

Land occupation models and its implications on rural development in Mozambique

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Mozambique is the 7th most sought land acquisition destination in the world and the 3rd in Africa, with approximately 2.5 million hectares registered in transnational deals (Land Matrix), giving space to large scale investment mainly on the extractive and agricultural sectors for the global market. Although the Mozambican Land Law is considered to be one of the most progressive worldwide, its implementation effectiveness is questioned; consequently, features of non-inclusive rural development arise from either land occupation models practiced as one evaluates local households' quality of life.

The Foreign Direct Investment achieved a maximum of 6.175,10 million USD in 2013, Central Bank of Mozambique (2015). Approximately 89%, 62% and 50% of the total inflow in 2013, 2014 and 2015, respectively, was directed to the extractive industry mainly regarding extraction of coal and gas in the Center and North region of Mozambique. The mining Portucel



Mozambique forest plantation

industry expansion in Tete province regarding coal extraction, resulted in large-scale land occupation since 2009 (mainly by Vale Moçambique).

Vale's model of land occupation theoretically follows the procedures stated by Land Law, which involves resettlement of local households (HH) as well as compensation with the condition of improving their quality of life. Based on many studies including OMR's, Vale's model of land occupation and resettlement experience including the displacement of 1.365 families were not as optimistic as the Law predicts as the main implications were: (1) reduction of peasants' production area; (2) access to poorer fertility soils; (3) reduction of the production of food crops for subsistence; (4) decreased access to rural markets; (5) decreased access to public services (health education and others); (6) and social instability (increased number of protests, strikes, crime, violent riots after the resettlement process). These implications are perceived in most resettlement or compensation processes in Mozambique, where the deterioration of HH' quality of life and income is verified and the risk of food insecurity is increased.

The agricultural sector, highest share in Mozambique's GDP, attained only 2% of FDI in the last three years. Nevertheless, ProSAVANA arises as a program with government coverage aiming the boost of agri-business and the agricultural sector in the Nacala Corridor region. It is a triangular

cooperation program between Mozambique, Japan and Brazil, with an implementation area of 107.002 km² with 4.3 million inhabitants.

The initial, and still debated, concept of state-led promotion of medium to large-scale foreign investment that required the occupation of large areas in a relatively high population density region initiated a perceived model of land occupancy which would attain similar results as the traditional resettlement and compensation model followed by Vale Moçambique. This argument is highly confirmed by the implications of land occupation by the investments within the pilot-projects of ProSAVANA's Master Plan, in which land conflicts were solve by the marginalization of HH's rights. The additional feature in this model of land occupation is that the Government can be seen as an official facilitator of these investments to come. The implementation of this program is still on hold because of its transparency issues as well as questionable social, economic and environmental implications; still Master Plan does not



Surrounded HH's production areas by forest plantations

provide plans for resettlement processes or mechanisms by which they can be conducted in a fair and sustainable manner while improving the lives of local communities.

A quite different model is followed by the Portuguese-origin forest plantation company Portucel Moçambique (joint investment between the group Portucel Soporcel and the International Finance Corporation - IFC) based on Zambézia and Manica provinces. It has acquired the DUAT (right of land use) of 356.213 hectares for 50 years after consulting the minority of HH, although the Land Law requires no exclusion.



Nacala Corridor
(ProSAVANA's implementation area)

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Vale Moçambique resettlement area, A. Jone.

Portucel's land occupancy model that does not involve resettlements or compensation as it requires that the HH living on those areas agree to "voluntary transfer" their land to the company so that plantations take place. In exchange households get temporary or for a minority permanent employment and the opportunity of engaging the opportunity of being included in the Portucel's Social Development Plan (a USD40 million investment - 112USD/Hectare - aimed to promote food and income subsistence, economic growth and well-being). This process does not require any support from the Government to identify new areas to compensate the HH's loss of land.

The main implications of this model are identified as follows: (1) reduction of production areas as most HH transfer approximately half of their land to the company with high expectations of income through employment; (2) instantaneous increase of income followed by deprivation of income (as most employment lasts for two to three months or less) and land; (3) reduction of food and cash crop production; (4) reduced access to resources as households are gradually becoming surrounded by forest plantations; and, (5) decreased land tenure security as the company already acquired the DUAT which reduces their power of claim involving potential need of migration for acquiring land to future generation considering the demographic growth. This model seems to benefit rural elites whom possess great amount of land enough to transfer to the company and still have surplus to provide the market.

The social and economic features of rural development promoted by the FDI are highly determined by the adopted land occupation model and a comparative analysis indicates that each of the models present a common denominator: the emergence of land conflicts which can result on "land grabbing" and consequent food insecurity, economic unsustainability and lack of inclusiveness in the benefits of economic development leading to deterioration of households' quality of life. Further remarks are important on how the government performance diminish or exacerbate the features of a non-inclusive rural development model as it seems to lack impartiality and effective tools of properly monitoring and certifying law enforcement.