BRICS and the Promise of a New Model of Cooperation and Development:

South African, Brazilian and Indian Extractive Sector Projects in Mozambique

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A new bloc of nations emerged on the global stage at the beginning of the 21st Century. Originally it was made up of four countries – Brazil, Russia, India and China – each of which boasted a burgeoning national economy and significant influence on regional affairs. South Africa lobbied hard to join and became a fifth member in 2010. While it was a much smaller economy, it was seen as the key to the African continent. This new bloc was buoyed up by a decade of very high commodity prices from 2003-2013, designated as the "super cycle." Powerful old and new transnationals in oil, minerals and agro-industry, were carrying out dramatic investments and mergers, driven by record high prices for oil and minerals, and the seemingly endless demand from Asian markets.

There have been many efforts to capture the nature of the bloc since its arrival in 2001 when a financial analyst at Goldman Sachs created the acronym, BRIC, to identify promising markets for financial investors.

> There were those who discredited the bloc as an incoherent collection, arguing that these countries have nothing in common with each other. Others have considered these countries as a possible threat to US hegemony, aspiring to have more power and participation in the international order, with demands to the traditional powers to adjust rules and standards accordingly. Others have celebrated the rise of the BRICS as the democratisation of the world order, without which it will be impossible to find solutions to the global financial crisis which began in the US. [1]

The first formal meeting of BRIC leaders took place in 2006 at the United Nations. At their first formal summit in Russia in June 2009, the BRICS revealed their eagerness to challenge the historic European and American dominance of the global economy and international financial institutions. Even though the economy of China at the time was bigger than the other three countries put together, the Chinese participants supported the new bloc. According to Xu Bin, a professor at Shanghai's International Business School, "Even if China is superior in some aspects, it is not interested in creating a G2 with the US and becoming part of an elite group".[2]

At a BRICS meeting in 2009, Brazilian Foreign Minister Celso Amorim captured the way the member countries themselves viewed the global economy.

> If the G7 countries want to continue holding closed meetings just because they are used to each other, or because they are rich or because they have cultural affinities, that is fine with me, but such meetings cannot determine the course of the global economy. If a group exists that can make a

[1] Bond & Garcia 2015:4

[2] http://www.bbc.com/portuguese/noticias/2009/06/090616_bricsreuniao_ss.shtml

> difference for the entire world, it is the G20 which includes the G7, the BRICS and other emerging countries.[3]

At the BRICS summit in Fortaleza in 2013, then president Dilma Rousseff stated that the BRICS countries "are among the largest in the world and cannot content themselves in the middle of the 21st century with any kind of dependency."[4]

The scope of the BRICS has expanded over the years, not just encompassing a fifth member but also expanding the institutionality of the bloc. In 2012, a Brazil, Russia, India, China, South Africa Trade Union Forum (BTUF) came into existence, with strong support from regional trade union bodies like ITUC and the International Labour Organization. A BRICS Business Council was formalized during the 5th BRICS Summit in Durban, South Africa, in March 2013. Those named to the Business Council were all high-flying heads of major private sector corporations such as T.V. Narendran, the Managing Director of India's Tata Steel, Murilo Ferreira, President and CEO of Brazil's Vale and Brian Molefe of South Africa's Eskom. Strong rhetoric about lessening dependency on the North and creating alternative financial institutions to rival the IMF and World Bank culminated in 2014, when the 100 billion BRICS New Development Bank became a reality.

Over the years, BRICS Summits have moved annually from one country to another. The minutes from the 6th BRICS Summit in Fortaleza, Brazil in 2013 refer to preparatory meetings for the Summit including the 3rd BRICS Business Council, the 6th Academic Forum, 5th Business Forum and 4th Financial Forum. Counter-summits have also been organized alongside each of these official Summits under the banner of BRICS from Below. Yet as Patrick Bond, long-time observer and critic of the BRICS notes: "There is extensive ceremonial pageantry and back-slapping at these events [official Summits] although they usually last just two days. Parallel conferences of business leaders typically have access to the state officials, unlike the BTUF and other civil society BRICS events, which are kept on the sidelines.[5]

The BRICS countries have created a narrative of mutual support and South-South Solidarity in their relationships with other countries in the global South presenting an image of the BRICS as an alternative to old imperial powers and forms of exploitation. Yet if we go behind the high flown language, we find BRICS governments and their transnationals have been carrying out investments in the extractive sector in places

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[3] Ibid

[4] https://www.forbes.com/sites/realspin/2014/12/22/brics-new-development-bank-threatens-hegemony-of-u-s-dollar/

[5] http://www.fedusa.org.za/wp-content/uploads/Bond-Trade-Unions-and-BRICS-April-2017-final.pdf

like Mozambique that show no signs of being new models of either cooperation or non-exploitative development. South Africa's investment in Mozal in 2000 prefigured the creation of the BRICS but established the model of state to state cooperation using a rich rhetoric of "win-win" and "regional development cooperation" behind which a powerful, private mining company carried out highly exploitative practices. South African president Thabo Mbeki joined Mozambican President Joaquim Chissano for the Mozal opening and claimed to be seeing the "African Renaissance" before his very eyes. This discourse served as a thin veneer behind which the corporate interests and hard bargaining of mining giant, Billiton prevailed.

Brazil's and India's investments in the coal mines in northern Mozambique's gained momentum during the period that the BRICS were emerging as a construct. These later investments also illustrate the distance between the high sounding rhetoric and the reality on the ground. In Tete there have been land grabs to make way for open pit mines, forced resettlements with questions of land, water and compensation for peasant producers still unresolved years later, and sordid tales of corporations buying off labour and community and government leaders. As for India's investment in coal mining, a "Savanah" journalist likened working conditions at Jindal to modern-day slavery. Workers and affected communities have responded with wild cat strikes, blockades of the mine site and railway lines. They have also built strong links with social movements in other countries to mount global campaigns.

This paper will use case studies of extractive sector investments from South Africa, India and Brazil to illustrate the gap between the BRICS' official discourse of South-South cooperation and development and the aggressive and exploitative behaviour in their mining projects. As coordinator of the Steelworkers Humanity Fund's [6] programme in southern Africa from 1993-2013, I had the opportunity to monitor closely the impact of these projects. The Steelworkers had supported union training activities in SINTICIM, the Mozambican Construction, Wood and Mine Workers Union, since the mid-1990s. In 2009, SINTICIM requested hands-on collaboration in health and safety training with a focus on the new unions in the rapidly expanding mining sector. My frequent visits to Mozambique playing both "labour educator" and "project evaluator" roles placed me in a "participant-observer" position during a crucial period. This depiction of the impact of BRICS investments on workers and local communities draws heavily on these experiences.

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[6] Steelworkers Humanity Fund was the pioneer of labour-based international development funds in Canada, created in response to the Ethiopian famine in 1985. The funds are union member-supported and carry out a range of relief and development projects as well as worker exchanges and solidarity campaigns.

In 2010, groups in Brazil took the initiative to organize an International Articulation of People Affected by Vale (AV). Vale was already a company of major interest to the Steelworkers since it had acquired the Inco nickel operations in Canada in 2006 whose workers were affiliated with the USW. The Steelworkers became active participants in the AV network in their own right. USW support to AV also included financing participation in AV events for trade union representatives from unions in Mozambique, New Caledonia and Indonesia. In the ongoing hands-on collaboration with SINTICIM in health and safety training, the team of trainers was regularly expanded to include trade unionists from Vale operations in Canada and Brazil and South Africa. The training activities also included active collaboration with VidaViva, a dynamic training initiative from Brazil to broaden worker and union understanding of health and well-being and to develop strategies for greater control over shop-floor working conditions.[7]

On-line follow-up between the Mozambican workers and the trainers for further information and support was encouraged. The skype and email communications ranged from puzzlement about the concept of ergonomics to anxieties about how to respond to the Vale HR Director's offer of a company credit card. One memorable Skype call conveyed horror at the company cover-up of the death of a young heavy equipment operator, left pinned for three hours under his over-turned compactor without rescue or first aid. There was no emergency plan in place. A sub-contracted crane operator working nearby refused to interrupt his task and collaborate with rescue operations without specific instructions from his boss.

From Solidarity and Third Worldism to Pragmatism and PPPs and Global Supply Chains

Government and business leaders from the BRICS operate in a multiplicity of frameworks and a fluidity of discourses. In a recent study of India's links with Mozambique and Senegal, Pooja Jain and Danilo Marcondes argue that the relationships are characterized by "malleable identities" and "blurring frontiers".[8] It is possible to trace these frameworks and discourses over the years, highlighting the shifts from a language drawing on events and symbols from the pre-neoliberal era to a language embedded fully within a neoliberal world order.

The term "neoliberal" has become a catch-all. The succinct definition of David Harvey, Distinguished Professor of Anthropology and Geography at the City University of New York, provides a useful reference

[7] http://www.tie-germany.org/what_we_do/workplace_strategies_vida_viva_-_what_is_vida_viva_about.html
[8] Bergamaschi et al. (Eds.) 2017: 31

point against which to measure the shifting discourses of South South Cooperation. At its essence, neoliberalism is:

> a theory of political economic practices proposing that human well-being can best be advanced by the maximization of entrepreneurial freedoms within an institutional framework characterized by private property rights, individual liberty, unencumbered markets and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices.[9]

Neoliberalism has now been consolidated as a global phenomenon, encompassing states of every political persuasion. While it shows uneven geographical development, there is no space that can claim exemption from its reach.

A key part of neoliberalism is the dramatically changed relationship between the state and the corporations. Under neoliberalism, precedence is given to entrepreneurial freedoms while the role of the state is to "create and preserve an institutional framework" within which business can flourish. This radically altered relationship between corporations and governments has come to mean, in fact, the demise of state sovereignty over political-economic affairs. There is an every greater tendency to "regulatory capture" by the corporations. This is carried out through a mix of corporate lobbying for "self-regulation", by down-sizing government department so that the number of inspectors and the frequency of inspections diminishes and by blatant disregard to whatever regulations do exist. Missing environmental impact assessments, unheeded warnings of tailings dam weaknesses and blatant health and safety infractions become the norm. Fines for non-compliance, should they be levied, are still far less than the cost of investing in safer mines in the first place.

Tracing the expanding links to Mozambique from India, Brazil and South Africa, it is possible to map that shift from state assertions of sovereignty for the public good and regulatory control over political and economic affairs to state acceptance of a service role, guaranteeing the investment climate deemed necessary by the corporations.

The BRICS presented themselves as "emerging powers", no longer just "Third World powers. After centuries of domination, humiliation and dependency, they were now full members of the G20, finally at a common table with the old imperial and colonial masters. Africa, for its part, was characterized as "Africa

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[9] Harvey 2007:22

Rising , a characterization picked up in the prestigious business journal "The Economist" in 2011"[10] and echoed by other government and media sources.

As we have documented above, the BRICS positioned themselves as an initiative from the global South, liberating themselves from ongoing dependency on the global North. In their discourse to establish their affinity with other countries of the South, India, Brazil and South Africa all drew on old connections forged in the post WWII era of the 20th century. The 1960s and 1970s were an era of Third World assertion in which India played a leading role. Some of the key processes around which these connections were built included decolonization of the Portuguese colonies and white minority regimes in southern Africa, use of the UNCTAD meeting in 1964 for G77 demands for better trade terms for Third World products, a UN-supported "development decade", and the launching of a Third World-led New International Economic Order in 1974. While Third World assertions included a common affinity for non-alignment, they also included a common identification with socialism.

"Development" was on the international agenda with the ex-colonized countries newly baptized as "developing nations". State companies were common and national economic development strategies based on "import substitution" emerged, particularly in Latin America. Frelimo and the other national liberation movements in southern Africa were carrying out their armed struggles in the bush from the mid-1960s on but they did so, highly attuned to the rising Third World assertions and with strong international support through the UN Special Committee on Decolonization. Liberation movements had permanent representatives at the UN and liberation movement leaders were honoured guests in many diplomatic activities, treated as "governments in waiting", and introduced as the "legitimate representatives" of the people of a still colonized or white-ruled territory. The liberation movement leadership, then, was highly attuned to these assertions of Third World power long before independence.

South-South cooperation and solidarity has been a constant assertion in the expanding relations between the BRICS countries and Mozambique. India had the edge on South Africa and Brazil. As the liberation movements in Portugal's African colonies began to emerge in the early 1960s, Brazil was under a military dictatorship, content to back metropolitan Portugal in holding on to its colonies in Africa. South Africa's apartheid regime actively colluded with Lisbon to maintain Mozambique's colonial status. In India, however, there were small territories colonized by Portugal, largest of which was Goa, where agitation for independence was long-standing. Nehru's decision in 1961 to intervene is remembered as, in part,

[10] http://www.economist.com/node/21541015

triggered by the growing anti-colonial struggles in Africa. India's action to end Portuguese colonial presence in Goa formed a strong bond with national liberation movement leaders in Mozambique and Angola and Guinea Bissau. India was one of the first to recognize the newly independent government in 1975.

Tangible moves by India to express solidarity with Mozambique included credit lines in the 1980s. Five years after indepence, the Frelimo government was facing an undeclared low-intensity war with the apartheid regime in South Africa characterized by economic sabotage, disinformation and occasional military forays by South African Defence Forces. By 1983, there was a full-blown foreign exchange crisis, since the colony's historic foreign exchange sources, migrant labour to South Africa's mines and revenue from port and rail services, were both severely curtailed. Mozambique was also facing a prolonged internal war with an insurgent group, RENAMO. RENAMO had its roots in the old Rhodesian security forces and had been taken over by South Africa after Zimbabwean independence in 1980, although, over time, Renamo developed a popular base within Mozambique.

During a state visit to India in 2003 by the then President, Joaquim Chissano, India announced it would write off debts totalling 90 million rupees from loans made in the early 1980s. India also granted five new lines of credit values at US$20 million, all of which became operational between 2004 and 2008. State visits were seized as important discursive opportunities to mark BRICS relationship as different from the old imperials and colonial ties. During the third India-Africa Summit in October 2015 in New Delhi, India's Prime Minister Modi reiterated the bonds of mutual solidarity.

> This is a relationship that is beyond strategic considerations. It is a relationship with a strong emotional link. It has been forged by our intersecting history; our centuries-old ties of kinship, commerce and culture; our common struggle against colonialism; our quest for equality, dignity and justice among all people; and, our shared aspirations for our progress and a voice in the world.[11]

"South-South solidarity" is also reiterated regularly by Brazil and South Africa as the framework for their relationships with Mozambique, although each has a distinct trajectory. The US-backed military coup in Brazil in 1964 established a military government that lasted until the early 1980s. With a return to

[11] https://thewire.in/13932/the-india-africa-relationship-is-beyond-strategic-considerations/

democracy and especially with the electoral victory of Lula and the Workers Party, relations with Mozambique intensified dramatically. Again tangible forms of solidarity were much in evidence. [12]

Lula made his first official visit to Mozambique in 2003. He made much of Brazil's historic links with Africa, many of whose citizens came to Brazil from Africa as slaves. In the 2010 census, for the first time, more than half (50.7%) of Brazil's population self-identified as black or of mixed race.[13] Lula carried out his intention of strengthening the links with Africa, making 12 visits to 27 African countries during his two terms of office, and continuing to visit Africa as ex-president.

Lula brought Roger Agnelli, the brash CEO of the recently privatized Vale mining company with him on his first state visit in 2003 and placed Brazil's interest in investing in Mozambique's rich coal deposits on the agenda. In 2004, one of President Joaquim Chissano's final actions as retiring president of Mozambique was a state visit to Brazil. Lula's press release on August 21, 2004 captures the porous terrain between solidarity and investments. The links of solidarity and historical indebtedness of Brazil to Africa are reiterated. Announcement is made of Brazil's decision to forgive 95% of Mozambique's US$280 million debt. There is mention of Lula's hopes to meet Chissano again in New York, a reference to Brazil's need for Mozambique's support in its quest for a seat on the UN Security Council. The investment by Vale is once again central to the agenda.

> I am very optimistic and am bending things wherever possible so that our Vale do Rio Doce can succeed in having its project approved and win the public bidding contest that you are going to have in Mozambique. I think Mozambicans will have no regrets if Vale do Rio Doce wins the bidding because in addition to mining coal, it can assist with other projects. In addition to being a large corporation, the shareholders in Vale do Rio Doce include a workers' pension fund. It is a company with a sensibility and a broad social vision. I know that Mozambique has already received a group of technicians from the Brazilian National Bank for Social and Economic Development (BNDES), and that BNDES has put itself at your disposal in terms of financing projects in Mozambique. These things are just a small repayment for the warmth with which you received us in Mozambique.[14]

Vale did win the competition for mining concessions in Moatize and this launched an intensive decade of expanding Brazilian presence in Mozambique. Vale brought with it major Brazilian construction companies like Odebrecht and Andrade Gutierrez. Brazilian aircraft manufacturer Embraier sold airplanes to LAM,

[12] For a fuller description of Vale in Mozambique, see my article "The Worst Company in the World". https://www.jacobinmag.com/2015/11/vale-corporation-brazil-mining-lula-mozambique-brics

[13] www.theguardian.com/world/2011/nov/17/brazil-census-african-brazilians-majority

[14] http://www.biblioteca.presidencia.gov.br/presidencia/ex-presidentes/luiz-inacio-lula-da-silva/discursos/1o-mandato/2004/31-08-2004-declaracao-a-imprensa-do-presidente-da-republica-luiz-inacio-lula-da

Mozambique's state airlines. Petrobras, Brazil's state oil company, teamed up with Guarani for a project to produce ethanol at the Sena Sugar Estate.

Lula's connections with Mozambique did not end with the termination of his second period in office. In 2012, Lula travelled to Mozambique on the company jet with Vale's new president, Murilo Ferreira, All the malleable and contradictory facets of Brazilian cooperation were much in evidence. Lula's programme included a public meeting on the theme of "Combatting Inequality" chaired by Graca Machel, ex-Minister of Education, widow of Mozambique's first president, Samora Machel and widow of South Africa's first president, Nelson Mandela. She introduced Lula warmly as, like Samora, a friend of the people. Lula's talk stressed the importance of the fight against inequality. He talked of the Workers Party's successes in Brazil in both growing the pie and distributing it at the same time. He referred to the Brazilian transnationals present in Mozambique – indeed Vale CEO Ferreira was in the audience – and stressed the importance of their role in the fight against poverty. He urged the audience to inform him if companies like Vale and Odebrecht were not contributing to the fight against inequality so that he could report back to his successor, Dilma.

By chance a Brazilian trade union leader, Gerson Castellano, was in the audience, travelling the next day to Moatize for a health and safety exchange with miners employed by Vale.[15] His union was an active member of the "International Articulation of People Affected by Vale". Castellano hoisted the CUT flag to draw Lula's attention as the evening ended and got the chance to talk to him and present him with a report prepared by AV, the "Vale Unsustainability Report". [16] This was a counter to Vale's official "Sustainability Report" [17]prepared annually as part of the Global Reporting Initiative carried out by Global Compact Members. The counter report used Vale's own graphics format and thematic headings but substituted the words of Mozambican peasant farmers whose land had been grabbed to make way for Vale's open pit mine, of Mozambican artisans who had lost access to the clay deposits on local river banks from which they made building bricks, from Vale employees subjected to arbitrary management decisions and unsafe workplaces.

Castellano got the photo op showing him handing the Unsustainability Report to Lula and flew the next morning for the seminar in Tete. Weeks later, I received an email from him reporting something he had

[15] https://www.brasildefato.com.br/node/11388/
[16] https://atingidospelavale.files.wordpress.com/2012/06/relatorio-insustentabilidade-vale-2012_en1.pdf
[17] http://www.vale.com/EN/aboutvale/sustainability/links/LinksDownloadsDocuments/2012-sustainability-report.pdf

chosen not to report to us during the seminar. He had been woken up by an intimidation visit during his first night in the mining town. Three big, white men were at his motel room door calling him by name. They warned him he was far from home, and told him to be careful because he would be being watched at every moment!

Meanwhile Lula continued his official programme in Maputo which included a ceremonial hand-over of the first packages of Anti-Retroviral drugs from the Brazilian financed cooperation project to produce AIDS drugs in Africa for the first time. Sources in Brazil, however, ran the story of another activity on Lula's programme in an article headlined "Lula Lobbies for Vale". Lula apparently joined Vale President Murilo Ferreira in a meeting with Helena Taipo, the then Minister of Labour, pressuring her to increase the number of foreign workers in Vale's projects beyond the 15% limit stipulated in the original contract. [18]

In meetings we had had with the Provincial Director of Labour in Tete in the context of worker exchanges linked to the Steelworker cooperation programme for health and safety training, we had already heard about relentless pressure from the mining companies for work permits for foreign workers. During the construction phase, Kentz, one of the sub-contractors had brought in hundreds of Filipino workers. A year earlier the Minister of Labour had expelled 115 Kentz employees, mainly South Africans and Filipinos, for contract irregularities.[19]

In the wake of the "car wash" scandals in Brazil involving Petromoc there have been revelations about complex schemes of bribery and corruption surrounding the Brazilian investments globally, including in Mozambique. Behind the public protestations of brotherhood, there were bribes and scam and money laundering that reach into the highest levels of political leadership in both Mozambique and Brazil. [20] While Brazilian and Mozambican government and corporate leaders were setting up these complex webs of bribery and corruption and dirty tricks to ensure Brazil's expanding role in Mozambique and line their own pockets, Lula, during his final presidential visit in 2010, was still passionately arguing that it was about lofty goals of history and geopolitics.

> Brazilian people are what they are - happy, beautiful, full of swing, samba, carnival and football-loving - because of our miscegenation and the extraordinary mix between Africans, indigenous peoples and Europeans….This in fact should be our strength compared to the rest of the world, but

[18] http://www.verdade.co.mz/newsflash/32919-lula-faz-lobby-para-a-Vale
[19] http://macua.blogs.com/moambique_para_todos/2011/11/trabalhadores-ilegais-em-tete-suspensos-115-estrangeiros.html
[20] http://allafrica.com/stories/201612240045.html

> because we had our minds colonised for centuries, we were taught that we were inferior…..When we make a choice for Africa, we want to stand up and lift our heads together. We want to build together a future in which the South is not weaker than the North, not dependent on the North, a future in which, if we believe in ourselves, we can be just as important and as smart as they are.[21]

For the post-apartheid regime in South Africa, another liberation movement in power, the framework of solidarity resonated even more strongly, picking up on the strong bonds built among the southern Africa liberation movements during three decade of fighting against Portuguese colonialism and white minority regimes. Mozambique had served – and suffered – as the rear base for both Zimbabwean and South African liberations movements in the years after independence in 1975. With Mandela's release in 1993 and the first South African elections in 1994, the stage was set for a new era of collaboration with the ANC in power.

BRICS – Esteemed Elder Brothers or Rich Cousins Taking Advantage

Another favourite metaphor used by politicians and business leaders to characterize the relationships of the BRICS with Mozambique, and indeed the rest of Africa, was the language of "national development" and "catching up". The concept of development was used very loosely as some kind of linear process that moves ahead inexorably, like stages in child development. Some countries are already "developed" and others are "developing" or "catching up". Apparently during the Africa-India conclave for Partnerships hosted by the Export-Import (EXIM) Bank of India and the Chamber of Indian Commerce and industries, the Indian hosts constantly reiterated that Africa is where India was 10 years ago.[22]

The development "catch-up" theme was often linked with family metaphors. While leaders of the BRICS countries have all taken issue publicly at the paternalism of Northern cooperation programmes, they seem to find it easy to assume older and younger brother roles in relation to other countries in the South. Mozambique Foreign Affairs Minister, Oldemiro Baloi, at a meeting of the Indian Council on World Affairs in New Delhi in 2016 was eloquent in his praise of India, saying that he "considers India as emblematic of an "elder brother" and mentor for Mozambique's development, there from the first days of the national liberation struggle to the actual stage of development today." [23]

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[21] http://www.bbc.com/news/world-latin-america-11717757
[22] Jain & Marcondes 2017: 36
[23]http://www.jornalnoticias.co.mz/index.php/politica/27676-segundo-baloi-mocambique-prioriza-cooperacao-sul-sul.html

Brazilian journalist Amanda Rossi spent six months in Mozambique as a student in 2010 looking at Brazil's cooperation programmes and investments and returned in 2013 for a follow-up visit. In her first visit, she found people captivated by the image projected by Lula of Brazilians as brothers, a people who also had been forced to confront colonialism, underdevelopment and poverty, ready to offer a leg up to their brothers and sisters in Africa. On her return visit, she found the image of Brazilians as a brotherly people somewhat tarnished. "As the business negotiations advanced, Brazil was transformed into the rich cousin who helps, but also takes advantage of you."[24]

As the normalization of neoliberal discourse solidified and the pace of investment quickened, the slippage between what constituted "South-South Cooperation" and what constituted "soft power" initiatives thinly cloaking the quest for investment and trade opportunities became the subject of much political debate. There were strong critiques from within the BRICS themselves as parties that had won victories with a discourse from the left like the PT in Brazil and the ANC in South Africa turned more and more towards neoliberal orthodoxy once in power. Raul Zibechi's recent study of Brazil quotes long-time political analyst Joao Bernardo's musings about the profound changes Brazil was undergoing with its increasing integration into the global economy and global politics.

> Never before in its history has this country produced, exported, and invested so much, especially across borders, developing transnational corporations based in Brazil. Never before has Brazil's foreign policy been so independent, based on the exploitation of economic resources in Latin America and the competition for markets and investment opportunities in Africa. Never before has Brazil been so participatory, to the point that large capitalists support the compensatory policies of the 'left.' Never before has Brazil been so imperialist.[25]

The most striking feature of neoliberalism's consolidation was the dramatically changed roles of the state and private corporations. After the tutelage of structural adjustment programmes with their standard recipe of privatization, deregulation, down-sized governments, cuts in social sector spending and devaluation, the political and business leaders from the BRICS and their counterparts throughout the global South were ready for their new roles. Former orthodoxies about national economies, state enterprises and state initiatives for "national development" through import substitution were abandoned. It was assumed that a powerful country needed powerful transnational corporations and that the interests of the company were identical with the national interests. While the process in each of the BRICS was distinctive, the contours were the same with the state assuming a role of facilitating and servicing the country's large corporations. .

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[24] http://www.blogdaeditorarecord.com.br/2015/10/01/mocambique-o-brasil-e-aqui-de-amanda-rossi/

[25] http://passapalavra.info/2011/03/37696 Quoted in Zibechi 2014

Being "competitive in the global economy" and PPPs - public private partnerships – quickly became the new symbols of development.

Private corporations became more and more prominent as the BRICS investments increased. We have already seen how quickly Brazil's initiatives of cooperation included promotion of Brazilian mining company, Vale with Brazil's development bank, BNDES, eager to provide credit. Giant construction companies Odebrecht and Gutierrez were not far behind. Vale's CEO, Roger Agnelli, was invited to become a member of the International Advisory Council for Mozambican president Armando Guebuza.

Indian corporations played an ever more prominent role in India's cooperation initiatives. The India-Africa Forum Summits that started in 2006 reflect the new reality, bringing together not just government representatives and state bodies for development cooperation but also representatives of private companies with investment and trade interests. What had begun as state to state initiatives, expanded quickly to included private corporations like Tata Steel. Soon Chambers of Commerce and banking representatives were added to the mix. The first India-Africa Forum Summit in New Delhi in 2008 announced allocation of lines of credit worth US$5.4 billion to Africa over five years. At the second summit in Addis Ababa in May 2011, India offered lines of credit worth US$5 billion and an additional US$ 7 million for human resource development, transfer of technology and new institutions. The blurring of what constituted "development cooperation" and what constituted "market access" and "investment" increased.

The address by the Indian Vice-President Mohammad Ansari during a visit to Mali captures perfectly how the discursive embrace of solidarity so characteristic of South-South cooperation, transition seamlessly into support for Indian investments. Ansari begins with full recognition of a pre-colonial history with Mali as "an ancient seat of learning and a nation that was for centuries a melting pot of cultural traditions and influences, and home to great scholars, musicians and historians." He moves from images of Mali's glorious past to Mali as an important player in the development of the African continent. Access to Indian markets and support for Indian investments in Africa is inserted as the path to making this happen..

> Our approach to partnership with Africa is driven by the aim of empowerment, capacity building, human resource development, access to Indian markets, and support for Indian investments in

> Africa, so that the people of Africa have the capacity to make their own free choices and the capability to shoulder the responsibility of their continent's development.[26]

For South Africa, economic links with Mozambique had a long history, with the demise of apartheid opening a new chapter. For many years, the main sources of foreign exchange for the colony were earnings from contract labour to South Africa's mines and user fees for port and railway systems in Maputo and Beira. In an effort to ward off impending decolonization and provide a safe buffer for the white minority regimes in Rhodesia and South Africa, Portugal opened Mozambique significantly to foreign investors from Europe and South Africa in the 1960s. By 1973, two years before independence, South Africa had replaced Portugal as the main exporter to Mozambique.[27] The subordination of the Mozambican economy to that of South Africa gave the apartheid state a powerful instrument for economic sabotage in the years following independence.

In 1993, with South African elections due the following year, the Centre for the Study of Work and Society at York University in Toronto hosted a fascinating seminar bringing together trade union leaders from South Africa and Canada. The trade unions in South Africa were major forces in the struggle to dismantle apartheid and were already fully engaged in global debates as corporations adopted the tenets of neoliberalism more fully. The debates in South Africa centred around how much space workers and communities had to take positions against corporate led globalization. The Canadians were addressing this question themselves as they dealt with the dictates of NAFTA.

Sam Gindin, then Research Director at CAW, had visited South Africa the year before. He was most vocal in articulating the tensions he had encountered there between options to conform to global competitiveness and options for a more radical transformation addressing the basic needs agenda of jobs and housing and the vision of the Freedom Charter long espoused by ANC. "Only one of the South African delegation - and he (the ANC's Tito Mboweni) not a trade unionist at all - seemed, in the end, to be almost arrogantly dismissive of the kind of structural/socialist questions that Gindin and others were raising and to be comfortable with acceptance of an almost wholly market-driven agenda." [28] Mboweni was the Head of the ANC Economics Department at the time. To the shock and consternation of both the Canadian and South

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[26] http://mea.gov.in/Speeches-Statements.htm?dtl/27450/Address_by_Vice_President_of_India_at_the_National_Assembly_of_the_Republic_of_Mali

[27] http://roape.net/2016/02/11/mozambican-workers-and-communities-in-resistance/ My more exhaustive study of resistance in Mozambique can be found on the web site of the Review of African Political Economy.

[28] http://www.africafiles.org/article.asp?ID=4046

African trade unionists, Mboweni actually characterized the ANC vision as being “competitive in the global economy.”

Once sanctions were lifted after 1994, South African companies were quick to create economic links both with neighbouring countries and with powerful economies farther afield like that of Nigeria. The NY Times in 2003 claimed that South Africa was filling a void in Africa.

> Though South African companies initially invested in the country’s small but stable neighbours, like Mozambique and Botswana, they increasingly are tackling some of the continent’s most difficult markets, like Congo, Nigeria and Angola. And while some areas still investing in traditional African sectors like oil and gas and minerals – building diamond mines in Angola and copper mines in Congo, for instance – others are now injecting capital into industries like telecommunications, banking and retailing.[29]

A New Scramble for Africa

Today, many commentators see a new scramble for Africa taking place with the BRICS countries playing the leading roles. Behind the government and business leaders’ protestations of South-South Cooperation and “win-win” situations that differ from the exploitative and humiliating structures of colonialism, even a cursory glance would suggest that the colonial pattern of pillage is largely intact. The biggest difference is that African leaders themselves preside over the pillage, putting the interests of their foreign investors ahead of the interests of their citizens. This can be interpreted as a political and moral failing of African leaders, with a discovery of their vocation as intermediaries a la Fanon, and indeed Mozambican leaders have been known defend themselves from corruption by claiming the role of “patriotic entrepreneurs.” It is good to remind ourselves, however, that the sweep of neoliberal discourse globally has transformed the relationships between governments and corporation everywhere. Government no longer take on the role of governing and regulating for the public good and have, instead, normalized a posture of servicing powerful corporate interests to the detriment of the well-being of their own citizens and certainly of the well-being of the planet.

Padraig Carmody’s recent study of the triangular relationship linking China, South Africa and Zambia illustrates the complexities of the new moment. The BRICS, far from being some kind of counterweight to the former colonial and imperial masters, are now on a quest for markets and resources for “their” global corporations. In many situations, the BRICS investors operate with even more aggressiveness than the

[29] http://www.nytimes.com/2003/11/04/business/south-african-companies-fill-a-void.html

colonial rulers exhibited, and do so with the full backing of the governing elite of the host country who now see creating “business readiness” and a climate hospitable to foreign investors as their main task.

> The BRICS are playing an important role in this new scramble, with their influence continuing to grow despite the uncertain economic prospects of some member countries. This is particularly true for the South Africa–China relationship. The South African and Chinese governments and companies on the continent are increasingly aligned, allowing power to be projected across Africa’s borders in novel ways that may be more durable than their colonial precursors…. To achieve expansion and growth, China also needs the cooperation of African political elites, who serve as territorial gatekeepers of resources and, to a somewhat lesser extent, markets. Here another distinguishing feature comes into play: the policy of “non-interference,” which facilitates cooperation with local elites. China and the other BRICS claim to be relatively agnostic about economic policy, favoring a mixed-economy approach and even encouraging state ownership in some sectors. [30]

Mozal: Emblematic of South African Investment in Mozambique

The first partnership between the governments of South Africa and Mozambique to build a regional industrial development project went into high gear after South Africa’s first elections in 1994. Although this pre-dates the formation of the BRICS, the Mozal case study is illustrative of the relationship of post-apartheid South Africa with Mozambique and other neighbours to the north. It also captures how, within the neoliberal world order, the governing elites of both the transnational investor’s “home” country and “host country” assume new roles in expediting the investment project. Historic roles of governing and regulating for the public good and resource sovereignty disappear. They are replaced with roles of facilitators and service providers for transnational investors, with governments setting up the institutional framework demanded by the private investors under the euphemism of “Public Private Partnerships”.

The aluminum smelter, Mozal, was already on the drawing boards of one of the apartheid regime’s most powerful mining houses, Gencor, in the early 1990s. Gencor had had a controlling interest in Alusaf, producer of aluminum at Richard’s Bay, since 1989. With independence in Mozambique, Gencor and the Industrial Development Corporation (IDC) had had discussions about a smelter in Mozambique. Through a complicated set of acquisitions and divestments, Gencor bought Billiton’s mining division from Royal Dutch Shell in 1994. Meanwhile major South African corporations were busy relocating on the London Stock Exchange, hedging their bets against the possibility of a radical ANC government taking power. In 1997,

[30] https://www.jacobinmag.com/2015/12/china-south-africa-imperialism-zambia-brics-globalization

Gencor divided its assets and with some of them reverting to Billiton which would henceforth be based in London. [31]

The series of meetings between the corporate elite of the apartheid era and the leadership of the ANC, some public, many of them secret, resulted, however, in the ANC's abandoning any programme of radical transformation long before the first elections in 1994.[32] As we have seen, the vision of the head of the ANC economics department in 1993 while visiting Canada was not for a basic needs agenda or a living wage for those who had suffered most under apartheid. The ANC vision was simply "making South Africa competitive in the global economy".

According to a newly published book by Allan Boesak, cleric and one of the founders of the United Democratic Front, the ANC sold out. The UDF was a vitally important internal force in the fight to dismantle apartheid alongside the trade unions and student and black consciousness movements. They fought for a South Africa governed by the lofty ideals of the Freedom Charter with jobs, housing, education and health for all.

> South Africa's negotiated settlement was a secret pact between white and ANC elites, which excluded the black majority who had sacrificed so much during the struggle for liberation….this negotiated settlement was sold to the ANC by Western economists and institutions such as the International Monetary Fund and the World Bank, which argued for the adoption of a neoliberal capitalist system and property ownership model, warning that the alternative was an outdated communist model which would damage the economy….The deal was that if we let white people keep the wealth and we embraced neoliberal capitalism, then they would open the door for a small number of people to enter at their behest into this new capitalist arrangement.[33]

Investment by Billiton in an aluminum smelter, Mozal, marked Mozambique's full-blown entry into the neoliberal embrace. Mozal was part of a much touted regional industrial development project with South Africa. The Mozambique Development Corridor was designated an export processing zone (EPZ), linking production sites to the Maputo harbour. The $1.34 billion Mozal aluminum smelter was the centerpiece, with shares divided among Billiton (47%), Mitsubishi (25%) , South Africa's Investment Development Corporation (24%) and Mozambique government (4%). Mozal was opened triumphantly by President Joaquim Chissano in September 2000. President Thabo Mbeki of South Africa was at his side, warmly embracing the Billiton investment as an integral part of the new South Africa and heralding Mozal as emblematic of the African Renaissance.

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[31] http://www.referenceforbusiness.com/history2/22/Gencor-Ltd.html
[32] Saul & Bond 2014
[33] http://www.news24.com/SouthAfrica/News/boesak-the-anc-sold-out-20170820-2

Behind the high-flown political rhetoric was a hard-nosed business deal. Cheap power was a key component. Anglo-American, a major South African mining house, had taken advantage of Portugal's decision to open Mozambique for investment in the 1960s and became a shareholder in the Cahora Bassa dam and hydro-electric project. Mozambique had been supplying low-cost power to the South African state electricity company, ESKOM, since that time. ESKOM in turn had been supplying this cheap power to Billiton's two aluminum smelters in South Africa. MOTRACO, a private company, also enjoying EPZ privileges, was set up to supply cheap power to Mozal.

Billiton got major economic advantages. Mozal's proximity to the Maputo port reduced shipping costs. EPZ status eased regulatory procedures and import/export tariffs. Mozal was granted a 15 year corporate tax exemption. Billiton also benefitted from Mozambique's Least Developed Country designation under the Lome Convention. Aluminium exports to EEC countries from Mozal got a 6% tariff reduction unavailable to Billiton's exports from its smelter operations in South Africa. [34]

South Africa also benefitted from Mozambique's weak environmental and labour infrastructure. A hasty environmental assessment was carried out by a South African institution not known for its rigor. (Pretorius 2000) Billiton was able to take advantage of weak trade unions in Mozambique, in marked contrast with the combative unions like Numsa which represented Billiton workers in South Africa. The Mozal construction phase was marked by strong labour conflicts. Billiton brought in South African sub-contractors, each bringing a core group of its own workers. Operating from strong stereotypes of Mozambican backwardness, the sub-contractors automatically allocated the skilled, high-paying jobs to South Africans. SINTICIM representative said later that they had advised their members to accept the unskilled jobs without protest, proving themselves in practice and hoping for a higher category in the next phase. [35]

Once the smelter became operational, however, labour protests emerged rapidly. The new generation of technical and administrative workers had impressive levels of training, skills and supervisory experience, along with high expectations about employment in a megaproject. They were shocked to learn that union leaders from SINTIME, the metalworkers union, had already been wined and dined by Billiton in South Africa. Even more disconcerting, SINTIME had returned with a collective agreement before anyone was

[34] Pretorius:2000

[35] Based on informal minutes taken of a meeting in Maputo in 2001 after the strike to plan a solidarity campaign for the Mozal workers not reinstated, with participation from ILRIG, NUMSA, SINTICIM, SINTIME and Steelworkers Humanity Fund.

actually hired. It included not just general principles but detailed job classifications and salaries with huge salary differentials. Virtually all Mozambicans were in the lowest classification. The agreement gave away the right to strike, claiming continuous production in the aluminum smelter was "essential". Furthermore there was a clause stating that this agreement took precedence over existing labour agreements in Mozambique. English was established as the language in the workplace and foreign workers were paid in dollars while Mozambicans were paid in the rapidly devaluing local currency, the Metical.

The Union Committee elected at Mozal took on a "David and Goliath" contest. Their first hurdle was to persuade Billiton to recognize Mozambican labour law. The second was to reopen the job classifications and salary scale. Despite efforts by government mediators and later, by a team of "independent" arbitrators including lawyers from Mozal and SINTIME, there was an impasse. Mozal went ahead to announce a new salary schedule for 2001, with no union input. In February, 200 workers carried out a one-day work stoppage to protest expatriate pay levels. Frustration levels ran high among the workers. Many had successfully completed Mozal's maintenance technician training. After graduation, they were told to reapply but found that the only positions open were for lesser-paid maintenance assistants, even though the recently trained Mozambicans now constituted the entire Mozal maintenance staff.[36]

Finally in September 2001, a formal strike notice was given. The union accepted Mozal's request for a meeting the day before the strike deadline, still hoping to avert a strike. The meeting continued until 7 pm. Union members went home, assuming resumption the next morning. Meanwhile the shift of workers entering at 9 pm found Mozal management had been acting in bad faith. The workers were prevented from entering by the 200 armed riot police and police dogs surrounding the smelter. Although Billiton never officially declared a lock-out, the union soon learned that ex-Billiton workers from South African had been flown to Mozambique and hired on as scabs, lured by Billiton's offer of US$200/day and luxury beach hotel accommodation. [37]

Billiton took full advantage of the situation to undermine the new union, using home visits, emails and newspaper ads to persuade workers to drop their demands and return under the existing conditions. There

[36] BHO had tried to carry out the same manoeuvre in South Africa but Numsa took them to court and won. (Motau 2003)

[37] Pretorius 2000

was little public support. Common sentiment was that Mozal workers already earned more than most and were foolish to take on Billiton.

The Mozambican Workers Organization (OTM) had issued a statement characterizing the workers' demands as "fair and legitimate" and BHP's position as "intransigent and inflexible". Nine days into the three weeks strike/lockout, however, Mozambique government – itself a Mozal shareholder – urged the broader labour movement to reject worker demands. At an OTM 18th anniversary reception, President Chissano strongly criticized the Mozal workers, claiming that attracting a big investor like Billiton represented a huge victory for Mozambique.

> This [Mozal] is the bait to attract other foreign investment"… "but now there is a danger that this will all be brought down"…. The workers who say they are suffering injustice at Mozal are not the poorest workers", he added. "We have many workers who are much poorer"…. We have to find a solution which ensures that Mozal remains a basis for attracting the projects that are essential for the elimination of unemployment and absolute poverty. [38]

With government allied with Billiton and almost half their members back at work in the smelter, the union leaders dropped their demands. Despite earlier promises of no disciplinary action, Billiton refused to reintegrate the 40 workers they labelled as strike leaders, including four of the six elected union leaders.

While Mozambican government and national union leaders were urging the Billiton workers at Mozal to back down, the Billiton workers in South Africa were militant in their solidarity. Stewards at Billiton's Bayside and Hillside smelters interrupted every scheduled meeting with the company with a motion to place Mozal on the agenda. Shifts reported for work refusing to pick up their tools until the scabs were brought back from Mozambique. Numsa was highly embarrassed that ex-Numsa members had been enticed into scabbing. Numsa officials met with Billiton and the Industrial Development Corporation in Johannesburg. They felt they had the makings of a deal that could break the impasse in Mozambique and even proposed a joint Billiton, IDC, Numsa mission to Maputo under the aegis of the International Metalworkers Federation. They also lobbied for the creation of an International Billiton Council. [39]

[38] http://www.poptel.org.uk/mozambique-news/newsletter/aim217.html
[39] Interview with Hlokoza Motau, International Affairs Secretary, NUMSA, 2003.

Numsa was one of the initiators of an exchange in Maputo in November 2001[40] to lay the groundwork for an international campaign to reinstate the 40 Mozal workers. Simeao Nhantumbo, SINTIME Secretary General at the time, commented on the strike, saying “what was won or lost in the first major project would have big implications for what workers would be able to achieve in other major investment projects.” Yet shortly thereafter, Nhantumbo officially informed Numsa that it was no longer welcome in Mozambique and that Numsa’s contact with Mozal workers was tantamount to foreign interference in Mozambique’s internal affairs. [41]

The Mozal events at the beginning of the millennium set the pattern for future labour struggles. The best educated and technically trained workers in Mozambique had tried to use the existing trade union structures to defend themselves. When they pushed the transnational investor for a better contract, they found themselves pitted against not just the transnational but also against their own government, and against their own trade union leaders. When unions representing Billiton workers in other countries offered solidarity, they were criminalized as foreign agitators. Even elected worker leaders got no protection from company reprisals. The lessons were not lost on other local union leaders throughout Mozambique.

India’s Long-term Energy Strategies

The complex story of India’s investments in Mozambique’s extractive sector is embedded, as we have seen, in narratives of South-South solidarity and cooperation, a shared anti-colonial history, and a common identification with a Third World bloc of non-aligned countries. What is not so readily visible is shared Indian government and corporate interests in accessing Mozambique’s coal and gas reserves as a strategy for supplying India’s long-term energy needs.

The fact that Mozambique had significant deposits of high-quality coking coal usable for making steel was an open secret. The location in the remote northern province of Tete, far from transport and communications infrastructure, presented formidable obstacles, however, both for management of supplies and transport to export markets. Construction of open pit mines was just the first step; and even that was complex given that it involved forced resettlements of traditional communities. Upgrading and/or building new railway and port infrastructure added hugely to the project. Only the confluence of sky-high mineral

[40] Participants in the exchange include Numsa, Steelworkers Humanity Fund, ILRIG, FES, SINTICIM (national) and SINTIME (national, provincial and plant levels. Minutes were kept by Judith Marshall.
[41] Interview with Hlokoza Motau, 2003

prices during the commodity super-cycle and Asia's seemingly insatiable need for raw materials made the mining projects in Mozambique appear viable.

India quickly positioned itself, both directly and indirectly, to be a player. During President Joaquim Chissanos' state visit to India in 2003, the Indian government offered tangible solidarity by writing off debts of 90 million Indian rupees dating back to credit lines offered in the early 1980s when Mozambique faced a situation war, drought and bankruptcy simultaneously. Five new lines of credit worth US$20 million were granted to Mozambique in 2003; these became operational between 2004 and 2008.

Indian interest in Mozambique's coal deposits was quickly in evidence. Two of India's largest state-owned infrastructure and engineering companies, Rites and Ircon, won out over China, Zimbabwe and South Africa in their bid in 2004 to rebuild and run a section of the Mozambique rail system. Two thirds of the funding for the US$152,000 rehabilitation, a joint project with Mozambique Railway Company, CFM, came through a soft loan from the World Bank. The Indian companies were engaged to rehabilitate[42] 600 km of the Beira railway linking the Moatize coal deposits to the port in Beira and to share in railway management for 25 years.

Riversdale, a company first registered in Australia in 1986 as an on-line publishing house, morphed into a mining company when it became Riversdale Mining in 2004 and purchased Zululand Anthracite Colliery in South Africa in 2005. Riversdale's annual report in 2006 reported purchase of 4 separate tenements in Mozambique.

> The tenements cover an area of approximately 203,000 hectares and represent a significant strategic holding in the Moatize Coal Province. This province is considered to be one of the largest known undeveloped coking and thermal coal regions in the world. Riversdale anticipates completing acquisition of the licences in Mozambique during September 2006. Riversdale will undertake an intensive exploration program on targeted tenements in Mozambique with a view to fast-tracking development of sustainable long-term mining operations, with an initial focus on metallurgical coal resources.[43]

Although perceived at popular level in Mozambique as an Australian mining company, Riversdale saw itself from the outset as bringing expertise in mine finance and investment rather than expertise in extractive activities as such. In one corporate profile, Riversdale stated as its goal "to develop as a diversified mining finance house, focused on growth through investment in suitable mining opportunities."[44] Riversdale announced that it had signed a deal with a South African company, MCC Contracts as the mining contractor at Benga, the largest of

[42] http://www.financialexpress.com/archive/rites-ircon-to-rebuild-and-run-mozambique-rail-system/114724/
[43] http://www.sourcewatch.org/index.php/Riversdale_Mining
[44] https://www.azomining.com/Suppliers.aspx?SupplierID=1949

the concessions. MCC is a subsidiary of Eqstra Holdings and was an established supplier of heavy equipment to many mining companies in South Africa

Riversdale made Benga, the holding adjacent to Vale's main concession, their priority for development. By 2007, Benga had become a joint venture with Tata Steel Global Holding Company. Tata had 35% participation in Benga and contractual arrangements to ship Benga coal to Tata's steel mills, both in Europe and India.

By the end of 2009, a major mining company from Brazil, CSN, had bought a 16.3% interest in Riversdale. Also in 2009, the Indian state company, Coal India Limited (CIL) announced that it had acquired a concession of two coal blocs in Mozambique. Riversdale made significant new finds of valuable coal deposits in the Zambezia concession area during 2009 and in June 2010, announced a non-binding agreement with Wuhan Iron and Steel Company to buy a 40% interest in the Zambezia concession.

The scramble for Africa was a reality. This time round, the corporate interests carried out the scramble directly, not through Crown Corporations or Charter Companies like the old British South Africa Company sanctioned by Queen Victoria or the Mozambique Company in Portuguese East Africa that governed Manica and Sofala until 1942. This time, the corporate investors took the lead, often with a multiplicity of shareholders that blurred any single national identity. As we have seen already, BRICS investors from India, Brazil and South Africa were intermingled in the coal projects.

The BRICS investors, private and state, also had no qualms about partnerships with investors from the North. India's energy needs extended beyond coal to natural gas. Anadarko, the consortium investing in Mozambique's liquid natural gas off the coast of Cabo Delgado province, was popularly perceived as an American company. Yet Anadarko, the US company leading the consortium, hold only slightly more than a quarter of the shares, with Mitsui holding 20%, and three Indian state companies together holding another 30% (ONGC Videsh with 16%, Bharat Petrol Resources with 10% and Oil India with 4%.) The remaining shares are in the hands of a company from Thailand and Mozambique's national oil company, ENH.[45] ENH for its part has complex corporate entanglements with SASOL from South Africa.

By the time that Rio Tinto launched its bid to take over Riversdale in December 2010, international commodity prices were sky-high and 52.5% of the Riversdale shares were in the hands of its three major shareholders, Tata Steel from India, CSN from Brazil and a US investment firm, Passport Capital. As the bidding war played itself out, both Tata and CSN increased their shares, making it harder for Rio Tinto to get the majority control it demanded as a condition of purchase. CSN sold its 19% share in Riversdale in April, allowing Rio Tinto to get closer to the majority ownership it demanded. By mid-June, Tata Steel announced sale of its 26% interest in Riversdale, giving Rio Tinto the stake of

[45] http://www.mzlng.com/The-Project/Participants/

more than 99% of the share that it demanded. Tata continued to hold its stake in the Benga joint venture. Rio Tinto's offer of a whopping price of US $4 billion was accepted in June, 2011.[46]

Rio Tinto's presence in Mozambique turned out to be short-lived. With the end of the commodities super cycle bringing a sharp drop in coal prices on global markets, with Mozambique government holding firm on the non-viability of coal transport in barges along the Zambeze River and with Vale monopolizing the existing rail line to the port in Beira, getting Rio Tinto's coal to world markets became increasingly problematic. In a reversal of fortunes that shocked the global mining community, Rio Tinto decided to cut its losses in Moatize and put its mine up for sale. The mine Rio Tinto had bought for US$4 billion in 2011 was sold in 2014 for just $50 million.

The business press characterized it as an "ill-fated venture".

> The sale of Rio Tinto Coal Mozambique to International Coal Ventures Private Limited (ICVL), includes the Benga coal mine and other projects in Tete province, assets that had a value of $71 million as of March 31 in Rio's books. In 2013, Rio Tinto sacked its chief executive and other executives directly involved in the acquisition of Riversdale and wrote off about $3.5 billion of the purchase price, partly owing to a failure to secure a permit to move coal by barge down Mozambique's Zambezi River.[47]

The buyer, ICVL, is an Indian government structure set up in 2009 with the mandate of acquiring coking and thermal coal assets overseas and securing at least 500 million tonnes of coal reserves overseas by 2020. ICVL is a joint venture of five companies. These include SAIL, Steel Authority of India Limited and RIN, Rashtriya Ispat Nigam Ltd., both steel producers, as well as NMDCL Ltd attached to the Ministry of Steel, NTPC, the largest power company in India and CIL, Coal India Ltd., the single largest global coal producer. [48]

While IVCL may have had a moment of triumph in getting the Rio Tinto property at such a low price, it quickly found itself incurring losses of US$100 million annually. The logistics problems were compounded even further by security problems as Renamo forces targeted the railway line. IVCL halted its operations in December 2015.[49] While the need to find a new operator since the contract with Eqstra Holdings from

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[46] http://www.theaustralian.com.au/archive/business/rio-tinto-moves-to-acquire-riversdale-after-tata-steel-surrenders-stakeholding/news-story/1ae89c77db5a30a7bad757641bc50
[47] http://af.reuters.com/article/investingNews/idAFKBN0FZ0FF20140730
[48] http://www.icvl.in/patners.php?tag=ntpc
[49] http://www.engineeringnews.co.za/print-version/indias-coal-ministry-prods-icvl-to-speed-up-coal-production-2017-02-20

South Africa had terminated was put forward as a reason, continued losses because of low coal prices and logistics difficulties were the main factors.

At the beginning of 2017, with coke prices more stable, there were plans to resume production. By February, mining media sources were reporting strong directives from India's Coal Ministry instructing IVCL to "waste no further time" in resuming production at Benga, stating that continued delays were "unacceptable." The Ministry directives noted that international coking coal prices which had plummeted to $80/mt when the Benga operations were halted had now surged to $200/mt. ICVL was urged to get in step with India's new National Steel Policy which targets production increases to 300-million tonnes a year. The Ministry policy document drew attention to the India steel sector's disadvantage due to a shortage of domestic coking coal. One Ministry official stressed that it was "imperative for companies like ICVL to fit into the overall objectives of the policy through significant gains in securing critical raw materials from overseas sources."[50]

Indian interests in Mozambique's coal via Riversdale and through Indian state companies is not the complete story. The tumultuous history of a private investor from India, Jindal Steel and Power, began well before its formal opening in August 2013. Like the Indian state companies, Jindal had sub-contracted its operations at its mine in Chirodzi, setting up an India-Lesotho Joint Venture. MGC-RST Mining Limitada was incorporated in Maputo on March 30, 2012 as a partnership between the Matakane Group of Companies in Lesotho and RST Mining & Logistics from India. MGC operates in the fields of construction, plant hire, property development and mining, and is chaired by Lesotho businessman, Sam Matakane. This is his first venture in Mozambique. RST is a private mining and infrastructure company in India.

There was widespread labour unrest at the Jindal mine in November 2012 which resulted in government intervention and expulsion of two Indian directors. Labour Minister Helena Taipo cancelled the work permits of MGC-RST's Director of Human Resources, Manoj Kumar Pandey, and MGC-RST's Coordinator of Operations, Ram Many Pandey.

> The two Indians are accused of repeated violations of the Labour Law and of the Mozambican Constitution. … they mistreated and insulted the 250 Mozambicans working at the company. They also made "false promises" to the Mozambican workers, and failed to provide them with work contracts and with protective equipment. No record was kept of overtime worked, and neither the company not its workers were registered with the National Social Security Institute (INSS). Furthermore, the company did not provide any clean drinking water for its workers. The behaviour of

[50] http://www.miningweekly.com/article/indias-coal-ministry-prods-icvl-to-speed-up-coal-production-2017-02-20

> the MGC management led to a strike last week…. The two Indians even denied access to the company premises to the brigades sent by the provincial government and the police who were attempting to reach a solution to the workers' grievances. [51]

Less than a year later, on July 22 and 23, 2013, the issues of the Jindal workers and the residents of the rural community around the mine came to a head. People from four communities congregated at the Jindal office. Two of these communities were directly affected by the open mine pit. The crowd attacked the Jindal staff members, wounding one in his office and three in their homes. Neither the Jindal security guards nor the three adjacent police posts could calm the agitated crowd. [52]

On arrival in 2008, Jindal had promised no coal extraction before resettlement but resettlement location and date were still pending. Jindal had promised no farm occupation without negotiation but had, in fact, occupied land with crops ready for harvest. Jindal had promised a full environmental impact assessment. None had been carried out. Jindal had promised to build wells and water supply. None were forthcoming. People found themselves prisoners in their own land, locked inside the mining concession, suffering the dangers and pollution of living within a functioning open pit coal mine. All of this notwithstanding, President Armando Guebuza presided over the formal opening on August 13, just a month later.

Justica Ambiental, a Maputo-based NGO, has been actively involved in research and advocacy in defence of the environment and the land rights of the communities affected by mining since the mining boom began. In June 2014, Jindal was once again subjected to intimidation and threats by Jindal. This was the third time in less than a year that Jindal has tried to prevent JA staff members and technicians from having contact with the communities inside the mining concession.

> Jindal does not want Mozambican society or the international community to know about the impacts of their activities at community level. Jindal has persisted in maintaining these attitudes because the Government remains silent about the irregularities of the company. On the few occasions when the Government does make a statement, it does so in defense of Jindal. Faced with this situation, Environmental Justice poses the question: who defends the interests of the community.[53]

In January 2015, the workers carried out their third work stoppage since the mine opened. Some 250 workers decided to shut down the mine to force Jindal and government to deal with a series of labour injustices. The grievances against Jindal and its lack of compliance with Mozambican labour law were many. The issues included contracts of only six months duration, salaries incompatible with those in other

[51] https://newsmoz.blogspot.ca/2012/11/telexmoz.html
[52] https://ja4change.wordpress.com/2013/08/27/a-government-without-shame-a-people-without-hope/
[53] http://www.verdade.co.mz/destaques/democracia/46924-jindal-intimida-activistas-da-ong-justica-ambiental

coal mines in Tete, huge distinctions between Mozambican and expatriate salaries, unequal pay for equal work among the Mozambicans, irregularities in social security payments, no health and safety equipment, no registration of overtime hours, abusive behaviour by management, hiring illegal immigrants from Zimbabwe and Zambia for lower pay, sub-standard housing, food and sanitary conditions for workers, just to name a few. A recent lengthy report on Jindal in the Mozambican weekly, Savana, quotes an Indian manager as having said aloud that the Mozambicans had nothing to complain about because they lived in a poor country with few alternatives for survival and should be thanking God for what they were earning. Raul Senda, the Savana reporter, likened the situation he found at Jindal to modern slavery. Jindal representatives were unavailable for comment and the provincial labour department said it was writing a report on the situation. [54]

In that same year, Justica Ambiental, took Jindal and the Mozambique government to court for their infringements of human rights in the communities affected by the Jindal mine (Cassoca, Nhamandzanidzane, Nhansanga and, Chirodzi). The charges included rights violations related to environment, housing and land grabs. The court ruling was made in April 2016, The court claimed there was no legal basis for the charges and absolved the state. [55]

In August, 2016, JA prepared a case for the People's Tribunal on Transnational Corporation, holding a session in Swaziland. Nine cases were presented from communities affected by mining in Mozambique, Swaziland, Zimbabwe, Zambia and South Africa. Justica Ambiental made a presentation on "The Case of Vale and Jindal in Mozambique.[56]

Brazil and Its Transnationals - Vale, Odebrecht, Andrade Gutierrez

The protests that were mounted at the mine sites and in their surrounding communities were far removed from the discourse of South South Cooperation and "win-win" employed by government and business leaders. The protagonists in these protests were workers, particularly during construction, and peasant farmers and informal sector workers subjected to land grabs to make way for the mining concessions. The coal boom in Tete and the opening of Kenmare Resources' mine, Moma Titanium Minerals, in Nampula and created huge expectations for jobs and local development. Even during construction, hopes faded.

[54] Savana 2015
[55] http://jornaldomingo.co.mz/index.php/em-foco-top/7977-estado-mocambicano-absolvido
[56] http://www.stopcorporateimpunity.org/peoples-tribunal-transnational-corporations-swaziland-cases-vale-jindal-mozambique/

Sub-contractors arrived from South Africa, Brazil and India, all bringing foreign workers. The problems in the construction phase were similar to those at Mozal.

There was little discernible difference between the corporate behaviour and worker/community reactions in the mines owned by BRICS members and those owned by companies from the "North" such as Kenmare, registered in Ireland. In March, 2007, Mozambican construction workers employed by one of Kenmare's sub-contractors, Kentz Engineering, mounted a protest at the remote mine site. The main issue was non-compliance with Mozambican labour law on severance pay. Workers had contracts for indeterminate periods and, by law, were owed severance on project completion. Another issue was retention of white workers while higher-qualified Mozambicans were terminated. Responses by company, government and union were predictable under the new neoliberal order. The Kenmare director urged Kentz to comply with Mozambican labour law. The provincial Ministry of Labour sent investigators. The government sent armed troops. The construction workers union, SINTICIM, remained silent.

The Vale construction phase was marked by similar explosions of frustration. Unlike the Mozal workers, the Vale/Odebrecht workers had no strong local Union Committee to channel their demands. One of Vale's first actions in Tete was to offer a vehicle to the provincial head of the construction and mining workers union, SINTICIM. When his members criticized him, the union leader justified his acceptance, saying the 4x4 would allow visits to remote mining sites inaccessible on his motorcycle. When Vale workers from Brazil and Canada taking part in a tri-national health and safety training programme met with the Moatize District Administrator in 2010, the Administrator spoke openly of the difficulties with the new mining companies. He complained about their practice of buying off local government, labour and community leaders and offered SINTICIM's acceptance of the vehicle from Vale as an example.

According to workers for the Vale/Odebrecht Consortium, this same provincial union leader who accepted the vehicle also rigged the elections of their first Union Committee. After calling a workers assembly the provincial leaders instructed each department to meet and elect its representative to the Union Committee. When the official list circulated, however, elected candidates from two departments had been dropped. They were replaced with two men who had worked with the provincial union head in the Carbomoc mine after independence. One of them was named head of the Union Committee and the other as treasurer.

These two proceeded to make the air-conditioned union office into their personal lunch room and the local union bank account into their personal social fund. [57]

There was constant labour unrest, none of it organized by the union. Wild cat strikes were mounted spontaneously by small groups of workers without union knowledge or authorization. In 2009, there were two work stoppages in less than two months, the second involving 1200 workers. Their main issues were low salaries, working conditions, hours of work, loss of week-ends off and management arrogance. The labour law stipulated a norm of eight hour days, 42 hour work weeks and week-ends free but also provided flexibility for alternative patterns by individual employers. Local construction workers, contracted project by project, had enormous difficulties interpreting their rights in the midst of the rapidly shifting context and were given little or no help from the union.

The new mining projects were touted by Mozambique government as creators of jobs and economic development and poverty eradication. Yet the agreement with Vale included a quota of 15% foreign workers, ostensibly with a training component. The Provincial Director of Labour in Tete complained to a union delegation from Canada in 2011 that the mining companies were inundating her with work permit requests for people without training capacity.

A Vale sub-contractor, Kentz, brought in several hundred Filipino construction workers who were housed in an encampment surrounded by barbed-wire while they carried out short-term contracts. Complaints about the wage differences between the Mozambican and foreign technicians were a constant irritant. The perception was that local Tete residents were left out while jobs went to foreigners, illegal immigrants from Zimbabwe and Zambia and the sons and nephews of the elite in Maputo.

The wild cat strikes at Odebrecht – known popularly as Vale since it was the Vale mine under construction - used texting to organize, making identification of leaders elusive. During the 2011 work stoppage, messages circulated urging workers to congregate in the dining hall two days later. They gathered, without coherent demands but with a generalized sense of frustration that quickly turned into random destruction of company property. The union was called in to pacify, along with government labour officers and armed police forces.

The technical workers had elected a well-qualified civil engineering technician as their representative on the Union Committee. To the surprise of many, he took the task seriously. He was asked to participate in a tri-

[57] Interview with Samuel Sekame, Tete, March 2013. (Real name withheld)

partite meeting with Labour Inspectorate, company, and union. The Vale Human Resources director accosted the technician on his way to the meeting, praising his work, promising future contracts and suggesting silence during the meeting. When the Labour Inspectors asked for union input, the Provincial Secretary had nothing to report, despite recent wildcats. The project was ending without definition of severance pay or recall rights for future projects. There was simmering discontent about salaries, overtime pay and arbitrary disciplinary measures and dismissals.

When the technician was asked for input, he tabled a long list of worker concerns. His intervention was met with hostility on all sides, including that of the government. Many Labour Inspectors supplemented their inadequate government salaries by waiving fines in return for cash payments from the companies. A union leaders actually tabling labour issues at official meetings cut off the space for under the table deals.

After the meeting, Odebrecht demoted the technician and accused him of fomenting the recent strikes. Not long after, Odebrecht dismissed him on trumped up charges related to a heated verbal exchange when he unmasked the ongoing pilfering of Union Committee funds by the old friends appointed by the provincial union head. Despite complete exoneration both from the provincial court and from a petition process through the National Assembly, Odebrecht refused reinstatement and shunted the case to a regional court. Clearly Mozambican workers attempting to defend their members through use of labour law and existing union and government structures found themselves up against not just the power of the transnational companies but also the weight of their own government's - and union's – indifference and corruption.

When the dream of working for a Brazilian or Indian or South African transnational turned out, instead, to be a nightmare of arbitrary disciplinary measures and dismissals, racism and hazardous workplaces, workers tried to use the existing union structures. While good labour laws existed on paper, with both union and government structures in existence to enforce their implementation, there were other logics and practices that prevailed within a porous world of favours and loyalties and under the table arrangements. The existing union structures proved to be inadequate instruments for a new generation of workers contending with the power of transnational investors.

An extensive international study on the nature and state of union organization in Mozambique was carried out in 2002, a few years before the mining boom. The study was based on a sample of 177 workers in Maputo and Beira. The union bodies involved were the same ones that later represented construction and mine workers.

The study characterized the trade union situation as follows:

> While retaining a residual presence in many workplaces, Mozambican unions have battled to cope with changes in the external labour market and a greatly altered political climate. In most cases, they have proved equally incapable of challenging the authority of management and of articulating viable alternatives to the neo-liberal orthodoxy. There is a need to enhance the *quality* of unionism and the *service* provided at existing workplaces…. [58]

The study revealed that less than half those interviewed had local union leadership actually elected by the members while 35% had had their local union representatives appointed by management. Only 41% came from unions actually recognized as the bargaining agents for the members and only 25% had employers who complied with all or a large extent of what was in the collective agreement. [59]

Union membership had declined dramatically from 300,000 members in the early 1980s to only 90,000 in 2003, largely as the result of massive privatizations. As the study points out, however, "a more serious, but insidious, problem to that of union decline in numerical terms is 'residual' or 'hollow' unionism; where for historical-institutional reasons, a union retains a presence, but is no more than a passenger in an enterprise driven by autocratic managerialism." [60]

As the new century unfolded the "autocratic managerialism" of big mining companies dominated labour relations. The companies were quick to take full advantage of the hollowness of the prevailing union structures, in many cases employing a Mozambican Human Resources Director to guide their footsteps. By 2015, the practice of government labour inspectors being bribed into waiving fines was so endemic that the new labour minister, Vitoria Diogo, called attention to it during her first meetings with her staff in March 2015. She has since returned to this theme frequently, promising to take firm measures against any Labour Inspector found guilty of extortion or accepting bribes. [61]

African states, post structural adjustment and within the prevailing discourse of neoliberalism, have been rolled back, hollowed out to the point of leaving few qualified people and inadequate budget for salaries or programmes. Mozambique falls readily into this category. Government officials no longer govern. They trade, using whatever wherewithal their particular position in the status apparatus allows. At the bottom, traffic police trade, waiving fines for bills inserted in a driver's license, bureaucrats trade influence or

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[58] Webster 2003:258
[59] Webster 2003: 267-270
[60] Webster 2003:258
[61] http://opais.sapo.mz/index.php/economia/38-economia/39933-vitoria-diogo-repreende-corrupcao-dos-inspectores-do-trabalho-.html

information or priority treatment for cash, teachers trade marks for sexual favours. At the top government and army officials trade in arms and drugs and high-stake deals with foreign investors.

> Alongside, and interpenetrated with, the formal institutions of the state, informal networks of officials, local power brokers or warlords, arms traders and international firms in many countries form… a "shadow state" that leaves the formal institutions of government little more than an empty shell.[62]

The "residual" union leaders articulated readily with officials of the "shadow state" and the "autocratic" mining companies in highly promiscuous relationships with both, all to the detriment of workers and mining communities.

Experiences after Vale moved into operation phase bear this out. A new Vale Union Committee was set up. The Vale HR Director micro-managed the inexperienced members who were elected. He allocated an office on company property with a computer and allowed each of them three hours/week for union matters. Hours could not be used simultaneously, however, effectively ruling out collective discussions and decisions. The elected union leaders still had to meet full production quotas. Time spent on union work meant risking not receiving a full pay check, a guaranteed deterrent to making the union function well. A worker needing union defence against disciplinary charges or a dismissal was often banned from company property, making it impossible to use the Union Committee office on company property as a meeting place.

While the BRICS investors continued to make their loud claims of South-South solidarity, the experiences of workers and communities in the mining areas was similar, regardless of the origin of the mine. Workers in the remote Kenmare mine initiated a union themselves to deal with their work issues, only later affiliating with SINTICIM. The Kenmare workers carried out two rounds of bargaining with the company in which they made significant gains. They also carried out a work stoppage in April 2011 with demands around salary scales, job classifications and compliance with Mozambican labour law. The workers only agreed to suspend the action after a tri-partite commission of three members each from company, union and government was formed to resolve the issues.

The union's 2012 bargaining proposals were prepared with care, including skype consultations with a Brazilian health and safety expert met at an earlier tri-national exchange. The proposals included a 40% salary increase, a 13th month salary, a medical plan and a phased replacement of foreign workers with Mozambicans. The SINTICIM General Secretary made last minute contact instructing postponement of bargaining until his arrival. The union bargaining committee opted to proceed, briefing the SG on arrival but

[62] Ferguson 2006:39

limiting his role to advisor only. Bargaining reached an impasse and the union took a strike vote, all as prescribed under labour law. Kenmare came back to the table. After several tense days with the strike threat hovering, a settlement was reached with workers gaining much more than Kenmare's initial offer.

The Kenmare workers were jubilant about their victory. They recognized it as something won through their own efforts with no assistance from SINTICIM and began to question continued dues payment to a union that offered them no services. The dues were being deducted at source and sent by Kenmare to SINTICIM. Ninety percent stayed with national and provincial SINTICIM offices. The ten percent reverting to the Union Committee at the mine site arrived only sporadically. Meanwhile the SINTICIM national and provincial offices provided no services, no lawyers to defend against disciplinary charges and dismissals, no economic studies to support bargaining, no training except when a foreign donor financed a course, no information or communication tools.

The Kenmare Union Committee requested the company to start paying the dues into a newly-opened Kenmare Union Committee account and gathered the more than 300 signatures necessary to ratify their decision to terminate their affiliation with SINTICIM. The signatures were sent to the Ministry of Labour, Kenmare and SINTICIM. No action was forthcoming.

Two months later, however, the Secretary General expelled the Kenmare Union Committee Secretary and Treasurer from the union. He contacted Kenmare and made false allegations against the Secretary who headed the local union claiming that the Secretary's participation in a conference and training programme with Canadian Steelworkers six months earlier had been, in fact, a clandestine visit, unauthorized by SINTICIM. He accused the Secretary of deceiving the company and stealing union dues. Furthermore he accused him of "contacts and involvements with a foreign organization which has shown itself to be manifestly against the implementation of the investment projects for the economic and social development of Mozambique and for its fight against poverty. This foreign organization makes use of emails and Facebook to carry out its intentions, including recruitment of foreigners coming from Canada, Brazil and…South Africa."

These were thinly veiled references to the Steelworkers, with whom SINTICIM had had cooperation projects for more than a decade. The "clandestine visit" was to a USW Mining Conference and health and safety school. The "foreigners recruited" were, in fact, the trade unionists from Canada, Brazil and South Africa who had participated in the tri-national health and safety seminars from 2010 – 2012 as a gesture of international solidarity. In the same way that Numsa' collaboration with the new Union Committee at Mozal was labelled as foreign interference and rejected by SINTIME in 2001, the collaboration of Canadian and Brazilian and South African unions with the new mining unions was labelled as foreign interference and repudiated by SINTICIM in 2012.

Kenmare promptly dismissed both the local union head and the treasurer, presumably grateful to SINTICIM for providing ammunition for dismissal of young workers who had just shown themselves quite competent and won some victories in a round of tough bargaining. The remaining elected leaders were threatened with further dismissals if they questioned SINTICIM's actions, including its arbitrary appointment of substitutes for those dismissed. With their jobs on the line and the combined forces of company, government and union all aligned against them, the Kenmare workers backed down, leaving an atmosphere of resentment and fear at the mine.

Communities in Protest

The most dramatic denials of the BRICS as bearers of South-South solidarity have come not from the mine workers, however, but from residents in the surrounding communities where peasant producers have been robbed of their lands and their livelihoods. The land grabs linked to the new mining projects have created situations of desperation in rural communities. The recurrent protest actions from the 1360 families resettled by Vale in 2009/2010 have been well documented. [63] Perhaps the most dramatic action was the first railway blockade. In December 2011, the community in Cateme, Vale's rural resettlement, had once again made a list of all of their demands. They found themselves, almost 2 years after resettlement, still without land suitable for farming, still without water, still in houses that had started cracking after the first rainy season, still without full compensation. Visitors were taken to the Vale show pieces in Cateme, a well-landscaped clinic and school, and a model farm which was an oasis of green, thanks to daily tending by Vale agronomists and tubed irrigation. Meanwhile, life for the resettlers in their rows of match box houses and treeless streets was desperate. They had lost not only land and livelihoods but also their independence. They now found themselves wards of a foreign mining company and their own government, neither of whom exhibited any political will to resolve their situation.

The community handed in their demands to Vale and government December, 2011, giving January 10 as deadline for a response. None was forthcoming. To the surprise of Vale and the Mozambique

[63] Mosca & Selemane; JA 2014, ADECRU 2013; HRW 2013

government, the Cateme community took direct action and blockaded the road and railway lines, effectively stopping transport of coal to the port in Beira. The government reaction was swift and excessive, sending in an armed police rapid response unit. Fourteen community members were imprisoned, one blind and one lame. Five were rapidly released but four of the nine who spent time in prison were brutally beaten. Vale acknowledged that there were problems and promised solutions within six months. A hostile climate prevailed, with strong police and security presence making contacts between the settlers and their NGO advocates very difficult. The most tangible Vale response was forcing the resettled families into tents while the houses were patched up. Three months after the railway blockade, Vale offered three vehicles to local government authorities in Moatize, two of which went to the District Administrator and the police commander.

Since 2012, there have been other strong protests and repeated blockades. The protests have continued despite the new legislation passed on resettlements on August 8, 2012 which states that those directly affected by economic projects have a series of rights. These include the rights to reestablishment of their income at a level equal or above their former income, to reestablishment of their pattern of life at a level equal to or above the former level, to transport with their possession to the new location of residence, to move to a location with physical infrastructure and social equipment, to have space to practice their subsistence activities and to voice their opinions about each step of the resettlement process.[64]

In practice, the government essentially turned the resettlement process over to the mining companies. The communities were informed rather than consulted, commandeered to leave rather than listened to. Many of those resettled had lived for generations as block makers, building small kilns close to local clay deposits where they formed and fired their blocks. Some introduced a small quantity of cement into their blocks; some used moulds for decorative blocks. In 2009, Vale had paid compensation of 60,000 MT for each functioning kiln and given access to the Vale concession to remove previously produced blocks. The block makers had understood this as an initial payment, however, and continued to demand more. Neither Vale nor government was sympathetic. At one bargaining session, a government official had cynically queried why bother with inferior local blocks when Moatize now had a “Builder’s Warehouse” full of superior products from South Africa.

[64] http://www.vda.pt/xms/files/Newsletters/Flash_VdAtlas_-_Mocambique_-_Novo_Regulamento_sobre_o_Processo_de_Reassentamento_resultante_de_Atividades_Economicas_-12.09.2012-_-DM_

In May 11, 2013, the block makers met Vale again, armed with new proposals based on what block makers could have expected in life-time earnings from their businesses. They presented a new formula for calculating compensation which took annual production (102,000 blocks) x price (2 meticais) x years of productive life for a block maker (50 years). Vale dismissed the new demands as illusory and said the matter was definitively closed. The response of the block makers came two day later when they blockaded the railway line again. Interviews with the block makers after the blockade of the railway captured their desperation.

> Vale says it does not take its orders from the District Government or even the Provincial because its mining license was signed in Maputo by the Central Government. As I see it, these problems are occurring because the people responsible for the resettlements are not from Tete. They are from outside and are not attuned to our problems. They do not see us as people…. I had my machamba [farm] in Nhacolo. I started farming in 1992 and grew corn, peanuts, sorghum and beans. Today I have been resettled in September 25 resettlement. I am forced to buy food with the little money my husband earns from seasonal work. The Brazilians and our Government have brought us to a situation of disgrace. They took us from our farming, the only means my family had for survival. [65]

At the end of 2013, the families in 25 de Setembro, the peri-urban resettlement took action. Neither Vale nor government had responded to their letter demanding compensation for land loss. The families cut down branches and set up blockades on major access roads to the Vale mine, effectively paralyzing production. None of the issues around resettlement has yet been settled, the 2012 legislation notwithstanding. Seemingly neither Vale nor the Mozambique government has the political will to do so.

Lessons Learned?

Today, both government and business leaders in the four countries whose relationships we have been mapping are operating under huge constraints. Some of them such as Norberto Odebrecht, scion of the Odebrecht empire, are now serving prison sentences. Many of them are facing accusations of having been involved in high level corruption schemes. One of the many commentaries on Brazil after the dubious twists and turns that ousted Dilma as head of state and replaced her with Temer included the adage that "Only when the tide goes out do you see who has been swimming in the nude." The high tide of the super cycle and China's seemingly insatiable demand for commodities prompted a lot of nude swimming that included a resource grab in Mozambique and multiple mining projects built on shaky foundations. Fortunes

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http://www.verdade.co.mz/destaques/democracia/42757-oleiros-voltam-a-bloquear-acesso-a-mina-da-vale-mocambique-em-moatize?fb_comment_id=1431991440350917_277473#f2bcd2de8 [65] and careers have been made or lost, Rio Tinto's early departure and the high level mining executives who went with it is just the most dramatic of the many stories made public so far.

The challenge is to learn the lessons from this turbulent period. One of them is surely to understand that the shifting power relations between governments and private corporations over the last forty years has created a totally new world in which the component parts are no longer nation states but powerful, private corporations. This has created a kind of "empire of capital", dynamics of which we are still trying to comprehend. While these corporations take on a national identity in terms of their histories or point of corporate registration, their loyalty to any particular country is more in terms of a flag of convenience They use the country's diplomatic apparatus to finesse relationships between "investor state" and 'host state."

Transnational mining companies in the 21st Century are far more articulated to their own operational networks and global supply chains than to the national economy in which the resource is. In his essay, "Governing Extraction: New Spatializations of Order and Disorder in Neoliberal Africa", noted American anthropologist James Ferguson makes strong arguments about the nature of extractive sector enclaves. Far from catalyzing national development, central to their pitch as they woo host governments, their tendency is to weaken national economic spaces.

> … it is worth noting how such enclaves participate not only in the destruction of national economic spaces but also in the construction of "global' ones. For just as enclaves of, say, mining production are often fenced off (literally and metaphorically) from their surrounding societies, they are at the same time linked up, with a "flexibility" that is exemplary of the most up-to-date, "post-Fordist" neoliberalism, both with giant transnational corporations and with networks of small contractors and subcontractors that span thousands of miles and link nodes across multiple continents… . [66]

A mining investment, then, is clearly not a path to economic growth for the host nation. Another home truth is that the promise to create jobs is elusive. The depictions of labour struggles in the new mines give some idea of the difficulties faced by workers in navigating the state and union structures characterized by both ineffectiveness and corruption. When ore prices bottom out, mines simply stop production, as if market fluctuations come as a complete surprise. Supplies of workers are turned on and off like a top, with a preponderance for large numbers of sub-contracted workers to whom there are even less contractual obligations.

While community protests against Vale have been abundant in Mozambique, the Vale employees finally went on strike for the first time only in 2015. With the drastic drop in mineral prices, Vale made public a plan to drastically reduce its work force in 2014. Once again the limited relevance of

[66] Ferguson 2006:13

the union was evident. Without any union involvement, Vale and the provincial governor announced a plan to prevent the lay-offs by big cuts in the benefits the Vale workers had won previously. These were measured in additional monthly salaries. A 13th month salary to cover holiday expenses over the New Year was already a standard practice in Mozambique and the Vale workers were also receiving a 17th month salary. The plan announced by the Governor cut off three monthly salaries. According to the Governor, the Vale workers were already overpaid. Since jobs were maintained, worker protests were muted.

In February 2015, however, 1400 Vale workers went on strike, prompted by the news that their 13th month bonus would not be paid. Vale saw this as a profit sharing bonus and had announced that none of its operations would receive a bonus because the previous year's profits had been so low. Mozambican Vale workers went on strike as did Vale workers in several Vale operations in Brazil.

Today, the role of national governments as defenders of citizens and state sovereignty can no longer be taken for granted. Corporate impunity has reached gigantic proportions. As Harvey poignantly states, neoliberalism has "swept across the world like a vast tidal wave of institutional reform and discursive adjustment…destroying divisions of labor, social relations, welfare provisions, technological mixes, ways of life, attachments to the land, habits of the heart, ways of thought….[67] The challenge, then, is to learn how to defend workers, communities and the land in the face of the new configurations of power created by neoliberalism.

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[67] Harvey 2007:23

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