico e mercado selvagem*. Escolar Editora. Lisboa.

[63] Mosca, João (2023). *Economia moçambicana em processo de concentração sectorial, territorial e social*. Destaque Rural Nº 199. OMR. Maputo.

Mosca, João e Selemane, Tomás (2011): EL DORADO TETE: *Os megaprojectos de mineração*. Centro de Integridade Pública. Maputo. Selemane, Thomas (2016), cited work.

[64] Ghost companies are those in which there are partners with no or only a symbolic amount of capital in the companies' corporate structure and whose participation is aimed at political "protection" and making it easier to carry out certain business deals, including non-compliance with legislation.

[65] According to the Fragile States Index, in 2022 Mozambique ranked 21st worst out of 179 countries assessed, having worsened successively since 2017.

"In summary, and focusing on the essential aspects, a fragile State is characterised by not being able to ensure full peace and security for its citizens, not being able to respect and enforce the human rights and freedoms of its citizens, having public institutions with limited capacity to legislate, execute, supervise and sanction, being vulnerable to external economic shocks, not being very resilient to climate change, and therefore being a generator of potential or actual social conflicts." https://landportal.org. Ceased 19/04/2023.

[66] Mozambique's classification as a "hybrid regime" was changed to "authoritarian regime" in 2018 (The Economist, 2019).

[67] "Mozambique is to be included on a list of countries that have failed to meet the latest international criteria for preventing and combating the financing of terrorism and money laundering set out by the Financial Action Task Force (FATF). A crucial meeting of the group will take place on 21 October 2022 in

In short, the ways in which capital has acted have been related to the development of societies and production systems ("modes of production" in the Marxist concept). Capital initially took on the mercantilist phase (gold, precious stones, and ivory routes), followed by a system that can be called feudal (*Prazos da Coroa*), a capitalist transition with the chartered companies which maintained feudal characteristics, , then, late capitalism (from the *Estado Novo* in Portugal to independence), with a short period of State monopoly capitalism with a socialist narrative, and, finally, an extroverted, financialised and dependent "wild" capitalism..

At each stage, the different "capitalisms" found functional ways of articulating with local production systems. A wide-ranging debate seeks to "fit into" or refute the application of the theory of Marxist modes of production and Rostow's stages[68] to African realities. The "Asian" and "African" modes of production emerged"[69]. The African reality found in contacts with other civilisations can be considered typical of one of the theories mentioned, where there is a mixture of characteristics of primitive communism, slavery, and feudalism, which has been adapting to the systems of other modes of production imported from abroad for centuries. In the Mozambican reality, the resistance/absorption/adaptation of these systems took place through the development of reciprocal functionalities with colonialism and also, until the end of the 1950s, through coercive methods, such as the practice of compulsory labour in the construction of infrastructure, in agricultural crops of interest to agricultural capital (cotton being the paradigmatic example), in internal but above all, external, migrations to 'South Africa and Southern Rhodesia (now Zimbabwe) and, through the payment of the hut tax "*mussoco*)[70] and the protectionist policy of the *Estado Novo* (until the mid-1950s). These "events" forced adjustments in the production systems and the organisation of family economies. The most accentuated transformation took place during the capitalist phase, developed by the *Estado Novo* in Portugal and within the framework of the colonial pact, with the integration of local economies into the capitalist system through three main ways: integration of family farming into the market, creating surpluses to satisfy new demands; encouragement of small formal and informal businesses; wage-earning or semi-wage-earning, which generates more monetary income and increased production for exchange; emigration; and then the economic policy reforms of the *Estado Novo*[71] and international contexts.

Paris, France, at which time Mozambique will become part of this 'Grey List', with severe consequences for the economy," Carta de Moçambique, 11 October 2022.

[68] The Marxist modes of production are as follows, in historical sequence (with criticism of the evolutionary mechanism of history): primitive communism - slavery - feudalism - capitalism and socialism as a transitional phase to communism. Rostow considers the following stages: traditional society - preconditions for take-off - march towards maturity - and the age of mass consumption. Rostow, W. W. (1978). *Etapas do desenvolvimento económico: um manifesto não-comunista*. 6ª. edição. Zahar, Rio de Janeiro.

[69] C.E.R.M.'s book, in relation to the African mode of production, rejects the five phases of the evolution of societies, pointing out that in vast areas of Africa, social organisations were previously based on what he calls "primitive communities" and "tribal societies" or "patriarchal tribes", where subsistence, based on hunting and gathering, did not allow for individual/private accumulation. It was the head of the clan (patriarch or head of the family) who distributed subsistence goods and land to family members and members of the village/community.

C.E.R.M. (1974). *O modo de produção asiático*. Seara Nova, Colecção Universidade Livre. Lisboa.

[70] The Indigenous Labour Code was published in 1928 and the Colonial Act in 1930: but the use of forced labour continued until the 50s. The *chibalo* was abolished in 1961.

[71] Mosca, João (2007): "Salazar e a Política Económica do Estado Novo". História, Série II, Número 4, pp. 339-364. Lusíada. Universidade Lusíada. Lisboa.

3.5 Conflicts

The countries on the east coast of sub-Saharan Africa are currently the scene of different types of radical Islamism conflict, which can be understood in some way as civilisational conflicts on a global scale and economic influence, both with secular roots[72]. In addition to the religious/civilisational component [73], the conflicts were a struggle for the control of trade routes (gold, ivory, precious stones and slaves), involving the Muslim and Western presence (mainly Portugal, Germany, Belgium, Italy, France and England). In addition to the disputes between powers outside Africa, the disputes were associated with different types of alliances with local empires and kingdoms, seeking, on the one hand, to facilitate penetration into the colony and, on the other, to obtain material benefits from the exchange of military weapons for use in internal conflicts[74].

At the beginning of the 20th century and after the Berlin Conference, including during World War I, there were border disputes between the colonial powers (Portugal, England, and Germany) in southern Africa[75]. In Niassa and Cabo Delgado there were military disputes with the Germans.

---

[72] "Until 1530, the Portuguese merchants tried unsuccessfully to fight off not only the blockade by the Arabs, who had turned Angoche into a new gold outlet centre, but also the blockade by certain Shona dynasties of the passage of goods from the coast to the interior. It was only after this date that the Portuguese decided to penetrate the Zambezi valley to find the sources of production, building trading posts in Tete and Sena (1530), and in Quelimane in 1544. This was not an attempt to control the gold supply routes, but rather to access the producing areas.
In this initial period, Portuguese penetration into the interior was aimed at setting up a system of alliances with the local ruling classes, in order to create favourable conditions for mercantile capital to operate". https://www.universidademz.com. Accessed on 20/04/2023.

[73] See Huntington, Samuel (1997). O Choque das Civilizações e a Recomposição da Nova Ordem Mundial. Rio de Janeiro: Objetiva.
For a critical analysis of this controversial work, see Uma crítica à tese do Choque de Civilizações. Fórum Pluricom https://www.pluricom.com.br/forum/uma-critica-a-tese-do-choque-de-civilizacoes. 11 de Janeiro, 2006.

[74] Cecil Rhodes obtains from Ngungunhane, in exchange for a thousand rifles, ammunition and an annual cash subsidy, the concession to exploit minerals and access to the sea. Ngungunhane receives a silver cup, a gift from Queen Victoria of the United Kingdom.
Ngungunhane is surprised by the speed of events and the radical change in Portuguese behaviour. He decides once again to play in the conflict between London and Lisbon, but his request for protection from Queen Victoria of the United Kingdom goes unanswered. The Portuguese and British governments, unbeknown to him, had reached an agreement on the delimitation of African territories, signing an agreement in June 1891 in which Gaza was unquestionably part of Mozambique. The emperor was ordered to assume his position as a subject of Portugal and could no longer expect British support. On this subject, see Pélissier, René (1988). *História de Moçambique: Formação e oposição (1884-1918). Lisboa. Estampa, and Santos*, Gabriela Aparecida dos (2007). *Reino de Gaza: o desafio português na ocupação do Sul de Moçambique* (1821-1897). Universidade de São Paulo. Brazil.

[75] The British ultimatum of 11 January 1890 imposed the immediate withdrawal of Portuguese forces from the region of the Shire River (Nyasaland) and the lands of the Macololos and Machonas (present-day Zimbabwe). In the event of disobedience, the British government threatened Lisbon with a naval blockade and armed action. At the time, in contrast to the Portuguese ambition to dominate the so-called rose-coloured map, the British had a dream of linking South Africa to Egypt by rail. "To force the Portuguese to back down, Queen Victoria's government issued an ultimatum to Portugal in 1890. The king of Portugal, faced with greater British military and economic power, albeit protesting, backed down from Lisbon's imperial ambitions." Ruano, António (1973). Portugal no Século XX - 1908. RTP. https://ensina.rtp.pt. accessed 20/04/2023.

After the so-called "pacification" of the territories, the war for independence emerged (10 years, from 1964 to 1974), the civil war (from 1977 to 1994), with the involvement, in both cases, of the "regional powers" (South Africa and Southern Rhodesia). According to some scholars, the civil war is interpreted as an extension of the Cold War in the face of the domination of the Indian Ocean and the region by the socialist bloc in Europe and China. "Political forces inspired by apartheid and the unilateral independence of Rhodesia wanted an Africa of white governments. The great economic interests, the wealth of natural resources, the strategic position, and the ideologically radicalised regimes instrumentalised by external forces, with internal alliances, placed the countries and the region in the orbit of the Cold War. Henry Kissinger referred to the "communist pincer" (Angola and Mozambique being the "arms" of the pincer), and the "prey" being South Africa. The conflicts became regionalised, without any relevance to the role and political and military capacities of the former coloniser (Portugal), where the regime had also changed and became fundamentally focused on integration into Europe (1980s)[76]." Previously, at the time of Southern Rhodesia's unilateral independence in 1965, proclaimed by Ian Smith, England imposed an economic embargo and placed a navy fleet in front of the port of Beira with the aim of preventing any goods from entering or leaving Southern Rhodesia, now Zimbabwe[77].

Mozambique was directly and militarily involved (albeit undeclared) in the wars against apartheid in South Africa and for independence in Rhodesia against the white regimes of the time. Between the liberation movements there were differentiated collaborations based on ideological positions, geostrategic political and military positions, and for economic reasons, and within the framework of the disputes between the socialist/communist blocs and the West/NATO[78].

The current war of (or in) Cabo Delgado can be associated with areas of economic interest (mainly natural resources) of various powers, materialised in the gas race. The objectives of this war could be: "(1) to reduce the possibility of changes in the current (un)balance in the energy market, with the entry of large quantities of gas, possibly strengthening the position of some multinationals and countries, as well as effects on prices, even considering the economic and technological disadvantages of gas, but less environmentally, compared to oil; (2) control of the Indian routes by the United States of America and France, not only to control drug trafficking and other natural resources, illegal migration and maritime piracy, but also for military and economic control of the area; (3) hindering the Chinese (mainly) and Indian "penetration" in Africa, whose strategy is to gain access to resources (especially gas), relocate labour-intensive industries producing goods to low-income demands, with cheap wages and land, closer proximity to major markets, as well as to "export" the emission of environment polluting gases due to the technologies of these industries, with a view to these countries specialising in the

[76] Mosca, João (2010). Encruzilhadas da África Austral. JANUS 2010 anuário de relações exteriores. Lisboa.

[77] The author's personal knowledge/experience.

[78] "At an informal gathering for an anniversary celebration, it was said that among the liberation movements there was a supposed separation between "pure" and "non-pure" liberators, the former closer to the USSR and the latter to China. For example, FRELIMO, the South African ANC, Angola's MPLA, Zimbabwe's ZANU and the Tanganyika African National Union (TANU) belonged to the "pure" movements. The "non-pure", among others, were the other movements in Mozambique, UNITA and the FNLA in Angola, and ZAPU in Zimbabwe. It is interesting to see how these "divisions" persist (or have repercussions) throughout the period of this study, namely in the post-independence phases and in the internal conflicts within the liberation movements, between them and after independence", Mosca, João (2022). *ADN Frelimo. Poder e negócios*. CIP. Maputo.

latest generation technology market and transforming/specialising in the "new economies". In addition to conjectures about the external causes and interests associated with this war, internal factors cannot be ignored, such as the context of internal social and economic vulnerability, elements of an ethnic nature and the potential reason for young Mozambicans joining the insurgent movement[79].

In summary, the Indian coast of Africa and the Indian Ocean as a whole were (and are) the scene of various local and international conflicts with different types of alliances (between the colonial powers against Arab influence and presence, and against local kingdoms and empires), always in search of military, political, economic and commercial domination, where the confluence of interests of the Arab powers stands out, firstly, and henceforth until today, of Western powers (former colonial powers and the USA), against the influence of China and India, with the aim of dominating territories, both for occupation and for religious and economic influence; from gold, ivory and precious stones, to slavery, oil and gas, coal and rubies, wood and ivory, cheap labour, brain drain. Occupation (power) - economy - wars are historical realities in this part of the world, including Mozambique.

There are also countless social and labour conflicts, especially where there has been heavy and concentrated investment, such as in the ruby mines in Cabo Delgado, heavy sands, coal, sugar companies and the urban peripheries (mainly in Maputo and Matola).

The election results systematically give rise to protest movements with acts of violence and repression with disproportionate use of force by the police.

3.6 Relationships and external contexts

The nature of the goods and services produced and consumed, as well as their origins and destinations, have been changing, especially since the 17th century.

The Indian Ocean is an area that has always been present in Mozambican reality and throughout East Africa. From the silk road to the Arab and Swahili trade, from India to the then French islands; later, in the first decades of the 20th century, there were workers, technicians and capital from the Comoros and Mauritius in sugar production in the Zambezi valley, with this presence resuming after the privatisation of State companies in the last decade of the 20th century and the return of French capital to sugar factories in the same region.

The Indian Ocean has been the scene of conflicts over the dominance of trade, particularly during the period of the slave trade and, before that, the trade and presence of various civilisations.

Leaping forward in time, the Indian Ocean emerged in the second half of the 20th century as an important trading area for beans and grains, land purchases by European, Asian and Arab countries [80], investments, especially in Information and Communication Technologies (ICT) and infrastructure (roads and real estate), the return of Chinese and Asian traders along the coast and the extraction of natural resources (timber, precious stones and ivory); the importance of the global geostrategy of this area, where the US maintains a fleet of its navy with multiple objectives: (1) pressure on China at a time when this new world power is increasing its maritime

[79] João Feijó, a researcher at the OMR, has done a lot of work on this subject. See www.omrmz.org.
[80] See Mosca, João (2022). *Geoestratégia à volta da terra e território*. Destaque Rural Nº 172. OMR.

and economic influence in the region and in South Asia; (2) control of drug traffic and maritime piracy.

Southern Africa has been the scene of various disputes between empires and local kingdoms, between these and the colonising powers, territorial conflicts after the Berlin Conference, between British, German, and Portuguese colonisation, various types of regional and international alliances of influence in the wars of national liberation, the civil war and, lately, the wars in Mozambique in the central zone and in Cabo Delgado[81].

In economic terms, the common denominator in the relations between Portugal and Mozambique was the predominance of capital interests, which for centuries established alliances with some of the local political powers, taking advantage of pre-existing contradictions and conflicts. In the 20th century, the main regional alliance was formed with South Africa and Southern Rhodesia, followed by a short period of predominance of socialist countries from Europe, China, Cuba, and others. Finally, after the economic reforms of 1987, with the capitalist countries under the aegis of the Bretton Woods Institutions and other international organisations of the United Nations system and commercial banks, there was a greater intensification of capital concentrated in natural resources (coal, heavy sands, gas, gold, precious stones, wood, ivory, fish, etc.) and agricultural commodities.

In situations of declared crisis (hidden debts, COVID-19 and the war in Cabo Delgado, displacement/resettlement of people and climatic events), the government increases the levels of requests for military, financial and material aid, making clear the State's situation of shortage reflected in growing and persistent deficits in the General State Budget, internal and external public debt, and monetary policy options. On the other hand, there are contracts with major benefits of different kinds for multinational companies, in many cases involving acts of corruption and non-compliance with legislation.

Military relations are diverse, ranging from training to the supply of military equipment and the presence of foreign military personnel in Mozambique, reflecting significant losses of sovereignty in return for access to resources and business, which translates into outflows of capital and resources.

4. A BRIEF CHARACTERISATION OF MOZAMBIQUE'S CURRENT ECONOMIC STRUCTURE

This section highlights the fundamental features of Mozambique's economic structure, referring to its configuration throughout history.

Mozambique has a sectoral structure based on the primary sectors (agriculture and natural resources) that export with very little or no domestic added value, which influences the characteristics of foreign trade, with the predominance of imports of capital goods and exports of commodities. This is a characteristic of the 20th century economy, although there may be some changes in the relative weights of some goods. Gas, mines, aluminium, and tobacco appear with great sectoral weight. Services remain important and are growing, especially State services, ports, railways, and transport.

[81] Some of these aspects have been developed elsewhere in the paper.

With the exception of aluminium smelting, which processes alumina imported from Australia and smelts it into aluminium ingots, the manufacture sector is fundamentally associated with civil construction (infrastructures associated with transporting the production of major projects - railways and ports and national roads in the Beira and Northern corridors, real estate). These have been important features of the economy since the end of the 19th century. There was a strong deindustrialisation that began in the mid-1980s. The extraction of gas and minerals (now traditional) has become increasingly important, reducing the percentage of agriculture in GDP.

These developments are increasingly tending towards a sector-wise tapered and territorially concentrated economy, where the main economic activities are at the service of foreign direct investment, foreign support programmes and international cooperation, which create more economic dependence[82], both in international economic relations and in influencing growth models and public policies[83]. Consequently, there are weak and decreasing inter-sector relations, which means a disarticulated economy with little added value ("local content", in the domestic political discourse).

Spatially concentrated growth (areas of major projects, development corridors and territories with high agricultural potential, rural-urban migration, and the existence of communication infrastructures) has led to an increase in population concentration[84]. The population is growing at rates of over 3%, which puts great pressure on natural resources (land, water, forests, and wildlife), exacerbating poverty and climate vulnerability. Population concentration and migration is a phenomenon that dates back to the "wars of pacification", the construction of infrastructure in the 20th century, labour for mines and agriculture in bordering countries, and migration to plantations.

The Mozambican economy is low-productivity, with labour-intensive technologies that generate little employment and reproduce poverty[85]. In the country's development model, population growth increases social and territorial inequalities[86].

The Mozambican business fabric is made up of small companies, entrepreneurs with limited productive tradition and little innovation, and is not very competitive due to the technological levels of the companies, the quality of management and labour productivity and party protection. Public companies are, with rare exceptions, monopolies which, in addition to the power inherent in their monopolistic structure, have political protection and prevent

[82] Mosca, João, Nova, Yara e Aiuba, Rabia (2024). Basis for formulating an External Dependency Index. The Mozambique case. Observador Rural. OMR 142. Maputo.

[83] Several cases could be presented. We suggest reading Mosca's book, João, Capaina, Nelson and Nova Yara (2024). *SUSTENTA, (in)SUSTANTÁVEL*. Escolar Editora. Maputo.

[84] Dadá, Yasser e Mosca, João (2022), Demografia e implicações para a economia e o meio rural. Destaque Rural 190. OMR. Maputo.

[85] Dadá, Yasser Arafat (2024). *Determinantes da pobreza em Moçambique*. PhD Thesis. Universidade de Lisboa. Maputo. The thesis reveals an increase in the number of poor people from 1997/98 to 2014/2015, rising unemployment, and low productivity, especially in agriculture. Economic growth has not absorbed the increase in population, in terms of income and consumption (consumption poverty) and multifunctional poverty.

[86] According to Yasser Dadá's PhD thesis, the ninth decile concentrated 59.8% of wealth in 2000 and increased to 64.6% in 2020. In the same years, the first decile held 0.2% and 0.1% of wealth, respectively.
See also Mosca, João, Cravino, Janete and Dadá, Yasser Arafat (2022). *Zona Centro de Moçambique. Porquê o epicentro dos conflitos pós-independência. Escolar Editora. Maputo.*

competition from new national and foreign economic agents, functioning as economic arms of the party/partisan State, with politicised management and poorly prepared managers, providing poor services to citizens and other companies, accumulating debts to the State budget and/or the banks, with major difficulties in maintaining assets, making them inefficient[87].

Markets are heavily distorted by State administrative interventions, the participation of political elites as partners in companies, mainly for political "comfort" and protection, corruption and informal circuits and economies.

The business environment (as measured by Doing Business - DB) in Mozambique is mentioned as having many aspects for improvement. The DB indicator evaluates 190 countries, and rankings are determined on the basis of the average of the scores of the 10 indicators. According to the World Bank, Mozambique ranked 138th in DB 2020. Corruption, water and energy supply, infrastructure, transport, credit and other aspects of monetary policy, and the slowness of the judicial system, tax burden, and pirated products, are considered to be the main factors contributing to the worsening of Mozambique's rating in recent years. However, it is said that the business environment for major foreign investments is more favourable, due to tax benefits, legal exceptions (for example, in relation to the Land Law), lack of supervision and audits of accounts and export volumes and quality, political cover, among other aspects. These conditions make it difficult and worse for companies with domestic capital to compete, due to their inability to supply regularly in quantity and in time to meet the demands of companies with a large number of workers and in need of large volumes of logistics/provisioning of various goods and services, prices, in addition to the structural aspects of the Mozambican business fabric.

5. SUMMARY

It can be stated that the economic structure, territoriality, political and military and economic contexts, and extroversion with the dependence of Mozambique's development on foreign capital, continue to be characteristics that have been configured over decades and centuries, and that the periods of rupture have been short-term and have had insufficient capacity to transform long-term processes. In this respect, the late capitalist phase and the final period of colonisation stand out, with tendencies towards the structural transformation of the economy (industrialisation and tertiarisation of the economy and modernisation of some productive sectors) and, after independence, the "socialist experience" which, in essence, maintained or deepened the secular characteristics and, in particular, after the end of the 20th century, for example: the economy based on the low-productivity primary sector on small (or very small) scale farms making this sector important in GDP formation, industrial decapitalisation as a result of continued deindustrialisation, increased dependence on and external capital, even considering changes in external partners, the nature of foreign trade (imported and exported goods and services), among others.

Political domination through colonial administrative and military occupation or just through caliphates and trade posts, with greater or lesser penetration into the interior of the territories and, with the so-called effective occupation and reforms in Portugal's economy during the

[87] The situation described refers to the majority of public companies. LAM (Linhas Aéreas de Moçambique) and Caminhos-de-Ferro de Moçambique are just a few examples..

Estado Novo period, political, economic, cultural (for example, through the official language and education) and religious (through, for example, the Concordat signed between Portugal and the Vatican) domination took place. Religious presence is accentuated in the country, with some religions predominating in territories with a history of Arab and Portuguese presence.

In the pre-colonial period and up until the first decades of the 20th century, there were multiple conflicts and wars of occupation between kingdoms and empires with tribal overtones. There were also conflicts between colonial powers and Arab countries/caliphates, especially over the control of routes into the territories. Today, there are still efforts to gain supremacy over political influences associated with economic interests, such as the "yellow peril" (Chinese) and the Indian peril over the Indian Ocean, in contrast to the Americans and Europeans (especially France), even if this requires military intervention in local conflicts where political, economic, religious, and geostrategic aspects are mixed, as in the case of the Cabo Delgado conflict.

The essential economic elements of this process were the following: direct and indirect external intervention, with the aim of controlling various trades and different products over centuries. Economic influence/dominance was materialised through the exploitation of labour and the "export" of slave labour to other Portuguese colonies (mainly Brazil), to the sugar cane plantations in the Caribbean and the French islands in the Indian Ocean, and to the extraction of mining resources. Colonisation maintained domestic production and the extraction of agricultural surpluses from the peasantry, mainly to supply raw materials for Portuguese manufacture, labour for neighbouring countries and services for the hinterland. This is how the plantation economies, the commodification (monetisation) of the peasantry, the railway-port complexes and, later, the settlement (*colonatos*) economy came about. After independence, "socialist" co-operation ("proletarian internationalism") also had economic counterparts, such as the export of precious stones, coal, and fish. After the economic reforms, foreign direct investment emerged with the almost exclusive aim of exporting aluminium processed from imported raw materials (in the latter case, by setting up a "transit industry"), coal, precious stones, fishing, wood and gas, benefiting from huge tax breaks, virtually zero-cost land, low wages, few inter-sectoral relations and the non-formation of clusters with the participation of domestic capital, and a fragile State incapable of overseeing the activities of multinational capital from different points of view.

Over the centuries, economic models have always been based on unequal exchange and accumulation abroad, neglecting the development of the market and domestic capitalism, creating, and reproducing different mechanisms and modes of dependency with the development of underdevelopment, based on primary production structures, low technology, low wages and the consequent low productivity and competitiveness of economies.

Development has persistently taken place in territories that are currently the most economically active, such as the railway-port complexes that form the Maputo, Beira and Northern corridors, the valleys of the Zambezi, Limpopo and Pungué rivers, the areas where plantation agriculture is established (mainly in the centre of the country) and the most intense commercial network on the coast. These are the areas where gold, ivory and slaves were trafficked, where the chartered companies and plantation companies were established, and the administrative centres near the ports and railways, where cities grew over the centuries.

After independence, through some imposed cooperation or with unstated objectives, the influence of the socialist countries penetrated the southern African region, reflected in Henry Kissinger's expression of the "communist pincer", the imposition of the Bretton Woods Institutions to implement measures to reform the foundations of the socialist model (central planning, nationalisation of the economy, cooperativisation of agriculture, State ownership of land, prohibition of private practice of professional activities, among other elements of economics and economic policy).

The interaction between capitalist development in the colonial powers influenced production relations with local societies and economies, transforming them, and creating functionalities and dependencies in order to facilitate extractivism. The political expansion of colonial capitalism, for internal and external political reasons, and the lack of capacity of Portuguese capitalism, required external alliances within the framework of the colonial pact. At the same time, the reduction of Salazar's economic nationalism led to the emergence, in the last two decades of colonisation, of a capitalism with rapid growth[88] in local accumulation as a result of the colonial pact and the distribution of labour between the overseas territories. Dissatisfaction also arose among the settler business class, which felt strangled by metropolitan impositions, and white independence movements emerged in the light of and inspired by Ian Smith's Unilateral Declaration of Independence of Southern Rhodesia from Great Britain in 1965.

To summarise, the penetration of capital in different forms, depending on the development of metropolitan society and economy, was always aimed at resource extraction and extroversion with economic dependence, ensuring the progressive integration of local societies and economies according to the reproduction needs of the colonial system and economy. Capital was, and continues to be, supported by political powers, instrumentalising States that have exercised different functions according to the need to impose political and military domination and the expansion of capitalism. State - military power/conflict - capital - and political and economic dependence constitute the long-term elements in the formation of Mozambican society and economy.

[88] The rapid growth in the 1960s can be attributed to the war of national liberation, which resulted in the Portuguese army entering Mozambique, its logistical needs, investments in infrastructure for the defence of the territory, and considering the development of domestic accumulation capital as a result of the economic reforms of Salazar's phase of reducing economic nationalism.

LISTA DOS ÚLTIMOS 20 TÍTULOS PUBLICADOS PELO OMR DA SÉRIE OBSERVADOR RURAL*			
Ano	**Título**	**Autor(es)**	**Ano**
142	**Bases para a elaboração de um índice de dependência externa. Exemplo de Moçambique**	**João Mosca, Yara Nova e Rabia Aiuba**	**Março de 2024**
141	**Análise do projecto sustenta (2017-2019)**	**Nelson Capaina, Yara Nova e João Mosca**	**Fevereiro de 2024**
140	**Alguns determinantes da produtividade agrícola em Moçambique**	**Yasser Arafat Dadá e João Mosca**	**Janeiro de 2024**
139	**Instrumentos de política agrícola e a produção agrícola em Moçambique**	**Rabia Aiuba**	**Agosto de 2023**
138	**"Antes de as mineradoras chegarem, produzíamos muito... agora, já não": impacto da mineração do carvão na produção agrícola das comunidades circunvizinhas às minas em Moatize**	**Mélica Chandamela**	**Julho de 2023**
137	**Após o ciclone idai, as inundações: narrativas e lições de um desastre (in)esperado e "excepcional"**	**Uacitissa Mandamule**	**Maio de 2023**
136	**Penetração de capital no meio rural, exclusão e expropriação: mecanismos de compensação em contexto de desigualdades pré-existentes**	**Natacha Bruna**	**Abril de 2023**
135	**Reforma legal e o mercado de terras em Moçambique**	**Nelson Capaina**	**Março de 2023**
134	**Deslocações forçadas e aumento da pressão sobre o garimpo em Namanhumbir**	**Jerry Maquenzi e João Feijó**	**Fevereiro de 2023**
133	**Os espaços de participação e de exercício da cidadania, na voz de líderes associativos da província de Cabo Delgado**	**João Feijó**	**Janeiro de 2023**
132	**Desafios e oportunidades na produção orizícola no baixo Zambeze: O caso da província da Zambézia**	**Nelson Capaina**	**Novembro de 2022**
131	**Acesso e alocação de terras para além dos grandes investimentos: O papel das elites políticas e económicas em Boane**	**Josefina Tamele**	**Outubro de 2022**
130	**Produção Agrícola e Empoderamento de Mulheres em Contextos Rurais: análise do projecto AgriMulheres em três povoados da província de Nampula (2018- 2021)**	**Neuza Balane e João Feijó**	**Setembro de 2022**
129	**Modelos de desenvolvimento agrário em Moçambique**	**Yara Nova e Rui Rosário**	**Setembro de 2022**
128	**Variações do extrativismo em Moçambique: um mundo inteligente ao clima e a emergência do extrativismo verde**	**Natacha Bruna**	**Agosto de 2022**
127	**Caracterização das condições socioeconómicas dos deslocados internos no Norte de Moçambique ao longo do ano de 2021**	**João Feijó, Jerry Maquenzi, Daniela Salite e Joshua Kirshner**	**Agosto de 2022**
126	**Dinâmicas de inovação tecnológica dos pequenos produtores agrícolas em Moçambique - o caso da produção de soja no Gurué, Alta Zambézia**	**Rui Rosário, Yara Nova e Naldo Horta**	**Julho de 2022**
125	**Terra da abundância, terra da miséria. Usurpação sinergística de recursos em Massingir**	**Natacha Bruna**	**Junho de 2022**
124	**Dinâmicas na produção agrícola no vale do Limpopo: o caso do arroz**	**Nelson Capaina**	**Maio de 2022**
123	**Efeitos das mudanças climáticas nos sistemas de produção em Moçambique: Implicações para a segurança alimentar**	**Máriam Abbas**	**Abril de 2022**
122	**Evolução dos Preços dos Bens Alimentares (2021)**	**Yara Nova e Jonas Mbiza**	**Março de 2022**
121	**Ingredientes para uma revolta de jovens - Pobreza, sociedade de consumo e expectativas frustradas**	**João Feijó, Jerry Maquenzi e Aleia Rachide Agy**	**Fevereiro de 2022**
120	**Caminhos para a segurança alimentar em moçambique: Uma abordagem de sistemas de produção**	**Máriam Abbas**	**Janeiro de 2022**

*To access the other texts in the Observador Rural series, visit our website via the link: https://omrmz.org/observador-rural/

The OMR is a civil society association whose general objective is to contribute to agrarian and rural development in an integrated and interdisciplinary perspective, through research, studies and debates on policies and other agrarian and rural development issues.

OMR focuses its actions on the pursuit of the following specific objectives:

• Promote and carry out studies and research on policies and other issues related to rural development;
• Disseminate research results and reflections;
• Make the results of the debates known to society, either through press releases or through the publication of texts;
• Create an updated bibliographic database, in digitized form;
• Establish relationships with national and international research institutions for the exchange of information and partnerships in specific research work on agrarian and rural development issues in Mozambique;
• Develop partnerships with higher education institutions to involve students in research according to the topics of analysis and discussion scheduled;
• Create conditions for editing the texts presented for OMR analysis and debate.

Sponsors:

EMBAIXADA DA NORUEGA

Suécia
Sverige

Faustino Vanombe Street, no. 81, 1st Floor
Maputo – Moçambique
www.omrmz.org