Investment and Social Conflict in Extractive Industries in Africa: The Case of Cabo Delgado, Northern Mozambique

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Abstract

Following the rise of an insurgency in the mid-2010s in northern Mozambique, scholars have undertaken the task of exploring the driver of the insurgency considering the different actors including the government of Mozambique and Multinational corporations amongst others. Dominant views on the insurgency have not found a single root cause for the conflict and have settled on a number of causes including the socio economic and socio-political environment in the northern provinces of the country, the discovery and exploration of natural gas by MNCs and religious cleavages. Using a qualitative research approach based on existing sources and literature, this paper investigates the role of foreign investments towards the extraction of natural gas in exacerbating the insurgency in northern Mozambique, Cabo Delgado. It finds that the MNC led developments towards natural gas extraction exacerbated conflict by shining a spotlight on the socio-economic cleavages that have dominated Cabo Delgado throughout the country's post-independence history. The state and the consortiums neglected the brewing issues in Cabo Delgado, which were years in the making and gave the insurgents ample opportunity to grow into the insurgency that has claimed thousands of lives and halted economic activities in the province.

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Chapter 1: Introduction to the Study

1.1 Introduction

The intersection between foreign investments and conflict is one that continues to be of scholarly significance in Africa, especially with the increase in foreign investments over the years where foreign direct investments have exceeded the levels of foreign aid in Africa (Christensen, 2019). The continent is vastly endowed with natural resources which have the potential to contribute positively to the socio-economic wellbeing of African countries. However, African countries continue to lack the technological resources necessary to extract and process natural resources independently. Therefore, foreign investors and multinational corporations hereafter referred to as MNCs have situated themselves across the length and the breadth of Africa to facilitate the extraction of natural resources. Mozambique, for example is a host to a number of mining MNCs due to being an attractive destination for foreign investors stemming from the abundance of natural resources in the country. This study aims to examine the role of foreign investments, specifically from MNCs, in the context of natural resource extraction and conflict in Africa, using the Cabo Delgado insurgency in northern Mozambique as a case study.

According to the Armed Conflict Location & Event Data Project (ACLED) conflict dashboard (ACLED, 2024), the number of conflict events has been on an increase over the years in Africa fuelled by different reasons, natural resources being one of them especially with the issue of climate change which affects the continent disproportionately. The extraction of natural resources primarily though mining has been found to increase the probability of social conflict in the form of riots and protests (Christensen, 2019).

Developing countries continue to view foreign investments as a driver for economic growth. This view also applies to the African continent and is evidenced by the development of the African Continental Free Trade Area (AfCFTA), an agreement that has increased prospects for investments in Africa, among other things. The economic liberalisation of African countries resulting from the AfCFTA will render them more attractive to investment from individuals, multinational corporations, and states alike (Wapmuk & Ali, 2022:9). The projected increases speak to the importance of further understanding the interaction between foreign investments and conflict in an African context.

Investments from foreign actors have incited debate in scholarship. There are views in support of foreign investments substantiated by supposed benefits and others against due to supposed limitations. To illustrate this dichotomy, Turner et al., (2008:2) posits that FDI may be a contributor to stable and sustainable peace building initiatives in developing states. This is because FDI brings about opportunities for social and economic development which leads to a more peaceful society that is less likely to fall into conflict. However, in the same breath the authors also note that FDI towards natural resources in states in conflict or post conflict does not always carry benefits for the population as often times states have poor institutional capacities, are riddled with corruption and generally monetary gain from natural resources does not translate or trickle down to the local economies well enough to be of mutual benefit to the entirety of the population (Turner et al., 2008).

The Republic of Mozambique is a state with a tumultuous past, having experienced a colonial revolution and a civil war in its history. It was seen to be on a recovering trajectory following the decades of destruction by the civil war. However, this idea came to a halt in the mid-2010s with the rise of an insurgency in the northern province of Cabo Delgado (Morier-Genoud, 2020). This insurgency is a relatively unfamiliar sight for the lower southern African region. Research has been conducted towards understanding the causes for this insurgency and scholars have come up with various causes including religion, political and economic marginalisation, discovery and bad governance of natural resources and elite greed broadly. Mozambican citizens upon interview by Ewi et al. (2022) claim that the discovery of natural resources including liquified natural gas reserves and resultant marginalisation caused the escalation in social unrest, perpetrated by a small radical group it became a large social, economic and political menace for not only the province of Cabo Delgado but the entire country of Mozambique and the surrounding region (Makonye, 2020). Ewi, et al., (2022) refers to the discovery of natural resources including natural gas as an accelerant for the conflict in Cabo Delgado. The presence of natural resources is not an issue in and of itself, it is instead the resultant activities towards the exploitation of natural resources that often acts as an accelerant for conflict.

Scholars have engaged with the phenomena of natural resources and conflict with the view that the struggle to control the extraction and exploitation of natural resources leads to fertile ground for resource wars, rebellion and insurgencies. In addition to this, the marginalisation of some parts of the community fuelled by the greed of others leads to increased and visible inequality which breeds rebellion from the marginalised. In addition, resource conflict is employed and sustained as a tool for personal endowment by actors ranging from government armies, militias, gangs and state officials (Ikelegbe, 2005:209-210). Maphosa (2012:2) refers to the conditions that lead to resource conflict as rooted within a "social and economic grievance narrative…". Considered in sum, it is possible to envision how foreign multinational corporation (MNC) investments can expedite social conflict due to the nature of their economic endeavours.

To focus on the issue at hand, MNCs go into host communities and initiate operations towards extraction of resources with the promise of some benefits towards the host community. However, what has been observed in other cases is "reckless environmental degradation, barefaced economic exploitation, arrogance, insensitivity and mistreatment of the native communities." (Ikelegbe, 2005:225). This breeds conflict and as a result MNCs feel the need to securitise and by doing so they engage in actions that fuel the conflict instead of abating the situation. Corporate complicity in resource conflict has been uncovered in countries such as the Democratic Republic of Congo where MNCs have been said to be vested in the sustenance of violence and conflict in order to further exploit the population and resources alike (Berdal & Mousavizadeh, 2010:38). Shell in Nigeria has also been placed under scrutiny in the past due to accusations of the company paying for military protection during which violence was perpetrated against the host community and led to the deaths and displacements of people (Hennchen, 2015).

1.2 Problem Statement

Investments from foreign actors in developing African states are often optimistically viewed as a driver for economic growth and development. They are understood as a tool for job creation, technology transfers and infrastructural development for the developing world. They aid countries and bring them aboard the globalisation and trade liberalisation wagon (Ajayi, 2006:1). This is a common thread in literature. However, there is an underside to this that is not problematised thoroughly in the dominant literature around the subject. FDI has and continues to bear gifts to the states that receive it. However, it also contributes to conflict dynamics, in the interest of this study this is with reference to Africa. The African continent is a fertile ground for FDI towards extractive industries. With the abundance of natural resources, multinational corporations strive for the opportunity to invest and state governments accept this much needed means of financial benefit. The problem under consideration is not the investment itself but rather the way foreign actors use their investments in extractive economies, particularly the extraction of mineral resources to incite or fuel conflict both directly and indirectly.

The problem at hand is that investments contribute to conflict dynamics. Therefore, it is of significance to consider the social conflict dynamics that exist considering investments. The FDI-development and FDI-conflict nexus are significant to understand in Africa as social conflict continues to rage across the continent. As alluded to prior, in recent years the Republic of Mozambique has seen an insurgency, a conflict that appears to be resource driven in the northern parts of the country. Following the discovery of natural gas deposits off the northern coast of Mozambique, the country saw investments from natural resource extracting MNCs (Sithole, 2022). This social conflict developed parallel to the discovery of natural gas deposits and resultant developments surrounding investments towards extraction. Employing this case, the study aspires to explore the relationship between social conflict and investment towards extractive sectors in Africa.

According to Aremu (2010:551-554), conflicts across the African continent can be attributed to the colonial inheritance of arbitrary borders, ethnic heterogeneity, incompetent leaders, corruption, and poverty. These factors provide a picture of the roots of conflict in Africa. The instances of conflict in Mozambique's history have been documented and studied by scholars. The recent insurgency has seen the civilian population being a target for violence, it is a contemporary issue that has not been exhausted in scholarship.

Mozambique is in the southern African region, a region that has been considered relatively peaceful compared to the rest of Africa. The Mozambican insurgency is a considerable cause for concern for the security of not only the country itself but for the region in its entirety. Most importantly, the country is very rich in natural resources, which increases the potential to continue to attract investments. On the other hand, a large part of the population continues to live in poverty, fertile ground for social unrest. This is a considerable conundrum and understanding the dynamic between the activities of foreign investments towards extraction of natural resources and social conflict is of utmost importance.

The FDI and conflict nexus had appeared in scholarship, particularly with a focus on the developing world where the primary industry continues to be the cornerstones of economic development. The case of northern Mozambique is one that has not been adequately explicated employing this nexus and is as such of relevance due to the implications of the case. As states in the international system come together and continue to seek technological advancements as well as environmental preservation, the significance of natural resources continues to be of paramount importance. Natural resources such as minerals, natural gas and crude oil are some of the world's most valued commodities and the African continent is immensely endowed with these resources. Discoveries of natural resources deposits have been made and explorations continue to make more discoveries.

In more recent years, the tide has turned as states pursue transition towards renewable sources of energy. This endeavour has resulted in more resources being sourced to support this from African countries such as the DRC, which continues to have its fair share of resource related conflict (Church & Crawford, 2020). Southern Africa remains vulnerable as well with countries such as Angola, Botswana, Mozambique, and South Africa which possess expansive mineral resources. Conflict has a transnational nature, and the issue of natural resource conflict becomes a regional security issue which threatens the human security and economic development of the region. Peace is a vital attribute towards development.

1.3 Research Purpose

The study seeks to investigate the role of foreign investments towards extraction of natural resources in social conflict, an unfamiliar entry point in scholarship which largely attributes the conflict to a variety of reasons within the region. The Cabo Delgado northern Mozambique insurgency is contemporary, and the contribution of investments has not been exhausted as a potential aggravator of the insurgency despite the existing literature alluding to its role in intra state conflict across the continent. The study aims to contribute to the existing body of knowledge around the connection between conflict and investments in Africa. This is an area that is rich in scholarly debate with varying views on the foreign investment and conflict relationship. This study picks up from the study by Ewi et al., (2022) in which residents of northern Mozambique blame the discovery of natural resources for the conflict. This study explores this possibility in-depth by investigating the contribution of investments in the conflict. This is with an understanding of the arguments on foreign investments in Africa and its contribution towards development. To do this, the study submits a singular research question supported by a sub question.

1.4 Research Question

- How has foreign investment towards the extraction of natural gas exacerbated social conflict in northern Mozambique?
  - How does the natural resource curse explain the ongoing social conflict in Cabo Delgado?

1.5 Operationalising the key terms of the Study

Foreign Direct Investment

Direct investment is defined by the IMF as an activity that shows an aim of acquiring long lasting interest by an entity of one economy from a venture that is in another economy. It is usually a longer-term relationship between these two indicated by a degree of influence that the investor has in the investment. The investor may be an individual, corporation, or a government (Duce & España, 2003). Foreign direct investment provides the investor with a long-term influence over the administration of the firm they have invested in within a foreign country (Contessi & Weinberger, 2009).

To this end, the study reiterates that the foreign investment under study is in particular the investment(s) made by foreign companies MNCs towards the extraction of the natural resources in Mozambique. These are primary sector multinationals that work within the extraction of natural resources and include state and non-state companies from numerous foreign states.

Examples include ExxonMobil, ENI SpA and Total Energies. Such companies often enter into agreements with the host state and effectively work together towards extraction of natural resources.

Conflict

The term conflict is defined by Rubin et al., (1994) as quoted in Tjosvold (2006: 89) as "perceived divergence of interests, or a belief that the parties' current aspirations cannot be achieved simultaneously". Intrastate violent conflict is defined as "armed, sustained combat between groups within state boundaries in which there are at least 200 fatalities (Regan, 1996:338). Lastly and most importantly, social conflict is defined as the struggle between opposing parties over values as well as claims to status, power and resources that are scarce to come by (Coser, 1998). These three definitions are important. Especially the latter in framing the understanding of conflict in this study. This will be measured by using existing reports on the violence including displacements, fatalities, destruction of property and other instances of social unrest evident in the cases under study. Of interest is that both the instances of social conflict under study have been categorised as insurgencies. This is a type of conflict defined as one taking place and being led by actors, often non-state, who utilise violence as a tool for contestation against an established regime for or with the goal of attaining political change (Lammers, 2017: 2).

The northern Mozambican insurgency is said to have started in October 2017 and is still ongoing to this day. The attacks have been sporadic in nature perpetrated by young men from the province of Cabo Delgado and neighbouring countries such as Tanzania who are believed to have prior militant experience and connections to the broader jihadist network. The attacks have been characterised by violence and brutality aimed toward security forces and the local population. The attacks have been carried out through village raids coupled with looting and the abduction of women and forced recruitment of young men. Additionally, they have been characterised by the destruction of public infrastructure including government buildings and schools, attacks on economic assets related to the natural gas projects. Another characteristic of this form of conflict is the degree of psychological warfare against the communities who have been forced to relocate to other towns and provinces in the hundreds of thousands driven by fear and the need to save their lives (Bekoe, et al., 2020: 7-15).

1.6 Organisation of the Study

The study is divided into five chapters overall. The first chapter consists of the introduction to the study, the background to the study, the problem statement, the purpose of the study and the research question. The second chapter is the review of the literature related to the study. It also consists of the conceptual and theoretical frameworks as well as the definitions and operationalisation of the primary terms in the study. The third chapter provides the research methodology, this includes the approach, the process for data collection and analysis as well as the limitations to the study. The fourth chapter is the findings, this section is provided in two parts, the first part contains the history of conflict in Mozambique as well as the history of natural resource related conflict in the country. This section ends with an introduction to the province of Cabo Delgado with insights from before the insurgency came to be. The second part of the findings speaks to the insurgency by uncovering the different dynamics at play and the role of the insurgents as well as the MNCs towards the conflict. The fifth and final chapter provides a summary of the findings and the conclusions of the study as well as the overall recommendations thereof.

Chapter 2: Review of Related Literature

2.1 Literature Review

This section will review the state of the art on literature and arguments available on the foreign investment - development nexus, it will then look at the larger issue of natural resources and conflict with a focus on Africa. Lastly, it will go on to consider the foreign direct investment - conflict nexus in Africa. This is to establish the gaps within this body of knowledge and assume an entry point to contribute to the discussion at hand.

A notable feature of the international system as we know it today is the presence and significance of MNCs. Over the years since the dawn of the MNCs post second world war, the world has also seen an increase in intrastate violence. This contradicts one of the most prominent views in the international political economy, the liberal theory which asserts that the increased economic integration of states facilitated by multinationals among others generally encourages peace between states. However, this view fails to highlight other factors such as the unequal distribution of economic benefits gained from the economic integration of states and the effect this has on the socio-political fabric of societies. There is a dynamic aspect to the nature of the relationship between foreign investments and civil society, Pinto & Zhu (2022: 1-27) find this dynamic to be as follows; the operation and the saturation of MNCs in a country concentrates the local markets and leads to higher rents which incentivises rebels to seek a share in these rents. Generally, rents tend to go into the state coffers and often do not find their way down the hierarchy to the locals, hence the rise of rebel behaviour seeking to get their share from the government. This increases the likelihood of a conflict breaking out. They find that this proposition holds true across the primary, secondary, and tertiary sectors. They go on to highlight that the capacity of the state also has a great role to play in these instances and that a strong state government can keep rebels in check, and this deescalates the likelihood of conflict.

2. 1.1 Foreign Direct Investment and Development

As alluded, foreign investments are often viewed as a vehicle of economic growth and development for African states. To this end, the review will reference arguments by Dupasquier & Osakwe, (2006); Ajayi, (2006) and Seyoum et al., (2015). These authors posit that FDI contributes positively to employment, state savings, trade liberalisation and integration into the global economy, the transfers of vital skills via training of local populations, technology transfers and improving overall economic efficiency of host economies. These arguments may be seen to ultimately be aiming to incentivise the formulation of policy towards FDI inflows into African countries by creating an economically and politically conducive environment.

Dupasquier & Osakwe (2006) and Ajayi (2006) provide historical perspectives to the tale of FDI in Africa. Post colonialism, African countries were wary of international trade, global markets, and free trade because of their shared colonial experiences. However, after attempts to utilise inward and protectionist strategies to achieve development with limited positive outcomes, it soon became clear that this was not the way to development and prosperity. Considering this and accelerated globalisation, African states began to employ more outward looking development strategies. These strategies integrated African states into the global economy. Similar hesitance was seen around FDI. African leaders had reservations stemming from the fear of losing newly found political sovereignty and the desire to protect local economies. Of note is the reservation towards the potentially perverse environmental effects of investments towards the primary sector; a phenomenon that has been studied and evidenced across the continent.

Ajayi (2006) unravels the exodus of incentives towards FDI in Africa, noting that post-independence, many African countries took up generous macro-economic policies in order to attract FDI with the belief that it would lead to positive spillover effects for their development. With international development goals such the MDGs, African countries found themselves eager for FDI as a way to grow and meet these goals. This author highlights the suggested general benefits of FDI and goes on to note that these benefits are not necessarily a guarantee, and their success is dependent on other factors such as policy, regime and the level of human development. Seyoum et al., (2015) finds that FDI and growth are mutually reinforcing, a finding that aligns itself with the dominant consensus on the FDI growth nexus in Africa.

In the conversation about FDI towards natural resources, Yimer (2022) finds that FDI towards natural resource rich economies tends to be narrowly channelled towards natural resources and not to the rest of the economy. This means that the spillover effects observed in other instances do not visibly manifest themselves in such cases. The natural resource sector tends to be more challenging to expand as an avenue for development. Secondly, FDI towards the natural resource rich countries leads to an accumulation of capital limited to the natural resources which does not benefit the rest of the economy and instead stunts the growth of the economy at large.

In a thread like that of Ajayi (2006), Yimer (2022) notes that the positive impact of FDI is dependent on the economic and political conditions of a country. To this end, scholars further establish the conditions necessary for a state to attract FDI and have it be a driver for economic growth and development. Yimer (2022: 2-3) finds that the level of human development, initial GDP per-capita, comparison between foreign and local investments, institutional development, level of trade liberalisation and the sector to which FDI is aimed towards are all necessary factors for the successful employment of FDI towards development.

To the contrary, there is an argument citing the lack of evidence to show positive causality between FDI and economic growth (Herzer & Klasen, 2008; Carkovic & Levine, 2005). Herzer & Klasen (2008) employ a 28 developing country sample to test the FDI growth linkage and they ultimately find that there is no evidence pointing to the growth inducing effect of FDI in neither the short nor the long term. Their results also do not point to a particular region nor establish patterns that may allude to the FDI growth hypothesis. Carkovic & Levine (2005) conclude that FDI inflows do not “exert an independent influence on economic growth”, this growth tends to be dependent on other determinants as highlighted by other scholars.

Other arguments conclude that the materialisation of growth from FDI is dependent upon the sector that FDI is aimed towards. The consensus being that FDI towards secondary and tertiary sectors is more likely or has greater potential to fuel growth than that towards the primary sector (Gonel & Aksoy, 2016). These arguments are infinitely valuable to the discussion at hand, largely with the question of how else FDI affects African countries beyond the FDI and growth dynamic as is shown by literature. To this, the review moves forward to consider the larger issue at hand, the relationship between natural resources and conflict. It is a robust area of study and has been explicated by scholars over the years. This review will highlight the larger themes within this literature.

2.1.2 Natural Resources and Conflict

The literature on resource conflict is ample and quite extensive. A considerable part of this speaks to the notion that states that are well endowed in natural resources tend to be more likely to experience conflict that is linked to the resources (Collier & Hoeffler, 2000 in Fearon 2005:483). Issues arising from the looting of natural resources, greed and general grievances contribute to the causal relationship between natural resources and conflict witnessed at varying degrees. The marginalisation of some, ethnic differences, issues of territorial disputes as well as the use of natural resources to fund rebellion are some examples of how resource driven conflict occurs (Sini et al., 2021).

Mildner et al. (2011) provides that literature on resource conflict can be divided into two broad categories. The first addresses the lack of resources and how this breeds conflict. The second one addresses the abundance of resources and how this contributes to conflict dynamics. In the former, by virtue of factors such as increased population, degradation of the environment, systemic and institutional failures as well as socio-economic inequalities the author engages with how these factors lead to the scarcity of resources which feeds into conflict. The latter literature alludes to the resource curse perspective in which two major actors are brought to the fore as the perpetrators of the violence, the rebels and the state. Greed often feeds this dynamic where the two actors are both looking to get the lion's share from abundant resources which in turn leads to conflict.

Scholars such as Collier & Hoeffler (1998) present the “looting rebels’ model”. This model raises rebels, who due to poverty and greed initiate violence in order to exploit the abundant natural resources or the revenue generated by the state thereof. These resources provide the financial incentive to incite and sustain violence as they can make a living through the exploitation of natural resources. This view sustains that violence from rebels is only likely during the initial stages of resource extraction and over time it subsides. This is because as the state earns more revenue, they are in a better position to securitise and curb rebellion (Soysa & Neumayer, 2007: 202).

Another view is that of the “state capacity model” and the “rentier state model”. These both consider the state as the responsible actor for inducing civil conflict. In the former, resource rents are believed to weaken the institutions in the state and therefore make it more prone to conflict. On the latter, in a bid to protect their interests and sources of revenue, the state will often prioritise securitisation and become more repressive toward the civilians. However, this leads to an unstable population and may incite conflict from the people as a response to the repression at the hands of the state (Mildner et al., 2011: 162).

A meta-analysis study by O’Brochta (2019) provides illuminating perspectives on the resource conflict body of literature. The study employs a sample of sixty-nine studies that have been conducted on the subject from 1998-2017. The study concludes that there is a lack of a robust aggregate effect of natural resources on the conflict being evaluated by the different studies. However, upon factoring in mountainous terrain, ethnic differences and the presence of the state, the author finds that there may be a more nuanced relationship between natural resource endowment and conflict. The author recommends investigation into “factors that may condition the relationship between natural resources and conflict…” (O’Brochta, 2019:2). This is with the view that continuous research into aggregating the effect of resources on conflict will provide limited insights into the challenge at hand and more explicative research is necessary on a case-by-case basis of the occurrence of resource conflict.

2.1.3 Natural Resource Conflict in Africa

Humphreys (2005) provides an expansive enquiry into the resource conflict literature. The author engages with six different mechanisms to provide an explanation on the different ways that the relationship between natural resources and the inception of war materialises. Firstly, the author unveils the greedy rebels’ mechanism. This essentially speaks to the idea of rebel groups wanting a share in the spoils of natural resources. This can be done through various means and motivated by various reasons. This is a similar view to the looting rebels’ model with a specific focus on the non-state rebels (Collier & Hoeffler, 1998). These rebels often employ primitive methods to get their hands on the natural resources and thus, the success of such aspirations often depends on the ‘lootability’ of the natural resource in question. Natural resources that are more mobile such as minerals are at a greater risk of being looted and exploited but rebels

Secondly, there is a mechanism of greedy outsiders, and this is the idea that the instigators of conflict are third parties or outsiders such as MNCs or external state governments. These actors go out of their own way to destabilise the states with resources to use the commotion around the instability to get their hands on the natural resources. This is not one unheard of particularly in the developing world where cases of corporate complicity have been found and largely resolved with a slight slap on the hand through fines and compensations to affected populations. Cases such as Anvil in the DRC and Lundin Petroleum in Sudan have been found complicit in the wars raging in these countries respectively. These MNCs were found to have contributed to the exacerbation of conflict, human right abuse and being accomplices of the perpetrators of violence in both cases (van Dorp, 2014: 22).

Thirdly, there is a mechanism that is rooted in the effects stemming from natural resource wealth for countries and the various ways this can lead to societal grievances including but not limited to the unequal distribution of wealth, environmental degradation, dispossession through displacement, deprivation, and marginalisation. In which case, the lack of access and perceived deprivation leads to certain groups being incentivised to resort to violence, this is the grievance mechanism. The impact of grievance in conflict may be considered to be a factor on par with the greed mechanism essentially, where presence of severe grievances has great potential to fuel violent conflict, more so in relation to natural resources (Murshed & Tadjjoedin, 2009:24).

The next mechanism is the feasibility mechanism. In this case, natural resources can be used as a source of funding in instances where conflict has different sources. Here conflict may be the result of wanting to get access to natural resources to fund their rebellion so they can achieve their main goals. An illustration of one such mechanism is the war economy in the Great Lakes Region, particularly the DRC. A war economy is defined as an economy where money is made from the war itself so much that actors involved see value in sustaining the war rather than seeking a lasting peace (Mokose & Solomon, 2016:131).

The fifth mechanism is the weakened state mechanism which speaks to deficiencies within the state itself and how this can contribute to conflict. The state and its instruments are prone to some degree of weakness, especially when the economy is heavily dependent on natural resource extraction. The point here is that the linkages between the state and the people are often compromised as a result of the dependency on natural resources. States lack the incentive to invest in society due to the nature of their revenue generation being in the resources instead of other sources such as taxation. Therefore, little is done to invest in the bureaucratic institutions of the state. As a result, the society may be radicalised against the state due to its deficiencies.

Lastly, natural resource dependent economies may in some instances lead to the neglect of the secondary and tertiary sectors of the economy which leads to a less integrated economy on a transnational scale. Scholars have shown that the integration into the global economy reduces the risk of conflicts for states in the international system. The idea is that the relationships and trade networks established with each other incentivise the drive for peace therefore other countries will not only get involved in reinstating peace in intrastate conflicts, but they will also be less inclined to be at conflict with each other (Humphreys, 2005:510-513).

A review of the book by Alao (2007) looking at natural resource conflict in Africa presents some valuable insights towards resource conflict in Africa. Some of the main threads in the argument include the view that study of natural resources related conflict at the moment tends to have a relatively narrow focus on the issue with regards to the actual factors that affect the root causes, duration and resolutions around these conflicts, which does not provide an expansive picture of the issue. Secondly, the author uncovers that the level of technological advancements available and in use towards the extraction of natural resources plays a hand towards the extent and severity of conflict as well as the patterns that the conflict takes. Lastly, the author points towards the importance of governance around natural resources. This includes but is not limited to the levels of democratisation and the political institutions which are vital to the management of natural resources and their relationship to conflict within a state (Akinyemi, 2010: 219-220). What this analysis illustrates is the variation in the causes and nature of resource related conflict and essentially different cases fall into different variations and there is no one size fits all contextualisation of the phenomena.

2.1.4 Foreign Direct Investment and Conflict

In the conversation about FDI and conflict, there is a body of literature that considers the role of FDI towards peacebuilding, particularly in post conflict states in which FDI is seen as a vehicle for the reestablishment and restoration of economies (Nor & Marson, 2018). This is because FDI is expected to lead to an effective and sustainable peace within post conflict states. There is contestation on the validity of this view within the sub-Saharan Africa context where scholars such as Millar (2015) acknowledge the potential of FDI to incentivise peace but note that FDI is just one route that may be taken to grow the economy, but it does not ultimately lead to economic development of the state. Where it is expected to create employment opportunities and overall improvement in the standard of living, it may stunt growth and lead to higher levels of income inequalities which may perpetrate violence (Adams, 2009:180).

At times investments have been seen as perpetrating conflict in a cycle Berdal and Mousavizadeh (2010:38) refer to as "violence reproducing war economies". The essence is to limit the broad brush of considering investments a silver bullet but rather understanding the historical, social and political environments in context to effectively employ FDI as a tool for peacebuilding. Pugh (2005) highlights this issue by bringing to the fore a critical theory perspective noting that the efforts of peacebuilding in the international system are often marred by capitalist interests which have woven themselves into policy actions by actors such the United Nations. The author notes that these efforts have shortcomings that will continue to limit the success of economic means of peacebuilding. The need for a critical perspective in the study of the FDI conflict nexus is part of a grand picture where academia has often used a broad brush when speaking about issues neglecting the historical and circumstantial differences that exist across the African continent.

Towards the FDI-conflict nexus, the prevalent approach is to consider conflict through state militarization and or securitisation processes resulting from FDI (Kishi et al., 2017; de Soysa, 2019). With this investigation there are similar outcomes where FDI is concluded to be a driver for conflict through state securitisation. In a means to protect the valuable source of rents, states will often securitise against rebels which in turn breeds conflict between the two actors, particularly in states that are less economically developed and have low regard for the civil and political liberties of the population (Kishi et al., 2017). This study uses a sub-Saharan African sample where instances of natural resource conflicts are more prevalent.

Another argument employing a larger more global sample posits that FDI does not necessarily lead to state securitisation and increasing conflict, this is in direct response to the former study (de Soysa, 2019). This author finds that in the case of sub-Saharan Africa, there is a small positive correlation between FDI and increased militarisation. This means the case of sub-Saharan Africa is a unique one whose results cannot necessarily be transplanted to other geographies across the globe. With some degree of agreement, a study by Bodea (2012) finds that the militarization of the state resulting from natural resources and subsequent revenue reduces the likelihood of conflict and subdues rebellion from the population.

A more nuanced undertaking is seen through Kibria et al., (2020) and Mihalache-O'Keef, (2018) who argue that FDI towards secondary and tertiary sectors (skilled) sectors decreases the risk of conflict. Whereas FDI towards the primary (unskilled) sectors increases the risk of intrastate conflict. Pinto & Zhu (2022) posit that foreign investors and or firms cause a concentration in markets which leads to the creation of higher rents in the state, and this incentivises rebels to oppose the governments for this revenue and this causes a potential rise in conflict within the state.

There is an ongoing debate about the FDI-conflict nexus in Africa. The studies are relatively fragmented. This is regrettable as FDI towards Africa has been a conversation in international relations for decades and development institutions and state governments continuously thrive to attract FDI for their economies. In the same breath conflict continues to ravage the continent and threatens state, regional and human security. It is therefore imperative to consider the contribution of FDI towards conflict, to understand how it exacerbates social conflict in Africa. FDI in Africa is largely aimed towards the primary sector, namely the extraction of natural resources within the continent. This is also the case in northern Mozambique. From the literature, this speaks to the potential that indeed FDI increases the risk of social conflict within states.

In northern Mozambique, the role of foreign investment in the conflict has not been exhausted in scholarship. Instead, scholars have addressed the compounded effect of the historical marginalisation, poverty and political and economic exclusion faced by the people of Cabo Delgado (Alden & Chishava, 2020). Prior to the insurgency, Joseph Hanlon, a scholar with considerable knowledge of the Mozambican state noted with dismay the precarious peace situation in the country. He provides evidence towards the risky situation fuelled by increasing economic inequalities in a country with a large unemployed youth population. Hanlon (2010), effectively warned of an approaching doom in Mozambique.

A report by Ewi et al., (2022) stands as one of the most extensive studies of the northern Mozambican insurgency. The study employs secondary data from existing literature as well as primary data gathered from interviews in Mozambique during the insurgency. The authors found that poverty, ethnic and religious differences, the discovery of natural resources and the political contexts are some of the contexts to consider in understanding the roots of the insurgency. These resources include natural gas, rubies, graphite, and timber among others. The discovery has been progressing since the early 2000s and over the years they have attracted an assortment of demographics and nationalities. This has compounded levels of crime, corruption, and illicit trade in the province. The dispossession of natives to make way for extraction has led to disgruntlement and grievances which the respondents consider a major cause of the insurgency (Ewi, et al., 2022: 8-21).

2.2 Conceptual and Theoretical Framework

2.2.1 FDI, Development and Conflict

As alluded to above, the scholarship around FDI and development consists of optimistic views with evidence citing FDI as a driver for economic growth. There are multiple means through which is achieved as covered in the literature review. There is also a perspective conceding that the FDI-development nexus is widely understood dependent upon other factors and not necessarily as a straight trajectory from one to the other. In the case where the local environment is conducive, FDI consistently leads to development (Borensztein et al., 1998). It is vital to highlight the difference between economic growth and economic development. The FDI-development argument tends to be sustained by economic growth rates which have been shown to not always equate to economic development. Therefore, FDI may lead to economic growth in most cases, yet towards economic development the discrepancies found in African states are humbling (Herzer, 2012).

Towards the FDI-conflict nexus, FDI has the capacity to affect conflict dependent on factors including the socio-political and socio-economic conditions of the states in question as well as the sector it is aimed towards. The conclusion to this end has been a positive relationship between conflict and FDI in the primary sector with the presence of unskilled labour and institutional inadequacies (Kishi et al., 2017). This provides the foundations for the study, to investigate how this effect might occur with reference to the cases at hand. Exploring the nexus between conflict and FDI is imperative to the discussion at hand and answering the research questions.

The study is deductive research. This means it is theory based, drawing on prior studies that have been conducted about FDI and conflict in an African context. This is framed in the larger context of the FDI-development nexus. From these existing studies, there are three hypotheses drawn. The study builds upon existing concepts and the expectations specified by these hypotheses (Panke, 2018: 23). In this case the study does not necessarily test fully fledged grand theories from the social sciences, the term theory is used in reference to the existing assumptions found in literature about FDI and conflict and aspires to test them against the case of northern Mozambique.

2.2.2 The Natural Resource Curse

The natural resource curse has been used to explicate natural resources and conflict dynamics seen across the African continent. Founded based on evident failure for sustained economic development despite natural resource endowment, it provides that in such economies there is often ample room for conflict, both state and civil because of low economic growth and income despite evident extraction of natural resources. This then fuels rebellion as there is relatively low cost to insurgency and violence for the population. Studies also unveil that natural resource rich countries often operate on a patronage system riddled with corruption instead of establishing strong democratic institutions and this further increases the risk of intrastate violence (Collier &

Hoeffler, 2005; Kishi et al., 2017). This theory provides that natural resources induce insurgent activities from marginalised communities who attempt to attain the lion's share in the extraction of resources by toppling the state (Ross, 2015). It is upon these theoretical foundations that the study aligns itself with.

From the body of literature explored above, this study extracts three hypotheses.

1. Foreign investment causes militarisation of governments which aggravates insurgents (Kishi et al., 2017).
2. Foreign investments do not accelerate conflict, they are a driver for social security (de Soysa, 2019).
3. Foreign investment accelerates conflict in states with highly unskilled labour within economies largely dependent on the primary sector (Kibria et al., 2020).

Chapter 3: Research Methodology

This chapter will outline the approach undertaken to complete the study. This includes highlighting qualitative research as the research approach chosen and the reasons thereof as well as the process employed to collect and analyse data. The chapter also presents the limitations faced by the study. The purpose of this study is to uncover the role played by MNC investments in northern Mozambique towards the insurgency as it occurred. This is to be done by uncovering how the MNCs contributed to the insurgency. The following section uncovers the process undertaken towards this endeavour.

3.1 Research Design

The study uses a case study research design, specifically, a singular case study. The use of case studies has been a persistent method of investigation in the social sciences. It allows for the illustration of concepts through the interpretation and explanation of occurrences (Hughes & McDonagh, 2017: 134-135). This design has been met with scrutiny in academic use due to its perceived inferential nature. However, it carries value in the richness of details and content engaged with through this strategy (Ruzzene, 2025).

The selected method of study is a qualitative approach. According to Mohajan (2018) this is the utilisation of non-numerical means to illuminate social meaning, it will employ the use of historical research and document content analysis. Qualitative research and endeavours to provide answers to ‘why’ and ‘how’ questions (Mohajan, 2018:2). The aim is towards the enrichment in understanding phenomena. Using a singular case study is selected deliberately to ensure that the data collected from and about the case is adequate to provide the necessary clarification of social phenomena (Polkinghorne, 2005:140). This approach allowed for deeper insights into the case of northern Mozambique allowing for non-quantified results by using an open-ended question. By virtue of the approach, the study is not linear, as it looks towards uncovering themes and relationships between the variable beings investigated (Tenny et al., 2017). Qualitative research has enhanced the understanding of the insurgency in Cabo Delgado and the relationship it has with foreign investments.

The research question is interpretive and focuses on a specific phenomenon to understand how it specifically came to pass in the way that it did (Panke, 2018: 10). The study is explanatory to understand “which effects observed variation in an independent variable has on other phenomena” (Panke, 2018: 37). This is to investigate how changes in investment affected the social conflict observed in the case at hand.

3.2 Process of Data Collection and Analysis

The study is desktop research, reliant on secondary data extracted from multiple sources across the internet. This process involved the collection of data and the use of qualitative analysis to interpret the data collected. Data was collected from secondary sources across the internet. These sources include journal articles, organisation reports, newspaper websites, YouTube documentaries, websites, and other forms of literature accessible on the internet. The study utilised triangulation of the aforementioned sources to achieve the aim of the study. This is understood as the use of different data sources and methods of analysis to study one phenomenon from various departure points (Heale &; Forbes, 2013).

The study uses process tracing to establish the causal mechanism between investment and conflict, defined by Collier (Collier, 2011) “as the systematic examination of diagnostic evidence selected and analysed in light of research questions and hypotheses posed” by the study. Process tracing is a way that allows one to trace the process that led to an observed outcome, in a detailed narrative of chronological order. The method of process tracing allowed for a focus on investment towards natural resource extraction and the causal linkages it has on the conflict in northern Mozambique. In addition, process tracing allowed for an assessment of other independent variables that have causal significance for the conflict under study (George & Bennett, 2005: 205-221). Considering the nature of the Cabo Delgado insurgency and the data collection method employed by the study, process tracing allows one to highlight specific occurrences at specific moments over the duration of the insurgency.

3.3 Limitations of Study

The limitations of using a single case study include concerns about selection bias. This concern arises from the idea that the chosen sample may not provide the necessary variation for adequate randomization. The case may be selected because it supports the hypotheses, introducing a potential selection bias. Nonetheless, this study focuses on the Cabo Delgado insurgency due to its potential theoretical contributions. While a single case study allows for a more detailed empirical analysis, it comes at the expense of broader generalizability.

Another risk is equifinality, where the causes of social conflict might stem from different independent variables (George and Bennett, 2005). However, process tracing can help identify alternative causal pathways if they exist. Although Mozambique primarily uses Portuguese, translation tools (such as www.deepl.com/translator) and the extensive availability of English resources mitigate this language barrier. Lastly, there is great value in gathering primary data in the social sciences which this study is unable to do at this time due to time and logistical constraints. Therefore, the study looks to However, there are adequate secondary resources on the internet to utilise towards answering the specific research question.

Chapter 4: Research Findings

This chapter will uncover the findings of the study. To do this, in consideration of the nature of the study being a singular case, the chapter is in two parts, the first section will delve into the historical context within which the insurgency is situated. This is to uncover the background and potential root causes and contributors to the insurgency. This will be done by discussing the history of natural resource extraction in Mozambique going back to the Portuguese colonial era in the country. It then goes on to discuss the history of violence in Mozambique, including the liberation movement, civil war, and political tensions between the FRELIMO and RENAMO. The section then moves towards natural resource related conflict in Mozambique, specifically regarding coal mining in the Tete province. It ends with a discussion of the province of Cabo Delgado prior to the insurgency. The second part of the chapter goes on to speak to the province of Cabo Delgado and the insurgency that has continued to threaten human security in the province, the key conflict under study. The study discusses the insurgents as well as the investors towards the natural resource extraction off the coast of Cabo Delgado. It engages with the interests of these parties and the results of these interests in a bid to uncover the role that the foreign investments had on the conflict.

4.1 PART A: Historical Context

4.1.1 The History of Natural Resource Extraction in Mozambique

The northern Mozambican insurgency is a short chapter in a long history of extraction and marginalisation related grievances in the country. Much like other resource rich African countries, the Mozambican state has not been spared by history. Therefore, colonialism started the cycle of extraction in the state. As with other instances of extraction in other developing nations within and beyond the African continent, extraction has often been coupled with dispossession. Blanes et al., (2013) provides a brief history of the multiple manifestations of dispossession stemming from extractivism in Mozambique. Extractivism is defined as the exploitation by extracting value from natural resources that allows for the sustenance and extension of capital (Mezzadra & Neilson, 2019:38). Dispossession comes to play when the growth of capital does not benefit the rightful owners of the capital.

Briefly, from the 16th century until the 19th century the Portuguese maintained control over the Mozambican colony using prazos da coroa which were grants of land ownership that were used to maintain ownership and control over the colonised territory. These were used to essentially remove the resources from the hands of the natives into those of the Portuguese colonists (Newitt, 2019). In the 19th century, chartered companies under Portuguese directive led the extractive economy in Mozambique. These companies were mandated by the Portuguese government to undertake the development of the colony. However, over the period from 1890-1930, these companies essentially failed to achieve sustainable development of the colony after facing numerous challenges to their initiatives. Ultimately, they led to the exploitation of natives and the creation of a polarised economy (Vail, 1976).

Even in post-colonial Mozambique, the trend of dispossession and extractivist activities did not cease. Mining companies have been a presence in Mozambique since the early 20th century till this day. Blanes et al., (2013) highlight that it was in the 21st century - in 2011 with the arrival of Vale in the coal mining industry in Tete that led to an international visibility of the Mozambican natural resource extraction specifically in the coal industry. As it stands the country has investments from countries in North America, Europe, Asia and South America towards the extraction of numerous natural resources in the province, including coal and natural gas (Caixao, 2021:114). In the past two decades Mozambique has seen numerous major extractivist developments from numerous foreign investors.

4.1.2 History of Violence in Mozambique

As alluded to previously, Mozambique is no stranger to violence. The country came out of colonial rule and fell into civil war not too long afterwards. This post-independence civil war only ended in 1992 and beyond that there have been spurts of violent conflict between the ruling political party FRELIMO and the main opposition party RENAMO, a conflict that was at the core of the civil war and has persisted over peace agreements bolstered by the international community. Tensions are still relatively tight between these parties which leaves the country with the running possibility of violent conflict (Muchemwa & Harris, 2019).

Considering the status quo in the country of Mozambique, in discussing the history of violence in the country, the study will highlight the 1997-1992 civil war in the country. In a nutshell the civil war was a long war between the members and supporters of the liberation party FRELIMO and RENAMO. FRELIMO came into power at the country's independence when the Portuguese colonial powers relinquished control and handed the political reins over to the party. The first military base for RENAMO was built at Mutare and Bindare, this is located towards the west of central Mozambique where the country borders Zimbabwe. Over the duration of the civil war, the RENAMO spread eastwards towards the Indian ocean and southwards towards South Africa. While the country of Mozambique holds democratic elections, for most of its post-independence history, the political atmosphere in the country has been highly polarised between the FRELIMO and RENAMO, with the FRELIMO holding power since the first multiparty elections of 1994. Over the years this support has become considerably dichotomous, with certain regions in the country supporting one party or the other (Pearce, 2020).

FRELIMO took over at a time when neighbouring Zimbabwe (then Rhodesia) and South Africa were still in their own struggles against oppression. In solidarity, this party became a supporter of anti-colonial and liberation movements in Zimbabwe. This apparent support of the liberation movements led to the discontent of neighbouring colonial Rhodesia which in retaliation, supported and trained a rebel movement, the RENAMO in order to destabilise the FRELIMO (Muchenwa & Harris, 2019).

This rebel group proceeded to disrupt FRELIMO-led government operations until the independence of Zimbabwe. After this, RENAMO became an ally of apartheid South Africa. At the time, the liberation movement in South Africa was also receiving support from FRELIMO and to curb this, apartheid South Africa trained and provided weapons for the RENAMO to limit and hinder the FRELIMO's support towards the liberation movement of South Africa. The civil war led to the deaths and the displacement of over hundreds of thousands of people within the country of Mozambique and has undoubtedly left long lasting scars on the country (Muchenwa & Harris, 2019).

It was in 1990 that efforts towards peacebuilding through the signing of a peace accord were seen. This process was spearheaded by the international community (PERI, n.d). However, the signing of this accord did not see the end of the conflict in Mozambique, spurts of conflict at varying intensities have been seen over the years. These necessitated the signing of more peace agreements and negotiations between the FRELIMO and RENAMO, one in 2014 and another in 2019. In all this, one of the chief grievances of the RENAMO can be understood as having vested interests in reaching a balance within Mozambican politics, one that would allow them to gain some of the economic benefits that have been exploited by FRELIMO leaders and elites since the dawn of the country's independence (Vines, 2021:328).

The current geographical delineations between southern and central Mozambique and northern Mozambique can provide the basis for an understanding of the geography of politics in the country. Since colonial times, the country of Mozambique has been such that the southernmost parts of the country, below the Save river, where the capital Maputo is located have received the highest levels of development in all aspects. Post independence, the FRELIMO led government proceeded with this trend and led to what can be regarded as socio-economic neglect of the northern parts of the country. The provinces of Manica, Tete, Sofala, Zambezia, Nampula, Niassa and Cabo Delgado contain the bulk of the underdevelopment in the country (Weinstein, 2002:142-143). The very location of the capital city of Maputo, the capital of the country is a large part of the reason for the socio-economic discrepancies of northern and southern Mozambique. The long and narrow country of Mozambique has had a very polarised socio-economic development due to the physical geography of the country (Neethling, 2001:24).

The central regions of the country acted as the stronghold for the RENAMO during the civil war and as recently as 2010 it was used as the base for the forest fighting RENAMO (Ramos & General, 2023: 63). These demarcations have led to the dissatisfaction of the bulk of the population in the highlighted regions which has in turn provided the RENAMO with an entry point to strategically harness these grievances against the marginalised regions to gain some public confidence and gain votes in past elections as seen in the 2014 presidential elections where Afonso Dhlakama, the RENAMO candidate received 36% of the national vote (Pearce, 2020:776). High rates of poverty, social marginalisation and the general disregard of the Cabo

Delgado populace may have allowed for the generation of the conflict as we know it as it appears to be a multifaceted conflict (Ramos & General, 2023). Tensions between the two parties have not been completely eradicated. Therefore, one cannot quite explicate a conflict within the Mozambican state without referring to these tensions.

4.1.3 Natural Resource Related Conflict in Mozambique

4.1.3.1 Vale in Tete

As a foundation for the Cabo Delgado insurgency, the study deems it relevant to make reference to a previous investment that led to some instances of social upheaval in the form of protests and arrests in Mozambique since the turn of the century. Coal mining in the Tete province of Mozambique was a national development spearheaded by various foreign multinational company investors. These developments took place in the mid-2000s, before the Cabo Delgado insurgency and it occurs in a different region of the country, the Tete province which is in the west-central region of Mozambique. Having provided a definition of the conflict this study seeks to investigate; it is valuable to consider the case of Vale in Tete as a background for the abo Delgado insurgency. Although these are different kinds of conflict, they both display the profound impact that foreign investors or MNCs can have on the communities that host them. It also illustrates the value of addressing local grievances as they arise in order to curb conflicts. The case of Vale presents an opportunity to identify common themes of displacement, dispossession and the effects that these have on the social cohesion of host communities.

In the early 2000s, a large reserve of coal was discovered in this region. This was no minor discovery; it was soon found to be the fifth largest deposit of coal in the world. It was met with great enthusiasm from the government and foreign investors alike. In preparation for the development towards the extraction of the coal, over 6 million hectares of land were allocated to various foreign investors by the government. This was not vacant land, instead this land had been occupied by natives and they were dispossessed and resettled to make way for developments, the construction of mines and supporting infrastructure. Thousands of people were resettled to newly developed settlements in the province (Lesutis, 2019:116-117).

Investments toward the mining were made by Coal Ventures and Jindal Steel and Power Limited from India, Rio Tinto from the United Kingdom, Riversdale Resources from Australia, and Vale from Brazil (Ejatlas, 2023). Lesutis (2019:116) reports that Vale is the biggest culprit having led to the largest dispossession of locals and resettlement in Tete. To date, the company has since sold the mine to Vulcan which is part of Indian owned Jindal Group as of 2021. The mine was inaugurated in 2011 following investments made by Vale amounting to 2 billion USD with plans to invest more over the years (Global Energy Monitor, n.d). Over the duration of their operations, the company paid millions of Mozambican Metical in production tax to the Mozambican government albeit with reports of tax avoidance due to allowances and loopholes within the agreements made between the two parties (Mate, 2021).

To define the exclusionary social class created by the mining company in Tete, the term ‘enclave’ as employed by Lesutis (2019) comes to light. The word itself is defined in the Merriam Webster dictionary as a distinct territorial, cultural, or social unit that is enclosed within or as if within foreign territory. Essentially a physical, social, and economic space that reinforces existing class differences by perpetrating the assimilation of others into the global economy and therefore improving their economic wellbeing while subjecting others (of the same people) to dispossession (Lesutis, 2019). To establish the enclave in Tete, Vale with support from the Mozambican government was able to takeover large expanses of land as alluded to above, along with their natural resources both below; the coal itself and above the land surface; farmland and water bodies with inadequate compensation overall despite the evident effects of such actions on the societal fabric of the dispossessed people of Tete. A few resettlement communities were built as new homes for the people, one such settlement is the Cateme rural settlement (Cezne & Honke, 2002:5).

Prior to Vale pursuing open cast mining, they had to relocate the population who called that area home. About 25000 hectares of land were commissioned to Vale by the government to make way for the infrastructural developments required for the mining. People were moved to a new location over 30 kilometres from the town they previously called home, and, in the process, they lost access to numerous facilities that were an integral part of their survival at the town of Moatize where they were relocated from (Lesutis, 2019).

Additionally, Lesutis (2019) highlights that living where they did allow them access to significant transport networks to other towns in the Tete province and to other neighbouring countries of Zimbabwe, Malawi and Zambia. Despite the resettlements having been carried out by the book, they ultimately failed to replicate prior circumstance and optimise the lives of the resettled people in their new community of Cateme and as a result led to numerous protests, lawsuits and general disgruntlement by the locals affected. In sum, the dispossession of people by their own state to make way for investments led to instability.

4.1.4 Background of Cabo Delgado

The province of Cabo Delgado is in the northernmost parts of the country of Mozambique, bordering the country of Tanzania to the north and the provinces of Niassa to the west, Nampula to the south and the Indian ocean to the east. This region has been the source of insecurity for the entire southern African region for several years due to an insurgency, one that developed parallel to the discovery of and movement towards extraction of natural gas off the coast of the region. Cabo Delgado is — despite appearances, the birthplace of the liberation movement party FRELIMO. This is why it becomes increasingly surprising to note that the province also happens to be one of the most poverty stricken and underdeveloped provinces in the country.

The province of Cabo Delgado is home to three main tribal groups. The Makonde, Mwani and the Macua. Over 50% of the population in the province aligns with the Muslim faith. The Mwani and Macua make up this majority Muslim population, and the Makonde belong to the Christian Roman Catholic faith and African traditional religion. The Makonde of Mozambique have strong ties to the Makonde of neighbouring Tanzania, understandably because of colonial borders which separated ethnic groups across the continent. The Mwani people are located closer to the coast and have been the most affected as a result of the insurgency (da Silva, 2017:90). The nature of the northern provinces allows them to be the prime crime real estate. The absence of the state and connections to east African illicit trade routes and the Indian ocean coupled with an abundance of exploitable resources has compounded a myriad of issues for the region. It is important to engage with these factors prior to discussing the crux which is foreign direct investments.

Montepuez is the second largest town in Cabo Delgado located towards the west central of the province. After the discovery of huge ruby deposits in 2009 in this area, a company named Montepuez Ruby Mining (MRM) led by Gemfields, a British mining conglomerate, was granted the licence to establish a mine to extract these rubies. Before it could start operations, the government of Mozambique deployed forces to support the company in their resettlement endeavours. There were artisanal mines established by locals in the area and the arrival of the mining company led to their expulsion. Over 4000 people made up of artisanal miners and local people were cleared from the area to allow for the development of the mine. This move was not welcomed by locals and after unfair compensation and human rights violations, Gemfields was made to pay a fine to reconcile their actions (Nhachote, 2021). What was not noted at the time is these disgruntled artisanal miners, made up of newly unemployed young men provided ample opportunity for recruitments by the insurgent group.

The land upon which the mine was built was said to have been expropriated from a local farmer who first discovered the ruby deposits on his land. A FRELIMO leader and former governor of the Cabo Delgado province is said to have 'paid' for the rights to use the land and took it from the farmer who used it for agricultural purposes. The governor went on to strike a deal that brought Gemfields to Montepuez. As security concerns arose due to artisanal miners, the company along with the support of the government, employed security companies from South Africa, deployed their own internal security staff as well as the local police force and the state military corps to secure the area. This securitisation process has been exercised through violent means by all these parties against the locals and artisanal miners. The developments disadvantaged and dispossessed the local communities with unfair compensation to open it up for the company. The benefactors from the mining have been FRELIMO backed elites of Mozambique and the foreign investors with little towards the communities (Valoi, 2016).

The mid-2000s saw the discovery of expansive natural gas reserves off the coast of northern Mozambique. The location of the reserves led to Cabo Delgado becoming the base of the resulting infrastructural developments towards the establishment of the bases to support the extraction of the gas. Notably, natural gas is not the only resource found in the province, it is also home to large deposits of rubies and other valuable minerals (Els & Chelin, 2021). These riches were all at one point the source of great optimism for the people of Cabo Delgado, the state of Mozambique and the international community. However, over time they became a source of grievance for the communities adjacent to their developments.

Scholars have investigated the case of northern Mozambique and found that the region hosts numerous transnational trade routes tied to the trade of "ivory, timber, drugs and people…" to name a few (Haysom, 2018: 6). This variety has led to established and interconnected criminal syndicates in the region with links extending as far as the horn of Africa. This is all happening within an economically disadvantaged society. Evidently, there is strain on the social cohesion due to the grievances caused by these criminal activities. In addition, it is not only the criminals that are complicit, but the state government is reported to be in cahoots with the criminals active in the region (da Silva, 2017:91).

4.1.5 Cabo Delgado Before the Insurgency

In recent years, the majority of academic research and traditional media about Cabo Delgado places a considerable focus on the natural gas discoveries. It is therefore necessary to attempt an imagination of Cabo Delgado before the Rovuma basin discoveries. A report by CMI (2005) provides some vital information towards this endeavour. At the time, the province was ironically much as it is today; one of the poorest provinces in the country where less than 10% of the population worked outside of their own family farming units and only just about 40% of the people of school going age were in school compared to a national average standing at about 60%. The province was also the least industrialised across the country despite the expansive beaches and natural environment with great potential towards the tourism industry.

Even then, Cabo Delgado had great potential for agricultural development owing to their rich agricultural resources from viable soil, climate, and an extensive coastline. Some of the challenges standing in the way of the provinces' development were poor transport networks and infrastructure, lack of reliable power supply as well as an inadequate water supply. In addition, despite the opportunities present, the province was faced with institutional shortcomings due to the lack of appropriately trained and educated people to run administrative institutions in the different constituencies across the province (Isaksen, 2005).

A study by Gervasio (2014) with a special focus on the district of Palma corroborates this general thread on the nature of livelihoods, where he finds that employment is divided in three major sectors: agriculture, trade and fishing. Essentially, employment in the province is largely informal in nature. Due to the close proximity to neighbouring Tanzania, the Palma district carried a growing migrant population. Substantial enough to be considered one of the contributors to the overall population growth in the district in its entirety. Migrants cross into the country from the Mozambican and Tanzanian border, from east African countries such as Burundi, Somalia and Ethiopia to name a few (Gervasio, 2014:100). Cabo Delgado was a melting pot of Mozambicans of different tribes as well as migrants from neighbouring countries. This is important as the emerging dynamics between the different people would automatically have an impact on the social cohesion or lack thereof in Cabo Delgado.

In 2016, the Mozambican government was uncovered to have hidden debt to an amount well over 2 billion USD. This discovery led to harsh repercussions from the international community, specifically international financial donors. A few of them, including the IMF, cut their financial support to the country. This funding supported over 50% of the public budget in the country and its suspension grossly affected the national budget (Williams & Isaksen, 2016). Some of the money that was part of the hidden debt had been taken out as loans that were allegedly allocated to the security of northern Mozambique. Specifically, to protect the coastlines of Cabo Delgado against criminal activity including piracy, trafficking of drugs, minerals, and illegal fishing. This was a response to the evident increases in illicit activities facilitated by the ports and coasts of the region which were effectively undermining the security of the state (Bussotti, 2022).

The extent of corruption and illegal activities in Cabo Delgado is an intricate web of different actors from local criminals, elite FRELIMO leaders and international syndicates. The strengthening factor being the existence of syndicates spearheading the smuggling of everything ranging from timber to people and everything in between. These criminal networks benefit from the ports and the small airports in the province which have limited security (De Silva, 2017). These activities thrive in a sensitive region that has been host to RENAMO and FRELIMO conflict. The insurgents of Cabo Delgado are believed to have some ties to this dark economy due to the prevalence of the economy across the province as well as links uncovered by Haysom (2018) tying the insurgents to illicit activities. The author also posits that over time as the insurgency advanced it was likely that they would get further entrenched in this illicit economy.

In 2015, at the inception of the gas project and prior to the insurgency the MNC, Anadarko, which had been given concessions for developing the plants for natural gas extraction was taken to court. The corporation was taken to court as a form of protest by a group of 1500 people led by civil society organisations that were going to have to be relocated to make way for development. Their grievance was the result of Anadarko failing to address them and have engagements about the plans surrounding their relocation as well as the intended compensations thereof. By the end of the trial, the courts granted the people the right to be compensated for their resettlement. However, due to the nature of land rights in Mozambique the company could have proceeded with the relocations without any legal limitations getting away with providing inadequate compensation. The involvement of the courts to resolve issues between the MNC and the people of Cabo Delgado at the inception of the project did not spell success for the relationship to become between the two actors. In Mozambique the land is owned by the state, and it grants leases to its use. Most rural dwellers have no formal titles for land ownership, despite being the rightful owners of the land and this makes them easier to exploit and dispossess with limited pushback (Symons, 2018:5-9).

This section has provided a brief introduction to the history of violence in Mozambique, including the country's colonial past under Portuguese rule which was soon followed by a civil war that led to the deaths of hundreds of thousands of Mozambicans. Additionally, it highlighted the history of natural resource-related conflicts, specifically referencing the activities of the multinational corporation Vale in Tete province. Vale's activities Moatize had a negative impact on the local communities leading to resettlements with unfair compensation leading to complaints and protests against the company which had a negative impact on the social cohesion of the province. This case is different from that of Cabo Delgado, the conflict in Tete is characterised by tensions between the local communities and Vale, fuelled by the discontentment of the locals. The province of Cabo Delgado had limited appearance in literature prior to the insurgency. What can be gathered is that the province has been largely underdeveloped and had a great dependence on subsistence agriculture. The underdevelopment was a result of the absence of the state in the province, opening room for the illegal extraction of the abundant natural resources in the province. The next section delves into the insurgency itself, investigating the relevant actors and the different factors at play within the insurgency.

4.2 PART B: The Insurgency

This section of the chapter will delve into the social conflict under study, the social conflict in Cabo Delgado. It is the main section of the findings chapter and includes a discussion of the insurgency itself, the main actors – it investigates the Ahlu Sunnah wal Jamaah (ASWJ) and the root drivers behind the radicalisation that led to the rebellion. It goes on to discuss the foreign investors present in the region and by extension, in the insurgency itself. It ties these up by putting together the findings to the resource curse theory, presenting the ways in which the theory provides explanations for the social conflict and the manner it manifested in Cabo Delgado. Lastly, the section reintroduces the foreign investment and conflict nexus and uncovers the relationship between the two as a means of explaining the relationship between the foreign investors and the conflict perpetrators in Cabo Delgado.

4.2.1 The Cabo Delgado Insurgency

As illustrated by the case of Vale in Tete, resource related intermittent conflict has been seen before in Mozambique. The Cabo Delgado insurgency is to be used simply as a specific case in point for what appears to be a recurring phenomenon in the country. In part due to its popularity and severity but more significantly because in past cases, conflict has been due to breaches of the social contract between the state and the people, where the state failed to provide adequate resources in an equitable manner for the people as highlighted by Green and Otto, 2014 cited in Els & Chelin (2021). However, in the case at hand, the conflict has seen a different actor in the form of insurgents and has taken on a transnational nature as well as posing a threat to the national security of neighbouring countries. The greater literature (Ntaka; Els & Chelin, 2021; Sithole, 2022; Bagozzi et al., 2023) places October 2017 as the inception date for the insurgency. There are also narrations of the brewing stages of the insurgency prior to October 2017 which brings to the fore the key actors, victims, perpetrators as well as the effects of insurgency.

In 2007, a few years before the discovery of natural gas in Cabo Delgado, there was the beginning of a religious group, an Islamic order which aimed to enforce Islamic law and effectively remove people from the state's control. Overtime, this group grew to become the Ahlu Sunnah Wal Jamaah also known as the Al Shabaab by locals without affiliations to the Al Shabaab of Somalia. Between the years 2015-2016, the ASWJ began to have altercations with the local law enforcements (Jentzsch, 2021). Ties to the Muslim faith have been further reinforced by the prevalence of black ISIS flags being carried by the insurgents during their attacks and on social media platforms (Sithole, 2022:7).

Over the course of the conflict, the insurgency has resulted in the deaths of over 4000 people as well as the displacement of over 850 000 people (Ewi et al., 2022). Attacks by the insurgents were sporadic and scattered over the province in space and in time. As of September 2023, there have been 1676 violent events reported, with 4759 fatalities related to these violent events and 2030 civilian fatalities (ACLED, 2023). The first attack by the ASWJ was on the 5th of October 2017, where the group attacked three police stations in Mocimboa da Praia. This initial attack led to the death of 16 civilians as the police retaliated against the insurgents (Ouassif & Kitenge, 2021).

Upon coming to terms with the severity of the insurgency, in a bid to protect the nation’s security the government of Mozambique employed foreign mercenary companies from Russia and South Africa to reinstate peace. This was after the Mozambican forces failed to successfully fight back against the insurgents. These endeavours were not successful and seeing the severity of the situation and its threat to regional peace, upon agreement with President Nyusi, President Kagame deployed the Rwandan army to come in to fight against the insurgents. The SADC followed suit and deployed their own mission in the country reinforced with support from the EU (Neethling, 2021:26). The deployment of these forces was the result of a bilateral agreement between the state of France and Mozambique whose presidents engaged and committed to the plans to reinstate peace. France is the home country of the energy giant TotalEnergies. This happened after the company declared a force majeure and left Mozambique citing safety concerns as a result of the insurgency. Following the meeting between the two presidents, Macron went to visit Rwanda and South Africa and the deployment of forces followed suit

(Nhachote, 2021) Over time these forces have managed to curb the violence and diminish the vigour of the insurgents. Arrests have been made and the known leaders of the movement have either been killed or arrested, much to the advantage of the Mozambican government (Africa News, 2023). While it has been curbed, the continued presence of forces in Cabo Delgado and the continued spurts of violent attacks within and beyond the province speak to the lurking possibility of insurgent violence in the province.

During the heat of the insurgency at Palma, there were reports of Mozambican soldiers gathering inside the walls of the TotalEnergies LNG project base in Afungi to protect the workers and leaving the local population to fend for themselves against the insurgents. According to Koen (2022) this may have been the result of international investment agreements that often requires a host state to ensure the security of foreign investors along with their investments, understood as the full protection and security (FPS) standard. Nhamire & Hill (2020) allude to this by reporting that a number of soldiers armed with AK-47s were seen guarding bulldozers at work on the beaches of Cabo Delgado. The forces along with the Rwandan and SADC forces have had many human rights violation accusations thrown their way over the duration of their missions, diminishing their role as peacekeepers.

The agreements known as Bilateral Investment Treaties essentially require host states such as Mozambique to provide security and if any damages are suffered by foreign investors at the lack of said protection it leaves Mozambique liable to compensate the investors (Koen, 2022:194). It would be for this reason that the Mozambican government responded with a heavy hand towards the insurgents at Cabo Delgado. The government launched a campaign to actively curb the insurgents in Cabo Delgado, this was seen through attacks on towns suspected to be hosting the insurgents which led to the deaths of some as well as the arrests of numerous suspects. The government attempted to downscale the severity of the situation by restricting access to the media in an attempt to promote a sanitised narrative crafted from down south in Maputo. The introduction of foreign forces to dissipate the violence is in line with the theory of securitisation by the state government as alluded to on the literature review section. Hanlon (2021) concludes that these securitisation efforts were not as effective as intended, seeing as TotalEnergies and ExxonMobil both put a pause to their projects owing to the violence. TotalEnergies left with the promise to return in 2026 and ExxonMobil had planned to resume activities in 2024 (Makonye, 2023: 373).

4.2.2 The Insurgents

The insurgency is perpetrated by the ASWJ, also known as the Al-Shabaab or the Machababs locally, an Arabic term which translates to 'the youth'. At the time of completion of this study, the year is 2024 and the insurgency has been going on for almost seven years since the first publicised attack of October 2017 and till this day, very little is publicly known about the insurgents themselves. Particularly with regards to who they are and what they are fighting for. This group has kept themselves relatively secluded with minimal interaction with the media and outsiders in general. A documentary by BBC News Africa (2021) carries some insights into the ASWJ. The documentary itself is titled "Sons of Mocimboa", effectively putting an identity to the insurgents. The journalists that researched and produced this documentary conducted interviews with civilians of Cabo Delgado who, having encountered the insurgents, are clear that these rebels are their own children, born and bred in the communities they now torment. The documentary seeks to uncover who these perpetrators are and more importantly, what their goal is.

In a video posted by the insurgents on social media, they make assertions about the reason for their insurgency having no relation to the natural gas discoveries going as far as saying that "we are not fighting, as it may seem, for the wealth of the world. This is not about gas…". They claim that their movement is about religion, it is a Jihadi movement, an assertion reinforced by the Islamic state (IS) which has claimed them as their own members. They affirm that their aim is to establish an Islamic state, as such they stand against the state of Mozambique, the government and particularly the president himself, Filipe Nyusi (BBC News Africa, 2021).

This view contains a degree of credibility when considering that the religious extremism in the province can be traced back decades before the insurgency. The insurgent group is said to have broken away from the mainstream Muslim faith in Mozambique from as early as 2007. At the time, charities from Middle Eastern countries such as Saudi Arabia were funding the establishment and the construction of mosques in the region. They also supported communities to establish Islam schools known as madrasas and offered scholarships to some of the underprivileged youth to go and study abroad in countries such as Saudi Arabia. Over time, a particular sect led by two preachers of Mozambican and Tanzanian nationality respectively grew prevalent. The teachings of these preachers were of a radical nature and the rest of the Muslim community in Mozambique stood against it. It appeared that this movement had ties with the Somali al-Shabaab. Funding and recruitment into this extreme movement grew through various channels and they began clashing with the authorities between 2015 and 2016. Their aim was to do away with the modern state and as mentioned earlier, in order to establish a conservative Muslim society based on their interpretation of Sharia law. At this time the government responded by arresting some of the problematic rebels instead of looking towards curbing the situation at its roots; an action that is thought to have inflamed the insurgents and led to the situation of October 2017 (Stanyard et al.,2022:16-20).

Stanyard et al. (2022) provides an uncommon view in the insurgency literature. They unveil the idea that the insurgency was funded by the local businesspeople of Cabo Delgado in response to the marginalisation upon the arrival of the MNCs towards the natural gas developments. The idea is that when these MNCs came into Cabo Delgado, they hired contractors from outside the province to provide services neglecting the local labour. Therefore, by inciting violence through the ASWJ, they could scare the newer contractors off making way for them to be granted these contracts. However, due to the multifaceted nature of the movement it may have been morphed into something greater than anticipated. The jihadists all had their own interests ultimately therefore increasing the volatility of the conflict itself and leading to it being much harder to either control or understand.

In sum, the insurgency began as a movement trying to establish a radical Islam state. This movement was supported by actors from other countries such as Tanzania, Sudan, Somalia, the Middle East and South Africa. They also showed a degree of military training among them. Thus, speaking to the transnational nature of the movement. What the insurgents were pursuing became an “ideological civilisational and terrorist war against the state and the population…” It is a war against the secular Mozambican state (Cardoso, 2021:17). The arrival of the MNCs in Cabo Delgado was an act endorsed by a government that the ASWJ opposes which speaks to their violent reaction being an indicator of their disdain towards modernity and secular development.

4.2.2.1 Youth Radicalisation

Radicalisation is defined as when a group or an individual influences another to take on an ideology, often a strong and unbreakable one with unyielding views usually of ethnic, religious, political and social nature. These views are often pushed as ones that are far superior to others with an absolute intolerance for difference. This radicalisation often leads to terrorist activities.. This brings us to the question of how radicalisation occurred in Cabo Delgado. This is a subject that has been touched on briefly above. However, at this point the study seeks to look into the literature to uncover how this radicalisation occurred. Essentially, discussing the birth and sustenance of the conflict as relayed in existing literature.

Dorhage (2022) suggests that the youth radicalisation in Cabo Delgado is the result of decades long developments of Islamic extremism. It developed in waves that finally culminated in October 2017. Although the true leaders and origins of the insurgency remain unclear, it is evident that, despite being primarily composed of Mozambicans, the group is influenced by external factors from East Africa and the Middle East, contrary to the government's assertions. Among the characteristics of radicalisation is that these individuals will often reject mediation by other parties and refuse to engage in dialogue towards peace. They engage in what may be considered antisocial behaviour furthering harmful activities that trample upon the human rights of others to push their own mandate (Ruwan et al., 2020:110).

These authors identify the main causes of radicalization as politics, inequality, unemployment, poor prospects, injustice, and mistreatment of certain groups, along with ideological differences. The causes of the insurgency align with this reasoning, as discussed earlier, where unemployment, underdevelopment, disenfranchisement, and the general marginalisation and absence of the state in Cabo Delgado have been highlighted as contributing factors (Ruwan et al., 2020).

4.2.3 Foreign Investors

Between the years 2010-2014, Anadarko (USA) and ENI (Italy) discovered over 180 trillion cubic feet of natural gas off the coast of the region in the Rovuma basin. This discovery was met with great enthusiasm and investment prospects and in turn positive projections for the Mozambican state economy and particularly the prospects of the people in the region of Cabo Delgado. Based on these discoveries, Mozambique was expected to have become the third largest exporter of natural gas in the world by the year 2023.

Anadarko along with McDermott (USA), Chiyoda (Japan) and Saipem (Italy) planned to build a processing plant for the extracted gas which was valued at over USD 25 billion. In 2019, Anadarko made it known that they had decided to invest an amount of USD 25 billion towards this venture. A couple of years prior, in 2017 ENI (Italy) had announced an investment of USD 8 billion towards the construction of subsea wells for the actual extraction process. In addition to these giants, there are several other companies involved in different capacities with contracts and subcontracts. These include TechnicFMC, Samsung Heavy Industries and ExxonMobil (Makonye, 2023:365-366). As it stands, there is one considerable consortium, the Mozambique LNG led by TotalEnergies towards the land-based plant in Afungi as well as others led by ENI and ExxonMobil towards the offshore developments respectively.

For a developing African state, the presence of these companies coupled with the large foreign investments and projected revenue benefits has led to changes in the economic strategies along with a renewed interest in the states' national affairs by various actors in the international community. The discussion above illustrates the heightened interest around these discoveries both nationally and internationally.

While the foreign investments from multinational corporations will undoubtedly increase the revenue towards the coffers of the state, allegations of tax avoidance speak to deliberate ill intent by the profit seeking multinationals towards Cabo Delgado and specifically towards the people of the province and Mozambique at large. They do this by channelling funds through banks located in 'tax havens' and abusing tax treaties that Mozambique has in place with other countries including Mauritius and the United Arab Emirates. This method of effectively beating the system allows these corporations to save millions of US dollars that would otherwise go to the country of Mozambique in taxes. These are taxes that could have gone towards the development of Mozambique. Actions such as this place MNCs in a negative light when it comes to their relationship with their host countries and communities in the developing world (Kiezenbrink, 2023).

This ill intent is further evident considering the intention of the MNCs towards the youth of Cabo Delgado. The reason this insurgency was able to gather such large numbers of young people in the province was due to the existing social and economic situation. These young people were easily enticed by the opportunity to become something beyond the state that had failed to provide them with opportunity for a better life. The ASWJ came in and promised monetary gain as well as social clout; by joining the movement they stood to earn wages and get free “wives” from the abducted women and children. To them, such an opportunity could not come at a better time than in the wake of an exclusionary multi-billion-dollar development and the inception of what would likely become an enclave as seen in the Tete province previously and even closer to home in Montepuez with the ruby mines.

A catalyst, by definition, increases the rate of a reaction and accelerates a process. The influx of investments into Cabo Delgado served as a catalyst for the insurgency. An underlying issue had been developing, and the arrival of these investments may have coincided with the escalation of the ASWJ's activities against the Mozambican state. The proximity of the gas reserves brought the state into closer contact with insurgent groups. Civilians affected by the insurgency were not merely casualties; they were perceived by the insurgents as adversaries due to their perceived departure from the radical Islamic teachings upheld by the insurgents.

4.2.4 The Natural Resource Curse

Cabo Delgado has hosted extractivists towards rubies, gold, and timber among others over the years. Riches which the greater people of Cabo Delgado have barely seen. The experiences of Cabo Delgado are a depiction of the resource curse theory, where the abundance of minerals and fuel has led to negative outcomes for development such as increased levels of corruption and political violence (Di John, 2010). When the MNCs in question came into the province, this was like rubbing salt on a wound. Once again, these people had their hopes raised by the promises of mutual benefits from natural gas. These were quickly dampened as the MNCs brought workers from the southern provinces and outside the country to provide labour to the developments. Additionally, these developments have led to the loss of their economic livelihoods with delayed compensations. People were relocated to pieces of land much smaller than their original homesteads and farmland and kilometres away from the ocean that sustained their livelihoods.

Collier and Laroche (2015) in Els & Chelin (2021) provide that a driving force behind the resource curse is that upon the discovery of natural resources, locals are of the belief that they will stand to benefit. However, what ends up happening is that corrupt state officials funnel all benefits from natural resources towards their own personal coffers. Indeed, in Cabo Delgado the FRELIMO and by extension the Makonde people are at the top of the hierarchy. These people have benefited from the jobs brought about by the LNG project as well as from other political agreements specially for the corrupt political leaders. This has left the Mwani people disgruntled as they have gained nothing from their own land, instead they have lost their land and livelihoods. These ethnic differences may have aggravated the situation (Dorhage, 2022). This revisit onto the resource curse brings us closer to the research question — how did foreign investments towards the extraction of natural gas exacerbate social conflict in Cabo Delgado?

In line with the views presented in the literature review, FDI towards the extraction of natural gas in Mozambique played into the already volatile environment in Cabo Delgado. Foreign investors came into a less-than-ideal environment, where the people have been disenfranchised prior with losses such as restrictions on artisanal mining as well as those on the timber market. The people of Cabo Delgado lived their lives as they knew best through fishing and agriculture and the MNCs came in and disturbed this status quo.

A report by Green and Otto (2014) preceding the insurgency provides some of the factors that made Cabo Delgado ripe for an insurgency. Understanding the history and current state of Mozambique, they compiled several risk factors, issues which without mitigation had the potential to lead to conflict in light of the discoveries of natural gas in the country and further perpetrate the dreaded natural resource curse. These are the history and existing dynamics between FRELIMO and RENAMO, the spatial distribution of resources across the country, poverty and inequality, the expectations stemming from the discoveries, corruption and lastly the overall cost of the extraction of natural resources. Each one of these has been touched upon at one point or the other in the discussion thus far. However, at this point, the study takes scrutiny at these factors to uncover their interplay with the foreign investments at Cabo Delgado to highlight those relevant to bridge an understanding of the FDI-conflict nexus.

Political tensions between the FRELIMO and the RENAMO in Mozambique are long lived and have manifested in violence numerous times in the history of the Mozambican democracy. These instances have led to a largely fragile political environment in the country. The country is also heavily weaponized making it a dangerously volatile environment. The RENAMO continues to harbour distrust and dissatisfaction towards the FRELIMO with reference to the natural resources and the benefit thereof. The anxieties here are based on the reason that investments towards natural gas extractions might further aggravate the RENAMO and lead to a spurt on violence against the state (Green & Otto, 2014).

Cabo Delgado happens to be the home of the FRELIMO along with the Makonde people who make up a large chunk of its leadership. As it is, the Makonde people are the ones holding a monopoly over both the illicit activities and the state funded activities in the province. They lead the drug trade and mineral trade as well as the state led infrastructural and institutional development. As a result, the Mwani and Makua have become a rich source of recruits for the insurgent movement as they feel robbed and marginalised by the dominating Makonde (Crisis Group, 2021). These tribes have also been seen to show an inclination towards the RENAMO which stands against the FRELIMO economic and political monopoly. These tribal cleavages have not contributed to the social cohesion for the diverse province of Cabo Delgado.

Upon the discovery of natural gas and the arrival of MNCs led to the expectation that the rents received would lead to an improved standard of life for the Mozambican population at large, starting locally, with the people of Cabo Delgado. Which would have been a leap for the poor and marginalised northern region. These expectations rose even though the arrival of investors and the receipt of rents by the state often come to pass over a number of years once operations have taken off. In addition to this, towards employment opportunities from the industry, people expected job opportunities. However, these jobs ended up going to expats and better skilled people from the southern provinces of the country.

Extracting natural resources is a costly operation. It is taxing on the environment and by extension, on the people. Among the many costs, the severest one is the cost to the natural environment. These effects for Cabo Delgado were adequately highlighted in the EISHA summary report published by TotalEnergies. For the people, these costs came early in the process through the loss of fishing grounds as well as agricultural land due to relocations (TotalEnergies, 2020). A map disclosed by the Mozambican government implies dire prospects for the people of Cabo Delgado. Most of the land in the entire province has been permitted to numerous mining corporations and investors. This means the resettlements are likely to continue over the years as developments expand. As it stands 113 mining concessions have been given out in Cabo Delgado, these are held by 83 companies co-owned by Mozambican elites, affiliated with the FRELIMO and the MNCs (Nhachote, 2021).

The central issue with resettlement is that the new land allocated to displaced individuals often fails to meet the quality of their original land. Financial compensation typically does not offset the loss experienced, as the relocations impact individuals both socially and economically. In Tete province, similar injustices have led to local protests, driven by compulsory displacement and inadequate human development and skills transfer programs. A political risk analyst predicted that the natural gas industry in Cabo Delgado might encounter similar challenges, including intense protests and social unrest (Green & Otto, 2014:20). This prediction proved accurate with the subsequent rise of the insurgency in the region.

4.2.5 Towards the Foreign Investment – Conflict Nexus

Elbadawi & Sambanis in Sithole (2022:20) highlight a few major reasons for conflict in Africa. Namely “social inequalities…, religious clashes…, ethnicity, poverty, identity politics, …access to natural resources, authoritarian rule, …colonial ills that Africa adopted and influence from external state and non-state actors…”. This is a conglomeration of issues and in the case of Cabo

Delgado, the author is of the view that this is also an example of one such combination of reasons.

As touched on above, the province is incredibly marginalised, and this is evidenced by the high levels of poverty and the absence of the state along with governance instruments. Those in positions of power tend to abuse the power such as the law enforcement tend to abuse these powers with no repercussions. While there has been a wind of external religious influences from East Africa, known for Islamic terrorism, this is not the only driver. The conflict is also driven by religious intolerance and inequalities. It became easy for the ASWJ to recruit and radicalise the youth of Cabo Delgado as they had little prospects for their future as highlighted by the lack of education and employment opportunities driving them to a life of crime. By taking part in insurgency driven bank robberies, drug trade, human trafficking, and mineral trade they stood to make some sort of living (Haysom, 2018).

Brincat (2020) is of the view that to fully comprehend the factors intersecting towards the conflict, one needs to engage with the political economy, security dimensions as well as the environmental situation on the ground in Cabo Delgado. The author goes on to highlight that "the conflict is over economic inequality and injustices of the state foremost, and far less about radical Islam".

As with most developments of this nature and scale, prior to kicking off the project, companies are required to conduct research and report on the potential effects of their activities on the environment and its people. The EISHA executive summary by TotalEnergies is available on the web and its contents highlights some considerable effects that the project would have on the people. It provides for the environmental, social and health considerations necessary before the granting of licences.

To be fully functional, the project would require some expansive infrastructural developments both on land and in the sea. These would require the resettlements of some communities, land, air and noise pollution and the potential deterioration of the natural environment and biodiversity of Cabo Delgado including the introduction of alien species and the potential destruction of mangroves and coral reefs in the ocean. In addition, clearing land will lead to the destruction of vegetation and the destruction of habitats for terrestrial and aquatic animals.

In terms of social impact, the report provides that in the district, Palma, the social development of the population is low with high levels of illiteracy and low employment rates where most of the population sustained themselves through fishing and agriculture. The general area as mentioned has low infrastructural development and there is little in the way of hospitals and sanitation services are barely existent. The general wellbeing of the people is at the hands of the natural environment and with the introduction of pollutants, it hangs precariously unless TotalEnergies and the other MNCs keep the promise of infrastructural development.

In reference to the resettlements the projects will lead to the physical displacement of 556 households and the economic displacement of 952 households. Their successful resettlements will require access to thousands of hectares of land. The report provides the strategies proposed by the corporation to reinstate the livelihoods of the people resettled in the way of agriculture and new fisheries. Overall, the report indicates that TotalEnergies had a clear picture of the situation on the ground upon which they planned to build and had proposed some plans to ensure the smooth operations of the project on the book (TotalEnergies, 2020). Albeit ultimately these were poorly executed.

This section looked at the insurgency, uncovering what is known about the ASWJ and the motivations behind the insurgency. It is clear that the insurgency was not born in 2017 nor was it an isolated event of violence. The ASWJ has roots tracing back to a decade prior to the insurgency with transnational influences and largely religious motivations. By their own admittance, the war of the insurgents is against the secular state of Mozambique and their goal is to have a state that follows the Sharia law. The arrival of state backed foreign investors appears to have been a trigger fuelled by other socio-economic and socio-political grievances within the region of Cabo Delgado. These include the dispossession stemming from resettlements to make way for infrastructure as well as the employment of outsiders leaving the dispossessed youth of Cabo Delgado ripe for recruitment into the insurgency. The following chapter provides a discussion of the findings of the study, concludes and goes on to provide brief recommendations towards the reinstatement of peace for the people of Cabo Delgado.

Chapter 5: Discussion of Findings, Conclusions and Recommendations

This fifth and final chapter of the study will provide the conclusions drawn based on the findings thus far about the role of MNCs and their investments towards the extraction of Natural gas off the coast of northern Mozambique. it will go on to discuss these findings and provide some remedial strategies to the issue at hand. The section will go on to review the purpose of the study, the research question as well as the primary findings. Lastly, the section will provide the conclusions after study.

The study set off to investigate the role of foreign Investments towards natural resource extraction and social conflict in the Cabo Delgado province of northern Mozambique. This is in order to contribute to the body of knowledge on natural resources, foreign investments, and conflicts in Africa. It essentially picked up from the perspectives of the residents interviewed by Ewi, et al., (2022) who viewed the discovery of natural resources as the one to blame for the conflict. To uncover this, the study set off to provide an answer to the question; how did foreign investment towards the extraction of natural gas Exacerbate social conflict in northern Mozambique? The literature related to this phenomenon effectively uncovers violence reproducing economies, state militarisation and securitisation as well as the significance of the sector receiving foreign investment. By employing the FDI - conflict nexus which investigates the intersection of the two factors as well as the existing natural resource curse theory the study then reviews the hypotheses made and as such contribute to the body of knowledge.

5.1 Discussion of Findings

5.1.1 How has foreign investment towards the extraction of natural gas exacerbated social conflict in northern Mozambique?

The case of the Cabo Delgado insurgency is, as with all conflicts, unique in its nature. The discussion above has engaged with the information available on the case on the internet and has allowed for the extraction of findings relevant to uncovering the answer to the research question. This section will discuss the findings from the study and relate it to the existing body of knowledge around natural resource extraction and conflict in Africa, towards answering the research question.

The social setting in which this conflict occurs is an intricate one with different tribes, religious backgrounds, and transnational relations with Tanzanian nationals. Prior to the conflict as far back as 2007, the foundations of the conflict were laid with the initiation of the radical Islamic ideology in the region. This occurrence was neither isolated nor eradicated and successfully grew albeit quietly into the ASWJ of 2017.

The level of criminal activity in Cabo Delgado as a province is one of considerable proportions. The coast of Cabo Delgado is used for drug and human trafficking outwards towards the Asian mother continent, inwards towards inner east and southern Africa and northwards towards central and northeast Africa. The rest of the criminal activities lie in exploitation of the natural resources in the region, including rubies and timber which are being smuggled through the region and sold on the black market.

The state is a foreign concept to the province of Cabo Delgado which has endured years of marginalisation and sheer neglect at the hands of the FRELIMO state government. This absence is illustrated through the dismal lack of infrastructural development and human development in the province. This absence has opened way for religious radicalisation as well as criminal activity which are at the core of the insurgent conflict. The government has limited its appearance to cases where it deploys forces to support foreign investors in their activities and to garner support during elections.

The MNCs towards the extraction of natural resources entered and proceeded to initiate activities in the region in a manner that could be considered tactless and devoid of a conscious understanding of the environment they had come into. These companies attempted to perpetrate the enclaves as seen in the Tete province in previous years. They came in with workers from outside the province to extract and benefit while negatively affecting the native inhabitants of the land. The state that had never been seen in the past in Cabo Delgado suddenly showed face proclaiming success over the people of Cabo Delgado and the Mozambican country in its entirety. A promise of better life to come in the near future and modernisation for the rural population at the capable hands of the government and the MNCs. The state in this case also paid little mind to the makeup of the forgotten cape of northern Mozambique and failed to adequately engage with the local stakeholders preemptively to prevent the potential inception of a conflict.

Tying onto the FDI-development and the FDI-conflict nexus explicated in the earlier section of the paper is significant towards the findings of this study. Therefore, the study refers to the state securitisation approach to understand the developments at Cabo Delgado. The approach posits that states will often securitise against rebels in a means to protect investors and their investments (Kishi, et al., 2017). This move is not unfounded as it is supported by international investment treaties, where host states are to afford investors adequate protection to foreign investors within their territory. To this end, in August 2020, TotalEnergies and the Mozambican government signed a memorandum of understanding to join forces against the insurgents to protect their gas projects (VISAO, 2020). The MNCs and the state placed priority on the protection of their investments rather than on the people of Cabo Delgado who faced the brunt of the conflict. The gas industry in Cabo Delgado was laid on a shaky foundation and when the situation got heated the consortiums packed up and went away. The unfortunate outcome in such instances as highlighted in Kibria, et al. (2020) is the aggravation of the rebels. This aggravation is illustrated by the rise in the violence targeted towards the civilian population which was not the initial target in the affected towns in Cabo Delgado.

Towards the grievances and greed of the insurgents, the MNCs in Cabo Delgado led to the displacement of hundreds of families with unfair and inadequate compensation as some have yet to receive their promised compensation (Global Oil & Gas Exit List, 2023). This is within the context of a highly unskilled population with high unemployment rates and poverty. In essence, the study finds that there were no direct and intentional activities found to be initiated by the MNCs in Cabo Delgado towards exacerbating the social unrest. Unlike in other cases in Africa where corporations were found complicit in the initiation and deliberate fuelling of conflict, in Cabo Delgado, the actions of investors were not directly aimed towards the exacerbation of the conflict. Instead, their hand in the conflict was buttressed by the socio-economic climate of Cabo Delgado.

In April 2021, 4 years after the insurgency began, TotalEnergies, the industry leader for the project, evacuated staff and some civilians and fled the insurgency. The MNCs undoubtedly disturbed the status quo and when violence blew out, they afforded the option of leaving the scene unlike the rest of the affected local population. The MNCs involved in these projects are worth billions of dollars and as non-state actors in international relations and by virtue of their financial and political prowess, they hold a great level of power aided by increased liberalisation of economies as well as globalisation (Jamali & Mirshak, 2009:443). In recognition of the effects of corporations or businesses in general on the communities they operate within, the role of businesses in the society becomes vital to understand their role towards conflict and peacebuilding and it will be a necessary factor to consider for peacebuilding in Cabo Delgado as the only way to ensure mutual gain from these natural resources is with the reinstatement of peace and resuming economic activities.

5.1.2 How does the natural resource curse theory explain the ongoing social conflict in Cabo Delgado?

The natural resource curse theory is premised on the failure of some developing states to extract the benefits from natural resources endowment and achieve sustainable economic growth, development, and general prosperity. Instead, countries generate poor economic development due to factors such as corruption, rent seeking, political violence, and poor governance (John, 2010). This perpetuates inequality and corruption, increasing grievances and thus destabilising the socio-political environment within the state.

Secondly, the natural resource curse has been said to find its place within states with economies that lack diversification, where the main driver for economic growth is the primary sector within a country that has poor human capital and institutional and governance capacities. In Mozambique, this is the case in the form of coal, aluminium, petroleum gas and gold (Observatory of Economic Complexity, 2022). This means that by virtue of the economy, the Mozambican state is susceptible to the resource curse. The institutional deficiencies, patriotic politics, and corruption within the FRELIMO political elites further exacerbates this proclivity to the resource curse.

Lastly, the presence of high inequalities and unfair distribution of wealth tends to fuel rebels who tend to have a low opportunity cost towards inciting violence. The presence of high resource rents fuels both grievance rebellion and opportunistic rebellion. The former refers to rebels inciting violence due to the unfair access to resources and unequal distribution of wealth from these resources. In the latter, natural resource rents fuel rebellion by presenting a financial incentive towards rebellion through illicit activities sustained by the conflict as seen in war economies. In Cabo Delgado, the development towards natural gas extraction has been a polarised effort where the locals of Cabo Delgado have been marginalised in terms of employment opportunities and compensation. In addition, the province has thrived on criminal syndicates for decades through the illicit trade of mineral resources, drugs and timber. As such, the two types of rebellion provided by the natural resource curse theory both prove useful towards understanding the insurgency and the drivers thereof.

The Cabo Delgado insurgency is still ongoing and the ASWJ continues to elude the media and the state, therefore there continues to be limited perspective into the insurgents themselves thus far. However, the natural resource curse theory provides a means of understanding the social conflict in the region as it relates to the foreign investments towards natural resource extraction. In the grand scheme of scholarship, there is need for further investigation into the insurgency itself as it continues to develop to formulate a more concise picture of the insurgents and understand the role of foreign investments. Furthermore, research into the natural resource curse theory is necessary to buttress the inconsistencies that have been uncovered in scholarship about the relationship between natural resources in developing states and the failure to achieve sustainable growth.

Having collected the data available on the insurgency, the study moves on to engage with the three hypotheses proposed in the literature review section of the study. Firstly, the second hypothesis is dismissed in the case of Cabo Delgado. The hypothesis provided that foreign investment does not accelerate conflict, it is a driver for social security. This hypothesis does not hold water in this case considering the circumstances whereby the inflow of foreign investment did the opposite of contributing to social security. Upon expansion of the projects funded by foreign investments, the social cohesion in Cabo Delgado was disturbed. The people of the communities located near the coast were faced with dispossession of the ancestral land as well as their sources of income and livelihood in the form of fishing grounds by the sea and farming land in their machambas. In addition to the dispossession, after being aggravated by the marginalisation from foreign investments, the youth of Cabo Delgado responded in violence against their own communities. This violence destabilised the entire region thus becoming an international security concern.

Secondly, the study accepts the first and the third hypotheses. Namely that foreign investment causes state militirisation which aggravates insurgents, and that foreign investment accelerates conflicts in economies that are largely dependent on the primary sector. Historically, the province of Cabo Delgado had very little attention from the state. However, considering the presence of foreign investors, the state took it upon themselves to defend national interests newly found in Cabo Delgado deploying national and eventually international forces to fight against the insurgents. This response led to the insurgents recouping and reforming to undertake more vicious attacks in the province. This was a response to the presence of troops commissioned by the state.

Agriculture and industry make up over half of the Mozambican economy. In the province of Cabo Delgado, the economy has long been largely dependent on agriculture and the exploitation of natural resources such as timber and rubies. This form of economy is a result of lower literacy rates in the province leading to lower levels of overall human development and a majorly unskilled labour force. These circumstances align with the hypothesis that foreign investment tends to accelerate conflict in the presence of highly unskilled labour. Foreign investment towards natural gas extraction in Cabo Delgado exacerbated the conflict by failing to undertake adequate pre-emptive measures to avoid local dissatisfaction with a limited outlook towards the volatile locale within which they sought to exploit.

5.2 Conclusions

In sum, the conclusion drawn therefore is that the arrival of MNCs along with their investments in the form of initial infrastructural development activities in Cabo Delgado merely put a spotlight on the socio-economic grievances that already plagued the province. The MNCs required the resettlement and resultant economic dispossession of the local communities. Despite the high rates of unemployment in the province, the project employed labour from southern Mozambique and beyond. This happened after the dispossession experienced at the establishment of ruby mining at Montepuez. The series of events and factors at play lined up to be the ideal catalyst without mitigation. The limited presence of the state meant very little support was seen towards the advocacy for the locals affected by the project.

5.3 Recommendations

Considering the progression of the insurgency and the effects it has on the security of the Mozambican state and the economy it is imperative for the relevant stakeholders to engage and find means to reinstate peace in the province in order for the natural gas projects to take off and provide the projected benefits for the local population and the state. The role of natural resources in conflict is a complex one as natural resource have shown that they have the potential to promote and disturb peace depending on the circumstances in question and the actors involved. In Africa, one of the considerable actors in this issue are MNCs whose activities towards natural resource extraction have often been linked to increased conflict as seen in the case of Cabo Delgado. In order to work toward successful peacebuilding, there is a need for all stakeholders to invest in understanding and addressing the dynamics that contribute towards conflict. The role of MNCs in the case of Cabo Delgado is critical considering their economic and political influence and the impact they have had. It will continue to have a presence in the local communities of Cabo Delgado. Therefore, they have a responsibility to facilitate, along with the state, sustainable socio-economic development, fair compensation, adequate resettlement measures, and transparent policies that will address the grievances of the local communities. The state on the other hand, has the responsibility to investigate and uncover the motivations of the insurgents to cull the grievances at their root. As it stands, there has been limited information about the ASWJ and to resolve the conflict the state needs to be in a knowledgeable position as far as the insurgents are concerned.

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