



ECAS2019. Africa: Connections and Disruptions Edinburgh, June 11-14 2019

Chinese investment:

Disruptions and conflicts over mining exploitation in Angoche-Mozambique

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8th European Conference on African Studies June 11-14, 2019

THE UNIVERSITY OF EDINBURGH

June 14

Objective

- This paper analyses the community transformation and the emerging conflicts from Chinese mining exploration project at Murrua community in the district of Angoche.
 - It argues that the project contributes to destruction of community livelihoods with apparent complicity of the authorities.
- The data derives from a broader research project under a research grant from SAIS-CARI, which among other objectives intended: *“to understand the impact of the Chinese mining project on the social organization of work, labor relations and livelihoods in a rural area agricultural and pastoral.”**

**Acknowledgements to my colleagues in the Project: Sergio Chichava and Shubo Li*

Research methodology

- Extensive Desk research
- Field work (2016) with visits: **to the mining sites; the Murrua community in Angoche, and Topuito community in Moma, all in Nampula province.** Given the complexity of the study we adopted a qualitative research with ethnographic orientation.
 - **Multisite visits,**
 - **Semi-structured individual interviews,** (Government Officials at local, district and provincial levels; local Community representatives; workers; residents (men and women); Civil Society Representatives at Provincial level)
 - **Focus group discussions** (Local residents and community representatives).
 - **Listening to their Stories** (Expontaneous group interactions)



Contextual Background - Moz



- Budget dependancy

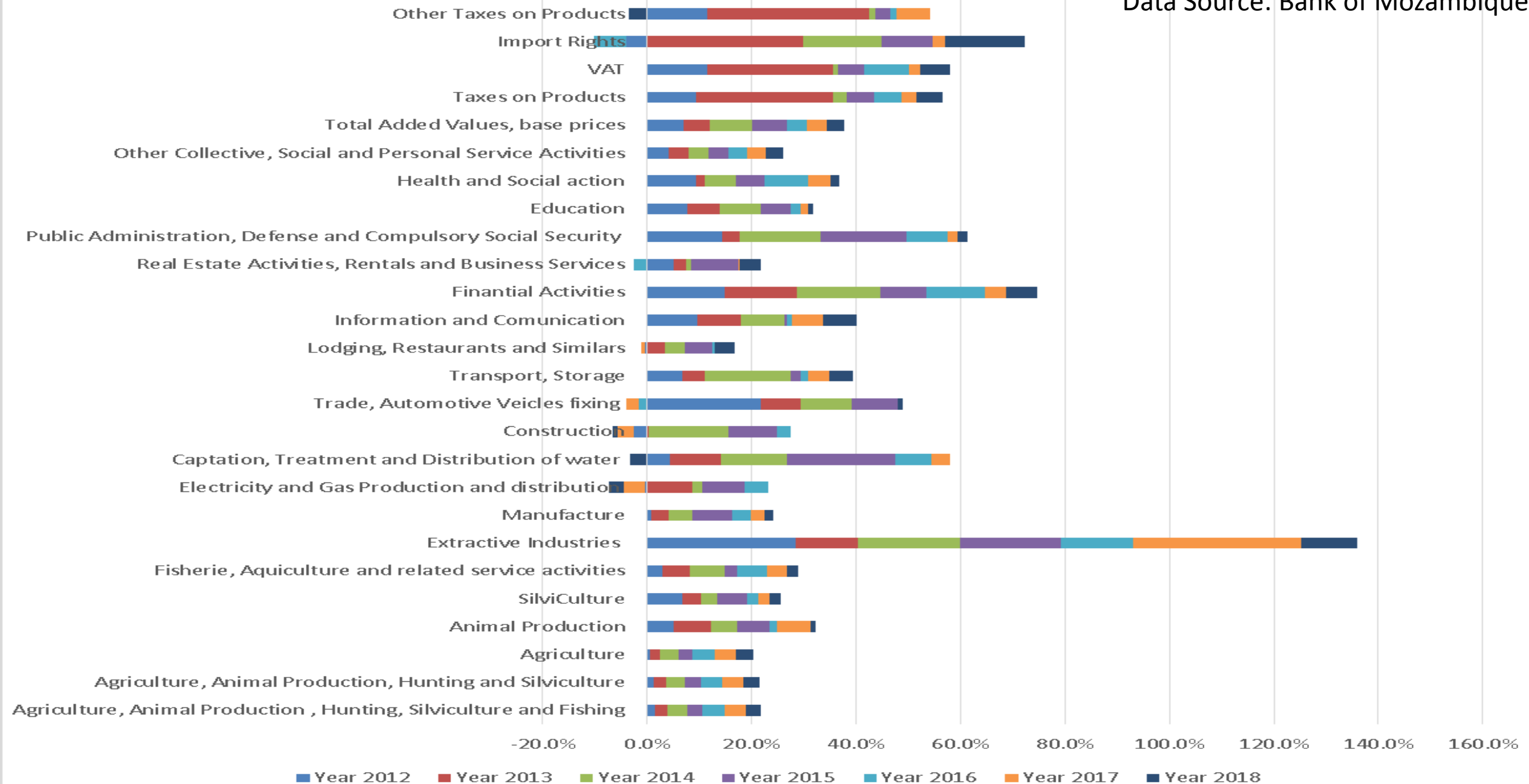
- Favorable Fiscal Policies for atracting FDI

- FDI inflow

- Production and GDP contribution by sector

Struture of Sectoral Contribution for the Mozambique GDP 2008 - 2018

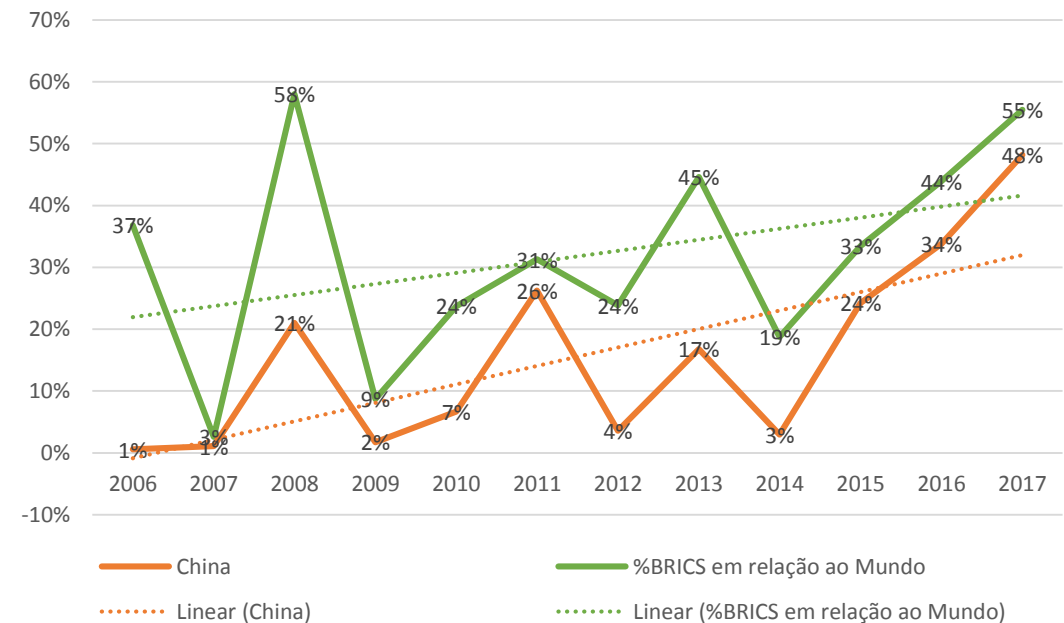
Data Source: Bank of Mozambique



Contextual Background - China

- The presence of Chinese companies in Heavy Mineral Sands sector in Mozambique is related to the fact that Mozambique's reserves are considered to be amongst the biggest in the world (Tyler & Minnit 2004).
- And the Going Global strategy announced in the beginning of the 21st century*
 - The Chinese mining industry was instructed "to utilize two kinds of resources (domestic and overseas) and expand into two markets (domestic and overseas)"
- Africa is a prioritized area of mineral exploration. Yao (2003) suggests that China would be the victim of soaring prices and **controlled supply of raw material** if it failed to act more proactively and to secure its own place in the beginning of the supply chain of mineral resources.
- The research focused in the HMMC (Haiyu Mozambique Mining Co) mining deposit of Murrua/Sangage
- Private companies act as vanguard searching for mining resources abroad, then joined by state-owned enterprises (SOE) to acquire financial backing from the national treasury. E.g.. **HMMC**= Yuxiao Group + Hannan Nonferrous Metal Mining (HNMM)**
- Although the chinese construction companies have been operating in Africa since 1979, the Chinese companies in mining sector are much less experienced.

Percentage of BRICS's and China Investment from the total FDI in Mozambique (registered for financial incentives)



Data Source: CPI

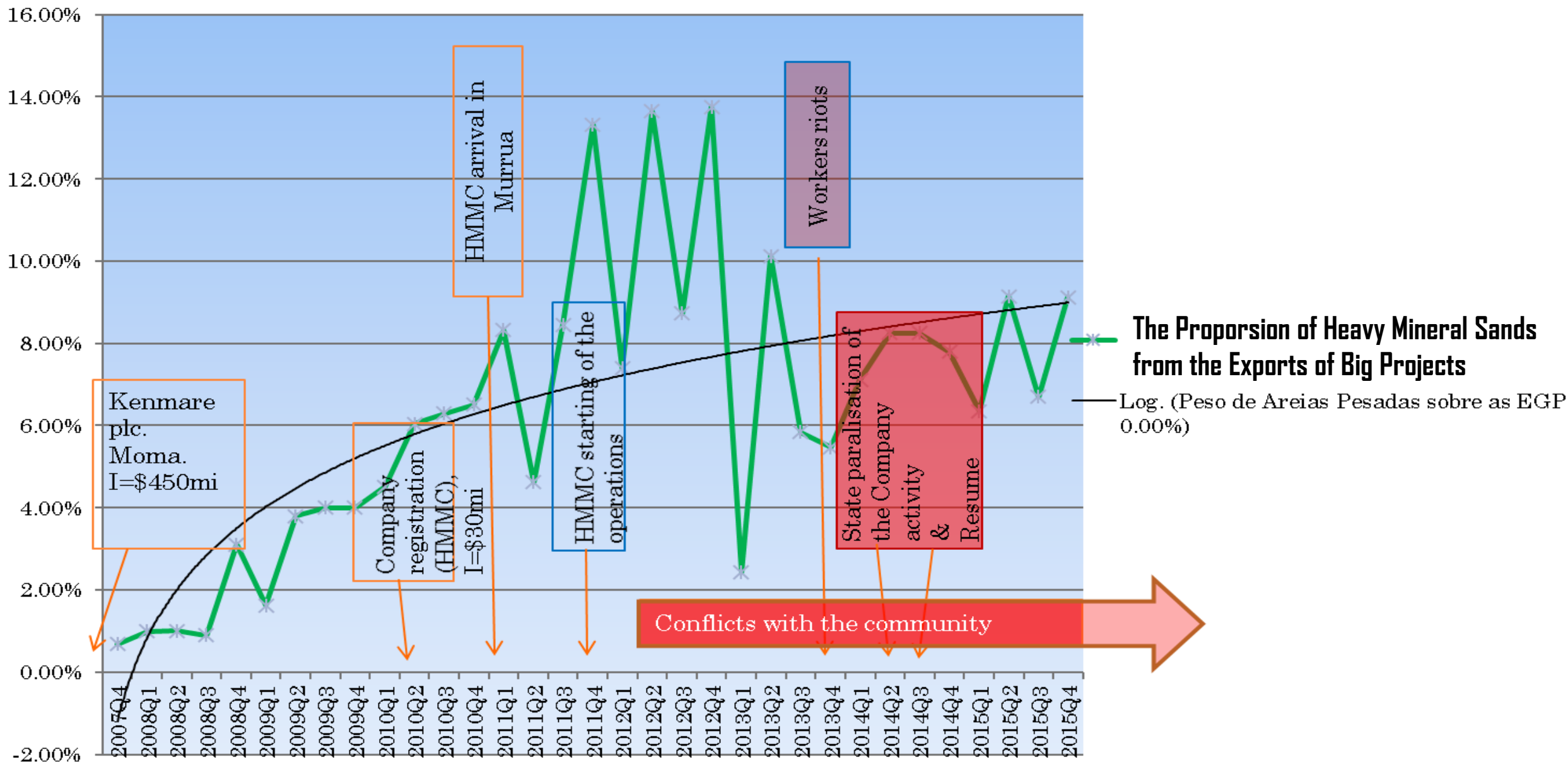
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- The disruptions start with the **sudden and unexpected appearance** of the HMMC in the community.
- Lack of **Comunity consultation** regarding mining exploration?!
Sangage vs Murrua
- **False promises** by District Government to the Community:
Administrator made promises in the name of the company: 850 Job posts for the community; 1Hospital; Road construction; Electricity; Water supply and Primary Schools.
- Company-Community engagement based in “**Oral agreements**” rather than written Minutes;

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- Unfair compensations for community members' property damage;
- Environmental pollution and road degradation (fears of sicknesses);
- Devastation of Ecosystem: sources of alternative livelihoods (fruits, tubercles, herbal medicine, energy sources, small animal hunting, construction materials, etc.)
- Deforestation and desertification (resulting in relocation of their small farms for farther locations; relocation and mismanagement of villagers' cemeteries, absence of space for their traditional practices: rites of initiation; water scarcity; reduced capacity to rearing small domestic animals; increasing men and women daily efforts on their productive and reproductive roles)
- Monetisations of the local economy
- Resulting in disenfranchisement of the community and consequent protests; State violence against the community and continuous reluctance of the government to attend to community calls for negotiations

Haiyu Mozambique Mining Company Trajectory in the Heavy Sands Exploitation in Murrua



Men preparing their fish for drying and resell



Typical rural houses (built with local material and surrounded by fruit trees and small farms)



Chinese mining operation machines



Mined sites (after heavy sands' extraction)



Thank You