



OCCASIONAL PAPER NO 160

South African Foreign Policy and African Drivers Programme

November 2013

Mozambique's Foreign Policy: Pragmatic Non-Alignment as a Tool for Development

Aditi Lalbahadur and Lisa Otto

South African Institute of International Affairs

African perspectives. Global insights.

ABOUT SAIIA

The South African Institute of International Affairs (SAIIA) has a long and proud record as South Africa's premier research institute on international issues. It is an independent, non-government think tank whose key strategic objectives are to make effective input into public policy, and to encourage wider and more informed debate on international affairs with particular emphasis on African issues and concerns. It is both a centre for research excellence and a home for stimulating public engagement. SAIIA's occasional papers present topical, incisive analyses, offering a variety of perspectives on key policy issues in Africa and beyond. Core public policy research themes covered by SAIIA include good governance and democracy; economic policymaking; international security and peace; and new global challenges such as food security, global governance reform and the environment. Please consult our website www.saiia.org.za for further information about SAIIA's work.

ABOUT THE SOUTH AFRICAN FOREIGN POLICY AND AFRICAN DRIVERS PROGRAMME

Since the fall of Apartheid in 1994, South Africa's foreign policy has prioritised the development of Africa. To achieve its 'African Agenda' objectives, South Africa needs to intensify its strategic relations with key African countries. SAIIA's South African Foreign Policy and African Drivers (SAFPAD) Programme has a two-pronged focus. First, it unpacks South Africa's post-1994 Africa policy in two areas: South Africa as a norm setter in the region and South Africa's potential to foster regional co-operation with key African states and other external partners, in support of the continent's stabilisation and development. Second, it focuses on key African driver countries' foreign policy objectives that have the ability to influence, positively or negatively, the pace of regional co-operation and integration. SAFPAD assumes a holistic examination of the internal and external pressures that inform each driver country's foreign policy decisions by exploring contemporary domestic factors; the scope of their bilateral relations; their role in the regional economic communities; and lastly their relations with South Africa.

SAIIA gratefully acknowledges the Danish International Development Agency and the Swedish International Development Agency which generously support the SAFPAD Programme.

Programme head: Tjiurimo Hengari, Alfredo.Hengari@wits.ac.za

© SAIIA November 2013

All rights are reserved. No part of this publication may be reproduced or utilised in any form by any means, electronic or mechanical, including photocopying and recording, or by any information or storage and retrieval system, without permission in writing from the publisher. Opinions expressed are the responsibility of the individual authors and not of SAIIA.

Please note that all currencies are in US\$ unless otherwise indicated.

ABSTRACT

Mozambique has been held up as a veritable poster child of post-conflict success in Africa following the maintenance of relative peace since the end of the civil war in 1992. Much of this has been thanks to a foreign policy successfully pursued on the basis of domestic needs at any given time. The paper identifies three distinct periods in Mozambique's foreign policy where this has been adapted according to the circumstances at play: liberation and civil war, consolidation and 'normalisation', and attracting foreign direct investment for development. In each of these periods, Mozambique has had remarkable success in nurturing partnerships across divides in the international system through its key mantra of 'making more friends, promoting more partnerships'. Ostensibly, recent and vast resource discoveries will propel Mozambique into a new era, where the proceeds of its resource wealth will be pitted against remaining socio-economic, political and developmental challenges in the country.

ABOUT THE AUTHORS

Aditi Lalbahadur is a researcher for SAIIA's South African Foreign Policy and African Drivers (SAFPAD) programme. She has special interests in Southern Africa and pays particular attention to South African regional foreign policy.

Lisa Otto was formerly a researcher for the SAFPAD programme. She is currently pursuing doctoral research at the University of Johannesburg.

ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
ANC	African National Congress
AU	African Union
BNC	Bi-National Commission
COMESA	Common Market for Eastern and Southern Africa
CONCP	Conferencia das Organizações Nacionalistas das Colónias Portuguesas (Conference of Nationalist Organisations of the Portuguese Colonies)
CPLP	Comunidade dos Países de Língua Portuguesa (Community of Portuguese Language Countries)
FDI	foreign direct investment
FLS	Frontline States
Frelimo	Frente de Libertação de Moçambique (Liberation Front of Mozambique)
G-19	Group of 19
GDP	gross domestic product
GPA	General Peace Accord
HDI	Human Development Index
IMF	International Monetary Fund
LDC	least-developed country
MPLA	Movimento Popular de Libertação de Angola (Popular Movement for the Liberation of Angola)
PARPA	Poverty Reduction Action Plan
PPP	public–private partnership
Renamo	Resistência Nacional Moçambicana (Mozambican National Resistance)
SADC	Southern African Development Community
SADCC	Southern African Development Coordination Conference
UAE	United Arab Emirates
UNOMOZ	UN Operation in Mozambique
ZMM–GT	Zambia–Malawi–Mozambique Growth Triangle

INTRODUCTION

In October 2012 Mozambicans celebrated the 20th anniversary of the signing of the Rome General Peace Accord (GPA), which brought an end to the 15-year civil war that broke out two years after the country gained independence from Portugal in 1975. Despite the seemingly insurmountable challenges of reconstruction and rehabilitation that have consistently positioned the country as one of the poorest in the world,¹ Mozambique enjoys a particular prestige in the international community as being one of the 'success stories' for internationally assisted post-conflict reconstruction.

Like many African countries with limited resources, Mozambique has been pragmatic in crafting and executing its foreign policy as an instrument to secure external support for its national interests. Extreme dependency on donor support (which has ranged from 70%² of gross domestic product or GDP in 1992 to 39% in 2012) coupled with a limited fiscus³ has influenced the way in which the government has sought to engage regionally and with the rest of the world. Thus, Mozambique's foreign engagement has focused on carving out a policy space befitting that of a small, highly aid-dependent, low-income country in a somewhat unstable region.

The government's dependence on the Group of 19 (G-19)⁴ donors for budget support – its proximity to South Africa, Africa's economic and political hegemon, and the extent of post-war reconstruction challenges – are other important factors influencing the ebb and flow of Mozambique's external engagements. An examination of all these factors through a foreign-policy paradigm makes it possible to discern three distinctive periods in the country's external relations.

The first of these was dominated by the liberation and civil-war period. Foreign engagement at this time centred on the need to secure support for the ruling party, Frelimo (Frente de Libertação de Moçambique), in the armed struggle against the Portuguese colonisers and, later, Renamo (Resistência Nacional Moçambicana). The second period was characterised by a need to consolidate peace and bring about stability in the country. This necessitated increasing engagement and integration into the region, bolstered by support from the donor community. Finally, the third period is demarcated by a slight shift in focus to diversifying and harnessing international engagement to encourage foreign direct investment (FDI) into Mozambican mining, industry and agriculture as the bedrock of the country's national economy, with the view to addressing the country's many development challenges.

This paper identifies the exigencies that are distinctive of these periods and illustrates how the country's elites have fared against their own foreign-policy objectives. An assessment of the principles underpinning Mozambique's foreign policy forms the necessary baseline for the discussion.

CONCEPTUAL FRAMEWORK UNDERPINNING MOZAMBIQUE'S FOREIGN POLICY

At its heart, Mozambique's foreign policy has been one of non-alignment, which has been tempered by the country's understanding of its limitations in terms of size and stature. This has allowed Mozambique the ability to be flexible in the face of changes in the

international arena; so much so that it is one of a handful of countries that successfully obtained support from the Chinese, Russians, Americans, Western Europeans and Scandinavians during the Cold War. This approach is partly the result of the pragmatism introduced by Frelimo's first leader, Eduardo Mondlane. He had worked at the UN and established relations with leaders and institutions from across the world. This influenced Mozambique's orientation towards the West and the region, as Mondlane was positioned to understand the developmental discourse dominating the times while also being privy to the effects of decolonisation on the continent from a global perspective.

Nonetheless, the consistency of 'non-alignment'⁵ in Mozambique's foreign policy stems from Frelimo's third conference that took place in 1977, two years after independence, during which it formally adopted this principle. The principle is reflected in the government's first white papers on international co-operation since independence, which were published in June 2010 and outline a strategy of 'making more friends, promoting more partnerships'⁶ – a sentiment distinctly reminiscent of its original position in 1977.

According to the two 2010 white papers, Mozambique's foreign-policy principles include defence of sovereignty; promoting democracy, human rights, the rule of law and socio-economic development; maintaining 'special ties of friendship'; establishing new friendships based on mutual respect; solidarity; contributing to the global effort for peace and security by recognising 'the primacy of a negotiated settlement of conflicts'; and using force only in cases of self-defence. Broadly, the country seeks to advance a development-focused agenda, is dedicated to a co-operative and multilateral approach, and is committed to making a 'modest contribution' towards achieving peace and prosperity in the Southern African region.⁷

The broad foreign-policy ambitions that are outlined in these papers are moderated by an understanding of the country's capacity to exert power regionally and internationally. Although actual figures are difficult to obtain, according to a media report, a mere 6.7% of the total \$5.85 billion 2013 state budget has been allocated to institutions like the president's office, the presidential guard, the defence and interior Ministries, and the state security and intelligence service.⁸ Mozambique's articulation of its foreign policy lies almost exclusively in the domain of the president who, as head of state, is also head of the ruling party, Frelimo, which handles external communication in a very disciplined and hierarchical manner.

At a glance, its strategy of propagating 'friendships' appears to be underpinned by pacific aspirations. However, this position is also driven by *realpolitik*, which is necessary for a small state like Mozambique. Diffuse engagements reduce Mozambique's dependency on and vulnerability to any one entity, a lesson it learnt during the Cold War era when it was forced to turn to alternative sources of support in the face of dwindling Sino-Soviet support. Today this is best illustrated by the fact that the country not only manages a strong presence of predominantly Western donors, but also emerging powers like China and Brazil, while maintaining strong links with South Africa and its immediate neighbours.

Mozambique's commitment to diverse engagement is underscored by its membership of a number of cultural, linguistic and political organisations. It is a founding member of the Comunidade dos Países de Língua Portuguesa (CPLP), an observer member of the Organisation Internationale de la Francophonie; and a member of the Commonwealth, the Indian Ocean Rim and the Organization of the Islamic Conference. Of all of these, Mozambique's membership of the Commonwealth most strongly echoes its desire to

engage externally in a pragmatic fashion, thereby best serving the country's changing national interests. Commonwealth membership has served to facilitate Mozambique's regional interaction, encouraged offers of technical assistance and training,⁹ and has signalled the country's commitment to maintaining a diversity of relationships. Reports indicate that although officially it welcomed Mozambique's decision to join the commonwealth, Portugal was particularly put out by this move, as it seeks to be the unifying force of the Lusophone world through the CPLP. In what is perceived as deference to Portuguese sentiments, the Queen only undertook her first visit to Mozambique in 1999 – four years after it joined the Commonwealth.¹⁰

The Commonwealth example illustrates how Mozambique's strategy places it at risk of bruising egos or offending partners. However, the fact that it is such a small country and so severely constrained by economic and developmental challenges means that Mozambique is rarely perceived as a threatening force, which mitigates the fallout that would otherwise be expected.

A constrained fiscus also means that the country's political and economic multilateral engagements in Africa are limited to the African Union (AU) and the Southern African Development Community (SADC). In 1997 Mozambique left the Common Market for Eastern and Southern Africa (COMESA) in favour of sole membership of SADC. Although there was an economic incentive to rationalise Mozambique's membership, SADC was chosen over COMESA because of the historic ties linking the country to the entity as one of the founding members of the Southern African Development Coordination Conference (SADCC)¹¹: the precursor to SADC. At the time Mozambique was responsible for the Culture, Information, Sport, and Transport and Communications Commission¹² sectors.

The 1997 decision to limit regional engagement has meant that the country has been able to play an active and important role in SADC's bureaucracy and activities without being spread too thinly. For instance, in 2002 Mozambique took over the chairmanship of the Organ Troika, which is responsible for the management of the Organ on Politics, Defence and Security Cooperation, and in 2012 it was the chair of the SADC Summit. As the body is managed on a troika system, it will remain its deputy chair when Malawi takes over the chairmanship in July 2013. Furthermore, Dr Tomaz Augusto Salomão,¹³ former minister of finance and planning, was appointed as the Executive Secretary of SADC in 2005 and re-elected in 2009, although he stepped down in August 2013.

Mozambique, through the facilitation of former President Chissano, is also active in a number of second-track peacekeeping initiatives in the region, such as the mediation on Madagascar's domestic affairs and, more recently, between Tanzania and Malawi. This is in line with its foreign-policy commitment to the 'negotiated settlement of conflicts',¹⁴ a principle that probably emanates from its own violent past. Although the protracted civil war has resulted in a war-weary nation,¹⁵ it has also been the genesis of Frelimo's principled yet pragmatic foreign-policy orientation.

THE FOREIGN POLICY OF WAR: SEEKING LEGITIMACY

Mozambique's descent into civil war in 1977 was a consequence of the sudden domestic and regional vacuum created by the departure of Portuguese colonial rule. Portugal's speedy exit from Mozambique came as a surprise to all the actors in the region, depriving

South Africa and Rhodesia (the former Zimbabwe) of a regional ally in their fight against domestic liberation movements. Domestically, Frelimo's strong Marxist–Socialist underpinnings meant that it sought to govern through one-party rule. To consolidate its power in the period immediately following independence, Frelimo embarked on a strategy to quash the powers of traditional authorities and prevent support for opposition parties. This resulted in growing dissatisfaction at grass-roots level, which found a partial outlet in localised support for the guerrilla movement, Renamo. This in turn provided the minority-rule governments of South Africa and Rhodesia with a vehicle with which to destabilise Mozambique through their support of Renamo.

Civil war served to orient Frelimo's foreign policy towards securing support for its campaign to thwart actions by Renamo that were destabilising the country and threatening its legitimacy. Without international recognition of its plight and support for its operation against Renamo, Frelimo determined that embarking on its domestic mandate to uplift Mozambican society after years of colonial misrule would not be possible. The core of its international engagement therefore focused on securing support from Russia and China to consolidate its domestic military power. Engagement with European actors arose from the necessity to address the crippling humanitarian crisis, borne out of a combination of war and drought, while simultaneously striving for greater economic autonomy from apartheid South Africa.

From the outset China and Russia served as natural partners for Frelimo, whose founding principles were steeped in Marxist and anti-imperialist ideology. Both countries offered considerable military and political support for the liberation movement and subsequent civil war. In response to the Sino–Soviet split, Mozambique avoided becoming embroiled in the fallout by accepting Chinese assistance through the African Liberation Committee, thereby appeasing Soviet concerns and securing its military support.

Frelimo also recognised that Mozambique's future economic development rested on the liberation of the rest of the region. Initially Frelimo relied on regional support to secure military assistance from China and Russia – most notably through Tanzania and Zambia during the liberation struggle – and then, in the 1980s, through defence agreements to counteract Renamo insurgents. It actively forged relationships with other liberation movements through associations like the Conferencia das Organizações Nacionalistas das Colónias Portuguesas (CONCP). The CONCP formed as a network of various liberation groups in the Lusophone colonies in 1961 with the aim of pursuing autonomy from Portuguese colonial rule. Membership of the CONCP facilitated interaction between Frelimo and the Angolan liberation movement, the Movimento Popular de Libertação de Angola (MPLA), today a partner of Mozambique.¹⁶ The CONCP also had strong associations with the African National Congress (ANC) in South Africa and the Zimbabwe African People's Union in Zimbabwe. This association therefore encouraged Frelimo to pursue a complimentary strategy of supporting other liberation movements in the region – particularly those in Zimbabwe and South Africa.

The relationships that were formed in the region during this time still influence the temperature and tone of Mozambique's external engagement. Open support for the ANC was channelled through Frelimo's membership of the Frontline States (FLS). As discussed, in 1980 Mozambique was a founding member of the SADCC, which was formed after

Zimbabwe attained majority rule and was an economic equivalent of the FLS. With support from West European donors, the SADCC's principle strategy sought to reduce the region's transport dependence on South Africa through the development of transport corridors from the hinterland to Mozambican ports. Such a development would have placed considerable pressure on apartheid South Africa, as decreased regional dependence on its transport infrastructure could have elicited stronger support for sanctions from the international community.

Despite the antagonistic nature of their relationship, South Africa and Mozambique's histories have always been closely intertwined. Portuguese colonial administrators enjoyed close relations with South Africa and forged strong economic links. In addition, the South African mining sector became the most important employer of Mozambican wage labour in the 1970s, with workers' remittances valued at \$70 million in 1990. Even at the height of tensions between the two countries, South Africa maintained economic ties and kept an active trade mission in Maputo. After Mozambique's independence, South Africa continued to engage with Frelimo in the hope that technological, managerial and financial assistance would temper their anti-apartheid rhetoric. When the SADCC was formed, it became clear that these incentives were not working. The regional consolidation against South Africa posed by the SADCC was a significant threat to the South African government, and forced it to pursue a more aggressive destabilisation campaign in Mozambique through intense, covert support for Renamo.

Given the exigencies of the Cold War, Soviet and Chinese support for Frelimo began to wane considerably. In 1979, when Mozambique was refused acceptance by the Soviet-run Council for Economic Assistance, it was forced to turn to alternative sources of funding. To compensate for this loss of support, Frelimo began to increase its engagement with the US and allow it to engage with Mozambican civil society. By 1984 Mozambique was receiving assistance from Western donors, whose influence, alongside the devastation wrought by civil war and a debilitating drought, led to the introduction of several economic reform measures. This culminated in the adoption of a market-oriented economy in 1987. These measures eventually paved the way for a comprehensive peace process, which led to the cessation of the civil war in 1992 with the signing of the GPA and a democratic election that was held from 27–29 October 1994.

Donor support for the peace process in Mozambique made provision for the dismantling of Renamo's forces and the integration of its troops into a new unified national army. The GPA also ensured the reform and disbandment of various government security forces and the reintegration of Renamo-held territory into a single state administration, and paved the way for elections to be held. In the first multiparty elections since liberation, Frelimo won 53% of the vote and the principle opposition party, Renamo, took 33.7%. The cessation of hostilities and the ensuing elections entrenched the sense of legitimacy that Frelimo had been seeking throughout the war, and allowed the new government to forge a new path for Mozambique's development based on principles of free-market capitalism and multiparty democracy. The cessation of hostilities also led to a distinctively introverted phase in Mozambican foreign policy, in which external engagement was garnered to support its immediate, medium- and long-term developmental needs.

THE FOREIGN POLICY OF PEACE: CONSOLIDATION AND 'NORMALISATION'

By the end of the war over one million Mozambicans had lost their lives and another five million had been displaced. The humanitarian crisis that this precipitated was further exacerbated by the onset of a drought in the early 1980s. In 1990 the country's per capita gross national income was \$374 (2005 purchasing power parity \$), with a Human Development Index (HDI) of 0.202.¹⁷ Today it is still considered the fourth least-developed country (LDC) in the world.¹⁸ The war's aftermath necessitated the reconstruction of every facet of Mozambican life. This included establishing institutions and rules for political engagement in the country to prevent a relapse into civil war; incentivising FDI to ensure the long-term economic sustainability of the country; and embarking on infrastructural projects to encourage development by increasing access to schools, hospitals, and trade for communities.

During this period the government's principal focus was on securing the domestic political climate and addressing the country's long-term socio-economic challenges. Although international donor assistance helped to address the immediate post-conflict reconstruction efforts, Mozambique also sought to establish closer relationships in the region to ensure its long-term security. In the immediate period following independence, the country's elite navigated between the assistance of a coalition of support channelled first through the UN Operation in Mozambique (UNOMOZ)¹⁹ and then through the G-19, while concurrently integrating itself more closely within Southern Africa.

The UNOMOZ mandate, which came into effect after the GPA was signed in 1992, comprised political, military, electoral and humanitarian components of intervention. Strong bilateral interventions from the donor community bolstered UNOMOZ activity. Many donors – particularly the Nordic countries – had over a decade of experience working in Mozambique, and offered flexible and ad-hoc support to UNOMOZ in overcoming difficulties in implementation. These interventions made it possible to expediently address Mozambique's demobilisation, disarmament and reintegration requirements, and the demining of the countryside.

With these immediate post-conflict tasks being addressed, development assistance began to be disbursed through general budget support. This was done in accordance with the Paris Declaration principles, which encourage greater co-operation and a streamlining of activities between donors and government. In Mozambique this has meant that the government has in principle taken a leading role in co-ordinating and implementing broad-based poverty alleviation strategies while adhering to principles of democracy, transparency and good governance, with considerable oversight from the G-19.

However, this has had a negative impact on the robustness of democracy that has taken root in Mozambique, resulting in skewed accountability, growing political intolerance and limits on civil-society participation. Although a premium was placed on transparency and accountability to donors, the same cannot be said for accountability and transparency between state institutions or between the state and society.²⁰ For example, there is no formal role for the national assembly in crafting the strategic goals to which government can be held accountable, or in the disbursement and use of aid money.²¹ Although civil-society engagement is said to take place, this is often done in a closed setting and by invitation only. Given that a large proportion of the population supports Frelimo,²² and

that party memberships often overlap into other spheres, it is not uncommon for those voices to be supportive of the government.²³

Scholars like Hanlon and De Renzio argue that international donor interventions have reduced Mozambican autonomy in determining domestic politics. For instance, the involvement of the International Monetary Fund (IMF) and World Bank in the formulation of the Poverty Reduction Action Plan, Mozambique's poverty reduction strategy (known more commonly by its Portuguese acronym, PARPA), means that it is often just a reflection of existing donor strategies.²⁴ They argue that it is imperative for Mozambique to take a stronger role in co-ordinating and harnessing international support for the country's development. For its part, the government has attempted to increase its autonomy from the international community through targeted regional engagement aimed at boosting its economic independence.

The country's regional engagement in this period is bifurcated into two strategies. The first is Mozambique's attempt to build strong bilateral relationships with its immediate neighbours, focusing on trade and addressing shared development challenges through infrastructure development. The second is its contribution towards peace and security through SADC. Africa's primacy in Mozambique's international relations is reflected by the fact that one-third of its diplomatic missions are based there. Of the 35 embassies that Mozambique operates around the world, 11 are based in Africa in Angola, Botswana, Egypt, Ethiopia, Kenya, Malawi, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe, covering all its immediate neighbours and other key African partners, including the AU and SADC.

A key pillar of Mozambique's regional foreign-policy engagement since 1994 has been the normalisation of relations with its strongest neighbour in the region, South Africa. Mozambique's immediate post-war phase coincided with the advent of democracy in South Africa. Long-time allies, the ANC and Frelimo, found themselves to be in power in their respective countries in the same year. The affinity that these two former liberation movements have for each other (strengthened by ANC exile in Mozambique) has expanded into the policy realm and found common expression in the foreign policies of the two countries, with both prioritising the pacific settlement of disputes and historical bonds.²⁵

The importance of the fraternal bonds that exist between the ANC and Frelimo cannot be overstated, with the language of official dialogue even advancing notions of 'brotherhood'.²⁶ Moreover, reference to the marriage between the former South African president, Nelson Mandela, and the former Mozambican first lady, Graça Machel, was used frequently by respondents interviewed during the research for this paper as an indication of the two countries being 'in-laws'.

Bilateral relations between South Africa and Mozambique reflect these close links. South Africa is Mozambique's largest African investor and consistently among its top-three international trading partners.²⁷ Mozambique is in turn among South Africa's top-three African trading partners. Since 1994 there have been 68 memorandums of understanding signed between the two countries on issues including labour, transport, resources, development, diplomatic exchanges, tourism and defence; and a Bi-National Commission (BNC) was formally established in December 2011.²⁸ South Africa's importance to Mozambique is reflected by the fact that it is one of only two countries with which it has a BNC, the other being Portugal.

There have been significant instances of co-operation between the two countries, particularly in development and economic integration, as well as in the security sector. The most significant example of joint collaboration between South Africa and Mozambique has been the development of the Maputo Corridor and the implementation of a one-stop border post at Lebombo–Ressano Garcia. The Maputo Corridor is an economic and transport development corridor and was the result of a number of parallel developments. These include the development of the N4 highway in South Africa, which connects Gauteng to Mpumalanga and eventually to Maputo; a 15-year port concession in Maputo for a \$70 million upgrade; a cross-border bilateral public–private partnership (PPP) in 1999; and the development of subsidiary corridors.²⁹ This project has illustrated the levels of trust between the countries as well as the importance of stimulating trade.

Until 2012, when it was surpassed by China, South Africa was one of the largest international investors in Mozambique, being also the maiden investor in the post-conflict setting. Some of the most substantive of these investments include the involvement of the Industrial Development Corporation³⁰ in the establishment of the Mozal aluminium smelter, Mozambique's first mega-project, and Sasol's 2003 investment in a 865 km gas pipeline between Mozambique and South Africa. Plans are also under way for Sasol, in partnership with Electricidade de Moçambique, to construct a natural gas-fired power plant, with more than half of the power generated destined for the Mozambican market. These two investments alone total \$1.1 billion (ZAR 11 billion).³¹ Eskom's \$1.26 million (ZAR 12.6 million) investment in wind turbines for power generation in Inhambane – a project that is expected to produce 300 kW of power – is also accompanied by investments in hydropower. The scope for increased co-operation between the two countries is highlighted in the South African Integrated Resource Plan,³² which recognises the importance Mozambique can play in alleviating South Africa's own energy constraints.

South African retail and services industries also boast a strong footprint in Mozambique. Mobile operator Vodacom is present, as is First National Bank, the supermarket chain Pick n Pay, department store Woolworths, general merchandise retailer Game, clothing retailer Mr Price and hotel group Southern Sun. South African small and medium enterprises also dominate in the tourism industry. Comparatively, investment from Mozambique into South Africa has been limited. However, there are some instances of small-scale investment, such as a cashew factory that processes Mozambican nuts in Mpumalanga for easier access to the South African market.³³ Table 1 illustrates the growth of trade between the two countries since the normalisation of their relations in 1994.

Table 1: Mozambique's trade with South Africa (\$'000)

	1994	2001	2005	2010	2012
Total exports	28,824	76,606	151,265	535,060	951,186
Total imports	321,613	638,291	992,751	1,379,966	2,182,974
Trade balance	-292,789	-561,685	-841,486	-844,906	-1,231,788

Source: UNCTAD (UN Conference on Trade and Development), UNCTADSTAT, <http://unctadstat.unctad.org/TableViewer/tableView.aspx?ReportId=46813>, accessed 12 July 2013 (restricted access).

Security co-operation is also a strong feature of the bilateral relationship between South Africa and Mozambique. This is necessitated by the prevalence of cross-border crime, facilitated by the porosity of borders in the region. This is true for car-theft syndicates who steal cars in South Africa and sell them in Mozambique. The trafficking of drugs, people and small arms is also a problem, as is rhino poaching along the border of Gaza province, in the Kruger National Park and in surrounding game reserves. Although South Africa and Mozambique are co-operating in these areas of concern, the lack of an extradition treaty between the countries severely limits the extent of action that can be taken to address cross-border crime.

In this context, the two governments function best at presidential level; the same cannot be said of mid to junior-level officials. There is recognition of the need to deepen relations, and fieldwork interviews with representatives from both governments revealed an eagerness to reduce bureaucratic red tape to 'create a conducive environment for trade and investment to flourish'. However, the delay in permanent appointment of a South African representative to Maputo over a three year period has contributed to difficulties in this regard, hampering the efficiency of implementing initiatives at a practical level. Relations were expected to improve with the appointment of a new South African High Commissioner to Mozambique, Charles Nqakula, in 2012.³⁴ Officials intend to address this gap by expanding the work of the BNC through more regular interactions at ministerial and departmental levels.³⁵

Shared regional challenges bolstered by similar political contexts, thriving informal cross-border trade, common cultures and languages augmented by porous borders, provide Mozambique with innumerable opportunities for collaboration within the region. According to the African Development Bank (AfDB), the country is responsible for 70% of SADC transit traffic, making it an integral actor in regional trade. However, the civil war decimated the country's already underdeveloped infrastructure. A recent World Bank report rates Mozambique's road network density per land area among the lowest in Southern Africa. Existing infrastructural links have been developed transversally, but very little links these networks to each other, or links the country from the south to the north. Until recently, infrastructure development has been concentrated in the south of the country, with Maputo, the capital, being the most developed city. When the SADCC was formed in 1980, it identified infrastructure development in Mozambique as a key strategy supporting development and encouraging trade between countries in the region. This remains a key strategy in Mozambique's contemporary regional engagement.

In the immediate post-war era, Mozambique's regional engagement sought to provide its neighbours with competitively priced alternative access to ports. With one of the lowest cross-border trading costs in the region, at 60% of the average cost for imports and exports in sub-Saharan Africa, Mozambique proved an expedient and cost-effective option for many of its neighbours, including South Africa.³⁶ The 'development corridor diplomacy' that this has evolved into has also been used for spatial development hubs. These have encouraged cross-border trade and boosted local agriculture, both of which are also subsidiary features of Mozambique's engagement with its neighbours.³⁷

Four corridors form part of the official development corridor diplomacy. The Maputo Corridor in the south links South Africa to Mozambique, while the Nacala Corridor in the north-west links Zambia and Tete province in western Mozambique to the port in Nacala via Malawi. The Beira Corridor connects Zimbabwe in the west via Malawi to the port at

Beira, and the Mtwara Corridor links Tanzania in the north with Mozambique through northern and central Malawi, and eastern and northern Zambia. The latter development corridors have become vital networks for the transportation of Mozambican resources to ports in Nacala and Beira with the discovery of large coal deposits.

The government has sought to address the need for better quality rail and road connections through PPPs. Mining company Vale, for instance, is currently involved in revamping parts of the Nacala line. However, such PPPs have led to concerns about an increase in corruption and nepotism, even extending as far as the president.³⁸ There are suspicions that political interests tied to the development of Beira and Nacala have influenced the decision to prioritise them over other transport corridors. For instance, the Mtwara Development Corridor requires only the tarring of a 180 km stretch of road from the Mozambican side to the border at Negomano, and a 60 km stretch on the Tanzanian side to Mtambaswala for it to be fully operational. Yet neither the Mozambican nor Tanzanian governments have been able to find the domestic resources to complete this, and both have approached the AfDB through SADC to request assistance.

Another much-touted engagement in the region is the Zambia–Malawi–Mozambique Growth Triangle (ZMM–GT), a trilateral initiative aimed at enhancing trade and investment in the three neighbouring countries by harnessing the resource endowment through private-sector participation and the creation of improved infrastructure. The ZMM–GT aims to strengthen the capabilities of small producers and expand their market potential for the promotion of trade, production and investment activities in the value chains across borders.³⁹ The project has broad ambitions to harmonise trade and international policies while also paying attention to visas and employment residence and security issues, but has suffered from finding financial support.

Mozambique has also successfully embarked on a trilateral security co-operation agreement with Tanzania and South Africa under the auspices of SADC to curb the threat of piracy off its extensive coastline. Given that maritime activity will increase once the various development corridors become fully operational, there are concerns that piracy will become more prevalent. Although there are concerns that the measures put in place are insufficient (only one South African frigate patrols the coastline), there is general agreement that the co-operation among the three countries is working well. This is evidenced by a successful joint operation that took place in April 2012, which resulted in the release of a Sri Lankan vessel and her crew, and the capture of five suspected pirates.

Although budgetary considerations dictate the instruments the Mozambican government has at its disposal to conduct foreign policy, a common regional political culture dictates the manner in which policy is implemented. SADC is renowned for speaking largely with a unified voice on regional developments, as a consequence of the growth of a ‘private and extremely personalised diplomacy’⁴⁰ and an emphasis on consensus-building in regional politics. To this end, diplomatic practitioners in Maputo observe that Mozambique tends to stick closely to SADC and AU positions.

Mozambique’s support for South Africa’s interventions in Zimbabwe is a clear example of the primacy of consensus-driven politics. The government’s official position is that its stance on Zimbabwe is in keeping with the principles of promoting and supporting indigenously driven resolutions. Mozambican foreign affairs officials substantiate this by reiterating the notion that airing dirty laundry among ‘brothers’ would only aggravate an already tense process.⁴¹

Through a SADC mandate, former president, Joaquim Chissano, has been tasked to mediate the political conflict in Madagascar, which erupted when disk jockey, Andry Rajoelina, ousted incumbent Marc Ravalomanana in a coup in 2009. This move, which resulted in the suspension of Madagascar from the AU and SADC for an unconstitutional change in government, has fallen within SADC's mandate to resolve. Despite the fraught nature of the mediation process, Chissano's efforts have been laudable. His strengths as a mediator were recognised again in 2012, when he was mandated to preside over a border dispute between Malawi and Tanzania over the Lake Malawi–Lake Niassa boundary.

The immediate post-war era provided Mozambique with the opportunity to engage with the rest of the world as a relatively peaceful entity. Its international engagement sought to harness international support for post-conflict reconstruction efforts while it looked to the region for strategies to ensure longer-term development. Key among these has been the development corridors that link Mozambique's ports to all its neighbouring countries. However, the discovery of natural gas in Mozambique⁴² has altered the country's growth trajectory. Resource discoveries have enabled the government to engage with a wider group of actors – marking a third and distinctively outward phase in Mozambique's international engagement.

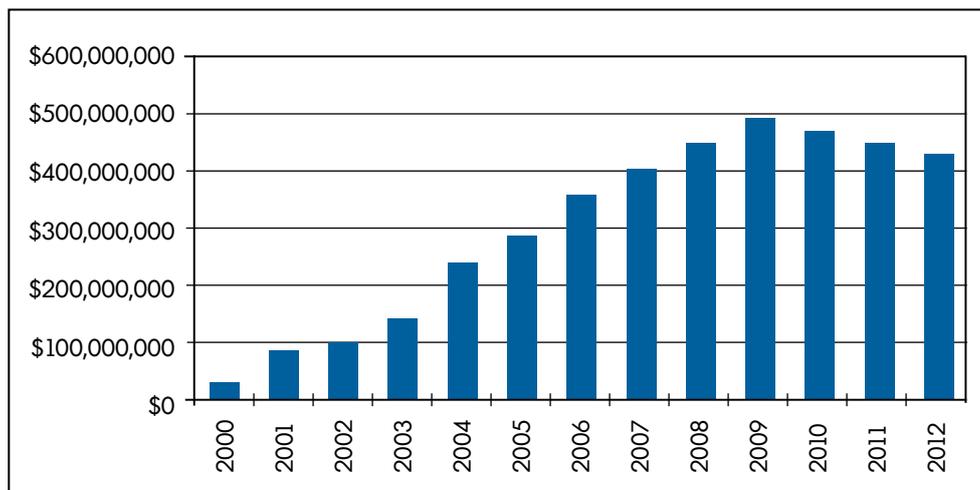
CONTEMPORARY FOREIGN POLICY: UNLOCKING WEALTH, LOOKING SOUTH?

Until 2010, six of the top-10 investors in Mozambique also consistently belonged to the G-19. These were Portugal, Italy, the UK, Belgium and Spain, with Norway and Switzerland alternating positions in the top 10 in 2008 and 2010.⁴³ The global financial crisis in 2008 and subsequent instability in the Eurozone once again brought to the fore the need for Mozambique to diversify its external engagements.⁴⁴

Apart from investing in Mozambique, the G-19 also make substantial contributions to general budget support, as discussed. In 2010, however, this was abruptly and temporarily withheld when concerns over governance emerged. This development, compounded by a global rise in food prices, led to a surge in urban uprisings in September 2010. Although the situation was soon resolved, the events preceding September 2010 indicate a rising concern about Mozambican governance.

In 2013 Belgium, the Netherlands and Spain withdrew their funding for general budget support, because of various pressing domestic economic and political realities.⁴⁵ This, coupled with a growing desire for the country to become more independent of the G-19 and a growing global appetite to invest in the country, prompted the government to diversify its external engagements.

Increasingly, old allies like China, emerging economies like India and Brazil, and more unconventional partners like the United Arab Emirates (UAE) are becoming strong players in Mozambique. Although in 2012 China ranked as the largest investor in Mozambique, ousting South Africa from this position, it was replaced in the first quarter of 2013 by the UAE, with 20 approved projects totalling an estimated value of \$323 million (EUR 239 million). In addition to a \$205 million (EUR 152 million) investment in the development of the Nacala Corridor, spearheaded by Vale, the UAE has pledged investments in projects relating to gas processing that are estimated to create over 6 000 jobs in the sector.⁴⁶

Figure 1: General budget support for total disbursements (\$), 2000–12

Source: Belgian Development Agency, UNCTAD, UNCTADSTAT, <http://unctadstat.unctad.org/TableViewer/tableView.aspx?ReportId=46813>, accessed 12 July 2013 (restricted access).

Discoveries in coal and gas have been incentives for Mozambique to pursue a stronger economic tack in its foreign policy. These discoveries are potential game changers for the country, as they position Mozambique to gain greater financial independence. With the discovery of 2.4 billion tonnes of coal and 3.5 cubic feet of natural gas, Mozambique's coal reserves are considered among the largest in the world and its gas reserves some of the biggest in Africa.⁴⁷ The country is set to realise windfall export revenues over the next decade in coal, natural gas and mineral sands estimated at \$5 billion a year.

A closer look at the engagement of key partners in the South reveals a changing dynamic in Mozambique's focus. Co-operation with China was resuscitated in 2001 when that country forgave Mozambican debt accumulated since 1999, and the two set up a Joint Economic and Trade Committee aimed at increasing trade and co-operation. Since then trade between the two countries has been on the rise, with significant growth coinciding with the announcement of resource discoveries. Between 2010 and 2011 trade rose from \$697 million to \$957 million, marking a 41.1% increase in Chinese exports to Mozambique and a 27.7% increase in Mozambican exports to China.⁴⁸ Frequent engagement takes place between Mozambique and China at state level. In 2013 Chinese President Xi Jinping's March state visit was reciprocated in mid-May by President Guebuza. The Mozambican president expressed an interest in soliciting even greater support from the Chinese for skills transfer in agriculture, infrastructure development and energy.

Brazil is another emerging player in Mozambique. Although the two countries have enjoyed a long history of warm relations, active engagement began when Brazil's former president, Luiz Inácio Lula da Silva, took office. Mozambique was one of Da Silva's most frequently visited countries as part of his 'presidential diplomacy', which prioritised engagement with Africa. The priority of Mozambique was reiterated by the new Brazilian administration when, in 2011, it was one of the first three African countries to be paid a state visit by President Dilma Rousseff.⁴⁹

Engagement with emerging powers is focused on investments in the extractive industries, but agriculture, which is a key sector identified in PARPA, has also received considerable attention. The trilateral agreement between Brazil, Japan and Mozambique on the agricultural project, ProSavanna, for instance, is another way in which Brazil is spearheading its engagement with Mozambique.⁵⁰ Brazil and China's approach to development assistance in Africa in general is in stark contrast to the G-19, in that both tend to follow a policy of non-interference.⁵¹ Brazil prides itself on its technical assistance being 'demand-driven' and both China and Brazil couch their engagement in a rhetoric drenched in notions of 'equality' and 'win-win' partnerships.

China and Brazil are also seen as important sources of capital and technology and the benefits of engaging with them are particularly favoured by the highest strata of Mozambican officials. The main reason for this is that Brazil and China are seen to promote technology driven modernisation – particularly when it comes to agricultural reform. Furthermore, the Chinese work ethic is admired, and the shared language provides a unique opportunity for skills training by the Brazilians. However, there are challenges at lower levels of the relationship, particularly with the Chinese, which are characterised by mistrust and miscommunication.⁵² Another criticism is that although both Chinese and Brazilians believe they have a lot to teach Mozambicans, they do not see that they have anything to learn in turn. This contradicts the discourse of 'mutual learning' endemic to emerging power engagement, and has the potential to breed misgivings.

The approach to South–South engagement tends to be better received because of its contrast to the top-down, conditionality driven models of traditional donors. However, there is a greater expectation of reciprocity, which creates the 'legitimising framework for the expectation of commercial or diplomatic advantage in return for development cooperation'.⁵³ These challenges affect the relationship between Mozambique and emerging players, and the idealised notions of future, deeper relations.

Although the mainstay of emerging power engagement in Mozambique is centred on economic relations, the sustainability of these engagements is dependent on the stability of domestic politics and the economy. Although the economy is growing, worrying trends of corruption, unequal growth and inequality threaten the long-term peace of the country and, by extension, jeopardise Mozambique's external engagement.

MOZAMBIQUE'S REMAINING NEED TO DEVELOP: FUTURE OBSTACLES

Mozambique's per capita income, according to IMF data, has been increasing at an average of 5% per year. Yet despite progress in addressing unemployment and poverty, these remain at alarming levels, with the number of Mozambicans living below the poverty line rising to 11.7 million in a population of 20 million in 2010.⁵⁴

With an adult literacy rate of 55%,⁵⁵ crippling skills development poses a significant threat to the country's future. Inequality has also been growing. This is attested by various international rankings. Mozambique's HDI in 2012 was 184 out of 187 countries, making it the fourth LDC in the world, as discussed earlier. In 2012 Mozambique also ranked 133 out of 142 on the World Economic Forum's Global Competitiveness Index. This has been in spite of impressive growth rates. Resource discoveries are estimated to have contributed to

an average growth rate of 7.2% over the past decade.⁵⁶ FDI averaged 1.5% of GDP between 1993 and 1998; 5.2% of GDP in 2009; and 9% in 2010, at an estimated \$900 million.

Improvements in its regulatory environment have meant that Mozambique's position in the World Bank's Doing Business ranking rose from 135 in 2010 to 126 in 2011. Revenue collection also increased from 12% in 2004 to 19% in 2012,⁵⁷ thereby increasing state revenue. Mozambique has also been revising tax legislation for larger investments and in January 2013 the government announced that it would be enacting a 32% tax on the future sale of local assets. This emanates from criticism that previous 'mega projects' were not contributing optimally to government revenues. As the country now stands poised to reap greater rewards from its natural resource endowment, the government also seeks to optimise potential future gains.⁵⁸

The renewed spotlight on Mozambique has brought with it concerns over issues like corruption, transparency, the robustness of its institutions and the ability of civil-society watchdogs to keep the government in check. In April 2013 fears of a return to civil war resurfaced after a confrontation between Mozambican police and Renamo supporters in Sofala province. This event, followed by numerous instances of violence between Renamo and Frelimo supporters in the ensuing months, has fuelled further debate about political tolerance and the levels of democracy in the country and has served as a reminder of the precarious nature of the Mozambican political system. However, as one Mozambican scholar observed, encouraging signs can be discerned by the fact that both parties have heeded public pressure to enter into formal talks over electoral reforms.⁵⁹

Events in the run-up to the November 2013 municipal elections show that electoral violence and intolerance of political opposition remain prevalent. The 2009 elections are regarded as the least-democratic elections to be held in the country. Electoral regulations prevented most opposition parties from participating effectively and there were widespread allegations of electoral tampering. This was precipitated by Frelimo controlling the majority of appointments to the National Electoral Committee, which controversially decided to exclude the participation of a newly emerging party, the Movimento Democrático de Moçambique (MDM),⁶⁰ from participating in all but four of the country's constituencies. Political plurality and the strength of the opposition have also been limited, in part by Renamo's failure to re-orient itself from a guerrilla movement to a viable political opposition and resultant self-imposed isolation from political processes.⁶¹

The link between business and politics in Mozambique is an important and well-known one because of the impact that it has had on domestic policy implementation. High-powered individuals within Frelimo, President Guebuza notwithstanding, have strong links with businesses operating in the country. It is a widely accepted fact that the president himself was a well-established businessman before he came into power, and the links between his family and big business since his ascent to power in Mozambique are well-documented.⁶² Not only has this had the effect of concentrating wealth in the hands of a few, but it has also had an impact on the government's efforts to curb corruption. Legislation enacted in May 2012 to address corruption has been criticised as being marginal, as more comprehensive anti-corruption laws pertaining to the transparency of ownership of companies have yet to be reviewed and passed by parliament.

Inequality, poverty, graft and weak institutions create a deadly cocktail threatening peace in Mozambique. The vulnerability of the population was highlighted in 2008 and again in 2010 when young, urban Mozambicans took to the streets in violent protests

against rising food prices. Although there may be truth in the assertion by Mozambicans that they are 'war weary', these urban uprisings illustrate that instability could arise if new resources are not managed and distributed in an equitable and transparent manner.

CONCLUSION

Fully cognisant of its size and stature, Mozambique learnt early on that pursuing a foreign policy of non-alignment would be a buffer against the vagaries of the international system. This principle has provided Mozambique with the flexibility to prioritise its foreign engagements in arrangements that best suit the exigencies of changing epochs, creating greater long-term stability.

The dexterity with which Mozambique has been able to navigate this often difficult terrain of maintaining disparate partnerships is partially the result of the skilled diplomacy of Frelimo's leadership and its ability to maximise its impact globally relative to the country's small size and importance in geopolitical terms. For instance, the country maintains a low profile in multilateral forums, preferring to work behind the scenes. This is best exemplified by the role former President Chissano played in resolving various regional disputes. Although suggestive of an active interest in engaging the region, a case could be made for Maputo to capitalise on the moral authority that it enjoys to play a more proactive, agenda-setting role. Its reticence to do so is principally informed by the style of regional politics in Southern Africa, which eschews public deviation from consensus-oriented positions and is encouraged by the deeply fraternal relations Frelimo enjoys with key countries, like South Africa. Southern Africa, however, provides the best platform for Mozambique to assert a stronger presence in world affairs, and is likely to become more important as the country grows in the medium term.

This likelihood is strengthened by the fact that the region is instrumental in unblocking Mozambique's bottlenecks to development. As a highly indebted poor country with significant development challenges and a strong inward focus, even when contrasted with the rest of the region, Mozambique creates the impression of being a relatively benign entity. Rampant unemployment, poverty and inequality, a crippling skills shortage, massive infrastructural deficits and its vulnerability to floods are just some of the domestic challenges that constrain and channel Mozambique's remit to conduct its external engagements. As a consequence, foreign policy has always had a strong developmental focus in Mozambique, with the government prioritising those partnerships with the greatest potential.

In the region, Mozambique has successfully harnessed cordial historic relations with liberation movements-turned-governments to enhance its geostrategic importance through the promotion of transport and spatial development corridors. Its bifurcated strategy has centred on improving access for the hinterland to Mozambican ports through improvements in road and rail infrastructure, while concurrently stimulating agriculture production and trade in spatial development hubs. Although the transport corridors form the centrepiece around Mozambique's engagement with its immediate neighbours, the relationship also extends to areas like security co-operation, electricity-related infrastructure development and trade promotion. These all indicate that a core principle of its regional engagement focuses on addressing shared challenges of development.

Deeper regional engagement has the potential to be expressed through greater integration of social services like health and education – particularly in grass-roots communities along Mozambique’s porous borders. Cross-border initiatives of this nature necessitate a deepening of relationships between government administrations beyond presidential level and can improve the interconnectedness between countries, contributing towards regional stability.

International support for post-conflict reconstruction has been the backbone of Mozambique’s post-war development. The country has enjoyed international acclaim for its two-decade-long unblemished record of peace since agreement was reached in 1992. As a veritable poster child for the successes of internationally supported post-conflict reconstruction, the country’s real experience with the coalition of international community support has been far more nuanced than is widely understood.

Although Western international support has fostered financial and political stability, it has also led to encroachments in accountability and transparency, which are worrying trends for the long-term sustainability of Mozambique. Many critics argue that while the government is held accountable to the G-19 donor community, particularly in terms of its financial expenditure, it has yet to expand this mandate adequately to its citizens. This, compounded by weak oversight institutions and low political tolerance for opposition, creates an unsettling spectre for a future Mozambique as donors – the main drivers of a democratic agenda – begin to play a less important role. This is particularly concerning, given that Mozambique stands poised on the brink of prosperity, with considerable support coming from emerging powers like China and Brazil, which pointedly couch their engagement on principles of ‘non-interference’. This highlights the urgency of reforms that need to take place before revenues from resources come online. The eruption of violence in early 2013 in the run-up to elections has been a harbinger of what is to come should crucial issues of rent allocation, transparency and accountability not be addressed.

Mozambique is poised to enter a fourth period in its modern history, which will need to be linked to its foreign-policy engagement. Being on the brink of financial independence, and even wealth, the country has begun a process of stock taking and considering how it will manage the age of resource wealth that awaits it. Although history has shown that Mozambique is extraordinarily adept at reprioritising its relationships to suit the realpolitik demands from the external environment, its greatest challenge going forward will be to harness rents from resources constructively in order to address the developmental challenges of its people. Prudent relationships with external actors in the region and internationally are key for a country of its size and stature. Mozambique would do well to continue the mantra of ‘making more friends, promoting more partnerships’.

ENDNOTES

- 1 Mozambique receives support from the Bretton Woods Institutions on the basis that it has been classified as a highly indebted poor country. It has also been placed consistently in the bottom spectrum of the UNDP (UN Development Programme) HDI (Human Development Index), despite impressive progress recorded since 1980. In 2013 it nevertheless ranked 185 out of 187.
- 2 De Renzio P & J Hanlon, ‘Contested sovereignty in Mozambique: The dilemmas of aid

- dependence', Global Economic Governance Programme Working Paper. Oxford: Oxford University College, 2007.
- 3 In 2012 Mozambique's total budgetary resources were MZN 162.5 billion (\$5.85 billion), of which MZN 64.3 billion was derived from external resources.
 - 4 The G-19 are the AfDB, Austria, Belgium, Canada, Denmark, the European Commission, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, the UK and the World Bank.
 - 5 Abrahamsson H & A Nilsson, *Mozambique: The Troubled Transition: From Socialist Construction to Free Market Capitalism*. London: Zed Books, 1995, p. 45.
 - 6 Mozambique, Official Gazette of the Republic: Official Publication of the Republic of Mozambique: 4th Supplement, Series I, 34, 30 August 2010, p. 25.
 - 7 *Ibid.*
 - 8 *AllAfrica*, 'Mozambique, assembly passes 2013 plan and budget', 14 December 2012, <http://allafrica.com/stories/201212171573.html>.
 - 9 Mozambique is the only former colony in the south-eastern region not to have been colonised by the British and therefore not to be a natural member of the Commonwealth.
 - 10 Te Velde V, *The Commonwealth Brand: Global Voice, Local Action*, http://books.google.co.za/books?id=_L2sj56svDkC&lpg=PA93&ots=oA02kYiS8S&pg=PA93&redir_esc=y#v=onepage&q&f=false.
 - 11 Personal interview, MINEC (Ministry of Foreign Affairs and Cooperation) official, Maputo, 1 June 2012.
 - 12 South Africa, DIRCO (Department of International Relations and Cooperation), 'Southern Africa Development Community: History and present status', <http://www.dfa.gov.za/foreign/Multilateral/africa/sadc.htm>.
 - 13 Southern African Development Community, SADC Executive, <http://www.sadc.int/sadc-secretariat/sadc-executive-management>.
 - 14 Mozambique, Official Gazette of the Republic, *op. cit.*
 - 15 One of the most pervasive sentiments the authors faced on the ground when interviewing Mozambicans was their aversion to a return to war.
 - 16 Although contemporary relations between Frelimo and the MPLA have not been as strong as during the liberation struggle, being the only two Lusophone countries in SADC and sharing membership in the CPLP make them a potentially important bloc. The importance of strengthened relations between the two parties was recognised when representatives met to discuss expanding areas of co-operation. *Angop*, 'MPLA: Frelimo MPs device [sic] common strategies', 7 February 2012, http://www.portalangop.co.ao/motix/en_us/noticias/politica/2012/1/6/MPLA-Frelimo-MPs-device-common-strategies,15dd42d6-f946-4ef6-97f8-395dfe48e522.html, accessed 6 June 2013.
 - 17 UNDP, *Human Development Report 2013: The Rise of the South: Human Progress in a Diverse World*, <http://www.undp.org/content/undp/en/home/librarypage/hdr/human-development-report-2013>, p. 2.
 - 18 *Ibid.*
 - 19 UNOMOZ is a UN-mandated agency to oversee and provide assistance for the implementation of the peace agreement.
 - 20 Manning C & M Malbrough, 'The changing dynamics of foreign aid and democracy in Mozambique', Working Paper, 2012/8. Helsinki: UNU-WIDER (UN University), 2012, p. 6.
 - 21 *Ibid.*

- 22 Grass-roots support for Frelimo has grown considerably, with almost 3 million members. The number of party branches has expanded from 90 000 in 2006 to 286 000 in 2012. *AllAfrica*, 'Mozambique: Guebuza opens Frelimo Central Committee meeting', 23 August 2012, <http://allafrica.com/stories/201208240344.html>, accessed October 2012.
- 23 Personal interview, Henriques Viola, Centro de Estudos Moçambicanos E Internacionais, Maputo, 30 March 2012.
- 24 For more details on how the donor community's development priorities are reflected in the various PARPAs, see De Renzio P & J Hanlon, *op. cit.*, p. 9.
- 25 South Africa, Foreign Policy White Paper, Building a Better World: The Diplomacy of Ubuntu, 13 May 2011, <http://www.info.gov.za/view/DownloadFileAction?id=149749>.
- 26 South Africa, 'Press conference remarks by Minister Maite Nkoana-Mashabane, Minister of International Relations and Cooperation of the Republic of South Africa, at the conclusion of official discussions between President Zuma and President Guebuza, Maputo, Mozambique', 13 December 2011, <http://www.dfa.gov.za/docs/speeches/2011/mash1213.html>.
- 27 Personal interview, CPI (Investment Promotion Centre), Maputo, 5 April 2012.
- 28 Personal interview, DIRCO, Pretoria, March 2012.
- 29 Personal interview, private sector stakeholder in the Maputo Corridor, Johannesburg, 21 May 2012.
- 30 The South African government has expressed interest in greater Mozambican investments and has used the Industrial Development Corporation as a catalyst for investment and development. In fact, Mozambique accounts for 40% of the corporation's financial exposure in Africa, constituting \$17.6 million (ZAR 1.76 billion).
- 31 *Ibid.*, pp. 3–4.
- 32 South Africa, Government Gazette, 'Schedule: Integrated Resource Plan for Electricity 2010–2030', 34263, 6 May 2011, http://www.energy.gov.za/IRP/2010/IRP_2010.pdf, accessed: 11 July 2013.
- 33 Personal interview, CPI, *op. cit.*
- 34 The South African diplomatic presence in Mozambique is well received and it manages a good relationship with the various government entities with which it interacts. However, South Africa's failure to maintain the presence of a single high commissioner over the last three years suggests diplomatic fumbling on its part. During this period there have been at least two high commissioners who have not stayed in this position for more than a few months, which has not reflected well on the seriousness with which South Africa regards this relationship. This has been exacerbated by poor communication from DIRCO regarding the commissioners' departures. Nonetheless, a new high commissioner, former minister of defence, Charles Nqakula, arrived in June 2012. The appointment was well received by MINEC, as Nqakula is acquainted with the elites in Mozambique and has 'struggle credentials' – factors that may enable him to open doors for new opportunities. Personal interviews, MINEC officials, *op. cit.*; and South African High Commission officials, Maputo, 29 March 2012.
- 35 Personal interview, government official, Maputo, 31 May 2012.
- 36 Dominguez-Torres C & C Briceño-Garmendia, 'Mozambique's infrastructure: A continental perspective', *Africa Infrastructure Country Diagnostic*. Washington, DC: World Bank, June 2011, p. 9.
- 37 Personal interview, Dr Simao, Chissano Foundation, Maputo, 1 June; Personal Interview, AfDB, Maputo, 27 March 2012.

- 38 For example, the company, Insitec, which transferred the right to manage the railway line to Vale, is linked to President Guebuza. Personal interview, Carlos Nuno Castel-Branco, Director of the Instituto de Estudos os Sociais e Económicos, Maputo, 3 April 2012; Personal interview, Henriques Viola, *op. cit.*
- 39 TradeMark Southern Africa, 'Zambia–Malawi–Mozambique Growth Triangle: Malawi to benefit from new projects', <http://www.trademarksa.org/news/zambia-malawi-mozambique-growth-triangle-malawi-benefit-new-projects>.
- 40 Williams P, 'From non-intervention to non-indifference: The origins and development of the African Union's security culture', *African Affairs*, 106, 423, 2007, pp. 253–79.
- 41 Personal interviews with MINEC officials, *op. cit.*
- 42 Hackett J, 'Mozambique: The emergence of a giant in natural gas', SPTEC Advisory: 2012 Country Review, http://sptec-advisory.com/SPTEC_Advisory-Mozambique-The_Emergence_of_a_giant_in_Natural_Gas.pdf.
- 43 Maposse N, 'Bilateral investment treaties: The case of Mozambique', <http://secretariat.thecommonwealth.org/files/241942/FileName/MozambiqueIEGPresentation.pdf>.
- 44 *Macauhub*, 'Mozambican government seeks funding outside the European Union', 9 August 2012, <http://www.macauhub.com.mo/en/2012/08/09/mozambican-government-seeks-funding-outside-the-european-union>.
- 45 Musatti A, 'General budget support to Mozambique: Alive again?', Belgian Development Agency, 3 April 2013, <http://www.btcctb.org/en/blog/general-budget-support-mozambique-alive-again>.
- 46 *Nuqudy*, 'UAE is top investor in Mozambique', 26 March 2013, http://english.nuqudy.com/Gulf/UAE_is_Top_Investo-5067.
- 47 Robinson DA, 'Chinese engagement with Africa: The case of Mozambique', *Portuguese Journal of International Affairs*, Spring/Summer 2012, pp. 1–15.
- 48 Duran J *et al.*, 'Chinese and Brazilian cooperation with African agriculture: The case of Mozambique', China and Brazil in African Agriculture Project Working Paper, 049, <http://www.future-agricultures.org>.
- 49 *Ibid.*, p. 8.
- 50 For more information, see Duran J *et al.*, *op. cit.*
- 51 *Ibid.*
- 52 Duran J *et al.*, *op. cit.*, p. 24.
- 53 Duran J *et al.*, *op. cit.*, p. 23.
- 54 UNDP Mozambique, 'Reducing poverty: Situation and trends', <http://www.undp.org/mz/en/MDGS-GOAL/Goal-1-Eradicate-Absolute-Poverty-and-Hunger/Reducing-Absolute-Poverty-Situation-and-Trends>.
- 55 EISA, 'Mozambique fact file', October 2012, <http://www.eisa.org.za/WEP/moz2.htm>.
- 56 African Development Bank Group, *2012 African Economic Outlook Report*, <http://www.africaneconomicoutlook.org/en/>
- 57 Personal interview, IMF Official, Maputo, 4 April 2012.
- 58 Hackett J, *op. cit.*
- 59 Personal email correspondence, 17 April 2013.
- 60 The MDM is an offshoot of Renamo, headed by Daviz Simango.
- 61 A pervasive sentiment among respondents in the field indicate that Renamo's failure to transform into a political party has been a consequence of its leader, Afonso Dlakhama.

- 62 *Mail & Guardian*, “Mr Gue-business” elected Mozambican leader’, <http://mg.co.za/article/2004-12-22-mr-guebusiness-elected-mozambican-leader>, 22 December 2004.

SAIIA'S FUNDING PROFILE

SAIIA raises funds from governments, charitable foundations, companies and individual donors. Our work is currently being funded by, among others, the Bradlow Foundation, the United Kingdom's Department for International Development, the European Commission, the British High Commission of South Africa, the Finnish Ministry for Foreign Affairs, the International Institute for Sustainable Development, INWENT, the Konrad Adenauer Foundation, the Royal Norwegian Ministry of Foreign Affairs, the Royal Danish Ministry of Foreign Affairs, the Royal Netherlands Ministry of Foreign Affairs, the Swedish International Development Cooperation Agency, the Canadian International Development Agency, the Organisation for Economic Co-operation and Development, the United Nations Conference on Trade and Development, the United Nations Economic Commission for Africa, the African Development Bank, and the Open Society Foundation for South Africa. SAIIA's corporate membership is drawn from the South African private sector and international businesses with an interest in Africa. In addition, SAIIA has a substantial number of international diplomatic and mainly South African institutional members.

South African Institute of International Affairs
Jan Smuts House, East Campus, University of the Witwatersrand
PO Box 31596, Braamfontein 2017, Johannesburg, South Africa
Tel +27 (0)11 339-2021 • Fax +27 (0)11 339-2154
www.saiia.org.za • info@saiia.org.za

