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**THE IMPLICATIONS OF THE RESETTLEMENT SATEGY OF THE VALE-  
MOZAMBIQUE PROJECT ON THE LOCAL COMMUNITIES IN THE TETE  
PROVINCE**

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**ABSTRACT**

This paper examines the Vale-Mozambique project in the province of Tete and the resettlements that were undertaken as part of this project. These resettlements consisted in transferring the populations from their lands to other places to give space for Vale-Mozambique Project to operate. For the majority of the local populations, the resettlement was not consensual, given that they felt forced to leave their lands. This paper examines the problems affecting local communities in the context of the resettlement strategy in Tete and the intervention policies undertaken by the government to address this problem. It further looks at the implications to South-South cooperation. Finally, drawing on the lesson learned from this project the paper offers policy recommendations to improve South-South Cooperation.

**Keywords:** Mozambique, Vale, local communities, South-South Cooperation

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The Companhia Vale do Rio Doce (CVRD), was founded in Brazil in 1942. Vale came to Mozambique in 2004 after it has won the international competition launched by the Government for Concession of the Moatize mines in the Tete province. In June 2007, the Government signed with Vale a contract for the exploitation of Moatize Coal. The Vale speech was *Transforming natural resources into prosperity and sustainable development* (Vale S.A., 2014a). The Vale-Mozambique project covers an area of 23,780 hectares. To acquire this area, it resettled 5,000 people in two different locations (Cateme, 40 km from Tete, and in Bairro 25 de Setembro in the village of Moatize) (Ramos, 2009).

However, the practices of the Vale-Mozambique project contradict the discourse of South-South cooperation to overcome underdevelopment in the southern countries through technical cooperation, transfer of knowledge and technologies. When the project was launched in 2014, there were huge expectation on the part of the government of Mozambique and the local communities that it would promote capacity-building at the benefit of the local communities, create more jobs and contribute to the overall betterment of the Mozambican economy. Nonetheless, these wishes of the local populations were not fulfilled.

Although Vale company granted scholarship to some local people as part of its promise to transfer knowledge and capacity-building to the local communities, only few people belonging to the local elite got it. With regarding to the creation of jobs, most of the population abandoned their farms and livestock to work in Vale-Mozambique. But, this project employed foreign citizens and people from other developed provinces of Mozambique, such as Maputo, Sofala, Zambezia and Nampula. In part, the loss jobs of local to citizens from other provinces of Mozambique is explained by the great wave of foreign immigration in the province of Tete particularly in the Tete-Moattize corridor.

The failures to fulfil these promised goals mean that this project did not contribute significantly to the Mozambican economy, especially with regard to the well-fare of the local populations. Contrary, it harmed more these people. The project Vale-Mozambique harmed local people in that its resettlements forced them to abandon their lands and give way to the project. The populations were resettled in urban neighbourhoods of different territorial order of their places of origin. In the urban areas, they were given small portions of land. Besides, the new houses built for local people were built in a period of three months and had already presented problems of construction. Consequently, leading people to abandon their agricultural practice and creation of animals that were their main means of subsistence.

While this project granted land to the local people to continue their agricultural practice, the size of this land was smaller than the land they had previously. Moreover, the quality of this land was lower than they had before resettlement. Furthermore, this land granted to this company was located far away from their residences, markets, and transportation sites. In addition, these conditions increase the cost of living by weakening local business who could take the advantage of the presence of this project to sell their goods. As a consequence, most of the goods in the province of Tete were imported from South Africa.

Overall, this situation is generating a generalized dissatisfaction by the people who feel they are engaged, with no possibility of claiming their rights and indemnifications for the lands that are being exploited by the Mozambique.

## **Origin of the problem**

According to Suleimane (2010) & Mosca (2011), resettlements were poorly negotiated and involved very little dialogue. Also, many promises were unfulfilled. Additionally, resettlements have altered the organizational, social and economic structure of families and the populations have been transferred to areas with less fertile land (in urban centers) and markets and with greater difficulty in drinking water and other services. In the same vein, Mosca & Suleimane (2011: 51) state that:

"Resettlements can be considered as reserves of cheap labor, with low transport costs and eventually easy to recruit. Only a short-range corporate and governmental vision is not concerned with the good relationship of economic agents with the population, by improving the quality of life of potential future workers".

According to the authors, there was a lack of clarity in the contracts between the Vale-Mozambique and the Mozambican Government in the way the process of resettlement and transfer of families was made. There was also unfulfilled expectation of the population, since most of them were not employed at the mining company and, thereby, they could not improve their socio-economic conditions, which clashes with the Vale discourse of *transforming natural resources into sustainable development*.

According to Santos (2012), large multinationals, such as Vale-Mozambique, carry out their activities with very little state regulation, enter into contracts that allow them to withdraw Mozambican wealth with minimal contributions to the state budget (in 2010 Contribution was 0.04%), violate the human rights of populations, where there are resources with impunity, resettlement in unworthy conditions, disrespect of sacred sites and cemeteries. So, the author points today to Vale-Mozambique as a target of international organizations because of its violation of human and ecological rights.

In short, the project Vale-Mozambique did not play its role of social responsibility, consisting in building houses, roads, schools, hospitals, providing employment, although it considers it a debatable point, because it also considers it the responsibility of the state to ensure the well-being of its people with the gains and taxes of the mining company.

## **Empowerment of communities and citizens**

The Vale-Mozambique project constrains the basic goal of empowering local communities, citizens and partners as these stakeholders were not consulted in its design and implementation phase of the project. Moreover, they did not take part in the processes of decision making. By contrast, only the government and the Vale project counter-part took part in the decision-making process of this project.

Thus, the project failed to observe the principle of South-South Cooperation that advocates that it is crucial to recognize the dynamics of civil society, local communities for development, partners and the state, since by participating, people become more actively involved in matters that concern them, ensuring their self-fulfilment, provide a mechanism of permanent interaction between the state and the local community.

## **Building trust among communities, citizens and governments**

The populations of Kateme and Moatize do not trust the local authorities, the government as well as the representatives of Vale. In the context of SSC, building trust among communities, citizens and partners state should be based on the principle of institutional trust, communities should trust their institutions is crucial enhances the legitimacy of leaders as well as the effectiveness their governance. Consequently, in the case of the project Vale-Mozambique, this principle is beyond expectations of the beneficiaries who expected to get the construction of schools, medical centres, roads, and employment by the coming of this project.

For example, Mosca and Suleimane (2013) affirm that there are dangerous relations between the Vale - Mozambique, Population and governance at different levels because there have been violent repressions against protesters discontented with resettlement, there is real estate speculation of land licensing for mining, suspicions High level of regulation, strengthening of control over information, among other signs that indicate a more muscular governance and loss of democratic values. Hence, the lack of trust on the local authorities, the government and the representatives of Vale-Mozambique Project, has affected the effectiveness of this project as regards to the impact of the local populations.

## **Mutual benefits**

The establishment of the Vale-Mozambique project gave little advantage to the government and the local communities. As a result, it did not attain the South-South principle of mutual benefit. This principle is based on the concept of 'win-win' in which all actors should benefit from the cooperation or a particular project, thus allowing to reinforce the levels of trust between government, partners and the local communities.

With respect to the government, mutual benefits are sometimes questionable because some mega-projects such as the Vale-Mozambique, overshadows the financial power the state, which ends up making decisions that lead to a win-lose situation, with the local communities being the most in this process because they are affected by the problem.

For the local people, while these people expected to get employment as provide by this project, they failed to attain their wishes. Local people could not land job in this project because most of them are peasants and lack work experience. By contrast, this project employed foreigners and citizens of provinces, mainly from Maputo, Sofala and Nampula. Overall, this project did not fulfil the criteria of mutual benefit that leads the South-South Cooperation.

## **Sustainability of human, economic and environmental resources**

The project Vale-Mozambique did not respect the ecological requirements, given that its activities have been degrading the land where they are operating. Furthermore, this project has forced many people to displace from their own homes. Local people have also complain that the establishment of this project involved the destruction of cemeteries and culture.

The inobservance to the ecological requirement and the disrespect to local culture constitute a threat to the criteria of sustainability that drives the South-South Cooperation approach. Under this approach this criterion, South-South partners are required to create conditions for an environmental management that allows the process of socio-economic development to be achieved with the minimum of environmental degradation. Also, South-South partners are

called to respect the human rights and the culture of the local people as well as environmental ecosystems in the areas where they operate. They are required to do so in order to ensure the quality of life and the environment for the benefit of present and future generations.

### **Government intervention policies**

At the present moment, there were not any intervention from the government to solve the situation<sup>1</sup>. According to the Civil Society Organizations such as CIP the government has been passive towards this problem. For the government of Mozambique, as this organization states the resettlements themselves responded the needs of the populations and the existing conflicts between the Vale-Mozambique project and the local communities persist because of the local authorities that agitate these populations.

This posture of the government, therefore, has led local communities to make pronouncements that the process of resolving irregularities resulting from resettlement continues to be poorly managed and to harm the families. Frequent pronouncement from local communities, such as: the government says nothing and we do not know anything; we do not have medical assistance and several children are deprived from studying have been made.

In general, while Project Vale-Mozambique operates, the land conflicts persist in Cateme and Moatize, the populations live a situation of “accepting what you have or leave” and local communities speak of false promises and defaults six years after the establishment of Vale-Mozambique.

### **Conclusion**

In order to strengthen national ownership and the multi-stakeholder approach, SSC should be as much as possible supported by participatory processes at both national and local level. This would require the involvement of a multiplicity of cooperation stakeholders (i.e. representatives of local communities, civil society organizations, media) in the decision-making process. Civil society organizations, which oversee human and environmental rights, should be part of decision-making forums in order to reinforce the role of civil society in the fight for civil rights.

Ensuring transparency in mining contracts between government, partner’s and local community would also help reduce corruption. The success of South-South cooperation projects depends on transparency, participation and inclusion. Therefore, the principle of (multiple) accountability and transparency would help involve the local population, civil society organizations, the partners of the project. This will benefit the local communities and prevent the corrupt elites from getting all the benefits of the project alone.

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<sup>1</sup> <http://www.dw.com/pt-002/fam%C3%ADlias-ainda-aguardam-reassentamento-da-vale-em-moatize/a-19104541> [accessed 25, may 2017]

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