

Conflict and natural resources: protracted crisis, conflict and rent-seeking in Mozambique

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The paper explores how Mozambique's ruling elite has been pursuing different rent-seeking strategies related to natural resource investments with implications for the dynamics of conflict that take place in northern Mozambique in and around the emerging gas fields. It also examines how these strategies are linked to the economic crisis in Mozambique since 2016 and the violent Islamic extremism that is presently ravaging the north of the country. This has led to the heavy repression of local populations by 'Islamic' youth groups, Mozambican state forces, the involvement of regional and international armies, and private security contractors who seek to stabilize the situation and secure gas investments. In this paper, we focus on the dynamics triggered by Mozambique's emerging resource economy in which rent seeking and conflict overlap and feed off each other in the context of a political landscape that is unable to accommodate a multiplicity of competing interests.

We argue that expectations of huge windfalls from the considerable gas deposits in Cabo Delgado, northern Mozambique, have seen ruling elite groups related to past and present presidents engage in rent-seeking strategies that have undermined the economy and political stability and contributed to violent conflict. Whilst we recognize that there are many reasons for violent extremism in Cabo Delgado, our main objective is to explore the dynamics triggered by rent-seeking linked to natural resource investments. An unexpected outcome of the sprawling gas industry in northern Mozambique is that it has created feverish expectations and acts of anticipation among not only ruling elite groups, but also groups outside the ruling coalition including marginalized youth groups.

The key to understanding the country's crisis, and particularly the conflict in the north, is the strategies that the country's ruling elites have adopted to extract rents from natural resource investments in the wake of the resources boom Mozambique is experiencing. We argue that when the model for rent-seeking linked to the emerging resource economy was applied to the gas fields in the north of the country, the consequence was various crises, among them the economic crisis following the disclosure of the secret debt scandal in 2016, as well contributing to the drivers of violent extremism in the region.

To explore how the rent-seeking dynamics have been shaped by the expectations of natural resource dividends by the ruling elite, and how they are potentially linked to conflict and economic crisis, we draw on the emerging bodies of literature on the political economy of anticipation (Frynas and Buur, 2020) and the political settlement approach (Behuria et al., 2017). To understand how prospects of rent have influenced the many nested conflicts, we use the latter to disentangle the dynamics of power both within and outside the ruling elite coalition. We also examine the

incentives they create for elites to use their control over power and access to economic benefits to achieve narrow and short-term economic gains rather than inclusive and longer-term developmental goals. The political economy of anticipation is used to analyze both the secret debt scandal and the Islamic youth revolt and show how ideas are linked to the emerging resource economy through a combination of expectations, anticipations, and the decisions of the various actors that are engaged.

While acknowledging that other factors play a role, we focus on rent-seeking strategies by the ruling elite groups as an important and unique prism for understanding not only the economic crisis but also the conflict in the north. Part of this story is the historical sense of injustice related to natural resource investments that always seems to benefit ruling elite groups from somewhere else (labelled as 'southern', even when they were not strictly speaking from the 'south'). The pattern of rent-seeking has involved a combination of access to opportunities related to large-scale resource investments and the repression and limitation of access to natural resource rents when specific ruling elite groups, allied with international investments, took over the gems business and expelled the artisanal and small-scale miners. In other words, we see the pattern of rent-seeking of the dominant ruling elite groups as intimately linked to the resource investments and associated conflicts.

References

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Behuria, Pritish, Lars Buur, and Hazel Gray. "Studying political settlements in Africa." *African affairs* 116.464 (2017): 508-525.