The Maputo Development Corridor: Emancipation for Whom?

Thesis submitted for the degree of Doctor of Philosophy
at the University of Leicester

By
Rachel Tate, BA (Hons), MA

School of History, Politics and International Relations

October 2017
Acknowledgements

Special thanks are extended to my late parents Cicely & Harold Smith for encouraging me to be a strong and independent thinking person. A massive thank you to my husband Andrew for his unabated support in my ability to complete this project and to my daughter Jemma for her general belief in ‘mum’; still so rewarding, even now. I also extend a big thank you to Winston Tate, the perfect companion, for keeping me sane through some very difficult personal losses.

To the department for Politics and International Relations at the University of Leicester, I would like to thank you for your academic and financial support and the great opportunities extended to me in gaining valuable teaching and lecturing experience over the course of this D. Phil. To my good friend, Michael Jones, who along with my long suffering academic supervisor James Hamill who read, (and in James' case encouraged, advised, read and re-read every single draft I produced) this research project – an enormous thank you.

Finally, I would like to extend special thanks to the hard-working student welfare team at the University of Leicester for supporting me through personal tragedy and ensuring my final research trip to South Africa went ahead.
Abstract:
The Maputo Development Corridor: Emancipation for Whom?

This thesis offers a nuanced analysis and evaluation of the Maputo Development Corridor (MDC) the first cross-border corridor project in Africa. It considers the core debate that exalts this flagship cross-border development corridor as a model for growth and development in Africa, while simultaneously questioning why key academics remain critical of the model’s ability to deliver. The thesis critiques numerous one-dimensional interpretations of the project that condemn the MDC as little more than a neo-liberal experiment. It suggests that the context is correct, but the outcomes are overly narrow. It draws together an impressive collection of data that encompasses South Africa and Mozambique. The resulting analysis offers a unique insight into this development corridor and its ability to deliver in this micro-region. It provides insight into the projects ability to deliver on its economic and social objectives, the latter of which has remained unexamined until this time. This is achieved through both qualitative and quantitative evaluation. It acknowledges the weaknesses in the MDC. Nevertheless, the positive results found here can be assimilated into a ‘corridor methodology’ which could then enhance developmentalism in other micro-regions throughout Africa.
## Glossary

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACP</td>
<td>Africa, Caribbean and Pacific</td>
</tr>
<tr>
<td>ADB</td>
<td>African Development Bank</td>
</tr>
<tr>
<td>ANC</td>
<td>African National Congress</td>
</tr>
<tr>
<td>ARV</td>
<td>Anti-retroviral Drugs</td>
</tr>
<tr>
<td>AU</td>
<td>African Union</td>
</tr>
<tr>
<td>BBBEE</td>
<td>Broad Based Black Economic Empowerment</td>
</tr>
<tr>
<td>BDT</td>
<td>Bone Dry Tons</td>
</tr>
<tr>
<td>BEE</td>
<td>Black Economic Empowerment</td>
</tr>
<tr>
<td>BOT</td>
<td>Build, operate and transfer contract</td>
</tr>
<tr>
<td>BRICS</td>
<td>Brazil, Russia, India, China &amp; South Africa</td>
</tr>
<tr>
<td>BWI</td>
<td>Bretton Woods Institutions</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>CFM</td>
<td>Portos e Caminhos de Ferro de Mozambique (Mozambican Ports &amp; Railways)</td>
</tr>
<tr>
<td>COMESA</td>
<td>Common Market for Eastern and Southern Africa</td>
</tr>
<tr>
<td>DfID</td>
<td>Department for International Development</td>
</tr>
<tr>
<td>DRC</td>
<td>Democratic Republic of Congo</td>
</tr>
<tr>
<td>EPA</td>
<td>Economic Partnership Agreement</td>
</tr>
<tr>
<td>ERP</td>
<td>Economic Recovery Plan</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
</tr>
<tr>
<td>FOCAC</td>
<td>Forum on China-Africa Cooperation</td>
</tr>
<tr>
<td>FTA</td>
<td>Free Trade Area</td>
</tr>
<tr>
<td>FRELIMO</td>
<td>Portuguese Frente de Libertação de Moçambique</td>
</tr>
<tr>
<td>GDI</td>
<td>Gross Domestic Income</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GEAR</td>
<td>Growth, Employment and Redistribution Policy</td>
</tr>
<tr>
<td>GNI</td>
<td>Gross National Income</td>
</tr>
<tr>
<td>IFI</td>
<td>International Financial Institution</td>
</tr>
<tr>
<td>IFP</td>
<td>Inkartha Freedom Party</td>
</tr>
<tr>
<td>INE</td>
<td>Instituto Nacional de Estatistica (Mozambican Institute of Statistics)</td>
</tr>
<tr>
<td>IPE</td>
<td>International Political Economy</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>JICA</td>
<td>Japanese International Co-operation Agency</td>
</tr>
<tr>
<td>JIMWG</td>
<td>Joint Inter-Ministerial Working Group</td>
</tr>
<tr>
<td>MADC</td>
<td>Mpumalanga Agricultural Development Corporation</td>
</tr>
<tr>
<td>MCDT</td>
<td>Mozal Community Development Trust</td>
</tr>
<tr>
<td>MCLI</td>
<td>Maputo Corridor Logistics Initiative</td>
</tr>
<tr>
<td>MCC</td>
<td>Maputo Corridor Company</td>
</tr>
<tr>
<td>MDC</td>
<td>Maputo Development Corridor</td>
</tr>
<tr>
<td>MDM</td>
<td>Democratic Movement of Mozambique</td>
</tr>
<tr>
<td>MEGA</td>
<td>Mpumalanga Economic Growth Agency</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
</tr>
<tr>
<td>-----------</td>
<td>------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>MEGDP</td>
<td>Municipal Economic Growth and Development Path</td>
</tr>
<tr>
<td>MNC</td>
<td>Multi-national Corporation</td>
</tr>
<tr>
<td>MPDC</td>
<td>Porto de Maputo (Maputo Port Development Company)</td>
</tr>
<tr>
<td>N4/EN4</td>
<td>The official name for the key Road infrastructure within the MDC</td>
</tr>
<tr>
<td>NBF</td>
<td>NEPAD Business Foundation</td>
</tr>
<tr>
<td>NEPAD</td>
<td>The New Partnership for Africa's Development</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organisation</td>
</tr>
<tr>
<td>NPCA</td>
<td>NEPAD Planning and Co-ordination Agency</td>
</tr>
<tr>
<td>ODA</td>
<td>Overseas Development Aid</td>
</tr>
<tr>
<td>OECF</td>
<td>Overseas Economic Co-operation Fund</td>
</tr>
<tr>
<td>OUTA</td>
<td>Organisation Undoing Tax Abuse</td>
</tr>
<tr>
<td>PARPA II</td>
<td>Action Plan for the Reduction of Absolute Poverty</td>
</tr>
<tr>
<td>PDC</td>
<td>Previously Disadvantaged Communities</td>
</tr>
<tr>
<td>PPP</td>
<td>Public Private Partnership</td>
</tr>
<tr>
<td>RAIDS</td>
<td>African Industrialisation and Development Strategy</td>
</tr>
<tr>
<td>REN</td>
<td>Redes Energeticas Nacionais (Mozambican Electricity Network)</td>
</tr>
<tr>
<td>RENAMO</td>
<td>Mozambique National Resistance Party</td>
</tr>
<tr>
<td>RDP</td>
<td>Reconstruction and Development Programme</td>
</tr>
<tr>
<td>RTMC</td>
<td>Road Traffic Management Corporation</td>
</tr>
<tr>
<td>RTMS</td>
<td>Road Transport Management System</td>
</tr>
<tr>
<td>SACU</td>
<td>Southern African Customs Union</td>
</tr>
<tr>
<td>SADC</td>
<td>South African Development Community</td>
</tr>
<tr>
<td>SALDRU</td>
<td>Southern Africa Labour and Development Research Unit</td>
</tr>
<tr>
<td>SALGA</td>
<td>South African Local Government Association</td>
</tr>
<tr>
<td>SAP</td>
<td>Structural Adjustment Policy</td>
</tr>
<tr>
<td>SEZ</td>
<td>Special Economic Zone</td>
</tr>
<tr>
<td>SEW</td>
<td>Single Electronic Window</td>
</tr>
<tr>
<td>SDC</td>
<td>Spatial Development Corridor</td>
</tr>
<tr>
<td>SDI</td>
<td>Spatial Development Initiative</td>
</tr>
<tr>
<td>SMME</td>
<td>Small, Medium and Micro Enterprises</td>
</tr>
<tr>
<td>SOMACEL</td>
<td>Sojitz Maputo Cellulose Limitada</td>
</tr>
<tr>
<td>SOE</td>
<td>State Owned Enterprises</td>
</tr>
<tr>
<td>TICAD</td>
<td>Tokyo International Conference on African Development</td>
</tr>
<tr>
<td>TFCA</td>
<td>Trans Frontier Conservation Areas</td>
</tr>
<tr>
<td>TRAC</td>
<td>Trans African Concessions (Pty) Ltd</td>
</tr>
<tr>
<td>UNECA</td>
<td>United Nations Economic Commission for Africa</td>
</tr>
<tr>
<td>USAid</td>
<td>United States Trade and Development Agency</td>
</tr>
<tr>
<td>VAT</td>
<td>Value Added Tax</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
</tr>
<tr>
<td>WBGDB</td>
<td>World Bank Group Data Bank</td>
</tr>
</tbody>
</table>
# Table of Contents

## Introductory Chapter
- Introduction 8
- Key Objectives of the Thesis 9
- The Contribution and Structure of the Thesis 10
- Thesis Structure 12
- Methodology 13
- Data Selection for Part II 19
- The Data Sources 23
- International Context 25
- The Maputo Development Corridor 29
- Role of MCLI 36
- Summary 40

## Part I

### Chapter 1:
- The Maputo Development Corridor and the Washington Consensus 41
  - Locating the Maputo Development Corridor in IPE 41
  - Evolution of the MDC 46
  - International Context for the MDC 47
  - Global Integration: SDI to Economic Corridor 48
  - The Dominant Discourse, International Context ant the Rationale for Growth as Development 55
  - The MDC and the Washington Consensus 59
  - Conclusion 74

### Chapter 2:
- Development Corridors in the Post-Washington Consensus Era 78
  - Introduction 78
  - Structural Change for Development Corridors 83
  - A New Ideological Position for the MDC 90
  - Limitations to a Post Washington Consensus 103
  - Conclusion 112

## Part II: Locating the Development in Development Corridors

### Introduction to Part II 115

## Chapter 3:
- From Economic Growth to Eclectic Understandings of Development 120
  - Introduction 120
  - Challenging the existing position on Development 122
  - Embracing Orthodoxy: the Right Move? 125
  - Mean Monthly Per Capita Consumption 142
  - Conclusion 150
Chapter 4:
Fit for Purpose: Does the MDC Deliver for its Residents
Towards a Rounded Perception of Poverty Alleviation in the MDC 151
General Population Information
  Health and Longevity 154
  Comparative Levels of Educational Attainment 167
  Employment in the MDC 179
Conclusion 193

Chapter 5:
The Dilemma of Service Delivery 195
Service Delivery Protest 200
Housing Quality 208
Comparative Service Delivery for Households in the MDC 211
  Access to Electricity 213
  Water Provision 222
  Improvements in Sanitation 230
  Access to High-Tech Communications 234
Conclusion 241

Conclusion to Part II 244

Part III
Chapter 6: ‘For Better or Worse’: Elite Politics in the MDC 248
Elite Capture of Resources 250
Contract Corruption and Nepotism 259
Elite Capture: Challenging Democracy 271
Conclusion 282

Conclusion: Emancipation, If so, for Whom? 284

Appendix I (Maps) 292
Appendix II 296
Appendix III 303

Bibliography 307
List of Interviews 355
The Maputo Development Corridor: Emancipation for Whom?

Introductory Chapter

Introduction

The overarching objective of this thesis is to evaluate the possible effectiveness and level of success attributed to development corridors in Africa. This will be achieved through a rigorous evaluation of the Maputo Development Corridor. (MDC) This thesis is specifically interested in cross-border projects and micro-regions, but in particular the economic and social effectiveness of development corridors. These projects are quite vast, cover a multitude of economic sectors and involve people from all levels of society. As they span more than one country they are largely co-ordinated on a multi-lateral basis. There are an increasing number of such projects across the African Continent. Most are in their infancy,¹ and look towards the most advanced corridor project, the MDC, for guidance. This analysis and the resulting thesis employs a case study of the MDC, from its initial inception in 1996/7, to ascertain what level of success this ‘regional policy’ has achieved. This has required assessing the effectiveness of the ruling parties in South Africa and Mozambique in the fields of international political economy and related domestic policies. This has been accomplished via a combination of traditional academic enquiry, field work, open interview techniques and a quantitative analysis of policy outcomes, to establish how far domestic needs have been met in the MDC. This ultimately allows for an assessment of whether development corridors have brought economic development and social upliftment to previously disadvantaged communities, as had been promised by the African National Congress (ANC) and the Mozambique Liberation Front (FRELIMO). The Maputo Development Corridor was inspired at presidential level and initially discussed by President Mandela

¹ According to DfID UK, they would be considered phase 1 transport corridors rather than development corridors. A Hope & J Cox, Development Corridors, Coffey International Development, (June 2015), EPS Peaks Topic Guide (Internal Training Document for DfID UK)
of South Africa and President Chissano of Mozambique in 1996. It was rapidly facilitated; a means of healing political fissures between the two countries, producing economic activity in these locations, and aiming to uplift communities that had been greatly disadvantaged historically, by apartheid and civil war. The MDC is analysed as a cohesive unit or 'micro-region'. This represents a barometer of the success of the democratic project in South Africa and Mozambique. Indeed, both ruling parties have made broad societal promises regarding development and growth. The aim here is to evaluate these points and establish how far development corridors can deliver in Southern Africa and the continent. This is important because although in their infancy, new projects along key historical trading routes throughout the continent have been identified as having great potential if the ‘MDC model’ is applied. The Trans-African highway is indicative of these regional projects, here individual micro-regions can be drawn together into new development projects. This project does not extend towards a complete evaluation of the continental development strategy as this would require further extensive research. Nevertheless, development corridors in Africa and elsewhere look towards the MDC for guidance. This thesis provides a thorough evaluation of this most advanced project, examining its strengths and weaknesses, it finally poses the notion that with some managerial adjustments and oversight the MDC could provide an effective developmental methodology rather than fixed model.

**Key Objectives for the Thesis**

Through an analysis of the MDC this research interrogates the nature of the political relationships between the ANC, FRELIMO and key global institutions. Overall the thesis posits that both economic structures and elite agency act to ‘regulate’ these developing economies. In doing so, the thesis questions the relative power positions of the governments of South Africa and Mozambique in the global economy and interrogates the extent that elite agency helps or hinders the MDC project.

Through an evaluation of primary data this research evaluates how far ANC and

---


3 A Hope & J Cox, Op cit
FRELIMO policies have produced positive results within the MDC. It also offers a comparative analysis. This is measured in terms of development, related socio-economic indicators and service delivery. The conclusions of this thesis will elucidate key successes and failures, demonstrating how governments have managed relationships in the global economy and highlights relevant domestic aspects of South African and Mozambican policies. Finally, the resulting implications for the MDC will be disseminated to the management body and MDC stakeholders. As with any case study the aim is to extrapolate this information and raise conclusions that can be applied more widely by practitioners working in other African development corridor projects.

The Contribution and Structure of the Thesis

A major contradiction has developed between academics and practitioners who work within the confines of development corridors. The initial rationale was that they can produce high levels of cross-border communication as well as prosperity, development and social upliftment. Continental wide projects have come to fruition based on the success of the MDC which runs from Johannesburg in South Africa to Maputo in southern Mozambique. A positive outcome has been assumed by governments, civil servants, corporate organisations and practitioners, who posit that the MDC and corridor projects in general engender economic and social development. Conversely, the dominant academic discourse increasingly leans towards a critique of development corridors as neo-liberal projects, suggesting that have produced a poor relative position for developing nations in the global economic order and have done little or nothing to reduce poverty domestically. Although not the intent of the ‘corridor methodology’, to a greater degree, most academics suggest that social upliftment has become a secondary goal, an inconvenience or ideal, and that social objectives have fallen by the wayside. Clearly, each is antagonistic to the other and both positions are not attainable. Yet this dual position has survived as no substantive research has been undertaken to measure societal results within development corridors. This project addresses this lacuna, offering a definitive position. This research ascertains a nuanced position, offering a unique thesis situated between these poles. It advances that idea that while development corridors do operate at the elite level and the

---

4 See maps in Appendix 1/4 and 1/5
context in which they developed was neo-liberal, they do in fact promote social upliftment. Further, in particular circumstance, they can represent a connective architecture for social cleavages, promoting development and unity. These results could promote greater security and development in conflicted societies.

The unique contribution of this thesis is that it offers substantive analysis and evaluation of the MDC, and given this, offers a nuanced understanding of the impact of structure and agency on this agenda. While not denying that to some extent development corridors are elite projects, the trend has been for academics to overly exaggerate their neo-liberal character, in turn this has blinded academics to the benefits on offer. It is undeniable that the MDC does benefit communities. However, it is also clear that more could have been achieved in the MDC had greater positive implementation of social objectives been pursued earlier. Final conclusions will be drawn that indicates how far such mega-projects represent evolutionary or revolutionary change.

The substantive chapters 3-5, making up part II, evaluate how effective the two governments have been at providing social upliftment for their own citizens in the MDC. This is of vital importance at a time when funding for mega-projects is more difficult to attain in Africa and when bi-lateral donor agencies, particularly UKAid and USAid and the Department for International Development (DfID) in South Africa are seeking to evaluate relevant benefits prior to offering further commitments. Without effective evaluation of the outcomes there will be no guarantee of future investment. No such research of this type has been undertaken and there is much anticipation of this research by practitioners. I have reported my initial findings at a Maputo Corridor Logistics Initiative (MCLI), (the managing body of the MDC) stakeholder forum and the initial response was very positive. Once complete the thesis will inform both national and regional policy in southern Africa as it will be the most wide-ranging evaluation of MDC outcomes to date. Chapter 6 draws on the economic context and social policy outcomes of the previous chapters and examines the depth of elite capture which is proving particularly problematic in the MDC. Overall then, this thesis offers a unique contribution within its field and interim results have been reported to stakeholders who are awaiting the publication of the final thesis.

---

5 Interviews on 5-6/02/2016 with G Smith & F Healy, Consultants for DfID (UK), Nelspruit, Mpumalanga, RSA
**The Thesis Structure:**

This chapter seeks to introduce the core content of the thesis. It highlights the overall objectives, the thesis structure and introduces the overarching research methodology.

Chapters 1 and 2 provide an evaluation of the historical and contemporary global context for the MDC project. Chapter 1 provides context, exploring how the influential ‘Washington Consensus’ shaped ideas and policies which have driven the MDC at and above the level of the nation state. It challenges the rigidity of accepted academic positions suggesting that capitalism rather than neo-liberalism has guided the MDC. Further, it evaluates some of the challenges and limitations imposed upon the national governments of South Africa and Mozambique. Chapter 2 offers an understanding of how East Asian investment and governments have worked towards circumventing these Western driven guidelines. It goes on to evaluate a number of ways in which this is impacting in the MDC.

An extended critical evaluation of domestic policy in the MDC takes place in part II. This provides an analysis and evaluation of development as growth, key demographic and social indicators and service delivery. Within the context of this analysis the record of both ruling parties will be brought into question, particularly their effectiveness at maintaining policy direction and providing equitable policy outcomes as they promised. As no corridor-wide analysis or evaluation has ever been undertaken, this provides the most substantive analysis of the MDC to date.

Chapter 6 examines how far elites have the propensity to put self and party before the electorate. It becomes clear that while the MDC has been effective at delivering economic growth and social development, that a lack of regulation and oversight has allowed extensive elite capture of power and resources. This is exaggerated in the MDC where mega-projects are concentrated. Problematically, for a development model the extent this elite ‘gridlock’\(^6\) could even challenge democratic accountability. To

---

\(^6\) A Sparks, ‘The Law of Creeping Corruption,’ Business Day, 14/04/2010
conclude, the MDC will be evaluated as a model for development assessing how far it is possible to promote a more equitable developmental relationship.

Methodology

This research project evaluates the success of African cross-border development corridors through an evaluation of the MDC. The central aim in pursuing a case study was to apply an eclectic and multidisciplinary methodology to this analytical framework. According to Yin, case studies provide a useful contribution, offering specific reasoning and seeking in depth answers to broadly contextual situations.\(^7\) The complexities of a cross border development corridors lend themselves to this methodology and the resulting outcomes are directly relevant to practitioners within this project type. The thesis uses a variety of data sources, each represents “‘one piece of the puzzle’, with each piece contributing to the researcher’s understanding of the whole phenomenon”.\(^8\) These multiple data sources provide greater depth and allow for a multidimensional understanding of domestic policy and IPE in a complex micro-region. It enables an evaluation of how successful the ANC's and FRELIMO’s ability has been to deliver on theoretically robust and uplifting social policies. Case study therefore allows an evaluation of a set of polices, the results of which can be utilised within a wide context, in this case “in order to understand national and regional developmental process[es]”.\(^9\)

Further, the analysis of this complex area has allowed for a range of approaches while remaining firmly anchored in both national arenas and wider international political economy. As the case study is so specific and little in-depth research has been carried out in this field it has necessitated a wide range of sources, so as well as an array of academic material the thesis has made extensive use of policy documents and journalistic articles. To gain deeper insight into the MDC, I have also carried out 51 interviews during my three research trips to the corridor. The interviewees were development practitioners or part of the political and business elite. Further, to evaluate


\(^8\) Ibid

the effectiveness of policy outcomes the substantive chapters in part II contain a
detailed and comparative data analysis. The whole analysis has taken place within the
framework of a case study of the MDC.

There are three distinct elements to the thesis; part I analyses the evolution, structure
and resulting inequity produced by the Maputo Development Corridor in ‘Washington
and Post-Washington’ phases of the international political economy. This
contextualises the project at its inception, deeming that structural inequality is
perpetuated both horizontally and vertically within the global system and within both
national economies. Further, the East Asian variant of capitalism may be politically
more palatable to a powerful elite but ‘on the ground’ the change has been evolutionary.
In attaining this position, the thesis relies heavily literature backed up with a range of
elite and professional semi-structured interviews with corridor practitioners.

Contrastingly, part II seeks to measure how far the MDC meets its more social
objectives, this is evidenced through evaluation of social advancements in the MDC. It
employs extensive quantitative analysis with data sourced largely from the World Bank
Data Bank (WBGDB) or from national censuses statistics with additional sources as
detailed below. This data analysis extends from 1997 to 2013, but where available 2015
data has been included. The data is evaluated in such a way as to offer a comprehensive
and comparative analysis. Extended definitions are available in Appendix 3. The
comparative analysis is carried out at the national and provincial level, the comparative
aspects being between nation state and ‘corridor jurisdiction’ within each state as well
as ‘corridor’ and 'non-corridor provinces'. The data evaluation is supported further via
qualitative academic sources and other written literature and the semi-structured
interviews.

Part III draws on both the international context and domestic context which have
enabled a well-positioned elite to dominate the MDC. The corridor is criticised as an
elite project nationally and internationally, chapter 6 examines the extent of elite actions
as well as the multiple motivations for accruing wealth and power to the top of society.
More advanced social outcomes could have been attained if institutional constraints had
been put in place, this could have avoided the level of elite capture now visible in the
MDC. Concession agreement and related tenders which have led to monopolies in
Mozambique require some degree of oversight. Ideally for development corridors such as the MDC this needs to be achieved at the micro-regional level. Recommendations to prevent national corruption are not included as part of this research project.

Where it has been possible peer reviewed academic literature regarding development corridors has been sought, however, given the niche nature of this research, this material is limited. Therefore, multidisciplinary academic work has been consulted and applied where it relates to power, or political economy. This has enabled a broad understanding of cross-border development corridor projects to be established. Until now much of the academic literature has centred around the 1996-1998 'start-up period' of the corridor and focussed on South Africa, usually at the expense of understanding the impact of the MDC in Mozambique. The thesis addresses this omission.

Finally, any previous South African analysis and evaluation has tended be narrowly focussed offering little more than a 'lick and polish' approach to grasping complex economic and social outcomes visible in the MDC. The bulk of this specialist literature, has been amalgamated into two special editions; the Journal of Modern African Studies Volume 39/4 (1998) or Soderbaum and Taylor's edited book entitled 'Regionalism and uneven development in Southern Africa: The Case of the Maputo Development Corridor' (2003). Apart from Soderbaum and Taylors ‘Afro-Regions’10, little fresh research has been produced. When articles do appear, they tend to be re-workings of originals, most of which are included in these specific collections. New academic input has been limited and sporadic.

In general, there are two main thrusts of academic discourse, the first posits that development corridors are little more that neo-liberal economic policies and secondly that they simply benefit the two national elites. While to some extent this is true, even edited versions fails to delve beyond crude accounts. In their conclusion, Soderbaum and Taylor insist that “the impact on local communities is critical in attempting to come to conclusions regarding governance and development in the MDC”,11 but they themselves fail to achieve this. As such their collections represent ‘zero-sum’ understandings. Soderbaum & Taylor together, but more extensively Taylor critiques

10 F Soderbaum & I Taylor, Afro-regions’, Op cit
11 F Soderbaum & I Taylor Ed, Op cit, p107
development corridors as being mechanisms that lift capital into the global economy and in effect represent the international and domestic trend towards liberal orthodoxy.\footnote{Ibid, p37-38, p48, p83-96, p103, p107-8, p114}

This has implications for the evaluation in chapter 1 regarding historical reasoning and context for the MDC, particularly its placing in the global economy. Further, they suggest neo-liberalism plays a prime role in the direction of domestic policy. This is detailed in chapter 2 and part II, however the reality is more nuanced than suggested by Soderbaum and Taylor. Other academics such as Bond\footnote{P Bond, ‘Elite Transition’, Revised and expanded edition, (2014) Pluto Press, London, pp41-43, pp265-273} and Hanlon\footnote{J Hanlon & T Smart, ‘Do Bicycles Equal Development in Mozambique?‘ (2010) James Currey, Suffolk pp12-15. F Soderbaum & Taylor Ed, Op cit, citing Hanlon, p49} have engaged more directly with ANC or FRELIMO policies and behaviour at national level and while these do not specifically engage with the MDC in any depth, clearly their perspective, which is largely critical of neo-liberal orthodoxy in advance of poverty reduction is applicable within the context of domestic policy. This allows for wider political analysis of the corridor and assists in creating viable space for development corridors to develop and represent a political microcosm (South Africa) or even a strategic national opportunity (Mozambique).

There is an extensive literature relating to part 1 of this project, the two states are part of the global economy, their nature and impact of economic orthodoxy upon them is vital to the whole project. Clearly, international structures have placed severe constraints on the South African and Mozambican governments. This is particularly symptomatic at the beginning of the MDC project when the ‘Washington Consensus’\footnote{Williamson John, ‘Did the Washington Consensus Fail?’, Speech given at Centre for Strategic and International Studies, Washington DC on 6/11/2002} drove policy direction. Academic literature regarding the global political economy feeds into the positioning of the MDC, particularly its relationship \textit{vis a vis} the developed north. In chapter 2 the East Asian development model offers a more rounded perspective in many regards. East Asia has provided a substantial input into the MDC and Mozambique’s’ subsequent development corridor program. In this chapter, the evaluation is accessed in relation to development economists Johnson and Ohno and Ohno’s conception of the ‘developmental state’.\footnote{I Ohno and K Ohno, Dynamic Capacity Development: What Africa can Learn from Industrial Policy Formulation in East Asia, National Graduate Institute for Policy Studies (GRIPS), Tokyo, 13/03/2009, p1-2, p25. I Ohno and K Ohno ed, Japanese Views on Economic Development: Diverse Routes to Market, Routledge, (1998) London, pp1-3, pp6-9. P Mazimhaka, ‘China in Africa: An African View, in S} Washington and Post-Washington perspectives are then
evaluated in relation to the MDC. This provides an indication of how far the ‘post-position’ exists in corridor methodology.

As a contrast to the academic literature, and necessary given its limited availability, this research has made extensive use of professional publications such as 'Engineering News', ‘Mining Weekly’ and ‘Macauhub’, this allows for a contemporary empirical understanding of the MDC. Further, it provides industry specific information regarding existing and potential new anchor projects, which in turn adds depth and insight into understanding corridor projects and micro-regions. Such breadth can provide an appreciation of potential future industrial trends and political proclivities. For example, it was clear for some time in advance that there would be substantial investment from Brazil and Europe into the Beira corridor which links Mozambique to Zimbabwe. This literature has provided an invaluable insight regarding new development trends, highlighting where they are reliant upon the guiding principles of the MDC. This type of publication has also proved invaluable when assessing the impact of East Asian investment within the MDC. Other media such as regional and daily newspapers, news items and relevant NGO publications have been consulted on an ongoing basis. Given the lack of specific academic literature this has allowed for a unique contemporary insight that supports the quantitative data analysis and academic literature very well.

51 interviews took place during my field trips to South Africa and Mozambique in 2009, 2011 and 2016. The interviews conducted were in a semi-structured format to encourage a relaxed environment and extensive information sharing. This produced a useful insight into individual perceptions and together offer wide ranging professional perceptions of the MDC. The questions were styled in an open format to ensure full engagement with the interviewee. As far as possible a neutral interviewing environment was established. This was more difficult when one was not fully in control of the surroundings, particularly for some of the more elite interviews. Every effort was made to ensure that open communication, open body language and the best possible relative positioning were attained. The idea here was to encourage the participant to engage with their own role vis a vis the MDC. In doing so it was possible to attain quality


17 Interviews on 5-6/02/2016 with G Smith & F Healy, Op cit
information and back up other analysis and evaluation.

The interviewees were all MDC professionals with broad experiences, encompassing the political elite (from South Africa and Mozambique), representatives of Donor Agencies (UN, USAid, UKAid), and agents from key MDC anchor projects. There were also some representatives from ‘civil society’ associated with the MDC such as not for profit charities and those in receipt of benefits from corporate social responsibility projects (CSR). This provided a wide-ranging tableau of the hierarchy of needs, hopes, requirements and expectations within the MDC. It has contributed a unique and detailed insight into this mega project. Further, it has allowed for an excellent understanding of the benefits that can be provided within the MDC as well as identifying many frustrations that are present.

Given that this research includes human participation every measure has been taken to ensure best practice and human dignity has been maintained throughout. Further, given this project has involved elite interviewing, wide-ranging stakeholder participation and anthropological research, an ethical report was submitted to the ‘School of History, Politics and International Relations’ ethics board prior to each of my research trips, this is in accordance with the University of Leicester ethics guidelines.

Finally, detailed below is the wide-ranging rational and methodology used to gather this unique data collection. This has been extensive both with regards to the period and volume of data gathered. It has allowed a great breadth and depth of evaluation and ensures a unique contribution to this project. What is specific here is that it represents the first ‘corridor-length’ study. The duration and coverage was necessary to determine how far economic growth and social benefits accrue in the MDC. The data analysis has determined how far citizens living within the jurisdiction of the MDC benefit from this locale. The production of visually stimulating graphs means that it is possible to communicate vast amounts of data and provide visual trends quickly. Importantly it has allowed for a comparative evaluation of the degree to which the MDC has improved the lives of people who live and work along its length.

The process has been complex for several reasons, the MDC is a cross border project making like for like evaluation and analysis a complex process, a position further
frustrated by the diversity of communities within the micro-region. It was necessary to find data that combatted these issues, yet still highlighted social difficulties, this meant seeking a wide-ranging data sources. The aim here was to give credible volume data yet move beyond per capita economic growth and average consumption calculations. In combination, this broad dataset has provided an in-depth assessment of the lifestyles and opportunities open to people living in the MDC. Simply taking a national median position does not elucidate the paucity of conditions in which many people live. Further, direct comparisons are not indicative of reality, for example, one could not compare Nkomazi with Nelspruit in Mpumalanga; the former still very much a traditional township and the latter is generally thought of as an affluent, modern and sought-after location. Nkomazi still services Nelspruit as it did in apartheid days. Similarly, poorer communities in Mozambique cannot be compared with poorer communities in South Africa, not only are social credits available in South Africa, poverty is far deeper in Mozambique. Extreme corridor diversity is also apparent, comparing one of the richest countries on the continent with one of the very poorest is complex. Therefore, to achieve a credible and an effective evaluation wide ranging comparative trends have been accessed.

Interim proposals have been made to key stakeholders in South Africa and Mozambique as well as international donors. These have been well received. Indeed DfID (UK), USAID, UKAid, sections of the South African DTI and the Maputo Corridor management body (MCLI) are awaiting the final recommendations from this research project. Any pertinent conclusions will also be shared with the development professionals working in the Nacala and Beira corridors in Mozambique.

**Data Selection for Part II**

The aim of part II of this thesis was to establish how successful the social components of the MDC objectives have been. It has been claimed by politicians and practitioners alike that the MDC has had considerable impact on the living standards of those communities that live along its route. This position remains unclear and is not tenable without a full evaluation. Further, the problematique is that this runs counter to key academic claims and both positions cannot be correct. Therefore, the quantitative
analysis here seeks to establish if either position is correct. This makes the research unique on two counts, firstly by qualifying the position and secondly through offering an in-depth analysis of the ‘Mozambican MDC’.

To establish the sheer breadth and depth of evaluation necessary to garner effective conclusions it has been necessary to build an extensive data sample. The bulk of the raw data has been extracted from the World Bank Group Data Bank (WBGDB) or from the two sets of national census statistics available during the period. This is 2001 and 2011 for South African and 1997 and 2007 for Mozambique. This data has been further supplemented with national household survey statistics where relevant. Additionally, the World Bank team in Maputo, Mozambique shared key raw data, which was collected by the government in Mozambique and then revisited by the World Bank for their research paper 6217 entitled ‘Poverty in Mozambique’ (2012). This has been vital for compiling comparative provincial data for Mozambique. Along with census data, this will allow for a consistent comparative analysis and evaluation at provincial level. Each individual data source is discussed in more detail below.

The raw data will be analysed and displayed here in one of three formats; bar chart, linear time graph or table. The bar chart pulls data together in ‘groups’ or ‘categories’, for example people or percentages. Producing this graphing allows the layman to rapidly understand vast quantities of visual information. Linear graphs are also useful as they indicate how any given variable develops over-time. It is also possible to show comparisons between countries or provinces while allowing for an excellent visual understanding of trends over time. Overall then, the purpose of graphing is to provide the reader with the ability to consume large amounts of data speedily. Tables have been used to provide specific emphasis.

Each source uses a wide sampling methodology giving a true random sample. This will help to avoid bias as far as is ever possible. Where individual provinces have been included it is on the basis that they are part of the MDC or are comparable provinces of a similar historical, social and geographical nature. Importantly the contrasting provinces in each nation have been selected because they share similarities. Given the

---

success of the SDI program all South African provinces now have some form of corridor project. Thus, they provide excellent comparable subjects for analysis. National data was selected from either official census collections or from the WBGDB. The report on provincial poverty in Mozambique presented by the World Bank was collected from a comprehensive household dataset, it was originally collected and displayed by the Mozambican Government. The data collection runs for the lifetime of the MDC, from 1996/7 through to the last data collection available in 2013/5. The aim being to show continual progression.

For the comparative provincial analysis two comparable provinces were selected in each nation state. As Mpumalanga is the province most impacted upon by MDC goals and a key target area driving the initial project this is our selection in South Africa. No provincial measure is perfect, the area of Mpumalanga not in the MDC is largely rural so any benefits will be under rather than over represented. Clearly, it would be very difficult to ascertain what impact the corridor may have had in Gauteng as it is South Africa’s prime industrial and commercial area, therefore any results for the MDC would be dwarfed. The most appropriate comparative province selected was North-West province. The benefits in comparison to Free State were clear because it’s a thoroughfare from Gauteng to the southern ports. By contrast, the North-West province is a borderland, previously relegated to the status of Bantustan with little prior investment, so it is the logical comparison to Mpumalanga.
The MDC runs through two provinces in Mozambique; Maputo City and Maputo Province, the latter also containing the town of Matola. Again, Maputo Province was selected on the basis that Maputo City had an established and diverse investment portfolio. Gaza province provides a good comparison for Maputo Province as it was disrupted by South African destabilisation policies during the 1980s. The hostilities in Gaza and Maputo Province during the civil war were supported by RENAMO and the Rhodesian and South African governments. All sought to undermine the legitimate FRELIMO government in Mozambique. The whole area was heavily mined and was greatly devastated by the civil war. Further, as both are borderland provinces with access to the sea they share geographical and political features. As Gaza is a southern province it is less open to claims of uneven development, additionally it is more difficult to claim that the area was ignored by the FRELIMO government on political grounds. Gaza has fewer urban areas and is less directly impacted by trade from the MDC than Maputo Province but its location is adjacent to Maputo Province and relatively close to South Africa when compared to other Mozambican provinces. Further, Gaza is not dominated by RENAMO. This means that it is just as likely to benefit from ruling party clientelism. Each of these aspects makes it the best comparative province from which to construct the data set for our analysis.
If the MDC mega-project has been successful in fulfilling its social objectives, then two broad trends would be in evidence. Firstly, poverty would be reduced in the MDC when compared to the nation state and in Mpumalanga and Maputo Province relative to their comparative provinces. Secondly, one would expect to see an improved social condition with better access to lifestyle opportunities in Mpumalanga and Maputo Province. Should these aspects be evidenced then other aspects that can skew the results and create uneven development may need closer examination. Given the breadth and depth of this analysis, smaller areas would need validating in a separate research project.

**The Data Sources**
These data sets were selected as they are inclusive so offer a broad picture. The breadth of data virtually rules out selection bias. They provide a good overview of the two national communities are consistent for provincial communities. As well as offering homogeneity at national and provincial levels, they are extensive enough to show change over an extended time span. This is important as no evidence has been evaluated over such a period for the MDC. This was the first cross-border development corridor, analysis over this time span is vital because key aspects have evolved.
incrementally. The graphing shows visible trends in social conditions since the corridors inception in 1996/7 through to 2013/15

Data limitations do depend on individual data streams. All the selected data is in line with poverty analysis and minimum expected standards of living as prescribed by Kedir & McKay seeks to look beyond economic growth as a measure of increased wealth or decreased levels of poverty. In many cases data selections were included because they represented excellent comparability across borders. This makes the study unique. However, this necessarily means that on occasion indicative but non-comparable data types have been ignored. This is largely unavoidable.

The central sources for the study were gathered from comparable data strands within the World Bank World Data Bank (WBGDB). This data is enhanced by census data from South Africa (2001 & 2011) and Mozambique (1997 & 2007). While this does not provide analysis from identical periods, the data is comparable and can show trends and changes over time. The World Bank data is sometimes overly generous. These data sets allow for national and provincial comparisons in both nation states. Detailed below is a brief rationale as to why these data sets were selected.


The data that has been collected here is necessarily diverse, allowing a comparative analysis between the two nations. Data was taken from the WBGDB and recorded biannually from 1997 to 2015. This includes the period from which the MDC project became active. Where possible this data has been supplemented by other contemporary information. To offer depth as well as breadth it encompasses the widest possible comparative selection available between the two states. The data set allows for two national overviews.

II) National Census information from South Africa (2001 & 2011)\textsuperscript{20} and Mozambique (1997 & 2007)\textsuperscript{21}

National Census information was collected because it allows for the widest number of participants and an extensive range of socio-economic indicators. Its inclusivity is exceptionally helpful. As high-quality data is hard to obtain independently for most scholars the census provides a good alternative. It also allows for effective evaluation which is compounded especially when integrated with other data sources. As the census is delimited into small areas it is very useful at allowing for a comparative analysis at provincial level. Greater progression is available from South African data because only limited aspects of the 1997 Mozambican census has been published. However latterly, some data is available in Portuguese. Where there is no 1997 data, the 2007 census data provides a useful 'freeze frame'.

III) World Bank Policy Research Working Paper\textsuperscript{22}

This paper entitled 'Poverty in Mozambique' has provided some very effective provincial data. It was originally collected by the Government of Mozambique for a national household survey in 2012, but as the data initially proposed some unusual results and was re-worked by the World Bank. Essentially, this paper was concerned with re-interpreting the original data because the authors believed the national evaluation was inconsistent. Their logic makes sense and with some sensible adjustments the data set now appears more practicable. The raw data has facilitated my own evaluation and analysis of the poverty levels in Maputo City, Gaza Province and Maputo Province. The above query over the data set has no bearing on this project. The resulting evaluation is therefore indicative of the outcome of the MDC in Mozambique.

These data sources provide a comprehensive understanding of the social conditions within and outside the MDC. This information can be extrapolated and applied broadly. This allows for a full evaluation of how far the MDC can impact on the living

\textsuperscript{21} INE Mozambique, Census data (1997 & 2007), \url{http://196.22.54.18/home_page/}, accessed October 2012 & January 2017
\textsuperscript{22} F Alfani et al, Op cit
conditions and opportunities available to populations within its jurisdiction and in comparison, to those who reside in adjacent provinces, but outside of the corridor.

The International Context

The idea of ‘spatial development initiatives’ has been used interchangeably as a developmental, geographical or economic term in considering this domestic initiative in South Africa. Since 1996/7 ‘development corridor strategies’ have also become part of development discourse. However, there is a general argument that they focus on economic growth rather than social upliftment. This is partly due to the inherent contradiction in understanding the role of development corridors and whether they should represent social or economic policy or both. There have been several attempts to streamline definitions of the ‘development corridor’ from more rudimentary “transport or trade corridor[s] with underutilised economic potential in their environs, the development of which would be explored through spatial planning and development projects,” through to more fully integrated development corridors which incorporate long term planning and a social dimension. They initially evolved from a South African domestic policy, of key importance to this ‘SDI concept’ was the belief projected by officialdom in their ability to create sustainable social and economic development, particularly in poor rural areas but also in areas with nascent commercial or industrial potential. The emphasis towards sustainable development, employment and wealth creation was an important driver when promoting corridor policies. Certainly, in South Africa the nurturing of previously disadvantaged communities was significant. SDIs were “aimed at unlocking the inherent and under-utilised economic development potential of certain specific locations in South Africa,” and especially important, it was hoped that they would “rehabilitate the borderlands of South Africa and Mozambique”. This bilateral project was to have a dual effect, both rehabilitating the national economy and rebuilding South Africa’s more local sub-regional reputation. At the time of the MDCs inception in 1996 this was very important to a South Africa,

24 RH Thomas, 'Development Corridors and Spatial Development Corridors in Africa', Paul Nitze School of Advanced International Relations, (2009), Johannesburg, p2
25 A Hope & J Cox, Op cit, pp1-10
27 Ibid, p330
which had succeeded in alienating all its neighbours. Thus, this project could help to reconcile their political and economic relationships with Mozambique.

Since the success of the MDC these projects have proliferated throughout the continent, although most are still embryonic. The model is positive for many reasons. Firstly, this research demonstrates that the MDC has achieved economic success and social upliftment within its boundaries. Secondly, it fitted well ideologically within the 'Africa Rising' discourse, promoting liberal orthodoxy in the economic sphere, in infrastructure development through public private partnerships (PPPs), democratic governance, and free and open communication, which it is believed would lead to social improvement. Each of these aspects has become increasingly more valuable to the global economy since the end of the cold war, in a period where globalisation has blossomed.

When SDIs were formally announced Nelson Mandela stated with great conviction that they would represent the equivalent of a new industrial revolution for southern Africa, creating employment, development and security for diverse African communities. The MDC has increased business opportunities, and has also impacted on the lives and personal security of individuals and families. This research suggests that with some amendments development corridors can further reduce poverty and increase opportunities in many communities. However, this depends the fulfilment of the four key objectives detailed below and on effective design and implementation processes of individual corridors.

According to the Maputo Corridor Logistics Initiative (MCLI) development corridors such as the MDC are effective precisely because they are flexible, representing more ‘a methodology’ than a set policy ideal. They can be applied in a flexible manner in any locality and this has made them an interesting option for Africa. Further, as systemic

---

30 CM Rogerson, Op cit, p324
funding has become more limited in the wake of the end of the cold war, pursing corridor projects via the dominant liberal discourse became more attractive to governments and regional bodies alike. These factors made them especially interesting to the Southern African Development Community (SADC) and the AU. The idea is that a corridor facilitates “a platform for private investment,” creating favourable conditions whereby global investment capital is pulled into these designated areas, this creates sustainable opportunities at many levels, from the micro to the macro region.

The MDC was the first and most successful cross-border corridor project, a very high-profile project involving the South African and Mozambican Governments. Uniquely for such projects it was driven from the presidential and ministerial level. Essentially, this means the MDC was very much a product of its time as both countries had metamorphosed from conflict-ridden societies, towards democratic governance based in individual liberty. Further, they both achieved seemingly representative governments and popular presidents who were happy to work together for the benefit of wider society. These South African driven mega projects came to be viewed as a regional policy barometer in line with the neo-liberal New Partnership for African Development (NEPAD) and Growth, Employment and Redistribution (GEAR) policies, emphasising private ownership and limited government intervention. However, as distinct from other market orientated policies an important aspect was the promise by both governments that such projects would produce the social upliftment of their peoples.

Influenced by Mbeki's 1996 'I am an African' speech, and his ideas of an 'African renaissance' the MDC is indicative of “a springboard for Africa's self-rehabilitation and reintegration into the mainstream world economy” to “promote a spirit of awakening in Africa in the late twentieth century”.

For Guebuza's FRELIMO government, the choices were limited, being effectively bankrupt meant they did not

---

36 Ibid, P Vale & S Maseko, Op cit
38 Ibid, p279
have the luxury of theorising about an economically unified Africa. In effect, they had little choice but to opt for policies favoured by South Africa and the developed North. By acceding to these liberal guidelines both nations, effectively embraced global liberal economic hegemony. In doing so they rejected big government and a developmental state in the field of economic and social policy, and placed greater importance on individual responsibility to create wealth. This is fully evaluated in chapters 1 and 3 which examines the nature of international political economy and both governments' support for liberal orthodoxy during the time of transition. Certainly, they were constrained by IFI’s ideals regarding the management of challenged economies but the timing and extent of their acceptance of these packages was experienced differently in South Africa and Mozambique. The assimilation of these ideals by an elite have been important to understanding how integration into the global economy occurred. Acceptance of such conditions were a necessary requirement for investors in the developed North. In a similar vein, any allocation of loans or systemic grant aid\textsuperscript{39} also became increasingly reliant on taking up these ‘western’ values.

**The Maputo Development Corridor**

The MDC was initiated in 1996/7 by President Mandela of South Africa and President Chissano of Mozambique. At that time, the MDC represented the largest single investment in the world,\textsuperscript{40} and “within two years it was known as the most advanced international development corridor in Africa”.\textsuperscript{41} The two presidents shared a vision of a unified region built on co-operation, economic success and wider access to global markets. They saw the opportunity to rebuild national trust and re-vitalise communities which had been devastated firstly by colonialism then by the South African policies of apartheid and destabilisation and the long civil war in Mozambique. This project is then symbolic of these positive relationships and the new democratic peace within these states.

\textsuperscript{39} Systemic aid relates to grants and aid from bi or multilateral governments or agencies
\textsuperscript{40} K Dunn and J Hertz, “Regionalisation, the State and Human Security, Development in Africa: Thoughts for Advancing the Debate” in A Grant and F Soderbaum, ‘New Regionalism in Africa’. Op cit, p189, the initial funding ratio for Mozal Smelter was: Mozambican Government 4%, South African Government 24%, BHP Billiton 47%, Mitsubishi 25% and the International Financial Corporation $55m and further quasi equity $65m
The MDC runs from Gauteng via “Balmoral, some 20km west of Witbank, to Maputo Harbour. It also comprises two north-south links in Mpumalanga. The Northern sub-corridor runs from Nelspruit to Hazyview and thence into the Northern Province. The Southern Feeder Link integrates the petrochemical complex at Secunda via Bethal with the main corridor at Middelburg. Whilst recognising that any definition of the ‘corridor area’ will inevitably be arbitrary, Mpumalanga’s provincial government has focussed attention on the area 50km either side of the N4 Highway, the Northern sub-corridor and the Southern Feeder Link.”

This incorporates part of Swaziland and is essential for transporting goods from Botswana and Zimbabwe. The MDC is the shortest route to the sea from Gauteng, the industrial centre of South Africa. It also makes sound economic sense to use this route rather than transport goods to Durban or Richards Bay which are at least 160km further and suffers from great time delays and excessive business costs. By the end of 2009 a massive R35 billion had been invested in Mpumalanga and southern Mozambique, a 20-year development plan for the docks has since been agreed, taking the total port throughput from 8 million tonnes in 1996 to circa 50 million tonnes by 2030. In effect the micro-region of the MDC now represents an even more legitimate semi-permeable cross-border community than that envisaged by historian Delius.

Continued governmental activity was not originally anticipated and an exit strategy was proposed. It was believed private investment would take over in the medium term, and that some element of ‘hand over’ to the private sector would take place. However, this has not come to fruition and has at best been patchy, particularly in Mozambique, where there is still great poverty and the government is still largely funded by the donor community. It was envisaged that informal business institutions would develop, and to some degree MCLI has taken on this role as the corridor

---

42 Ibid
43 Interview on 12/09/2011 with D Parsons, MD Sturrock Focus Clearing (Pty) Ltd, Komatipoort, Mpumalanga
46 F Soderbaum, Op cit, p9
management body.\textsuperscript{48} Here, Byiers and Vanheukelom hold that the MDC is effective and unique.\textsuperscript{49} This is true to an extent but until 2016 the MCLI had no independent funding which weakened its authority.\textsuperscript{50} The organisation ideally requires formal financial support from both governments, as the reality is that support for MCLI can be fickle.\textsuperscript{51} This is a weakness of the developmental model which, Soderbaum noted as early as 2001, tended towards “minimalist, even non-institutional”.\textsuperscript{52} MCLI membership is drawn from both South African and Mozambican governments, concessionaires, donors and private business interests. Certainly, from a commercial point of view the body appears to be very effective. It facilitates trade, agreements and new legislation between stakeholders, although historically any links to social representatives have been weak.\textsuperscript{53}

Soderbaum and Taylor have identified this area or the MDC as a ‘micro-region’ and a vital link between, ‘traditional’ areas of production and the global economy.\textsuperscript{54} The space encompasses four provinces that run from the east of Gauteng, through Mpumalanga, Maputo Province and Maputo City; or from Pretoria & Johannesburg in South Africa to Maputo in Mozambique. There is archaeological evidence that this route has been active in some form or another since AD500,\textsuperscript{55} and trade within this micro-region to the east coast grew quite rapidly from the mid-16th Century under Portuguese influence.\textsuperscript{56} At the time of the MDC’s inception it was perceived as an historical trade route with great potential for growth and investment. The concept is valuable because of its flexibility. It is not fixed by geopolitical boundaries, and the historical corridor has changed via a process of ‘osmosis’ which brings into question the need for fixed cultural and linguistic boundaries.\textsuperscript{57} The geographical space has evolved to suit political challenges and newly developed systems over the centuries. Today this historic space, now the MDC, is buffeted by the global capitalist system and the

\textsuperscript{48} See section below on ‘Role of MCLI’
\textsuperscript{50} Interview on 5/02/2016 with Barbara Mommen, CEO of MCLI in Nelspruit, SA
\textsuperscript{51} Ibid, Interview with F Healy, Op cit
\textsuperscript{52} F Soderbaum, Op cit, p11
\textsuperscript{53} Interview with Barbara Mommen, Op cit
\textsuperscript{55} P Delius, Op cit
\textsuperscript{56} Ibid
\textsuperscript{57} Ibid, p125
multitude of overlaying concepts and contradictions that have been constituted along the way. This thesis suggests that the scope of this ‘natural’ trade route is the defining character for other successful development corridors throughout Africa. This is disputed by many academics,\(^{58}\) who largely deem the model to be a developmental failure.

The overall objectives of the MDC are to create regional economic growth and integration but also to actively lift communities out of abject poverty. Bongi Gasa, Head of the 'Africa Infrastructure Project', part of the Department for Public Enterprise in South Africa, advised that investment companies and parastatals “must focus on their core business to maintain viability, maximising their impact on economic growth and poverty reduction.”\(^{59}\) Here then, the developmental point is less clear and Gasa’s point begins to gravitate towards economic orthodoxy while firmly keeping developmental aspirations alive. For clarity, the MDC objectives are fourfold and are as follows:

“1. Rehabilitate the primary infrastructure network along the corridor, with the participation of the private sector, notably road, rail, port and dredging, and border posts.

2. Maximise investment in both the inherent potential of the corridor area and in the added opportunities which infrastructure rehabilitation will create, including the provision of access to global capital and facilitation of regional economic integration.

3. Maximise social development, employment opportunities and increase the participations of historically disadvantaged communities.

4. Ensure sustainability by developing policy, strategies and frameworks that ensure a holistic, participatory and environmentally sustainable approach to development”\(^ {60}\)

This is achieved through a variety of projects. The initial and largest scale investments

\(^{58}\) This is largely but not exclusively in relations to F Soderbaum & I Taylor as well as their edited volumes and J Hanlon and T Smart.


\(^{60}\) Mitchell J cited in F Soderbaum and I Taylor Ed, Op cit, p6
(anchor projects) were contracted in advance of the corridor project, but because of this, in the early phases the MDC project represented little more than a transport corridor. These anchor projects are usually based in key infrastructure development or extractive industries. Core MDC concessions were wide ranging and included road, rail, greater provision of electricity, water supply and extensive communication links (which now includes mobile phone networks and greater internet coverage). The three primary anchor projects for the MDC were the N4 (or EN4) toll road concessioned to TRAC, a 30-year, US$1 billion contract based on the ‘Build, Operate and Transfer’ principle (BOT) and financed through toll charges. Secondly, the Mozal Aluminium smelter situated on the outskirts of Maputo at Matola, is owned in conjunction by BHP Billiton of Australia (47%), Mitsubishi of Japan (25%), the South African government (24%) and the Mozambican government (4%). The third critical anchor project without which all would fail was the redevelopment of Port Maputo. Here aspects of the original concession have changed and it is now managed under contract to Porto de Maputo, (MPDC) made up of ‘Portos e Caminhos de Ferro de Mozambique’, (CFM), DP World (based in Dubai) and South African Grindrod.62 Other opportunities have developed in concert to maximise the overall mega-project. For example, the rehabilitation of the Ressano-Garcia Railway line from Komipoort on the Border in South Africa to Maputo in Mozambique was required to interface with Maputo Docks.

As well as these highly connected infrastructure projects there are now other vital industrial and extractive projects within the MDC micro-region that all make an important contribution to the overall success of the corridor:

“the iron and steel works in Maputo, Foskor expansion projects in Phalaborwa, Sasol projects in the petrochemical sector, various mineral export plans (coal, ferro-alloys), various irrigation schemes in Mpumalanga and tourism projects in Mpumalanga and Maputo”63

Further, several new economic sectors have developed as continual upgrades to the port facilities in line with Port Maputo masterplan allow for new opportunities in specialist goods such as granite extraction and automotive production, as well as bulk sugar and

---

61 K Dunn and J Hertz, Op cit, p189
63 P Jourdan, Op cit, p721
citrus transportation. Some aspects here are still in developmental stages. The MDC has promoted commercial opportunities well and the “the private sector had committed US$5 billion” by 2009.

A significant amount of benefits within the MDC are gained by the most competitive actors, this is in line with global commercial activities. This means that those nations who are dominant in the capitalist structure gain relative to peripheral nations. From a global perspective, the MDC was initially situated firmly within the liberal economic discourse, and here capitalist competition skews the global economy on behalf of an elite vertically (globally) and horizontally (domestically). This is part of the globalisation process and is duplicated in the MDC. My thesis states that this is the context within which the MDC developed not the central thrust of the policy. Initially then, Soderbaum and Taylor were correct to suggest that economic growth was elevated and within this context elite benefits were enhanced. Horizontal elitism remains problematic in the MDC. This unique contribution evaluates the extent of this problem in chapter 6. However, what remains unclear to date is whether and how far development corridors benefit ordinary citizens. There are some good improvements taking place and my research shows genuine gains for ordinary citizens, a theme which is fully developed in part II. This substantive bottom-up evaluation will add to the understanding of how ordinary people can benefit and what the community based implications are for the MDC and other corridors in southern Africa. It critically evaluates the positive and negative impacts, as both aspect can be overstated or underplayed in the ‘fog’ of global capitalism. This should help to realign biased trajectories within the MDC and can promote positive action in embryonic corridor projects in southern Africa and the Trans-African Highway.

---

65 Hauptfleisch Prof D & Dr H Marx, Op cit, p12
66 See map in Appendix 1/2
Role of Maputo Corridor Logistics Initiative (MCLI)

Playing a crucial role in the success of the MDC has been the Maputo Corridor Logistics Initiative (MCLI), given reference will be made to MCLI throughout this thesis, it is necessary to introduce the organisation, its role and mandated objectives in this introductory chapter. MCLI is a not-for-profit organisation and the corridor ‘management body’, its role is to facilitate continued growth and interconnectedness throughout the MDCI. It currently has no authoritative role but achieves much through promoting robust and professional stakeholder relationships. The overarching aim for MCLI is to ensure “the cost effective, efficient and seamless flow of people and goods on the Maputo [Development] Corridor.” MCLI is seen by development professionals as being at the heart of the success of the MDC. Secretary general of SADC stated about the body, “I have three words to say; facilitation, facilitation, facilitation, it is this function that MCLI are so good at, and it is that, which makes all the difference, to this, the Maputo Development Corridor.” Created in 2004, the body is essentially a ‘second generation’ management company. Its fore-runner the Maputo Corridor Company (MCC) was disbanded as planned, after the initial promotional phase of the corridor, once the key infrastructural goals had been achieved. At this point the corridor was operational and initially it was believed no further role for such a body was required. Certainly, it had a narrow focus, which was criticised by de Beer and Arkwright for its inability to promote a rounded and enabling business or social environment. Nonetheless, in its wake, it was felt by government and businesses alike, that a private sector management body capable of representing all the corridors stakeholders was still required. It was believed by corridor stakeholders, particularly the core players, that such a body could promote better relationships and help to overcome deadlock or bottlenecks across state boundaries. Indeed, the primary purpose of the [new] organisation [the MCLI] was to integrate, coordinate, communicate and facilitate development and ease the movement of freight along the Maputo Corridor [further] to address bottlenecks to trade through a partnership between private sector users and public-sector bodies on the corridor.

67 MCLI Website, www.mcli.co.za, accessed 10/05/2018
68 Interview with J Rocha of DBSA and L Goews Acting CEO of NEPAD Business Forum, Sanderton, Johannesburg, on Interview on 8th September 2011, Interview with J Tambi, Transport Infrastructure Expert, New Partnership for Africa’s Development (NEPAD) and Coordinator Presidential Infrastructure Champion Initiative (PIC), Midrand, Johannesburg, Interview on 8th September 2011
69 Salomao Dr TA, Secretary General of SADC, MCLI AGM 2011, Key Note Speech at the MCLI AGM and Conference, 30th September 2011, Hotel VIP, Maputo, Mozambique
70 DeBeer G and D Arkwright, ‘The MDC: Progress Achieved and Lessons Learned’ in Soderbaum F and I Taylor Ed, Op cit, p19
71 MCLI Website, Op cit
Officially a South African organisation, MCLI is the only corridor-length body able to operate, represent stakeholders and communicate freely across borders and along the full length of the MDC. MCLI had 8 founding members in 2004 and by 2017 this had increased to over 160 members. The Board members are made up from representatives of these original 8 projects including: “CFM Ports & Railways, Department of Transport South Africa, Grindrod Freight Logistics, Kudumba Investments, Ministry of Transport and Communication Mozambique, Swaziland Railway and Transnet Freight Rail who manage the day to day business direction of MCLI”. These members represent the prime anchor projects for the MDC. This wider membership is drawn from “government departments, cargo owners, road hauliers, inter-modal operators, rail service providers, logistics companies, clearing agents, forwarding agents, shipping lines, port agents, shipping brokers, professional bodies, associations, financial institutions, border post management and officials.” The remaining membership pay fees to MCLI based on the size of their workforce. Larger employers pay a large fee, hence MCLI over reliance for funding on the larger projects. In the past this has meant that key decisions have been taken based on the strategic goals of this ‘big 8’.

The 3-tiered management structure comprises the Executive Board, Stakeholder Forum and Business and Investors Conference. The Executive board is made up of the 8 founding members with an additional representative from each state. The board is responsible for the “strategic direction and managerial oversight of the institution”. The Stake-holder forum meets on a quarterly basis and this represents “the ‘engine-room’ that drives the processes designed to enhance corridor competitiveness”. Finally, the annual Business and Investors Conference provides a platform for new investment and seeks to inform business and industrial associations providing a networking platform for MCLI members. The organisation is fundamentally corridor based and can facilitate across state borders. Each element of the organisation combines to make a strong organisation that can represent the needs of members whether large or small. The MCLI secretariat provides a corridor focussed strategic and administrative service to all its membership, large and small.

In 2016 an enhanced, new and less rigidly focussed organisational framework was introduced. This will make MCLI more independent of the specific needs of the dominant anchor projects, which have until recently been able to determine much of MCLI’s activity and strategic direction.

---

72 Op cit
73 MOI, Op cit, pp7.11
74 MCLI Website, Op cit
75 MCLI Profile Document, MCLI, Nelspruit, RSA , p1
“A review of the funding model revealed that the founding 8 members still provide[d] approx. 75% of the MCLI’s funding and the remaining 152 members provide[d] approx. 25% of MCLI’s funding. The reason for this is that membership fees [were] structured on a sliding scale based on number of employees to ensure that stakeholders have access to the services offered by the MCLI.”  

Additionally, it will interlink and reinforce relationships between the MDC and the World Bank’s environmental and social strategy. This will help to promote a wider and more sustainable business and employment infrastructure, promote wider developmental goals and could help to incorporate civil society in the future. The 2017 a consultation document proposed by MCLI would see at least a proportion of MCLI activity independently funded. Unsurprisingly, the majority of MCLI objectives will remain primarily corporate, build around facilitating trade along the MDC. However, there is now some capacity for wider participation to be built into processes later. Further, in February 2016, the role of MCLI was re-codified in a new ‘memorandum of incorporation’ as a company “incorporated as a Non-Profit company for public benefit”. It aims to “ensure a cost-effective, seamless and reliable logistics route creating an enabiling environment for further investment and growth, bringing positive returns for all stake-holders.”

Currently without ratification of this draft proposal a fully inclusive role for MCLI lays outside of its organisational mandate. Notwithstanding, it has been acknowledged, that given the positive results drawn from this research project and the more inclusive World Bank framework, a more inclusive course of action may yield better results in the future.

The MCLI has been effective at promoting and integrating trade networks within and outside of the MDC. It works within the “SADC, tripartite and wider continental policy frameworks,” encouraging trade and integration with other African States. This has led to the MCLI being “recognized in Africa as the most effective model for corridor management” on the continent. Its historical vision was certainly more narrowly focussed but the newer framework acknowledges the developmental requirement to be more inclusive. MCLI’s mandate is now potentially broad enough to incorporate civil society as a stakeholder in pursuit of social goods at some point in the future. This has only very recently been the case and this new criterion

---

76 MCLI Consultation Document, Presentation on 31/05/2017 Nelspruit, South Africa, p5
77 Ibid
78 Memorandum of Incorporation, Reg Nr 2004/007466/08, RSA
79 Ibid, p1
80 Ibid
81 Interview with B Mommen, ........
82 Interview with B Mommen 2016, Interview with Smith and Healy
83 MCLI Profile Document, Op cit, p1
84 MCLI Profile Document, Ibid, Salomao Dr TA, Op cit
could be accessed to promote “a ‘wider stakeholder’ base”. Accordingly, MCLI membership is envisaged to comprise of “private, public and civil society stakeholders”. Further, MCLI lobbies and facilitates trade on behalf of its membership. MCLI’s strategic values focus on promoting accountability and good corporate governance. They combine integrity and trust to produce successful outcomes for all stakeholders. This is more likely to include civil society in wake of these recent mandate reforms. Essentially then, MCLI promotes a “partnership and cooperative approach which is embodied in loyalty to the organization and its objectives, and a respectful, positive, and egalitarian approach to all stakeholders. Cooperation with strategic partners for the mutual benefit of the organizations and their constituencies.”

To achieve these objectives MCLI must facilitate stakeholder engagement across the breadth of corridor, be inclusive of every sector and communicate and disseminate information to members. MCLI also lobbies for its membership which includes national, regional or international representation. It provides an advocacy service to all members and maximises use of the Maputo Corridor at every opportunity. Finally, MCLI has a marketing role, promoting the benefits of the project to members and the wider business community.

Many factors coalesced to drive the new strategic plan of May 2017. MCLI was required to review its funding. The resignation of Port Maputo and its associated funding in 2016 placed financial strain on the organisation, because it was too reliant on the key anchor projects for funding. The World Bank was keen to promote its new environmental and social policy to “reduce poverty and increase prosperity in a sustainable manner for the benefit of the environment and their citizens”. This made them a good funding partner. Finally, my interim report at the stakeholder forum/AGM in February 2016 demonstrated that the corridor produced positive results, that in turn, these results had led to the comparative social upliftment for communities within the MDC. This data was long awaited by the development team and

---

83 MCLI ‘Strategic Plan’, Consultation Paper, 31/05/2017, Nelspruit, RSA, p4
84 Ibid
85 Ibid
86 Ibid
87 Ibid
88 Ibid
89 MCLI ‘Draft Strategic Plan’, Consultation Paper, 31/05/2017, Nelspruit, RSA, p4
90 MCLI Profile Document, Op cit, p3
91 Ibid, p2
92 Ibid
93 Ibid, pp2-3
94 Interview with B Mommen, CEO of MCLI, 5th February 2016
96 Tate R, ‘Measuring the Social Dimension of Development Corridors: Creating Impact for Communities’, Presentation to MCLI Stakeholder Forum, 4th February 2016, Nelspruit, South Africa
although only at the interim stage demonstrated to the World Bank, that the MDC produces effective social development. These factors enabled this new strategic plan, which has built on the idea of a fully inclusive development corridor.\textsuperscript{97} This newly proposed, World Bank supported, MCLI mandate does still focus on the business imperative and concerns for those sectors,\textsuperscript{98} but combines this with the requirement to “strengthen social inclusion [and] the primary concern of civil-society stakeholders”\textsuperscript{99} This is a tremendous step forward, but the evolution from acknowledgement to inclusion will be complex and could well falter. Further, ideas around including an amorphous bi-lateral ‘civil society’ as an MCLI stakeholder will always be problematic regardless of approval at each level.\textsuperscript{100} Increasingly, it is this model for corridor management that is promoted in newer cross-border corridors in the region and on the Trans-African Highway.\textsuperscript{101} MCLI has been effective at working with and facilitating on behalf of governments, companies, charities and NGOs alike in South Africa and in Mozambique. Finally, it is this body alone that can represent any and all MDC stakeholders in local settings to international forums as such it has a key role in the continued development of the MDC.

\textbf{Summary}

This chapter has sought to introduce the core content of the thesis. It details the central objectives, the key chapters and the overarching methodology that will be used to this end. Finally, for those that are unfamiliar with the concept, it has introduced development corridors and my case study the Maputo Development Corridor.

\textsuperscript{97} Johnson M, Consultant for DfID (UK), Interview on 4\textsuperscript{th} February 2016 at MCLI Stakeholder forum, Nelspruit, South Africa. Hope A & J Cox, Op cit
\textsuperscript{98} MCLI ‘Draft Strategic Plan’, Op cit
\textsuperscript{99} Ibid
\textsuperscript{100} Interview with B Mommen 2016, Interview with Smith and Healy.
\textsuperscript{101} Interview with J Rocha & L Geows, Op cit, Interview with J Tambi, Op cit
Part I
Chapter 1

The Maputo Development Corridor and the ‘Washington Consensus’

Locating the Maputo Development Corridor (MDC) within the International Political Economy (IPE)

An idea prevalent throughout southern African and the wider continent suggests that development corridors represent a creative mechanism that encourages economic growth and social development. This chapter is in large part in agreement with the first premise that development corridors lead to economic growth but posits that while there is evidence that social development is enhanced in the MDC, it could be greater. This second point is not new and has been postulated to different degrees, yet until now the extent has remained unproven. Part II evaluates how far social development has occurred in the MDC. Here we consider the economic growth, examining how the requirements of the global North have been prioritised (through structural power) and to what extent the dominant economic mindset or ‘discourse’ (power through agency) has impacted on the MDC. The thesis traces a complex and winding path between the positions taken by politicians and development practitioners, on the one hand, and academics in the field of international relations on the other. Economic policy is driven by national elites who have adopted western norms, which according to Gill and Law enables “a comprehensive & yet flexible approach to [this] structural change”.  

The thesis posits that structure and agency combine to give impetus to neo-liberalism, domestically and globally. South Africa and Mozambique are buffeted by the global economy as are decisions made by their agents. The capitalist goal of profit and

accumulation promotes ever greater competition and so the global north and domestic elites\(^{103}\) increasingly benefit in relation to wider society. Therefore, whether via the global economic structure or through individuals’ agency, the global North benefits at the expense of the South. Further, dominant groupings within both hemispheres benefit over the poor. Ultimately this means that the poorest in peripheral nations are ever more disadvantaged. The extent of this uneven relationship is clear throughout the breadth of this research. However, this thesis departs from the conventional critiques of the MDC as a neo-liberal project. It demonstrates that contemporary initiatives and East Asian investments counter this bias offering a good measure of success. Corridor projects cannot simply be written off as a neo-liberal endeavour, although this view contains elements of truth. Corridor mega projects are a successful capitalist tool. They promote business and economic growth but they also produce development, the extent of which becomes clear in Part II. They are by no means a perfect tool but they do offer a step in the right direction.

Developing states can pursue independent goals in the international realm. However, often governments elites are prevented from pursuing developmental goals domestically. Often, they are restricted structurally because they adhere to the dominant global discourse. To demonstrate, this chapter will elucidate the often-vacuous concept of ‘neo-liberalism’, locating the MDC within this context. Domestic policy will not feature within this chapter but chapter 3 will examine the pursuit of economic growth as a means of attaining development as prescribed by this dominant liberal discourse.

This thesis rejects simplistic claims by those academics who posit the MDC as ‘just another’ ‘neo-liberal project’.\(^{104}\) However, it did evolve in that context. Economic policies in South Africa and Mozambique were guided by the dominant global discourse. Yet, the MDC has evolved in a myriad of ways to circumvent neoliberalism. Thus, the polemical position offered by Soderbaum and Taylor, among

---

\(^{103}\) See chapter 6, section ‘elite capture’

others, is overly simplistic.\textsuperscript{105} They discount many nuances. Initially, the prime intent of SDI methodology was to promote collective benefits and to uplift previously disadvantaged communities. This position is advanced by key architect; Paul Jourdan.\textsuperscript{106} For him development corridors were as much a social device, an enabling mechanism for the disadvantaged and poor, reuniting societies that had been compromised by existing power systems.\textsuperscript{107} G de Beer and D Arkwright offer a more centrist position, suggesting that the economic objectives necessarily took priority over the social objectives in the very early days.\textsuperscript{108} This account is constructive and generally in line with DfID (UK) views today.\textsuperscript{109} They promote the need to create ‘development corridors’ as opposed to ‘transport networks’, thus placing greater importance on social aspects. This change is increasingly deemed as necessary if systemic aid is to be maintained for newer projects. Their directives for development professionals promote this position, accepting that the MDC has gone some way to meet its social function. In contrast, the polemic position offered by academics relegates the MDC as a poor model for development. This chapter questions how far the MDC is a neo-liberal model.

The prioritisation of capitalist competition has produced economic growth in the MDC but to a degree this has been at the cost of extensive social development. This is in line with de Beer and Arkwright’s idea of development corridors as transport networks with many access points to ensure good routes to market.\textsuperscript{110} This point is also supported by Soderbaum and Taylor. However, both fail to question if and where social development successes occur.\textsuperscript{111} This has reinforced the contradiction between their position and the perspectives of development professionals and politicians. Poor academic analysis has meant practitioners either stay silent for fear of academic criticism,\textsuperscript{112} or through the absence of enquiry, they have ensured that politicians can use conjecture to their personal advantage.\textsuperscript{113} These academic perspectives are appealing, but overly simplistic.

\begin{flushright}
\textsuperscript{105} Soderbaum and Taylor Ed, Ibid
\textsuperscript{106} Interview on 14/09/2011 with G Smith, Regional SDI Programme Co-ordinator, RSA DTI, Midrand, Johannesburg
\textsuperscript{107} Ibid
\textsuperscript{108} G de Beer and D Arkwright, \textit{The MDC: Progress Achieved and Lessons learned}, in F Soderbaum and I Taylor Ed, Op cit, p19
\textsuperscript{109} Presentation by M Johnson at MCLI Stakeholder Forum, on 4/10/2016, Nelspruit, RSA
\textsuperscript{110} Ibid
\textsuperscript{111} F Soderbaum & I Taylor Ed, Op cit, p49
\textsuperscript{112} Interview on 5/02/2016 with Barbara Mommen, CEO of MCLI in Nelspruit, SA
\textsuperscript{113} See Chapter 3 ‘introduction’
\end{flushright}
and none are backed with 'hard and fast' analysis regarding social development. A clear position is now required. This would allow for a much clearer analysis of how effective the MDC is as a developmental model.

Southern African cross-border development corridors were initiated in 1995/6. Many represent only ‘entry level’ transport corridors and offer little more than infrastructure nodes.¹¹⁴ This is the case with the 19 principal projects on the continent that make up the trans-Africa Highway.¹¹⁵ Given the MDC was the first of its kind it can provide interesting insights, and any resulting benefits could then be transposed to these micro-regions.¹¹⁶ African elites and development agencies increasingly see the MDC as a model relevant to future mega-projects.¹¹⁷ However, as yet there is no general agreement how far they succeed. A general agreement prevails among practitioners that the ‘MDC model’ is a useful approach, and can be applied to myriad contexts.¹¹⁸

The MDC is inextricably linked to the global economy. Large profitable transnational concessions and elaborate funding arrangements are indicative of this and have required thoughtful economic strategies to ensure international success. Both governments sought to 'contract-out' elements of this mega-project by offering international concessions, the aim of which was to encourage long term investment through either private or Foreign Direct Investment (FDI) from global financial markets or global NGOs.¹¹⁹ This success of such arrangements in development corridors has become crucial to the Mozambican economy.¹²⁰ Such policies and financial arrangements are important in South Africa. However, given this economy’s vastly greater power, here corridor methodology represents a trend in which the MDC is a microcosm.

Transnational funding was required in the MDC as funding from domestic sources was poor. Both governments faced severely limited domestic capital expenditure budgets

---

¹¹⁴ Hope A & J Cox, Op cit, pp1-10
¹¹⁵ Interview with Dr J Tambi on 8/09/2011, Transport Infrastructure Expert for NEPAD and Coordinator of Presidential Infrastructure Champion Initiative (PICI), Midrand, Johannesburg
¹¹⁶ Interviews with G Smith, Ibid. Interview with F Healy on 5-6/2/2016, DfID (UK) Consultant, Interview in Nelspruit and Whiteriver, Mpumalanga
¹¹⁸ Ibid
¹¹⁹ Interview on 18/06/2009 with Rob Wilson, Associate Director, Macquarie Africa (Proprietary) Ltd, Cape Town, RSA
¹²⁰ See chapter 6, section ‘Elite Capture’
caused by governments' inability to raise capital for investment or access revenue via tax receipts. This is often the case with developing countries who frequently suffer liquidity problems.\textsuperscript{121} The outcome was that large projects were impossible to fund centrally. South Africa and Mozambique needed to look to global partners for support, particularly for such massive projects. However, had there been surplus capital available to the state, which was certainly not the case for Mozambique,\textsuperscript{122} previous loan conditionality from International Financial Institutions (IFIs) precluded state led development. The outcome in this ideological climate was that funding had to come from elsewhere, preferably from the private sector.

The MDC objectives are deemed developmental.\textsuperscript{123} Orthodox policies have led to economic growth but here we question what that means in relation to these objectives. It is problematic because even high economic growth does not always promote employment, and therefore it is unlikely to reduce poverty. “Critics of the GNP measure pointed out that growth was compatible with chronic poverty, while the central goal of development was in fact the abolition of poverty.”\textsuperscript{124} This makes economic growth and social development far from synonymous and brings into question the promotion of economic orthodoxy in developing countries. An effective development policy should make inroads into poverty reduction, help create employment and promote access to a good health and education.\textsuperscript{125}

This project measures the MDC in terms of its economic and social objectives, Stiglitz recognised this can be problematic:

“a project may be “good” in the sense that it yields high project returns, but it may have little development impact. Of course, high returns are better than low, but if benefits do not spread to the broader society, then the project cannot be judged a true success.”\textsuperscript{126}

\textsuperscript{122} Mozambique first took IMF conditional loans in 1987 and South Africa in 1992
\textsuperscript{123} See Introduction, section ‘The Maputo Development’.
\textsuperscript{125} See part II
So, if they are to be considered successful, development corridor projects must achieve development in this wider sense. However, the rationale of this chapter is concerned with economic delivery.

**Evolution of the Maputo Development Corridor**

At its inception in 1995/6 the overall MDC strategy and that of the governments of both Mozambique and South Africa were greatly constrained by the all-pervasive 'Washington Consensus'. Projects of this size needed large amounts of investment and finance had to be sourced from the global north. State intervention was required to get large projects ‘off the ground’, but this was ideological anathema to powerful global institutions. Therefore, it was envisaged that governments would be directly involved for short periods, handing over to the private sector as soon as was practicable. For the MDC, this was suspected to be when crucial anchor projects were in place. However, this was more realistic for South Africa, as Mozambique lacked independent funding and robust capitalist infrastructure. Massive financial investments were sought from a wide range of financiers: overseas development aid (ODA), the private sector and through foreign direct investment (FDI). To gain the best possible opportunities both governments worked together setting up investors’ conferences, pooling sectoral interest, removing bottlenecks and encouraging elite sponsors. As the first cross-border corridor initiative, a ‘global showcase’, it was important that political support was provided. Further, given that both governments faced huge, but different, challenges, the most exceptional terms were on offer for initial concession packages. This suited IFIs as it was a great way to entice global investment capital and ensure professional standards were met. Further, it limited the role of the state to that of facilitator. All very much in line with the dominant global narrative of neo-liberalism, but often the 'Washington Consensus' constrained rather than developed.

---

128 Ibid
129 See below
There has been some debate as to what is meant by the ‘Washington Consensus’. It certainly represents an ideological position and here it is definitively linked with the concept of neo-liberalism. From the late 1970s these two concepts represent the dominant global discourse promoted by the World Bank and the International Monetary Fund (IMF), a modern rendition of liberal orthodoxy. First coined by John Williamson, he believed there was a “universal convergence”\(^\text{130}\) of policies that would promote growth in developing states.\(^\text{131}\) Initially applied as a set of guidelines, this raft of polices soon came to dominate thinking, a successful prescription for developing or stagnant economies. Williamson's guidelines included: fiscal discipline, the re-ordering of public expenditure, liberalisation of trade and interest rates and encouraging inward foreign direct investment, competitive exchange rates, deregulation and a privatised market economy.\(^\text{132}\) What this achieved was embedding the developing economies into the globalisation process, but void of necessary protection. Global competition via vertical elitism simply cemented developing economies in a globally subservient position. Due to the lack of investment capital these ideas were taken on by key elites in South Africa and Mozambique. Some saw it as the only solution, while others had gained an economic grounding in the west. Others with strong soviet links were effectively manoeuvred. This did develop new markets, but also increased competition and allowed elites to position themselves favourably.\(^\text{133}\)

For Gill and Law this monolithic bloc produced economic and social hegemony.\(^\text{134}\) Soderbaum and Taylor also correctly deemed this economic discourse to be hegemonic in nature.\(^\text{135}\) There was, quite literally, no effective alternative on offer. Thus, the MDC was 'filtered into' the dominant discourse, at a time when orthodoxy ‘would’ lead

\(^\text{130}\) C Gore, *The Rise and Fall of the Washing Consensus as Paradigm for Developing Countries*, World Development Vol 28/5 p790
\(^\text{131}\) Williamson John, *Did the Washington Consensus Fail?*, Speech given at Centre to Strategic and International Studies, Washington DC, 6/11/2002, p1
\(^\text{133}\) See Chapter 6 for ramifications
\(^\text{134}\) SR Gill & D Law, Op cit, p484
to economic growth. Economists believed this would then promote development. The MDC was placed into a neo-liberal context. Liberal rationale meant that even limited growth was more appropriate than state intervention. Capitalism ensured profit, whilst vertical and horizontal elitism meant profits were levied away from developing societies. The dominant discourse and context failed to address social exclusion in South Africa and Mozambique. For Fine, these policies quickly became the political norm, accepted to the exclusion of other more appropriate options. An elite steeped in ‘northern economic practices’ assumed that the global liberal discourse would produce positive developmental solutions.

This research does not dispute the effectiveness of neo-liberalism as a method of extracting profit. What is problematic here is that elites in the MDC have put personal and corporate interest prior to utility. This has meant wealth disparities have diverged acutely. These are a product of capitalism per se. Without intervention market equilibrium will benefit international capital in advance of developing nation states, their elite or the wider community. Chapter 2 demonstrate that by adopting more interventionist plans within development corridors it would have been possible to elevate benefits and promote wider societal goals earlier.

Global Integration: SDI to Economic Corridor

Jourdan’s aim in designing South African SDIs was to produce economic opportunity and social upliftment in areas where communities had been historically disadvantaged. However, the MDC process evolved within circumstances that required embracing the dominant liberal discourse. Therefore, growth was initially favoured over development and elites promoted investment opportunities over the provision of services. There was a failure to ameliorate the need for profit over utility. Through necessity the global discourse initially dominated over local input. Here civil society actors tend to be excluded from corridor projects, and the academic community is critical of the MDC process in that regard. This is a fair appraisal and

---

137 Interview with G Smith, Op cit
needs to be addressed. Nonetheless, inroads into poverty reduction have been made but practitioners continue to flinch at this criticism. 

According to Matthews Phosa, “the MDC is considered the benchmark for corridors in Africa”. This position is substantiated by Salomao, executive secretary of SADC. From a relatively modest beginning in South Africa, cross-border development corridors have been incorporated into development strategies throughout Africa. The wider objective is to link individual corridors through regional integration, culminating in the continental wide Trans-African highway project. Thus far, over $56 billion have been committed to the project by the United Nations (UN) and African Development Bank (ADB). This continental-wide project is based on the MDC model. It is hoped that corridor projects, many of which are exempt from this larger continental project, will link African economies and communities to global opportunities in order that they can benefit from economic growth and social development.

Considerable integration between the nation states has occurred since Jourdan first put forward the idea and the SDI concept has metamorphosed at speed. The MDC demonstrates that bottlenecks can be removed, and infrastructure and services can be unified to a degree. The new single electronic window system operational in the MDC is testimony this this advancement. Here the MDC has forged the way, despite scepticism by academics. Corridor projects and their administrative solutions can

---

139 Tate R, ‘Measuring the Social Dimension of Development Corridors: Creating Impact for Communities’ Presentation to MCLI Stakeholder Forum, 4th February 2016, Nelspruit, South Africa
140 Q&A at the above conference
141 Speech by M Phosa, ANC Treasurer General and MCLI Co Chairman (South Africa), 30/09/2011, Hotel VIP, Maputo, Mozambique
142 Keynote speech by TA Salomao, Secretary General of SADC, MCLI AGM 2011, 30/09/2011, Hotel VIP, Maputo, Mozambique
143 See map in Appendix 1/2
146 Ibid, Interview with Dr J Tambi, Op cit, Interview with Lynette Chen, Op cit
147 Interview with B Mommen, Op cit, Interviews on 30/09/2011 & 1/10/2011 with B Horne, Former CEO of MCLI, Infrastructure Consultant, Maputo, Mozambique
149 F Soderbaum and I Taylor Ed, Op cit, p111
help to unify southern Africa and provide “a crucial means by which states can come together in the globalisation process”.\textsuperscript{150} However, the methodology is not faultless and often these processes are complex. However, even though the MDC is endorsed as a model for growth,\textsuperscript{151} it is questionable whether the SADC single market has advanced enough to warrant this approach.\textsuperscript{152} In 2014 “estimates indicate that the speed of road transport in Southern Africa was between 6 and 12km per hour. Rail transport was even worse with an effective speed of 4km per hour on some routes.”\textsuperscript{153} However, the SADC master-plan launched in Luanda, Angola in August 2011 indicates how far development corridors, based on the MDC model are now contributing towards greater success in SADC’s free trade area. So, while economic activity is exceptional in the MDC,\textsuperscript{154} it will take greater concerted effort to promote a single ‘system’ within SADC, let alone development of the Trans-African highway,\textsuperscript{155} which may remain elusive. Nonetheless, this notion of a network of cross-border corridors linked throughout Africa with the aim of producing effective economic and related social development through consolidated units (micro-regions or development corridors) became part of the African Union’s (AU) ‘resource-based African industrialisation and development strategy’ (RAIDS) in 2008. Certainly, the methodology is compatible with closer African integration although in practice implementation will be troublesome.

According to Lynette Chen of the NEPAD Business Foundation (NBF), the NEPAD Planning and Co-ordination Agency (NPCA) are continually evaluating how best to support this model throughout Africa. This strategy of interlinking African corridors has also been endorsed globally,\textsuperscript{156} and has ultimately encouraged the AU to devise the ‘Program for Infrastructure Development in Africa’ (PIDA),\textsuperscript{157} which is supported by the AU and the African Development Bank (AfDB).\textsuperscript{158} The Trans-African highway\textsuperscript{159} represents a multi-presidential level interaction plan for the continental wide

\begin{footnotesize}
\begin{enumerate}
  \item[B Byiers & J Vanheukelom, Op cit, pviii
  \item[See below]
  \item[See map in Appendix 1/2]
  \item[Interview with J Tambi, Op cit. B Byiers & J Vanheukelom, Op cit
  \item[Interview with J Tambi, Ibid
  \item[Ibid]
  \item[See map in Appendix 1/2]
\end{enumerate}
\end{footnotesize}
development. According to Tambi, the “Trans-Africa highway ................ will make a huge continental contribution to development. This project is made up of nine highways, passing through 41 cities in sub-Saharan Africa and [will] connect about 500-million people.”

The UN supports this via the United Nations Economic Commission for Africa (UNECA) and the World Bank. It is widely believed that these interlinked projects will lead to higher levels of development throughout Africa. This has provided great prestige to the MDC. Practitioners have been unable to counter academic criticism of the model because there is a very poor understanding of any social development attained. In the past, it has been seen a difficult task to measure social development in any useful way as the two states are so diverse. Therefore, the research has not been undertaken until now and it is long overdue. My thesis plugs these gaps in the understanding of the MDC as a model for wider development.

PIDA links the MDC to the Trans-African Highway, the agreement for the latter being set out in Kampala in 2010. South Africa’s president Zuma was elected first president of PIDA and ‘champion’ for the north-south corridor. Moreover, South Africa holds the permanent chair for the North/South Corridor which runs from Cape Town to Nairobi in Kenya, with several key east-west nodes. The idea of championing corridors has been successful for the MDC but appears best suited to nations with a degree of institutional framework. Soderbaum advises that Mozambique found the speed of implementation more difficult than South Africa. However, importantly they had support from South Africa which other less developed nations with embryonic projects will not have. Fewer positive aspects may lead to inertia in some less developed micro-regions. If successful, these corridor projects will increasingly open vast opportunities to landlocked countries. Salomao, executive secretary of SADC, pointed out “there are six landlocked countries within SADC who all need

160 Interview with J Tambi, Ibid
161 Ibid, See map in Appendix 1/2
163 Ibid
164 See map in Appendix 1/3
165 RH Tomas, Op cit
166 F Soderbaum, ‘Institutional Aspects of the MDC’, Op cit, p12
access to ports, the MDC is ideally located to become the 'corridor of choice'."  

He further acknowledged that other similar projects could open trade for land-locked states and this would lead to wider growth. He expects a similar result throughout the SADC area. Salomao identified SADC's key corridor priorities will be to increase the movement of people and goods, create security through greater integration and to harmonise policies. The fact that the MDC methodology is being duplicated attests to its success. The North/South corridor, PIDA and the Trans-African highway show the importance of the MDC as a model. However, it is also profoundly alarming as the MDC’s developmental impact remains unknown.

The AU and SADC are linked to the EU through development corridor projects, although direct links between the EU and MDC are limited. Links to the MDC are confined to regional integration and technical membership of the north-south corridor. The Cotonou Agreement objectives are relevant to corridor projects as they are designed to regulate trade (particularly across borders) and maximise economic linkages within Africa. Cotonou also promotes regional integration between nations and regional institutions such as the AU and SADC. Increased trade and regional integration are key to the 19 PIDA micro-regions, through these the Cotonou agreement has links to the Trans-African Highway. Cotonou has had only very limited impact on the MDC. Certainly, Mozambique was excluded until joining the Commonwealth in 2015 and in Mpumalanga, South Africa, Cotonou’s focus appears to have been predominantly agricultural, primarily shipping goods via Durban or Port Elisabeth. Further, as SADC signed the agreement on behalf of members of the Southern African Customs Union (SACU) the applicability to Mozambique has been minimal.

Historically, European developmental support for this project was accessed by drawing on the notion of integration. For example, the MDC is nominally located in the North-South Corridor. Given the MDC was the most advanced here they gained no support from this quarter. This wider Trans-African project is often criticised as simply ‘road

---

167 Dr T Salomao, Op cit  
168 Ibid  
169 Ibid  
170 Ibid, Only Section A of Cotonou detailing responsibilities regarding peace and security, aid and millennium goals is relevant to corridor projects  
171 Interview with J Tambi, Op cit
building’, but that is overly simplistic. Further research is required as to the precise impact of Cotonou on the Trans-African Highway.

Problematically, post-November 2015 indications are that European Business benefitted in advance of Mozambican growth or development, although this could change in coming years. Certainly, after signing the Cotonou agreement, Mozambique's trade with Europe increased. The agreement was instrumental in countering reduced Japanese imports from Moza Aluminium Smelter in Matola. However, this remains problematic for two reasons. Exported aluminium rods are considered semi-finished, although this is debatable as it reflects the ‘natural state of production’. Further, Moza is 96% owned by MNCs and has very limited interaction with the Mozambican economy. So, in this case benefits accrued go to these MNCs and Europe. Therefore, in the MDC it is questionable the extent to which Cotonou benefits host economies. Here Soderbaum and Taylor’s case regarding the 'MDC as transmission belt into the global economy' is persuasive.

Nevertheless, global interconnectedness is ever increasing and the Cotonou agreement may prove useful for improving agriculture and hydro-carbon exports to Europe, particularly once greater export volumes are available from anchor projects in the Beira and Nacala corridors. Should Maputo Docks develop bulk carrying capacity for fruit exports, Cotonou could also impact on regional agricultural development via Maputo too. Currently any benefits would be gained by southern ports in South Africa. Interestingly, there has been increased bi-lateral investment by the Irish, Dutch and British governments in the Beira and Nacala corridors since the 2011. So, while Cotonou has not directly impacted upon the MDC it is possible that benefits will increase for Mozambique.

The Tokyo International Conference on African development (TICAD) IV, put forward by the Yokahama Declaration has supported African development via corridor projects. TICAD has shown substantial interest in the MDC and other such embryonic

---

173 F Soderbaum and I Taylor, Transmission belt for transnational capital or facilitator for development? Op cit, p41
174 Informal Meetings on 23-25/09/2011 with R de Burca, Ambassador, Irish Republic and F de Man, Ambassador, Kingdom of the Netherlands at Chez Vincent, Nelspruit
projects. A true measure of the success of East Asian methodology became apparent when in March 2012 China became the largest creditor to Africa. China, Japan and Vietnam have invested heavily in the MDC and the first Vietnamese manufacturer, Sojitz Ltd invested in the MDC in 2011. These states offer a less ideological approach to investment than the ‘Washington Consensus’ policies ever did. Further, the MDC management body has been able to articulate at investment events on behalf of smaller stakeholders in the MDC. Here the model offers advanced benefits for the whole micro-region, not only for the larger players. These conferences promote ideas around stimulating secondary industry and development within the agricultural sector. As a result East Asia has invested heavily in new agricultural markets in the MDC. Further, Japan has recently invested US$380 million in phase one of the Nacala Port investment plan. These annual conferences are also linked to the Trans African Highway through NEPAD and NBF, and promote the MDC model throughout Africa. It has been fortunate in the era of global recession that many of the resources from micro-regions in Africa have driven the global manufacturing sector in East Asia. This has encouraged relationships to remained solid. These factors have mitigated commodity price fluctuations to a degree and the extent of any decline in individual micro-regions or corridors will rest with commodity prices for specific anchor projects, which with planning can be more manageable. Here the MDC is fortunate because exports in aluminium, cement, chromium, coal, granite, iron ore, mineral sands and sugar have been critical for ensuring continued East Asian growth. Historically funding for corridor mega-projects came from the 'global north' but increasingly East Asia have dominated such investment. This means funds have become available for development corridors which are less restrictive than those previously offered by ‘the west’. It is very true for the MDC and has been duplicated in other corridor projects in

175 Interview with Barbara Mommen, 5/09/2011, Nelspruit, South Africa
176 Freight and Trading Weekly, ‘China becomes Africa’s biggest trading partner’, 28/02/2012
177 Sojitz is due to set up a wood-chip manufacture and export base in Maputo.
179 Ibid
180 See chapter 2, ‘Post-Washington Consensus’
181 SAPA, ‘Nacala the next boom?’, Freight and Trading Weekly, Mozambique Special, 16/10/2016
183 Interview with D Parsons, Op cit
184 See chapter 2, section ‘the MDC and the Post-Washington Consensus’
southern Africa. This trend across the continent is discussed at length in Chapter 2.

The MDC is fully integrated into the global economy. It is increasingly seen as a model for development throughout Africa. Many underdeveloped nations are promoting corridors to make the most out of global export markets while simultaneously developing their national economies. This will require good planning, forethought and diplomacy, particularly in conflicted societies. Increasingly, East Asian economies have linked with corridor projects. Here the MDC is a superlative example. Europe has key links with many of the newer projects too. The success of the MDC as a model appears to have driven many of these decisions. In short, it is clear the MDC is a global phenomenon, it was situated in a neo-liberal context but the ‘model’ is eclectic.

The Dominant Discourse, International Context and the Rationale for Growth as Development

During the 1980s the feasibility that Williamson’s 'Washington Consensus' would produce growth and development appeared axiomatic. The increasing globalisation of the world economy meant opportunities grew exponentially. Based on the certainty of these dual outcomes the position of the IMF and World Bank became distinct and increasingly ideological. The mindset that predominated was that it was best for governments not to be directly involved in the market. Further, although not the idea behind his policy design, this was increasingly how elites in South Africa and Mozambique believed Jourdan’s SDI (read MDC) process should also play out. Adorned with this orthodox ‘armoury’ political leaders were free to apply the idea of private enterprise in the pursuit of growth and competition in the MDC. The mindset suggested that providing investors’ conferences were successful and capital projects were ‘crowded in’, this would create economic growth and this would in turn ‘lead to

186 Corridor development as a tool to underpin conflict resolution requires further research
187 See chapter 2, section ‘The MDC and the Washington Consensus’
188 Informal Meetings with R de Burca and F de Man, Op cit
development’. Thus, the context for the MDC was set.

Underpinning this position was a belief that markets would find their own balance and excess wealth created would ‘trickle down’ to communities via market mechanisms. As time went on, the IMF and World Bank found this was no trouble-free premise. The fundamental problem was that the ‘Washington Consensus’ did not always produce growth, and where it did this did not always lead to development.

“Although reducing poverty was not one of the ten precepts of the Washington Consensus, the shrinking of the state had its own distributional justification. A smaller state would be good for growth, and growth would be good for poverty reduction”

Guided by neo-liberalism the IFIs still applied harsh conditionalities to South Africa and Mozambique during the initial phases of the MDC. Mozambique was particularly reliant upon loans from the IFIs for development, and additional loans were required simply to ensure the MDC came into fruition. Given the project was designed to 'kick start' economic growth in Mozambique it was a vital undertaking. Understanding filtered through the dominant discourse, meant investment in the MDC would produce economic growth. Further, as Mozambique suffered from an infrastructure deficit additional support and goodwill from South Africa would be required.

Once again this willingness for South Africa to facilitate investment for Mozambique’s economy demonstrated the nation’s international rehabilitation from pariah status. With the benefit of hindsight these views appear both overly simplistic and wildly optimistic.

Fine is particularly critical of IFIs and academic institutions, particularly economics departments in the west for perpetuating a blind adherence to this view. For him, the blanket dominance of neo-liberalism meant that dissenting voices were all but silenced. He is critical of the academic mainstream, particularly for side-lining more
centrist academics, especially those who put forward wider agendas based on development economics. Those eschewing ideas of limited state intervention, were all but shunned by the establishment.\textsuperscript{196} His position is upheld by Picketty, Stiglitz and east Asian academics and journalists alike.\textsuperscript{197} Ohno & Ohno, Burgis & Halper all suggest that similar criticisms have consistently been made regarding East Asian economic methodology. This is evaluated in the following chapter, where there is an indication that the idea of the ‘developmental state’ may represent the emergence of a counter position or ‘counter hegemonic bloc’,\textsuperscript{198} thereby challenging the mainstream neo-liberal agenda.

Writing in 1989 Gill & Law suggested that the liberal economic perspective of the global elite leaders dictated the global economic structure and accepted norms.\textsuperscript{199} All indications here certainly show this to be true. The MDC area was increasingly open to global competition. Here Soderbaum and Taylor's 2003 perspectives were understandable.\textsuperscript{200} Stiglitz highlights that this mindset ran deep, ‘market fundamentalism’ dominated and questioning the policy process was strongly discouraged.\textsuperscript{201} Gill and Law accept this dominant liberal discourse, but stop short of accepting a ‘transnational hegemony’ based in international capital has been achieved.\textsuperscript{202} Yet, Cox supporting Wallerstein’s ‘third stage’ perspectives of capitalism in his ‘world system theory’,\textsuperscript{203} suggests that this is related to competition in a global structure. He simply acknowledges that these 'core states' determine global economic policy\textsuperscript{204} and the dominant discourse influences elites accordingly. This makes good sense. Nuvunga, not directly picking up on South African semi-peripheral status, interestingly suggests that South Africa has positioned itself as a “middle man between international financial capital and institutions and neighbouring countries”.\textsuperscript{205} This will surely enable them to make the most of this relative position. South African corporations are indeed

\textsuperscript{196} Ibid
\textsuperscript{198} SR Gill and D Law, Op cit, p491
\textsuperscript{199} Ibid
\textsuperscript{200} F Soderbaum & I Taylor Ed, Op cit, p37, p40, p44, p49, p57, p83-4, p108
\textsuperscript{201} J Stiglitz, Op cit
\textsuperscript{202} SR Gill & D Law, Op cit, p486
\textsuperscript{203} I Wallerstein, 'World Systems Analysis', Duke University Press (2004) USA Chapter 1
\textsuperscript{204} SR Gill and D Law, Op cit, p492
\textsuperscript{205} M Nuvunga, 'Region building in Central Mozambique' in F Soderbaum and I Taylor ‘Afro-Regions’, Op cit, p79
penetrating Mozambican corridors under the auspices of capital investment and expertise, which adds credence to Nuvunga’s and Wallerstein’s perspectives. Thus, the semi-peripheral nation is also extending this neo-liberal reach. Hence, the tendency of many Africans to view South Africa as a sub-branch of Western style globalisation in Africa rather than a bulwark to it. This can be viewed two ways. Mozambique was highly indebted and lacked technical skills, so it is a cheap way to promote growth and development. However, much profit is also repatriated to South Africa. Either way, the adherence to the dominant discourse by South African and Mozambican elites, supports Cox and Wallerstein’s structural position. With the benefit of hindsight, it is however difficult to ascertain if this elite agency was based in an adherence to the dominant discourse, Jourdan’s view of social development in the MDC or more cynically perceptions of self-enrichment.

The World Bank, whose prime objective was to support structural and financial deficits in developing economies, had, contrary to its mandate, been enhancing the position of core and semi-peripheral nations. In effect, it provided benefits to those best able to compete in the global economy, at the expense of the periphery. Stiglitz’s ‘Globalisation and it Discontents’ successfully challenges this as short-sighted and inequitable. However, many of the policies they pursued have been revised, having proved far too rigid. Gill and Law suggest that the IFIs probably underestimated the strength of ‘Washington’ style policies. I would question this position as they were applied to developing economies with monotonous regularity.

Even Stiglitz was stunned at the extent of this ideological positioning.

“I never dreamed that one of the major obstacles the developing countries faced was man-made, totally unnecessary, and lay right across the street – at my 'sister' institution, the IMF.”

Gangale too, citing Steger, indicated that the IMF had become increasingly political, it “espouse[d] a political agenda in the name of economic theory that assume[d] the absence of politics.” This would clearly impact significantly on Mozambican

---

206 Ibid, p83
207 See chapter 6
208 SR Gill and D Law, Op cit,
209 J Stiglitz, Op cit, p25
210 T Gangale, *Raising Keynes: Stiglitz's Discontent with the IMF*, OPS-Alaska and San Francisco State
development as they were overly reliant on external financial support. Agency had been handed over, with faith, to international organisations, who then used that authority to benefit ‘core nations’. In Mozambique, the result was to reduce services and increase unemployment (particularly in the civil service).\textsuperscript{211} This delayed any transition towards development. Although not specifically targeted at the MDC, it does relate very well to the context in which the MDC developed. The MDC is not a neo-liberal policy, in fact, the opposite was intended. If there is an ideological slant it is because economic orthodoxy dominated in the IFIs and ruling elites assented into this wider process.

In South Africa and Mozambique, this ideological fit was maintained throughout the early stages of the MDC. Notwithstanding, there were also more empirical factors in play. Soderbaum suggests the project was marketed solely as an investment opportunity, suggesting this was the reason it was so in vogue.\textsuperscript{212} Certainly, the MDC was promoted through high politics, even though a more integrated industrial strategy, that promoted economic linkages into the domestic economy, would have been more helpful.

**The MDC and the ‘Washington Consensus’**

In 1995/6 at the outset of the MDC there was great need for ODA and FDI, capital investment was greatly required, equally unlikely, if they needed to rely on domestic investment. Both states were happy to demonstrate that they were ‘safe hands’ in international markets, thus they integrated into the global economy with little ado, even if this ran contrary to previously held more collective economic and social principles as was the case with Mozambique, and indeed the ANC when they were in exile.

It is indisputable that over time economic orthodoxy promoted profoundly unequal societies in South Africa and Mozambique. However, this has been in equal parts embraced and then modified within the MDC. The prioritisation of the economic over social objectives was clear during these initial phases. Academics have largely

\textsuperscript{211} J Hanlon & T Smart, Op cit, pp13-15
\textsuperscript{212} F Soderbaum, Op cit, pp13-14
criticised this position, suggesting little ground has been gained and that MCLI are still not open to wider participation.\textsuperscript{213} This remains unproved, in fact this research project points towards a better lifestyle with consistent poverty reduction for the poor within the MDC.\textsuperscript{214} Further, MCLI, major donors and other NGOs have shown a particular interest in this thesis which promotes wider participation.\textsuperscript{215} Notwithstanding, in order to consolidate these gains and make further inroads into poverty reduction, economic growth and social development more formal integration will be required.\textsuperscript{216} This will promote the facilitation of the MDC as a model for development elsewhere.\textsuperscript{217} Therefore, corridor policies could produce greater equity if amendments are made. It is an ideological position and too rigid to write them off as effective developmental projects.

The new South African government, a semi-peripheral nation, were in a relatively strong position economically in 1994. Nevertheless, they found they had less flexibility than assumed, particularly when initially feeling their way.

\textit{“From 1991 to 1996 the battle for the ANC’s soul got under way, but was eventually lost to corporate power: we were entrapped by the neo-liberal economy – or as some today cry out, we ‘sold our people down the river.’”}\textsuperscript{218}

Development policy per se, not only corridor projects, became clouded by the requirements of neo-liberalism. Given time constraints, there were few credible alternatives available in the MDC. Further, the strength and simplicity of the dominant discourse limited debate. For Bond, the ANC chose to follow an orthodox path rather than seeking an equitable distribution of benefits, from the version of RDP that was implemented through to GEAR, he suggests they applied self-imposed structural adjustment policies.\textsuperscript{219}

What resulted for the MDC in South Africa was an elite driven policy orientation based on ANC decisions to assimilate with the global liberal structure. The crowding-in of

\textsuperscript{213} F Soderbaum & I Taylor, \textit{‘Afro-Regions’}, Op cit, p48
\textsuperscript{214} See conclusion to part II
\textsuperscript{215} R Tate, Op cit
\textsuperscript{216} Ibid
\textsuperscript{217} Ibid
\textsuperscript{218} R Kasrils, \textit{‘How the ANC’s Faustian pact sold out South Africa’s poorest’}, The Guardian, 24/06/2013
capital, speed of implementation and infrastructure rehabilitation took precedence over community participation. In hindsight, it was an inappropriate decision to strategically limit social development.\textsuperscript{220} It meant most people had to wait for market evolution to occur before benefiting. Yet, political credibility was at stake and it was more important for the project to be completed with speed. This gave both impetus and bravery regarding the overall goals, but it left little time for reflection. Therefore, the best options were not always taken. Poor consultation and lack of an effective industrial policy meant the implications of adding value in the early phase was not fully understood. To be fair the project was unique and not tried or tested, so gaining political commitment and ‘getting the project off the ground’ were seen to be significant successes.

Strategies to create economic links to local businesses were perceived as too complex to pursue in the first instance, as speed of implementation was a driving factor. High politics, the global structure and changing elite norms took precedence over links to community. Therefore, while Soderbaum and Taylor make the point that the MDC transfers capital to the global economy, I would argue that this is a product of the political and economic environment in which the MDC emerged, \textit{sic} context, rather than a result of policy design \textit{per se}. Further, in these heady democratic times, there remain some indications that the elites felt somewhat obliged to work within this neo-liberal framework.\textsuperscript{221}

The political and economic situation in South Africa was complex on many levels for the first post-apartheid government of 1994. Redeveloping the route to Maputo made good sense. It was an historic route, grossly devastated through Apartheid and pursuing the project would help rehabilitate South Africa in the eyes of its neighbours, particularly Mozambique, where it had caused such havoc. It would also demonstrate the ANC were serious about addressing black inequality in Mpumalanga. In these early phases, this less integrated 'transport route',\textsuperscript{222} would also be more cost effective for business than exporting goods via Durban or Richards Bay.\textsuperscript{223} The largest industrial

\textsuperscript{221} R Kasrils, Op cit
\textsuperscript{222} Hope A & J Cox, Op cit, p1-10
\textsuperscript{223} Interview on 12/09/2011 with D Parsons, Op cit, Interview on 20/09/2011 with J Bekker and E
province of Gauteng as well as Limpopo and Zimbabwe would benefit greatly from reduced costs. Financially, given the choices, the Government of South Africa did not have funds free to finance such a large project, it required support from IFIs and private finance. Encouraged through the dominant discourse, Public Private Partnerships (PPP) seemed the perfect vehicle to facilitate investment. South Africa could demonstrate that it was pro-business and it would not take a left wing ideological position as feared. Other indications may have created fear and potentially a risk of capital flight. From a regional and international perspective, the ANC needed political credibility. It achieved this by demonstrating that it would not be hegemonic but be a stable partner for its neighbour.

Today in South Africa continued national inequity and a vast disparity in wealth is proving ever more problematic for the ANC. They have not adapted effectively enough to ensure the continued compliance of the populace. Further, discontent with a self-interested elite, corruption in general and the inertia of the Zuma presidency, has begun to erode the aura of ANC invincibility. The MDC is indicative of ANC strategies and they will be required to address these shortfalls. A continued failure to demonstrate more equitable policies at either national or localised level could challenge their electoral dominance as soon as 2019. In the MDC, a change of emphasis earlier could have helped to produce employment and reduce poverty more effectively in this micro-region. Although, this would have brought forward a range of complex migrational issues in the corridor. However, given the limited relevance of the MDC to the overall South African economy, these changes would not have produced significant national growth. The same cannot be said for peripheral countries where the impact of an effective corridor can be outstanding. Nonetheless, the MDC’s neo-liberal heritage and ongoing academic criticism in this vein has made practitioners uncomfortable. They feel they have been residing over a social burden, rather than a means to promote development. Further, the continued failure of academics to evaluate the social aspects has limited development practitioners need to interact with civil society. Had

---

Ferreira of Metreta Investments, Clearing & Freight Forwarding, Nelspruit, Mpumalanga

224 Interview with R Wilson, Op cit
225 See Chapter 6, section ‘Elite Capture’
226 See chapters 4 & 5
227 R Tate, Op cit
this research been carried out sooner, the benefits would have been more timely. No positive contra position has emerged because these academics have themselves designed their own dominant discourse regarding the MDC and development corridors as a model for development. In particular, Soderbaum and Taylor, who have written most prolifically on the MDC, have offered a narrow analysis.

The MDC represents a fundamental proportion of the Mozambican economy, and the government would risk destabilising the whole economy should they let the project fail. Therefore, in Mozambique a substantial take-off project was required, one capable of driving infrastructure development but also creating substantial economic vigour. The Mozal aluminium smelter was an ideal candidate for Mozambique. In comparison to South Africa, the MDC project was not a microcosm, the project was vital for Mozambique. It could ensure international investment, rehabilitate damaged infrastructure and promote social development. Problematically, regardless of choice or speed of implementation, these austere methods used to pursue the MDC were not initially helpful for job creation or service provision. This has fed into the dominant narrative regarding development corridors which in turn has led them to be labelled neo-liberal.

Hanlon and Smart suggest Mozambique had little choice but to go along with the dominant Washington Consensus. The government was literally forced to “turn towards the west in the early 1980’s”. The Soviet Union and Sweden maintained aid and kept the country afloat during the American led donor strike, but volume aid was withheld until membership of the IMF and World Bank was agreed in 1984, whereupon orthodox conditionalities increased. This meant that socialist policies were abandoned and macroeconomic policy became tighter. So, in line with the dominant global structure, governmental agency was limited. During the period “1993 to 2007 inclusive [a further] US$17 billion was allocated in aid to Mozambique.” This aid was highly regulated and terms were adapted to benefit donor nations greatly. Hanlon

---

228 Ibid  
230 Ibid  
231 Ibid  
232 Ibid  
233 Ibid  
234 Ibid
and Smart suggest that only US$11 billion was available for projects, with the remainder settling old debt repayments.\textsuperscript{235} This is capitalism at its worst. This whole process is irrational, akin to the fashionable and harsh ‘payday loans’ terms.

During the planning stages of the MDC conditionalities shaped the Mozambican economy but problematically premature opening of markets decimated several Mozambican industrial sectors. Without relevant skills and knowledge of capitalism available to deliver a modern economy, the country was forced into a free-market economy. In effect, this was ‘shock-therapy’. The largest agricultural industries such as cashew and cotton sectors had been operated by subsistence farmers, with the routes to market controlled by the state. They were firstly blighted by civil war and then totally decimated by these neo-liberal reforms. The cashew industry represented Mozambique’s largest single export market and from “1995 – 2001, despite new hopes, the industry was killed by World Bank and IMF zealotry in imposing free trade policy. Cashews became one of the emblematic examples of harmful policies imposed on poor countries by the BWI’s. By 2002 all but 4 tiny factories had closed.”\textsuperscript{236}

The policies that caused this had focussed on macro-economic policy, reducing budgetary deficits, liberalising trade and finance and reducing the role of the state. Hanlon & Smart, Langan and Stiglitz rightly suggest that privatisation occurred too rapidly.\textsuperscript{237} This is an example of poor planning and foresight and is indicative of the global pressure to marketise, no matter the cost. Here the results were fourfold. Firstly, the architects of the MDC had little choice but to assimilate the project into the global order. Secondly, that poor regulation meant it was necessary to trust elites to act with a certain degree of utility. Thirdly, it produced an environment that encouraged elite capture of profitable assets.\textsuperscript{238} Finally, the IFIs were so self-assured that they had a complacent attitude to initiating fundamental changes in underdeveloped economies. It was assumed that once in place the free market would promote wider competition,

\textsuperscript{235} Ibid
\textsuperscript{236} Ibid, p36
\textsuperscript{238} See section on BEE and appropriation of state assets in Chapter 6
promote growth and that market regulation could follow later. In the absence of market regulation, elites often positioned themselves to fill their private bank accounts rather than promote redistribution or reduce poverty.

Mozambique needed substantial capital to get the MDC 'off the ground' but here, contrary to their mandates, the position of the IFI’s promoted benefits to the developed global north in advance of one of the poorest nations in the world. This is in line with Wallerstein's 'world systems analysis' thesis. Access to investment capital was vital for the success of the MDC, the rehabilitation of Mpumalanga and the Mozambican economy more generally. In Mozambique, an exceptionally competitive concession agreement was agreed between the government and BHP Billiton, the globe’s largest mining concern, to locate and operate the Mozal Aluminium Smelter at Matola, in Maputo Province. Gill and Law make an interesting point suggesting that concession agreements reflect the balance between national and international interests in government. FREMILO certainly dominated the political process and needed to reassure capitalists. Apparent success here resulted in greater support for capital projects in advance of domestic needs. Yet, substantial elite capture from such projects has also meant this imbalance has never really been re-addressed.

Orthodox guidelines of the IMF were employed to guide Mozambican development policy which was beginning from a very low level. The MDC was an important aspect for future development in Mozambique and the economy was reliant on a raft of conditionalities because of the high reliance on FDI and ODA. These conditions were based on

“an ideology of reliance upon market forces and the reduction of state intervention and reducing expenditure to a minimum. It had the effect of posing economic issues in terms of the state versus the

---

239 Stiglitz, Op cit, p56
240 See Chapter 6, section ‘Elite capture of Resources’
241 BHP Billiton negotiated highly advantageous terms, the outcome being that they only paid 1% corporation tax and were free from all other tax levies including VAT and import duty. Once operational Mozal’s output represented 53% of Mozambique’s exports. The lifespan of this contract was 50 years, renewable for a further 50 years.
242 SR Gill & D Law, Op cit, p490
243 Ibid
244 See Chapter 6, section ‘Elite capture’
market, leaning heavily, or falling over in favour of the market”. \textsuperscript{245}

Here, I would agree with Soderbaum and Taylor that this capitalist structure certainly promoted a 'Northern' mindset, and this overarched decision-making processes in the MDC. \textsuperscript{246} However, this was an aberration, and certainly was not the intent of Jourdan, whose aim was to give the social objectives an equal footing. \textsuperscript{247} My analysis departs from accepting the project as a neo-liberal constructs. A more nuanced position accepts that practitioners had to work within this global framework and this was the decisive factor in changing the nature of the MDC. It was not intended to be a neo-liberal policy but the wider national strategy meant pursuing the social objectives of the MDC was difficult. Further, chapter 2 demonstrates numerous contemporary adaptations, these demonstrate how practitioners have ‘worked around’ international norms and brings this ‘neo-liberal status’ further into question.

With absolute poverty at 52\% in Mozambique, \textsuperscript{248} this orthodox policy stance was counter-intuitive. The reduction of financial support to the health and education sectors was particularly unhelpful. \textsuperscript{249} Initially this resulted in unemployment and poverty rising. Today, both sectors still require assistance but in the MDC corporate social responsibility (CSR) projects have substantively filled this gap. Additionally, those who live within this corridor project benefit from better employment, health and educational opportunities than do others in Mozambique. \textsuperscript{250} Whether or not deliberately, elites pursuing this globally dominant economic discourse ensured benefits remained layered and access to wealth and resources has largely remained in a vertical structural hierarchy.

Logistics data demonstrates that the breadth and volume of trade has been consistently increasing in the MDC. Figure 1 establishes the consolidation of these new transport networks along the N4 toll road. It took time to consolidate reaching the previous 1971 position in 2012 as previous transmission routes had been set up in South Africa. \textsuperscript{251} Further, it is clear that the port has sustained its position even during the global

\textsuperscript{245} B Fine, Op cit, p2  
\textsuperscript{246} F Soderbaum & I Taylor Ed, Op cit, p684  
\textsuperscript{247} Interview with G Smith, Op cit  
\textsuperscript{248} CIA Fact Book (2015) \url{http://www.theodora.com/wfbcurrent/mozambique/mozambique_economy.html} accessed 26/02/2015  
\textsuperscript{249} See full evaluation in chapters 3 - 5  
\textsuperscript{250} See chapter 4  
\textsuperscript{251} Interview with D Parsons, Op cit
economic downturn, several falls in commodity prices and the resulting aluminium production reductions. The graph indicates an increase of road transport along the MDC from 2004 to 2009 by 14% per annum. Additionally, from 2005 to 2007 there has been an increase of 43% in passengers crossing the border, 73% increase in cars and buses, 20% increase in trucks, totalling something like an additional 400 trucks per day.\textsuperscript{252} This movement of people and goods is vital to corridor success and is why continued interest in such corridor projects is buoyant. Additionally, according to TRAC the increase in freight through the Nomadic Plaza in South Africa is 11% per annum. Yet, it has increased by 28% through Moamba Plaza (Mozambique) demonstrating domestic and other regional trade in Mozambique is growing very well.\textsuperscript{253} We can see that the effort to create growth is great and increased trade through the MDC means that initial successes have been maintained. SADC have great hopes for the model in increasing regional trade.\textsuperscript{254} Therefore it is fair to conclude that the first two objectives representing economic growth are actively being fulfilled.

\textbf{Figure 1: Traffic Flows to Port Maputo from within the MDC}

\begin{figure}
\centering
\includegraphics[width=\textwidth]{figure1.png}
\caption{Traffic Flows to Port Maputo from within the MDC}
\end{figure}

\textbf{Source:} Port of Maputo Development Company Presentation, (2017), \url{http://www.portmaputo.com/port-maputo-presentations/}, accessed 2/08/2107

\textsuperscript{252} Port of Maputo Development Company Presentation, (2017), \url{http://www.portmaputo.com/port-maputo-presentations/}, accessed 2/08/2107
\textsuperscript{253} B Mommen, CEO of MCLI, Presentation at the African City Leadership convention, 27-29/10/2010
\textsuperscript{254} TA Salomao, Secretary General of SADC, Op cit
VAT-free zones have been cited as encouraging investment, a way of promoting large strategic partnerships that can impact on GDP and promote a wider skill base. The Beluluane Special Economic Zone (SEZ) was strategically located adjacent to Mozal smelter and it was hoped that this innovation would attract technological businesses capable of servicing large projects. However, in the case of Mozambique little was initially planned to facilitate effective domestic linkages or a unified developmental policy. Now global functionaries servicing the smelter do reside in Beluluane, this has increased steadily as policy has evolved. Initially, Beluluane attracted hundreds rather than the thousands of high tech jobs that were anticipated. Yet, as demonstrated in chapter 2, as investment modalities have changed, more jobs have been developed. The planning of economic linkages has been poor in the MDC, development professionals have acknowledged this point and newer projects have interlinked strategies attached. Today, transmission routes, making best use of anchor projects would be included in the strategic plan prior to the tender process. This should prove invaluable when ‘corridor models’ are transposed into the Trans-African Highway.

The MDC represents the largest and most advanced project in Africa and Mozal Aluminium Smelter was the lynch-pin for the whole project. The contractual agreements were complex, and the terms generous, but it was vital to the overall project that Mozal went ahead. Yet criticisms abound. Hanlon and Smart are exceptionally critical, deeming this project exploitative. It can be difficult to get the balance right. Mozal’s concession agreement was extreme in terms of its corporate benefits, yet this single concession has proved vital. Mozal was undoubtedly a compromise. The project does not rely on extraction but there exist other more environmental concerns regarding emissions and safety, particularly given its proximity to Matola and Maputo. Yet

---

257 See Chapter 2, section ‘The MDC & Post Washington Consensus’
258 Interview with J Rocha & L Goews, Op cit
259 Ibid
260 J Hanlon & A Navunga, Op cit
should the model prove successful, particularly for peripheral nations, the compromise would have been valuable for attaining wider developmental momentum. So, Gill and Law may be correct to an extent, but peripheral states have less flexibility in the world system and are less able to challenge the dominant discourse. They must therefore seek to establish as comfortable a niche as they can within it.

In contrast to Hanlon, Castel-Branco suggests the crux of the matter is that Mozal has produced comparatively large sums of capital for the national economy annually. At 1996 values, it has added US$17 million in wages, US$14 million in domestic purchases and a further US$4 million in the form of CSR packages. So, although criticism of the terms of this concession are regularly voiced by Hanlon and Smart and Soderbaum and Taylor, this single anchor project 'kick-started' economic development in the MDC and the model shows potential for development the wider continent. A concessionary point is that in these first stages the MDC would represent a 'classic transport corridor' and thus, would be somewhat akin to Soderbaum and Taylor’s ‘transmission belt’ understanding. However, the MDC has proved evolutionary and now represents a strategically balanced development corridor along the lines promoted by DfID (UK).

Concession agreements, especially those negotiated at the beginning of the project, were very important as they gave credibility, certainty and stability to the whole project. They demonstrate how developing nations such as Mozambique have limited scope in the international arena but if prepared they can still interact on sound terms. Yet, in Mozambique, key concessions are already in place for the Beira and Nacala corridors so it is questionable whether such good terms should still be offered. The same applies to future hydrocarbon contracts. Chapter 6 examines how elite agency in these corridors has promoted private entrepreneurship with narrow outcomes. Problematically, most of these opportunities have gone to a narrow FREMILO elite and their patronage networks. Recently it has come to light that many of the risks were also underpinned

263 Ibid
264 A Hope& J Cox, Op cit
265 Ibid
266 See chapter 6, section ‘Elite Capture’
by the state. Through an effective manipulation of circumstances this elite, led by the Guebuza empire, have created a complex pattern of elite transfers.

Soderbaum highlights how every aspect of these contractual agreements is backed by drive and commitment from politicians. Mozambique required stable electricity provisions from the Cahora Bassa hydro-electric dam, which because of South African destabilisation, was not functioning at the outset of the MDC. This meant Eskom (the South African parastatal) was initially required to provide a stable electricity supply. The objective was to guarantee power for MozaL, as without this BHP Billiton would not consider Matola as a suitable location. If the MDC was to 'get off the ground', Mozambique would need to offer the best contract terms available. Further, a BHP Billiton requirement was that the rehabilitation of Cahora Bassa be underwritten by the South African government. Such guarantees would have been doubtful had there not been such a great commitment from Mandela and Chissano. Their relationship, drive and political influence helped to consolidate the whole project.

Thus, Eskom was contracted to rehabilitate the Cahora Bassa hydro-electric power station in western Mozambique. Included in this was an agreement to build the 870-mile-long transmission line from the dam to Pretoria and Johannesburg in South Africa. Crucially, a key part of this concession agreement meant that Eskom provided the capital and expertise to ensure the dam was rehabilitated successfully, it had been destroyed by the departing Portuguese in 1976, followed by acts of 'resource repatriation' from various warring factions during the civil war. In return, Mozambique needed to guarantee electricity exports to South Africa once production occurred. The new transmission line carried 530 kilowatts of power to South Africa which was around 65% of initial production from Cahora Bassa. This output to South Africa had doubled by 2015. This import/export arrangement worked well for Eskom in the

---

267 Ibid
268 Ibid
269 F Soderbaum, Institutional Aspect of the Maputo Development Corridor', Op cit, p11
270 See figure 2
early days, when they imported electricity via their infrastructure from Cahora Bassa in Mozambique and then exported it back to Mozambique at a higher cost. The semi-peripheral structural dominance of South Africa here is clear.

**Figure 2: Power Concession Routes for Mozal**


In today's investment environment states would be warned against accepting such weak concession terms, but this was early days both for PPPs and the MDC. Both governments were working in a very competitive investment environment and struggled to dictate terms to international businesses. The initial focus was necessarily geared to ensuring that infrastructure was suitable for exporting - predominantly mineral based resources, much of which had previously been exported via Durban or Richards Bay, both of which were vastly overburdened. This initial emphasis on extractive industries led to suggestions that the MDC was little more than a transmission belt for trans-
national capital. It cannot be denied that this was the initial *de facto* position, chrome and coal exports were essentially diverted to Maputo docks. However, this position is changing as transmission lines and manufacturing facilities are developing. For example, South/South investment has increased and in 2014 Bahrain’s Midal Group set up an ‘aluminium rod, wire and conductor factory’ adjacent to Mozal. In chapter 2, the impact of Vietnamese Sojitz and Japanese Regal Farms are also indicative. These developments demonstrate that increasingly it is incorrect to characterise the MDC as a 'transmission belt for capital into the global economy'. This concept is both narrow and represents a rigid generalisation.

It is true that during the mid-1990s many IFIs and MNCs did take advantage of the subservient position of the two national governments. Certainly, the Mozal concession required long-term commitment by both governments. Many related MDC infrastructure projects would not have been possible without Mozal. So, while Mozal’s terms were generous, much else depended on this project. Mozal was the ‘lynchpin’ for the MDC in Mozambique. Delivering this single contract alone would ensure a massive increase in overall GDP. In 2005, it represented 53% of total exports for the nation. BHP Billiton were certainly aware of their dominant position meaning they could practically dictate terms regarding Mozal. The government of Mozambique had little choice but to comply, but conversely would have been foolish to have let the opportunity pass by. Therefore, while it has been suggested by Hanlon & Smart that Mozal contributed little to the Mozambican economy, I would dispute this.

A consequence of South Africa's relatively promising position in the global economy means the relative importance of the MDC is less critical. Therefore, the project has not been allocated high priority status when compared with Mozambique, where success or failure of the project would determine how far the country would become integrated into the world economy. Given the initial tight macro-economic situation, outside investment in the MDC was vital. This was exacerbated by the acute liquidity crisis in

---

273 F Soderbaum and I Taylor, op cit
275 F Soderbaum and I Taylor, Op cit, p676
277 J Hanlon & T Smart, Op cit, p14
278 Interviews with F Healy and G Smith, Op cit
Mozambique, economic growth would not be possible without this investment. In more buoyant southern Africa, those areas worst impacted by apartheid in the MDC were in a similar position, and generally much of Mpumalanga was desperately in need of investment. Here the MDC has had a positive impact on the local economy. It is shown to promote a relatively high growth trajectory in comparison with the North-West province. Further, it met with the broader South African foreign policy objective of rehabilitating the nation in the eyes of its neighbours. As a potential regional hegemon, this relationship built regional trust and opened new markets within southern Africa. Crucially though it demonstrated positivity and conveyed a clear message to the international community that the ANC government could be trusted.

Demonstrably then, South Africa and Mozambique have become fully integrated into the global economy, although in terms of governmental agency and communal benefits, this has sometimes been at a high cost. Orthodox policies have created great opportunities for some and have promoted a relatively high per capita income in both economies, but particularly in Mozambique. However, while there has been social development, benefits have not been distributed fairly and growth has failed to produce equitable development outcomes. Growth in mass employment would assist here but it has not been forthcoming yet. Soderbaum and Taylor portray this as a period of jobless growth in the MDC and to an extent they have a point. However, the substantive data evaluation that follows demonstrates that the MDC has performed to a good degree.

Regionally there is an appetite to introduce development corridors employing MDC methodology as a mechanism for creating growth and development. Further, where there is social tension it is hoped that delivering successful outcomes will mediate social tension. Here a better understanding of the strengths and weaknesses of the MDC

279 See comparative growth analysis in chapter 3
280 This has been a key aim from the outset of the MDC for M Phosa, ANC Treasurer General and MCLI Co Chairman (South Africa), Presentation at the MCLI AGM and Conference, 30/09/2011, Hotel VIP, Maputo, Mozambique, Interview on 13/09/2011 with M Phosa, ANC Treasurer General and MCLI Co Chairman (South Africa), Sandton, Johannesburg, TA Salomao, Secretary General of SADC, Op cit
281 See conclusion to part II
282 See chapter 4, section ‘Employment in the MDC’
283 Ibid
284 Salomao TA, Secretary General of SADC, Op cit
strategy will help underpin growth and social development in other corridors, particularly useful where social tensions are prevalent. Certainly, there is evidence that this is the case in fragile areas of Mozambique.

The revival of the historically successful MDC as a mega-project has proved a useful showcase for Mozambique and South Africa. The SDI policy (in which the MDC was originally incorporated) was launched under a Mandela/Chissano partnership, it demonstrated to the international financial community that South Africa and Mozambique meant business. It was clearly in line with their wider economic strategy and demonstrated commitment to private financing strategies. The MDC allowed the ANC to incorporate those areas that had been worst affected by apartheid.

“Together our governments [put] in place a secure and viable investment framework, one that will allow us to put an end to this cruel legacy of poverty amidst such a wealth of resources.................through interaction with investors, local and international, we intend to ensure that this framework is in line with best practice world-wide.”

Diplomatically the project was sound too. The MDC showcased South Africa to the region and indicated that they were willing to rehabilitate relationships. The border area with Mozambique was amongst one of the worst affected by South Africa's 1980s destabilisation policies and as such this project demonstrated positive intent. South Africa was economically superior to its neighbours but used this bilateral strategy to ease fears and to build regional confidence.

**Conclusion**

This chapter initially sought to contextualise the historical and economic environment within which the MDC project was realised. During the 1990s the ‘Washington Consensus’ dominated IPE. In vogue, these ideas were advanced by leading politicians, most economists and the IFIs. This neo-liberal discourse promoted orthodoxy and aimed to create open markets and promote global competition. Countries facing colonial Governmentalities Workshop 1st–2nd September 2015, Cardiff University

286 Interviews with F Healy and G Smith, Op cit

substantive change, in need of development aid or highly indebted, such as South Africa and Mozambique, required an element of financial support from the IFIs or development agencies but could only take them under strict conditionalities. This structurally altered these economies with varying effect. For developing economies premature liberalisation made them more vulnerable to international competition. Conversely, they needed investment to promote such projects. There was no easy solution to get the MDC ‘off the ground’. It was launched during an era when economic orthodoxy was dominant, therefore neo-liberalism guided the direction of action. During the 1990s other options were deemed heterodox. Here, the flexible SDI methodology was ideal and the MDC proved a useful mechanism to rehabilitate the hinterland between Gauteng in South Africa and Maputo City in Mozambique.

While this dominant ‘Washington Consensus’ prevailed, it was believed by most economists that the market would find its own level at which to operate and that once the anchor projects were placed then economic linkages would develop naturally. Proponents believed that economic linkages could develop organically and would deliver on social goods although evidence now suggests this is not particularly likely in the required timeframe. Further, it became increasingly apparent that some level of intervention would be required for newer projects. Basically then, lack of foresight coupled with poor planning and dominance of the ‘Washington Consensus’ meant that the first-generation economic linkages have been poor and difficult to attain in the MDC. This did not bode well for employment opportunities in either the short or medium term.

South Africa’s modern economy meant it could, if political will necessitated, balance the negative impact of these neo-liberal policies to a degree. However, orthodoxy was not likely to promote employment which was desperately required in their domestic economy. This has been a costly compromise for the ANC. In contrast, Mozambique's economy was severely weakened by premature liberalisation. These policies were not suitable for an underdeveloped, command economy. Lack of a capitalist market structure simply produced domestic economic collapse. However, the time was ripe to promote growth based on revitalising this historic trade route. The ‘Washington Consensus’ has impacted on the MDC greatly. Global capital and governmental institutions required economic growth, so emphasis was placed on the establishment of
anchor projects that would produce this. This ensured that MNCs and IFIs had great influence as both countries required substantial FDI. The dominance of anchor projects, coupled with the need to court investment finance meant these took primacy in the early phase. This meant other factors such as domestic forward and backward economic linkages and equitable development, which orthodoxy wrongly suggested would automatically improve, took a ‘back seat’. Neo-liberalism reflected the economic context in which the MDC evolved rather than its driving style or nature.

At its outset, the MDC improved the perception of South Africa as a good neighbour and evolved as a mechanism that promoted stability and economic viability in the eyes of IFIs. Additionally, it allowed small and large actors alike to be integrated into the globalisation process. The moment was ripe for such an undertaking and the MDC has become an effective route map for development corridors in southern Africa and the rest of the continent. The MDC entered a changing and fragile political environment. Neo-liberal ideals were promoted to finance mega projects and to encourage large investment portfolios. High politics drove the MDC and speed was prioritised over substance in some areas. Given the vital need to promote the MDC to international businesses, investors and exporters were given preferential terms, particularly for key anchor projects. These terms were not available domestically, so the mega project was buffeted by the structures of the world economy. International marketisation was prioritised over alternatives such as a mixed economy which might have supported existing businesses, increased employment and produced social upliftment more speedily and on a larger scale. This meant anchor projects such as Mozal Aluminium smelter have been singled out as a ‘white elephant’ because they do not effectively link into the Mozambican economy. This is true but the project has also been essential for Mozambique. Linkages to the domestic economy were poor but this is being addressed and employment has increased across the board as new transmission lines have developed.  

Of the four objectives set for the MDC, the first two keenly focus on economic growth. Here they specifically recommend infrastructure development and maximising economic opportunities. The ‘Washington Consensus’ has proved successful, and

288 See chapters 2 and 4 regarding how and the extent to which this has been achieved in the MDC.
289 See Introduction, section ‘The Maputo Development Corridor’
economic growth appears substantial in the corridor. While anchor projects have produced profit, extravagant concession agreements mean that profits have often been repatriated overseas. The excellent terms on offer were a ‘necessary evil’ for the MDC, particularly in Mozambique. It was believed they would ultimately encourage wider development, which is true to an extent. Better strategic planning would have helped produce more widespread results. Problematically, it appears there may not have been enough dynamism regarding social development or the upliftment of previously disadvantaged communities as per objectives 3 & 4.\textsuperscript{290} It is widely believed that social objectives have taken a ‘back seat’ and this is partially correct. Results have been positive for the MDC and these objectives are fully addressing in chapters 3 to 5. So, to an extent, this makes the dominant academic position put forward by Soderbaum and Taylor, and Hanlon and Smart understandable in this early phase. However, because they fail to address social development in any significant manner, their view of the MDC remains narrow and out of date and has engendered a separation between academic and practitioner perspectives. Their continued lack of nuance has not been helpful. This research will address this deficiency by gathering a unique set of data with which to evaluate these social objectives.

\textsuperscript{290} Ibid
Chapter 2

Development Corridors in the 'Post-Washington Consensus' era: A Period of Evolution

Introduction

It was established in chapter 1 that the dominant 'Washington Consensus' paradigm informed the evolution of the Maputo Development Corridor. Here the aim is to establish how far this remains a constant and whether contemporary changes represent a revolutionary or evolutionary departure. A critical appraisal centring on three themes will follow. The East Asian ‘developmental state’ is altering the face of investment in Africa, this is creating change in the MDC. In the developed global north, East Asian investment is often perceived as exploitative, this is not explicitly the case and here the second aim is to challenge this Western centric account. Effectively, then this more rounded approach is paving the way for the MDC to become a ‘developmental model’, in line with East Asian approaches to development. Finally, this change represents a practical response by African development professionals and governments to achieve their objectives and promote wider business integration in Southern Africa. Here facilitation by the Maputo Corridor Logistics Initiative, (MCLI) has been key. They have engendered a great degree of cooperation between stakeholders, promoting a mixed and integrative policy arena which supports large and small interests alike. This will be crucial in sustaining wider developmental goals. These results are positive.

291 See maps in Appendix 1/3 & 1/4
292 See Section below ‘East Asian investment in Africa’
293 As a point of clarity, the term East Asia will incorporate South East Asia and China.
Similarly, the idea that Africa is a ‘hopeless continent’ needs to be jettisoned as here African agency is succeeding, just as the ‘Washington Consensus’ diminishes. This also addresses the crux of this thesis, in that, currently there is a fundamental discrepancy between academic understandings of the MDC and that of practitioners operating in this field. Elements of a Post-Washington Consensus are evident but the depth of this change remains unclear. However, this period may be transitional. Some elements are still tentative and could be reversed. What is clear is that traditional power structures are in flux and the western IFIs are becoming less influential. This has provided space for innovative methods that promote social development. Further, where possible there has been a move towards greater governmental intervention in the economy.

The idea that a less ideological post-Washington consensus (PWC) has developed has been championed by Stiglitz, particularly during his time at the World Bank. Many, particularly at the IMF, were critical of the need to move in this direction. As discussed in the previous chapter IFI imposed SAP’s often made economic matters worse in developing countries, ensuring capital accumulation favoured developed nations. Stiglitz successfully re-aligned the World Bank, ‘softening’ their position, promoting the East Asian view that “economic success [should] depend on the quality of governmental intervention, and not its absence.” Increasingly the ‘developmental state’ model has been embraced by Africa in a range of developmental strategies. In order that big business, capital and governmental organisations are not the only ‘winners’ in the MDC contemporaneously, as the ‘Soderbaum and Taylor mantra’ would suggest, it is necessary to demonstrate that structural change is occurring and that development corridors are stepping away from the old orthodox methodology.

Johnson first identified the notion of the ‘developmental state’ through his extensive research of Japanese ministries. The developmental state represents an inclusive

---

294 Ibid
297 See Chapter 1, section ‘Locating the MDC in IPE’
position that is pragmatic and interventionist. While capitalist in nature, it rejects
the economic orthodoxy fuelled by the dominant western discourse and policies laid
down by IFIs. The ‘developmental state’ has proved very interesting in a host of
environments, facilitating tremendous growth whilst simultaneously rejecting the
'central pillars' of the Washington Consensus. Johnson suggests that this
interventionalist strategy would identify potential growth industries, devise policies to
protect them from international capitalist competition and be used to create and
implement an industrial strategy capable of facilitating growth. This has allowed
developing states to compete successfully in the international economy. Today in
Africa, we understand it to represent a mixed economy, whereby industrial policy is
designed to protect key or embryonic industries. Still essentially capitalist but
challenging the shibboleths of neo-liberalism.

Johnson rightly perceives the developmental state or ‘the model’ as successful because
it is an adaptable strategy. It is flexible, both “particular and generalizable,” Increased East Asian investment in the MDC is indicative of its success. In a great
many respects, the developmental state has parallels with corridor methodology because
both can be accommodated in a range of circumstances. Similarly, the MDC and
successive corridors provides a useful framework for the developmental state. The
cases of Sojitz Ltd and Regal Farms Ltd below demonstrate how flexible arrangements
can be accommodated in the MDC. Given this success, the MDC looks increasingly
effective as a transferable model for economic growth and social development and
bodes well for newer projects and the trans-African Highway.

Further, strategies such as the ‘Africa-China Progressing Together Conference’ in Cape
Town in December 2015 are indicative of the model working at governmental level.
New developmental loans announced by President Xi Jinping to the value of US$6.5
billion, are specifically designed to boost such infrastructure projects. This
represented a significant input to regional African development projects. Often linked

299 JC Ramo, 'The Beijing Consensus', The foreign Policy Centre (2004), p4
300 Ibid, p38-39
301 Ibid, p43
302 See map in Appendix 1/1
Together: Win-Win Cooperation for Common Development’, Conference on 5/12/2015 in Cape Town
http://www.aljazeera.com/programmes/insidestory/2015/12/china-exploiting-africa-
151204173132502.html, accessed 20/01/2017
to extraction, in the past this type of project might have been considered as ‘plundering Africa’ but this is no longer necessarily true. This perception is now extensively challenged by the more serious scholars. In fact, trends show that this East Asian ‘developmental state model’ is supportive of developmental projects, particularly those related to infrastructure development. Further, most mega-projects require extensive finance packages and integrated infrastructure, and for this reason they are large scale projects and increasingly lie within the jurisdiction of a development corridor. This has increased due to international exposure for the MDC which is indicative, and latterly because the Trans-African Highway has tremendous scope.

This chapter draws upon some of the work of academics who have studied the relationships between Africa, China and Japan quite extensively. Further, while other ‘Africanist’ academics do not necessarily make explicit references to corridor projects, they do reference anchor projects that lay within the jurisdiction such projects. Most academics writing in IPE or development in Africa will at least take a *de facto* position on development corridor projects, as increasingly traditional trade routes or micro-regions are part of the more rudimentary transport corridors identified in the Trans-African highway. Here the MDC has been deemed an effective model. Further, by dint of the extensive organisational and financial processes involved, these industries need to be linked to a corridor project. Their potential is extensive and the largest of these projects, the Trans-African Highway, is an amalgamation of such micro-regions or corridor projects based on MDC methodology. These historical and previously unidirectional infrastructure projects have become 'more rounded' and reformulated in line with DfID (UK)'s perspective, in that older ‘transport routes’ are now being reformulated in line with the MDC into something more akin to the modern development corridor.

African actions tend to be in line with these more positive understandings of East Asian

---

304 Ibid
305 Interview on 8/09/2011 with J Rocha, DBSA, Sanderton, Johannesburg
306 See map in Appendix 1/2
307 See Chapter 1, section ‘SDI to Economic Corridor’
308 Interview on 8/09/2011 with J Tambi, Transport Infrastructure Expert, New Partnership for Africa’s Development (NEPAD) and Coordinator Presidential Infrastructure Champion Initiative (PICI), Midrand, Johannesburg
developmental methodology where benefits are based on mutual interest rather than exploitation.\footnote{D Brautigam, \textit{The Dragons Gift}, Oxford University Press, New York, p2} This chapter agrees that there is an element of exploitation that occurs within these relationships but also reflects, to a high degree, the relationships are symbiotic. Chan’s idea of a potentially over-extended China necessitates interest the need to promote inclusivity in any shared endeavour.\footnote{S Chan, \textit{The Morality of China in Africa}, Zed Books Ltd, (2013), pp37-38} Yet, East Asia does require Africa’s primary industries, and through continued investment in anchor projects East Asia is enhancing the progress in development corridors through their ability to produce both growth and development. This is “highly distinct from the mainstream development trends dominated by European donors and international organisations.”\footnote{Ohno I and Ohno K, Op cit, p2} It represents a multi-directional relationship where flows of trade, systemic aid and FDI are substantial and indicative of this shared relationship.\footnote{Al Jazeera News, \textit{Is China Exploiting Africa?} Op cit} This produces what Ohno and Ohno suggest is a ‘dynamic approach to capacity building’\footnote{Ohno I and Ohno K, Op cit, p11} rooted in a \textit{quid pro quo}. Development corridors are by nature complex. Developing nations cannot finance mega projects without support and will need external support for some time. Yet at some point, these long-term East Asian investments will need to produce substantial results. Both parties are tied into these investments and need success. The strategies applied in the MDC appear to be well planned and address previous weaknesses. This should in turn, multiply the benefits currently associated with the MDC,\footnote{See Conclusion to Part II} and will, by association, have a knock-on effect on the other projects designed in this format. All initial indications, particularly but not exclusively in Mozambique, support this premise.\footnote{Interviews on 5-6/2/2016 with F Healy & G Smith, Nelspruit, Mpumalanga, RSA} East Asia offers flexible options to the MDC and the continent. Although, many domestic economies are still working within the confines of SAPs and the MDC is beginning to evolve, a mixed economy will allow for a greater level of African agency, which has been lacking. Here we turn to the depth and breadth of this change within the MDC to ascertain how far it is still constricted by the neo-liberal paradigm.
Structural change for Development Corridors - towards a ‘Post Washington
Consensus’

It is understandable that East Asian policies, particularly of China and Japan, are of
interest to micro-regions within Africa, they can offer flexible formats for corridors
which themselves have diverse requirements. The styles of agreement on offer provide
volume overseas development aid (ODA) and can sponsor complex or high value
projects. In return, a business relationship bound in contract between states is agreed.
This may require access to primary resources or a supportive business environment to
meet governmental goals or targets, but a strategic plan is built around joint
objectives.\textsuperscript{317} This phase includes “working backwards from broad goals to phased
strategies and concrete action plans, while making necessary adjustments and
accumulating experience and confidence along the way, is the hallmark of East Asian
development planning.”\textsuperscript{318} This makes an ideal platform from which to work in
development corridors. Management institutions increase the likelihood of an
integrated marketplace by offering unified customs legislation (albeit eventually) and
encourage good investment opportunities without requiring vast oversight. MCLI, in
concert with their stake holders, have achieved this in the MDC. Clearly, this provides
an attractive investment environment when seeking investment partners for large scale
overseas projects. During the period of this research project an extensive volume of
concession agreements with East Asian governments and MNCs have been agreed in
support of key anchor projects in the MDC. The same is true for more embryonic
development corridors in Southern Africa, including Angola, DRC, Kenya, Malawi and
Mozambique.\textsuperscript{319} This alternative structure on offer in Africa is not without fault,
Chinese investment requires an alignment with their international priorities over its
regional policy.\textsuperscript{320} A mixed economy with greater governmental intervention also risks

\textsuperscript{317} Ohno I and Ohno K, Op cit, p15
\textsuperscript{318} Ibid
\textsuperscript{319} Macauhub Report, ‘Agreement between Mozambique and South Korea may lead to construction of
mozambique-and-south-korea-may-lead-to-construction-of-natural-gas-liquefaction-units/, accessed on
23/02/2012, Macauhub Report, ‘Brazilian group Vale expects to start exporting coal from Mozambique in
from-mozambique-in-junejuly, accessed 28/04/2012, Macauhub Report, ‘Cotton processing factory with
Chinese capital to open in Beira, Mozambique’, 22/10/2012, accessed on 8/07/2015
\textsuperscript{320} S Chan, Op cit, p22
new rounds of ‘elite capture’ and supports ever growing patronage networks. These patterns were established during the ‘Washington Consensus’ period but greater access to state resources could embed these corrupt practises even more deeply in South Africa and Mozambique. Yet this model is preferred precisely because it does not systematically restrict domestic governance. The West may be critical but increasingly East Asia and Africa appears satisfied with these arrangements.

Brautigam and Chan point out that this relationship is not intended to offer a quick fix. It is a long term strategic relationship that does not correlate with the ‘scramble for Africa’ often put forward by the media and Western politicians. This type of commitment means that both are tied together and both require success. Benefits are beginning to accrue from early projects, according to Brautigam, by 2000 China was beginning to reap gains from its long term strategic relationship. “China was starting to harvest the fruits of nearly two decades of reform in its aid and economic relations with Africa.” This has proven positive for the MDC which has developed many strategic relationships with East Asia. Additionally, in line with MDC objectives, this supports developmental sustainability in the MDC. East Asian states cannot afford failure. Should agreements with Africa become too problematic both parties would require greater levels of commitment.

At the root of the ‘developmental state’ is a challenge to the naivety of perfectly working markets. East Asian methodology does not require all economies to be managed in a similar manner. It suggests that when the role of the state can be widened in concert with the market, then intervention should not be excluded. Undoubtedly, the MDC was initially representative of the dominant neo-liberal Washington Consensus but key tenets of “this neo-classical approach are not acceptable to East Asian economists.” Initially the MDC focussed largely on export led growth and international capital. However, more recently, given restricted budgets, corridor practitioners have begun to recognise that market principles alone cannot deliver

---

321 This is fully evaluated in Chapter 6
322 D Brautigam, Op cit, p76, S Chan, Op cit, p37
323 D Brautigam, Ibid, p77
324 Ibid
325 Y Hara ‘A Blue Print for Asian Economics’ in K Ohno and I Ohno Ed, Op cit, p134
sustainable development. Further, if the Washington model remains dominant, benefits would continue to accrue to the top of society. This means that it is unlikely that equitable outcomes will come to fruition within an acceptable time-frame. This is not to say they will not eventually occur but continued disparities of wealth are increasingly deemed socially unacceptable and can create an unstable electoral environment. In South Africa, the August 2016 municipal elections could reflect a watershed moment between the ANC and their ‘natural supporters’, particularly if they fail to address “high unemployment, corruption and poor service delivery” which has burdened communities in South Africa. Similarly, if unequal opportunity is not addressed in Mozambique further civil unrest as witnessed in 2010 could occur. This will become increasingly difficult for FRELIMO where the elite are making commercial inroads into the Beira and Nacala corridors where natural support for the opposition is strong.

There are five factors that Ohno and Ohno would consider a significant change in policy direction. These aspects detailed below offer a reflective approach to development and represent a movement away from the negative constraints associated with the dominant Western discourse. These practical guidelines can flex depending upon an individual country's needs. They are the ‘building blocks’ of an East Asian development methodology as prescribed by Johnson above. The five methodological pillars are:

1. A rejection of the primacy of macroeconomic policy, instead building effective long terms plans which are attached to realistic targets. These involve re-emphasising the potential positive impact well defined governmental intervention, a long-term strategy which includes trusting in the accumulative benefits of incremental development. Finally, each international agreement needs to appreciate levels of national specificity, particularly when negotiating terms with individual countries. These aspects demonstrate a methodological shift away from the Washington Consensus. In the MDC, there is not a complete change but a clear change of emphasis.

329 Interviews with F Healy and G Smith, Op cit
330 K Ohno, in K Ohno and I Ohno Ed, Op cit, p7
does exist.

The view of development economists has not been mainstream in the West for some time. This means a mixed economy and active role for government in industrial policy have appeared backwards or heterodox. The East Asian model is complex and fully integrates with the host country. Chan’s references to Confucian culture as intrinsic here too, for him this is reflected in elements of protectiveness towards the project, its nation and its citizenship. Therefore for him and Ohno & Ohno, ODA and loans must meet the objectives of both states.

“The Chinese no longer see the state-directed firms as a way-station on the road to liberal capitalism; rather they see it as a sustainable model. They think they have redesigned capitalism to make it work better, and a growing number of emerging-world leaders agree with them.”

This is very different from the popular image that China and other east Asian states invest to win influence and gain access to natural resources.

The East Asian model of development economics appears to be far more suited to countries with development corridors than the 'old' one-size-fits-all neo-liberal ideology. In contrast, this 'new' approach appears to rule nothing out. It has a flexible and ‘dynamic-methodology’, and has a proven track record in development corridor projects in East Asia. It seeks to actively promote national strengths and identify potential challenges and structural weaknesses which need support. It is not a perfect solution, the relationship operates within a capitalist environment, meaning that benefits will always accrue to the owners of capital and so the structural deficits identified in chapter 1 will still apply here. What is different is that this model reflects a dual approach. For Taylor and Xiao, globalisation is responsible for East Asian integration into the global economy. He posits that “the Chinese leadership has pursued (these

---

331 S Chan, Op cit, p13-18
332 Ibid, pp5-7
333 The Economist, The rise of state capitalism, 21/01/2012
334 See Cameron and Clinton views below
335 I Ohno and K Ohno, Dynamic Capacity Development: What Africa can Learn from Industrial Policy Formulation in East Asia, National Graduate Institute for Policy Studies (GRIPS), Tokyo, 13/03/2009
336 I Ohno and K Ohno Ed, Op cit, p22
uneven) economic liberalisation polices post-Mao.

For him, this is indicative of such investment in the MDC. Further, such volumes of investment (and any related benefits) have been difficult to track as volume trade increases. For Taylor, East Asia benefits in advance of Africa to the point of exploitation. However, this point needs to be nuanced as East Asian investments are more assimilated and integrative than Taylor suggests.

Its orientated towards results are based in reciprocal contract.

The East Asian model ameliorates Western capitalist tendencies that have historically exploited Africa. In many ways, it represents a rational or contractual approach to development. A nation-to-nation strategy or 'vision' is put together which challenges the notion of total macro-economic control. This was clearly missing in the orthodox approach to development which limited African agency in the domestic realm through SAPs. Conversely this method promotes cooperation and communication. Public and private stakeholders seek to identify strengths and weaknesses at each level, and design strategic plans, encouraging intervention if it will enhance industrial output. Related positions are then brought together in a wide-ranging long-term plan. These plans are flexible dependent upon circumstances, they can be governmental, advanced through PPPs, or privately administered via the auspices of a corridor management body such as MCLI. Here the objectives “must be clear, mutually consistent, and have the quality of being ambitious yet attainable among all stakeholders”. Therefore, key to the overall success of ‘the vision’ is a strategic 'business plan’ that represents all individual participant’s requirements.

A bespoke ‘vision’ is designed which acknowledges that societies develop at different speeds and from varied starting points. This diversity ensures flexibility is built into the plan but also means that there is no single East Asian model. Further, Chinese, Japanese, South Korean and Taiwanese requirements vary. Ohno and Ohno suggest that to create growth and development it is important that the needs of host societies are considered, particularly when they have unique circumstances, for example, a

---

338 Ibid  
339 Ibid  
340 I Ohno and K Ohno Ed, Op cit, p74  
341 Ibid  
342 Ibid  
343 Interview on 5/09/2011 with B Mommen, CEO of MCLI, Nelspruit, Mpumalanga  
344 K Ohno in I Ohno and K Ohno Ed, Op cit, p18
predominantly agrarian, conflicted or previously socialist state will have specific needs. Such differentiation was not considered by IFIs at the outset of the MDC, this resulted in retarding domestic economic linkages and limiting social development. The East Asian vision “seeks to balance efficiency and equality to improve the welfare of the whole society”.\(^{345}\) This is not utopian. The model does work to the advantage of East Asian states. Yet it is pragmatic, well planned and build projects more in line with how the elite perceive local priorities. While still top-down, this direction ensures the implementation experience is more pleasant than rigid SAPs associated with the Washington Consensus. The methodology is increasingly popular because “while issues and solutions may differ considerably between the micro-regions, the methodology promoting an organised policy dialogue [between investor and corridor project] remains valid”.\(^{346}\)

Conversely, the west still has a substantial foothold in Africa, here systemic aid and development capital still have conditionalities attached. Since 2011 at the Tripartite & IGAD Infrastructure Investment Conference, 28th -29th September 2011 in Nairobi, Kenya, new links between the global north and developed nations have been garnered. Under these auspices of EU ‘aid for trade’ investment has been on offer to Trans-African corridors in East and Central Africa.\(^{347}\) Opportunities to invest have been made available in the Lamu and Djibouti corridors in the Horn of Africa.\(^{348}\) Without further research into the specific investments plans it is difficult to ascertain the scope of these agreements. Yet, Langan is particularly critical of the EU’s EPAs and ‘Aid for Trade’ programs because they attempt to portray a relationship based on equity. For him the reality is very like past agreements based on the ‘Washington Consensus’.\(^{349}\) He sees this as another drive to open new markets in Africa,\(^{350}\) again, often prematurely. While there is no overt or explicit call to restructure, the trade element still requires an orthodox approach. Clearly then, such tactics still lay firmly within an international

\(^{345}\) Ibid
\(^{346}\) K Ohno, Op cit, my italics
\(^{348}\) Ibid
\(^{350}\) Ibid
neoliberal framework, and will skew the developmental intent in these corridors. Within these agreements the developed north is in a structurally advantageous position. Those who want the ‘MDC model’ to succeed on the continent need to acknowledge the early developmental weaknesses in the MDC were caused by orthodoxy. Further, it is necessary to tie social development into the overall package at an earlier stage.

According to Ebrahim Patel, South Africa’s Minister for Economic Development, “Chinese policies towards South Africa [and the continent] could meet their needs for large scale infrastructure development and employment creation”. The first premise is more likely here, but the developmental state model offers a more rounded approach supporting domestic economic linkages and social development. Where possible the MDC and other such projects have been turning away from the structural conditions on offer by IFIs as well as western governments offering systemic aid in the shape of EPAs, as both still require structural change. Certainly since 2011 there has been an increased uptake of the more inclusive development agreements backed by China, Japan, Vietnam and Malaysia. This has improved international investment from East Asian as African states take these better terms on offer to improve infrastructure and ‘prestigious’, often unrelated, projects within development corridors.

This new position then is clearly in line with Ohno and Ohno’s concept of the developmental state. The model is popular with cash-strapped governments and this practical approach based in non-interference is very appealing. It is possible that international competition may escalate to the extent that the developed north will feel the need to compete with East Asia on its own terms, but as Cotonou’s EPAs demonstrate, this is currently not the case. The extent this competition currently exists remains unclear. Evidently, East Asian investment in development corridors is significant. In the post 2008 crash economy the West appears content to reduce flows of systemic aid. Therefore, one could foresee that during the next cycle of international capitalist growth, benefits from this relationship will increasingly accrue in ‘the orient’.

351 Ibid, p45
352 D Brautigam, Op cit, p78
353 Horn Affairs, Op cit
354 H French, The Plunder of Africa, Op cit, audio minute 12
355 See reference above regarding the volume of mega project investments from East Asia in Mozambique
The analysis below informs how this East Asian model in combination with greater African agency is increasingly informing the MDC. We can discern that development corridor strategy has moved on from the systemic dominance of the West to a more cultivated *quid pro quo*, albeit one still dominated by the urge to create profit through capitalist competition.

**A New Ideological Position for the MDC**

As with the bulk of Africa, there are ever increasing links between the MDC and East Asia. This is evidenced by a range of diplomatic missions and trade agreements, producing a rash of business and employment opportunities in the MDC. A clear change of emphasis is visible and while the ‘Washington Consensus’ is still apparent it is increasingly challenged.

The ‘Comprehensive Strategic Partnership’ agreed in the Beijing Deceleration (2010) set out guidelines for South Africa. It “expressed the desire to deepen and strengthen cooperation and exchanges between the nations”. Further, this led to the Joint Inter-Ministerial Working Group (JIMWG) hosting bi-annual ministerial meetings to further co-operation. In 2015 Mabuza, the premier of Mpumalanga, headed a business delegation to Hebei Province in China, seeking greater business ties for Mpumalanga in the MDC. In a similar vein, the Premier of Gauteng, addressed visiting Chinese businessmen in 2014 “expressing his administration’s desire to encourage greater volumes of Chinese FDI into the province.” The increase in volume of both systemic aid and concessional trade between the MDC and East Asia is indicative of these relationships. Mpumalanga markets itself as an international trade hub for Southern Africa.

---


357 Ibid, p11


359 C Alden and Y Wu, Op cit, p14

and business development via or in concert with the MDC. They also promote the new Nkomazi Special Economic Zone which offers exceptional terms for new businesses locating in the province. This includes reduced corporation tax, enhanced depreciation on buildings and investments, and an import/VAT free zone. Exports from Mpumalanga province via the MDC to Asia (R6099 million per annum) are double that to Europe (R3559 million per annum) further indication of this changing relationships. MCLI work in concert with provincial governments, external investors and their stakeholders to maximise this position. They have been active in promoting direct links between stakeholders and investors throughout East Asia. This is particularly helpful for smaller organisations who cannot promote their own profile on the international stage or could not afford the commitment to such a trip.

Mozambique has been a ‘donor darling’ since its first democratic election in 1994. East Asian investment in the corridor and Mozambique should help to overcome exchange rate over-valuation and high interest rates that are skewed by massive in-flows of donor aid. This way, infrastructure development occurs but simultaneously reduces problems associated with this influx of dollars in the shape of aid. If trade assists in resolving the issues with regard to ‘dollar enclaves’, this will promote a positive step towards a sustainable development model. Here the MDC has been effective at circumventing at least some systemic aid by “stimulating output and [producing] capital formation in the private sector.” This supports African agency and promotes the idea of 'African solutions to African problems', albeit that they are still reliant on this element of external assistance.

This approach is increasingly visible in the MDC and it represents real change, albeit incremental. East Asian investment in the MDC includes the Mozal Aluminium

---

361 Ibid
362 Ibid
363 Ibid
364 Ibid
365 Interviews on 5/09/2011 & 5-6/02/20-16 with Mommen Barbara, CEO of Maputo Corridor Logistics Initiative, Nelspruit, Mpumalanga, South Africa
366 Ibid
367 Ibid
368 J Hanlon & T Smart, Op cit, p149
369 Ibid, p150
370 Ibid
smelter, a recently interlinked fertilizer factory, steel works in Mpumalanga, forestry plantations in Swaziland and Maputo province with an associated chipping factory in Matola, a cement works and two agricultural research centres. This volume of East Asian investment has made inroads into the effectiveness of the MDC as a generator of opportunities and employment, in turn this is beginning to demonstrate a reversal of the poor linkages into the domestic economy that have dogged the MDC. Embryonic corridor projects have also begun to benefit from East Asian backed anchor projects, this is assisted by strategic planning and support from regional bodies such as SADC. Zambeef, a Zambian Agricultural Organisation, are relying on Chinese infrastructural investment in the Nacala corridor in order to build new beef export transmission lines. Here then, as Salomao of SADC suggests, Mozambique is leading the way for the region. This demonstrates potential for projects associated with the Trans-African highway and its related micro-regions.

There is wide-ranging evidence of the ‘developmental state’ in the MDC, governments have found ways to circumvent liberal non-intervention. Firstly, private businesses are becoming more responsible for their workers and the communities via corporate social responsibility (CSR) policies. These build human capital and encourage the upliftment of communities. Secondly, strategic long-term plans are being developed both alongside older concessions and as new investment opportunities arise. The Port Maputo master-plan is indicative. Finally, there exists a strong relationship between the stakeholders within the MDC. The MCLI is the glue which holds these groups together. MCLI working with stakeholders have been key in promoting success and overcoming political and operational issues. Often, negotiation takes place through the

---

371 Mitsubishi own 25%
372 See footnote above in 'Structural change for development corridors'.
373 SAPA, 'Investing in technology and infrastructure will boost Zambian agricultural output', Freight and Trading Weekly, 22/05/2017
375 TA Salamao, General Secretary of SADC, Op cit
376 Interviews with F Healy and G Smith, Op cit
378 See below
'good offices' of the MCLI. The east Asian development model brings with it new opportunities that have not been possible previously. This could test the international order in the future, but what is evident is that the BWIs are no longer the only gatekeepers for international finance and investment. This appears to be good for growth and development in the MDC.

The governments of South Africa and Mozambique under fiscal pressure have increasingly adopted policies that promote some employer responsibility for employees and communities. Private enterprise in South Africa is required to allocate 1% of pre-tax profit to CSR programmes. The rationale is two-fold, it represents a backlash against historical profits earned by international capital in developing countries, and reflects East Asian emphasis on corporate responsibility to meet with their own corporate structures. For G Hanlon and Flemming, it was no surprise when state intervention contracted that “CSR mysteriously appeared to fill the legitimation breach left in [its] wake”. Firstly incorporated in South Africa, and given extensive success at Mozal, the idea has gained ground throughout Mozambique, increasingly being included in concession agreements there too. Although reliant on profit, this represents an incremental shift from orthodoxy, however, its effectiveness should not be overemphasised. Some projects are excellent, others less developed or poorly administrated. Nevertheless, they represent a positive change of position and have made an excellent contribution towards poverty alleviation in the MDC.

The many CSR Programmes within the MDC represent a clear sign that there has been a necessary movement away from market fundamentalism. The need indicates that societies will not continue to accept vast disparities of wealth. In the MDC, there are a number of large CSR programmes which tend to be associated with anchor projects,
TRAC Ltd, TSB Sugar, ASSMANG Chrome and Mozal Aluminium Smelter being indicative. Additionally, since 2011 Port Maputo also has a fledgling program, it has focused on social upliftment and inclusivity. This is a voluntary project for the port and while growing and consolidating its projects it is still on a relatively small scale. Below and specifically targeted in chapter 5, the extent of the Mozal Community Development Trust (MCDT) program will be evaluated. What is pertinent in this case in particular is that in the first instance it was a Mitsubishi driven initiative, based on their commitments to “realizing a prosperous society by creating values that simultaneously realize a sustainable society and provide safety, security, and comfort.” Along similar lines, 'fair trade' agreements have been introduced in smaller fruit plantations in the MDC in Mpumalanga. Although provided by capital and not the state, it is difficult to be critical of such projects. Their input into communities has become vital and they produce wide ranging social benefits. This is only problematic because it relies on volume profit for delivery and would contract along with markets. Thus, “corporate social responsibility is good business only in so far as it does not hinder the bottom-line.” At best then, priorities are mixed and CSR will only succeed where surplus value is produced. Where companies are profitable they can produce excellent results, and CSR is “evoked to generate a spill over effect into the host society” It appears that the state has handed aspects of social policy to the private sector, yet in the MDC this has in general been very positive.

The Mozal aluminium smelter has an extensive CSR programme which clearly demonstrates how effective the process can be and the outcomes have made a considerable contribution to poverty reduction, improved health and educational attainment in the surrounding area. Mozal allocates a proportion of its profits annually to the MCDT, the body set up to manage this large budget. The volume of

---

386 Interview with B Mommen, CEO of Maputo Corridor Logistics Initiative, Nelspruit, Mpumalanga, Interview on 5/09/2011
387 Discussion with S Abdula, Op cit
389 Fieldwork in the MDC during September 2011
390 G Hanlon and P Flemming, Op cit, p5
391 Ohno I and Ohno K, 'Dynamic Capacity Development: What Africa can Learn from Industrial Policy Formulation in East Asia', National Graduate Institute for Policy Studies (GRIPS), Tokyo, 13/03/2009, p24
392 Interview on 3/10/2011 with A Mausse, MCDT Manager and team, at MCDT office, Matola, Mozambique
expenditure is based on 1% gross profit and while it is dependent upon the success of the smelter, profits are usually high. Founded in 2000, MCDT became operational in 2001, their rationale was to focus on education, health issues and social upliftment programmes. They opted to support single rather than extended projects.393 An exception would be the sponsorship of 150 orphaned children who reside in 4 orphanages.394 MCDT provides food, education, clothing, healthcare and higher education for this group.395 Mozal invests *circa* US$2 million annually in the 20km area surrounding its site in Maputo Province, it has a significant impact.396 The funds are professionally allocated via MCDT but selected by a ‘grassroots nominated’, civil society committee for consideration.

“In 2001 diarrhoea, cholera and dysentery were the most common diseases amongst the residents, but four years after MCDT activities, no death was reported to any of these diseases.”397

Further, in combination with the Lubombo SDI, they successfully reduced the malaria infection rate from 86% in 2000 to 5.59% in 2010.398 The full educational impact of MCDT is discussed in chapter 4. This Mitsubishi driven policy is based in a community spirit, which holds social upliftment as paramount. This is a huge CSR program which is very effective and clearly makes a considerable difference within its jurisdiction.

Not all CSR programmes have anything like the volume of resources available to MCDT and others are not as well managed.399 Therefore, the MCDT should be taken as an outstanding example of what can be achieved. They enhance skills but do not directly create greater employment opportunities, which nevertheless, because of the MDC are available in greater number.400 It is worth noting here that the whole of the Matola area was scrub land prior to 2000, it now has several communities, any number of facilities and substantial inward migration from other Mozambican Provinces.401 East Asian investment is producing new opportunities and Mozal CSR project promotes

393 Ibid
394 Ibid
395 Ibid
396 Ibid
397 Ibid
398 Ibid
399 Ibid
400 See section ‘Employment Opportunities’ in Chapter 4
401 Ibid
skills to complement them.

So, while Soderbaum, Taylor, (and the conclusions in their edited publications) as well as Hanlon and Smart criticise the terms of the Mozal concession and question the validity of CSR programs, in general, the evaluation here considers this position to be overly polemical. The initial terms applied to the Mozal Smelter were exceptional but with good reason. Further, although provided privately, the MCDT has been successful at uplifting communities and encouraging inward migration into the Matola area.

Hanlon may understand CSR in terms of 19th century Christian charity and steeped in notions of colonialism, but clearly, they can be effectively located within developmentalism. He suggests they achieve little more than the Rowntree and Cadbury social movements in Britain in the 19th Century. This position is short sighted, for while some programmes are littered with pet projects and poor resource management, without state incentives and MNC co-operation such results could not be achieved.

These aspects demonstrate how the profits of global giants such as BHP Billiton, which manages Mozal, are directly relevant to the benefits communities gain from well managed CSR programs. Thus, while the general point reflects one similar to Bond, Hanlon & Smart, Soderbaum and Taylor, in that BHP Billiton (the world’s largest mining corporation) enhances and repatriates profit, it would be difficult to produce benefits of this scale if these resources were not linked to that profit. The more crucial point here is that they have produced fundamental benefits for communities in the MDC. Here it is less important to decry the successes of global capitalism than to pursue these attainable social enhancements.

Secondly, indicative of the trend towards long term strategy in the MDC is a growing commitment to strategic planning. The evolution of the docks complex at Maputo and Matola is indicative of this changing investment structure. The Maputo Port Development Company (MPDC) has produced the Maputo Docks Master-plan,
which will allocate $750 million of investment through to 2030. Throughput has increased from 4m tons in 2003 to 12.6m tons in 2011 and is envisaged to increase to 48.6m tons by 2030.\textsuperscript{410}

“MPDC is currently implementing its Port Master Plan as presented to the public in Maputo in June 2011. The Port Master Plan outlines an investment plan, of around 1 billion dollars, to upgrade and develop port infrastructure, specifically the expansion of the coal, container and car terminals.”\textsuperscript{411}

Capacity is growing consistently and, once complete, Port Maputo will be one of the most modern ports in Africa and will be able to transport to India, East Asia, China, the EU and Middle East from the whole SADC area. At present “most of the cargo that passes through the ports of Maputo and Matola is made up of coal, iron-chromium, containers, sugar and fruit. These products are sent to markets such as India and China, whose economies are showing clear growth.”\textsuperscript{412} Further, the Government of Mozambique and India have recently reduced tariffs to encourage new exports to India from the SADC area.\textsuperscript{413} The MDC business strategy is responsible for this increase in South/South affinity. New labour-intensive transmission lines linked to the MDC, supported through these new relationships are demonstrating that the developmental state model is effective. This trend could be indicative of a challenge to the structural dominance of Western capital, if not in the world economy, then certainly in Africa.

MCLI came into being in 2005 when private business felt it needed a body to represent its needs across the border and at various levels of government. Its membership is diverse and derived from large and small business, NGO, aid agencies, governmental departments and private organizations.\textsuperscript{414} This wide stakeholder membership gives it great authority and allows it to be an effective bi-lateral, regional and international negotiator. MCLI operates effectively on the global stage and has developed many links to East Asia, India and Europe. It has been extremely effective at representing its

\textsuperscript{410} J Ferraz, CEO of MPDC (Maputo Docks), presentation at MPDC Conference 6/06/2011
\textsuperscript{411} Ibid
\textsuperscript{413} Port Maputo Website, ‘Port of Maputo and Kudumba joins to promote the growth of the Maputo corridor’, http://www.portmaputo.com/port-of-maputo-and-kudumba-joins-to-promote-the-growth-of-the-maputo-corridor/, accessed 27/03/2017
\textsuperscript{414} Interview with B Mommen, Op cit
smaller stake-holders who are able to ‘punch above their weight’, which is vital for continued growth and in the international arena. It has also been influential in negotiating new trade routes, which are increasing greatly to India and China. MCLI has been key in negotiating a single economic window (SEW) in the Corridor and promoting better and safer access to the border post. There has been incremental change towards providing 24-hour border access at the Ressano-Garcia border post, one of the MDCs toughest bottlenecks. Such changes require continued political will, and continued high-level political membership at MCLI board-level helps in this regard.

While MCLI is often praised for being a great success by provincial, central and regional government, representing as it does a multi-layered and effective decision-making body, it has suffered from poor financing. This potentially means its actions have been limited and it could be much more effective. Since 2016, World Bank financing has been approved, this is vital for MCLI to function independently of anchor project interests who have a significant voice in defining policy direction. Ideally, an independent financial input from national or regional government could provide a long-term solution. The CEO suggests that employing an independent transport economist would offer better support for its stakeholders and improve new business opportunities for the corridor. In 2011, they could not provide specific cost saving estimates to potential new users of the corridor. This single action would also promote investment transparency which is greatly required in Mozambique. Further, this would make MCLI resistant to individual corporate whims.

The MCLI helps to cement political and business links between and across national and international realms. Dr T Salomao, executive secretary of SADC, suggested that the MDC relies heavily on this expert facilitation, which drives benefits for the corridor. Stakeholders of the MDC have worked in unison via MCLI to forge new contracts with East Asia. This has led to increased investment in specialist sugar exporting facilities

415 Ibid
417 Ibid
418 Ibid
419 Interviews with B Mommen, Op cit
420 Ibid
421 See chapter 6, section ‘Contract Corruption/Nepotism’
422 TA Salomao, Secretary General of SADC, Op cit
being added to Port Maputo, providing a new export market from both South Africa and Mozambique. On many occasions specialist working groups have been used to overcome blockages and unify markets. They have proved to be very effective negotiation platforms. They are no longer active in a general way but the structures are still in place and so could be utilised again relatively quickly should the need arise. Now would be an ideal time to adapt them to consolidate CSR programs and to promote formal relationships with civil society. If small organisations can benefit from MCLI structure and membership, there is no reason to believe community organisations cannot prosper too. Currently, economic and social policy are distinct fields in the MDC. To promote wider development, they need to be addressed simultaneously. Organising corridor wide CSR responsibility could represent a good starting point. MCLI and its stakeholders have shown interest in the interim results of this research project, presented at a stakeholder meeting in 2016 and greater independent financing would put MCLI in a position to engage civil society organisations as a new stakeholder group. The publication of this thesis will encourage MCLI and NGO ‘dual participation’ and provide a platform to draw together both the economic and social objectives of the MDC. In this regard, the analysis in Part II is invaluable.

After a successful trial period, the SEW has recently been ‘rolled out’ to the Beira and Nacala corridors. This system will ensure goods are transported from border to port, and visa versa, more quickly, and with less red tape. Products that are imported and exported via Maputo (and Nacala and Beira) will require only a single set of documentations which will be issued at the point of origin. MCLI in combination with its stakeholders, South Africa SARS and the Mozambican Customs authority, developed this customs project promoting a single tax payment program, initially trailed at Port Maputo in the MDC. It is a bold project, supported by Singapore company, Crimson Logic, and allows for pre-clearance of cargo prior to embarkation. The SEW is the

---

424 Interviews with B Mommen, Op cit
425 R Tate, ‘Measuring the Social Dimension of Development Corridors: Creating Impact for Communities’, Presentation and feedback at MCLI Stakeholder Forum, 4/02/2016, Nelspruit, RSA
427 MCLI final draft, SSATP- Corridor Facilitation Program Transit Regime for Mozambique, September 2011, piv
428 Ibid
most radical project currently operational in the MDC, introduced in Port Maputo in 2012, it is potentially revolutionary for enhancing speed of travel in the SADC single market. This ensures smoother transit, less restrictive and faster movement of goods, “unlocking substantial transit flows to the ports of Mozambique”. This demonstrates how corridors can promote trade across land-locked SADC borders. The “SEW provides a unique platform for the exchange of information in Mozambique, on international trade and between all stakeholders”. Thus, electronic information is now received instantaneously by all involved. Further, fewer points of human contact also means that there will be less opportunities for corruption along the route. MCLI’s unique input into the ‘SSATP Corridor Facilitation Program Transit Regime for Mozambique’ or SEW has been crucial, as has Singapore investment. It is representative of Vines view that regional developmental solutions need to be devised if corporate solutions are to be delivered.

The Japanese Sojitz Group, Sojitz Maputo Cellulose Limitada (SOMACEL) with support from Japanese ODA have introduced a whole new transmission route (from primary industry to market) in the MDC. They are investing US$10 million in a new wood chip manufacturing plant, the first large Japanese manufacturing project in Maputo. This investment demonstrates how Japanese funds have sought to maximize the strength of the communities within the corridor by improving employment in creating new transmission lines to market. As part of this project sustainable eucalyptus and acacia plantations in South Africa and Swaziland will be used to make woodchips. This is coupled with a plan to reforest the Namaacha district, which was devastated by South African destabilisation and large-scale mining (with land mines) of rural areas. Once harvested all wood will be transported by road to the mill in Maputo. The same sustainable forest model has been practised in Vietnam.

“In Vietnam, the company has supported the creation of 46,000

---

430 MCLI SSATP document, Op cit, p5
431 Ibid
432 Presentation from Government of Mozambique Enterprise Council regarding SEW, 4/02/2010, accessed 22/02/2012
433 Ibid
434 A Vines, Op cit
435 Ibid
hectares of forest by providing finance to farmers and supplying free saplings. It intends to follow a similar path in southern Africa.”

The wood will be chipped at the mill in Maputo, and “will supply 200,000BDT (bone dry tons) of wood chips for export to Japan each year.” Thus, the project not only makes use of the excellent infrastructure in the MDC, but it will enhance human capital and provide technology transfer to the workforce. Importantly, this industry is particularly labour intensive. This project will include some labour-intensive employment in forestry work, but only 70 skilled personnel will be employed in the chipping factory. Here a ‘post-Washington Consensus’ approach is evident. FDI underpinned by governmental support has been beneficial in establishing this new transmission line or market. In this case both governments have agreed to promote inclusive investment, which, provides new jobs and incentivises farmers to introduce new agricultural skillling.

Port Maputo will provide a specialist export facility to ensure an effective process from start to finish. SOMACEL hopes to diversify its operations in the MDC providing this initial investment proves successful. Given the extensive forestry in the North of Mozambique there is no reason that this project cannot be diversified to other corridor projects. SOMACEL clearly demonstrates the flexibility of East Asian concessions and their relationship with the government of Mozambique. Here an active industrial policy is deemed positive and results appear worthwhile. The Sojitz forest plantation program shows how development can be “holistic, participatory and environmentally sustainable”.

The above project focuses on Mozambique, but there is much East Asian investment on the South African side of the MDC. Regal Farms Ltd is indicative of how the MDC has become inextricably linked to the globalisation process. This parent company

---

439 Ibid
440 A section from the last the 4th sustainable objective in the MDC, believes to be largely unachievable by critical academics. Mitchell J cited in F Soderbaum and I Taylor Ed, Op cit, p6
finances the Chem Free Fruit Packaging Plant in Hectorspruit, Mpumalanga in the MDC. The actual investment is Japanese but ownership remains with Komati Fruit (Pty) Ltd, which is a subsidiary of TSB Sugar International, also located in the MDC. This agreement represents a complex inter-relationship based on compromise. Komati Fruits

“[have] succeeded in establishing preferential supply agreements with importers ....... it also has equity (20 %) in one of the leading fruit distribution companies in Japan (Regal Farms (Pty) Ltd)”. 441

TSB Sugar and its subsidiaries exemplify an ideal type of business for the corridor. They directly employ 4700 people in their production processes at Malalane and Nkomati in the MDC and support a further 1700 people in commercial and small agricultural production off site. 442 They are therefore responsible for the production, processing and export of sugar, fruit and fruit products via the MDC and are involved in the distribution of these products in Japan.

As discussed above this East Asian development model is eclectic. Investing in human capital is part of the methodology and CSR projects substantially help in this regard. In Mpumalanga, JICA have supported secondary schools in promoting maths and science. 443 This is achieved via a strategic partnership between the Mpumalanga provincial government and the international body SMASE-WESCA. 444 They seek to promote the teaching of maths and science in southern Africa. Importantly this project has become an integral part of the Mpumalanga province ‘Education 5-year plan’. 445 It is demonstrable that the developmental state methodology helps to address both the economic and social goals of the MDC. 446 Previously adherence to liberal orthodoxy meant achieving social goals was difficult. To be fair the IMF have responded to this and offer use of their ‘policy support instrument’ in order to gain advice in advance of

441 TSB Sugar International Website, http://www.tsb.co.za/the_company/about_us/profile/, accessed 22/06/2012
442 Ibid
444 Ibid
445 Ibid
446 The objectives are detailed in section ‘The Maputo Development Corridor’ in the Introduction
loan commitment. However, in the developmental state model governments are not
discouraged from taking a flexible approach to development, provided the goals are in
line with the wider strategic plan. Capital expenditure is accepted as a norm, so there
are no strictly prescribed spending limits. Further, specific interventions in industrial
policy are encouraged. The developmental state model rejects rigid macro-economic
guidelines and accepts that many economic problems can be overcome with some level
of intervention. Ohno and Ohno’s guidelines above appear effective at encouraging
multifarious co-operation and demonstrates that this model is very successful for the
MDC. There is no longer a one-size-fits-all mentality, but it is accepted this is no
panacea either. Obviously, the process is not charitable per se, and profits accrue to the
'home' economy. Focus on increasing employment opportunities and transferring
technology skills is very effective, this model also allows for the development of new
markets and is forward thinking, promoting upskilling alongside these projects. This
East Asian Model is strategic and works to the strengths of the host country, it abandons
ties to ideology, replacing fixed ideas with pragmatism.

Demonstrably then there is no magic cure-all, change takes time and assessing a
transformation to a PWC can never be black and white. The process is not zero-sum,
there are many shades of grey. The MDC has moved far beyond the 'transmission belt'
claims made by Soderbaum and Taylor. A ‘Post-Washington Consensus’ is a new and
qualitatively different rationale made up of many strands. Importantly it addresses the
two 'softer' social objectives in the MDC by providing a vision which incorporates
needs of the state and indigenous society. The vision provides a good strategy, seeking
to create incremental change and forge new economic strategies where possible.
Finally, over the long term the East Asian model ultimately has the potential to create a
real sea change for communities living within the jurisdiction of the MDC. There is no
reason why this cannot be achieved in other micro-regions on the continent.

**Limitations for the Post Washington Consensus**

There are still many areas of policy that require adaptation, oversight and better

---

447 A Vines, *Mozambique to 2018, Managers, Mediators and Magnets*, Chatham House, 22/05/2015
management will ensure that corridors such as the MDC can continue to create growth and promote more equitable development. Here we consider three key challenges, evidence indicates that the East Asian model of development can deliver more equitable results that the ‘Washington Consensus’, and that the MDC is moving in the right direction but it also faces challenges. Firstly, some commentators, politicians and academics see the East Asian model as exploitative, although this perception tends towards exaggeration and bias and requires some modification. There is widespread evidence of elite capture of resources which is evaluated in chapter 6. Secondly, in 2011 Dr T Salomao, of SADC, stated that the creation of employment and the reduction of poverty were key goals for SADC. Further, that the way to address this was through corridor development in Southern Africa, based on the MDC model. However, the MDC struggles to create the ‘right’ type of employment. There are signs of improvement when compared to the adjacent ‘target’ provinces, but this has been limited due to inward migration into the MDC. Criticism here is likely to continue for some time and a concerted effort to produce more labour-intensive employment has been implemented nationally in the form of the National Development Plan (NDP) in South Africa and PARP (2010-14) in Mozambique. Quantity in employment rather than quality skilled opportunities need to inform the modus operandi, in this regard the focus here will be on the agricultural sector. Finally, there is no effective representation for the social sector or civil society organisations in the MDC. This research demonstrates that social benefits do accrue to the poorest, but the lack of organisational infrastructure in the corridor means that it will be difficult to extend beyond the scope of basic rights and essential services. Nevertheless, this represents a substantial improvement compared to the national position in Mozambique or comparative provinces as detailed in the methodology. Engagement here is long overdue and it appears that stakeholders are now more willing to promote a greater level of utility. This will require a concerted effort. It is clear from this chapter that there has been a shift towards a ‘Post-Washington Consensus’. However, this remains embryonic. It could easily be challenged by a resurgence of western domination. In

---

448 Salomao Dr TA, Secretary General of SADC, Op cit
449 Ibid
450 See Chapter 4, section ‘Employment in the MDC’
451 See introduction, section ‘methodology’
452 See chapter 4, Op cit
453 See conclusion of part II
454 R Tate, Op cit
general, East Asian Investments and its associated methodology indicate a clear and potential dynamic for positive change in the MDC and Africa via the Trans-African Highway.

Many western journalists and academics such as Grant, Kennedy and Halper\(^{455}\) view East Asian investment in Africa as regressive and a poor model based on extracting minerals or wealth. This is based on the view that East Asian investment is exploitative and these relationships have neo-colonial tendencies.\(^{456}\) David Cameron, speaking in Nigeria in July 2011, talked of such investment as ‘authoritarian capitalism’ or China’s new ‘scramble for Africa’.\(^{457}\) In a similar vein, in 2011 Hilary Clinton spoke of the neo-colonialist threat that Africa faced from China’.\(^{458}\) Indeed, even the Chief Economist at the African Development Bank (AfDB) cites China as being responsible for a land grab in Africa.\(^{459}\) Brautigam rejects these ideas, viewing a Chinese ‘land grab’ or a ‘Chinese agricultural revolution’ in the Beira region of Mozambique (and Africa more generally) as fictional.’\(^{460}\) She concludes that this is essentially a western myth peddled via panic and poor research.\(^{461}\) Brautigam and Ekman suggest “an assertive Mozambican government and private sector engaging with multiple Chinese actors have furthered Mozambique’s own agricultural goals”.\(^{462}\) This is also more reflective of the reality on the ground.

Similarly, Hanlon and Smart cite Robert Cooper, a British diplomat to Mozambique, suggesting that the relationship the West, Japan and China have pursued is more akin to

---


\(^{458}\) Ibid


\(^{461}\) Ibid

\(^{462}\) D Brautigam & SMS Ekman, Op cit, p2
‘postmodern imperialism’. By this they mean that donor agencies and the local elite have been complicit in promoting Mozambique’s ‘donor darling’ image, for their own ends, and at the cost of promoting development. This is at best excessive, although elite capture is certainly problematic in the MDC. Generally, such rhetoric is unhelpful and greater nuance is necessary. That said, oversight has been weak and concession agreements have been systematically abused. Early contracts were overly sympathetic to capital, although in truth this has been addressed to some extent today. Furthermore, this less intrusive East Asian ‘no strings attached’ approach to systemic aid’, ‘soft loans’ or FDI has the added benefit of encouraging Africans to solve their own problems. Providing there can be effective oversight of elites’ benefits and any resulting tendencies towards monopoly, the MDC could produce more consistent and equitable development.

In renowned works, Alden, Brautigam, Burgis, Chichava, Ramo, and to a lesser extent Hanlon & Smart generally take a more measured approach. Alden suggests this relationship with Mozambique is “characterised …. by caution, compromise and collaboration.” These authors do not regard this relationship as exploitative beyond the nature of the capitalist marketplace, which will always illicit profit from competition. Brautigam and Ekman, point out that European agricultural investment in the Beira corridor, such as Westphalia Fruit who export avocado and lychees to Europe, are a larger agricultural/industrial destination than China. Overall, Brautigam and Ekman consider this changing nature of investment in Africa, its infrastructure and thus corridor projects, as positive for the continent. The MDC is moving in the right direction by attracting East Asian investments, and in turn, this is good for corridor projects.

East Asian interest in Africa has precipitated anxiety from a ‘northern elite’ who have

---

463 Hanlon & T Smart, Op cit, p139
464 See chapter 6, ‘Elite Capture in the MDC’
465 Ibid
467 Alden C & S Chichava, Op cit, p1
468 D Brautigam & SNS Ekman, Op cit
469 Macauhub Report, ‘Westphalia Fruit of Mozambique starts exporting avocados to Europe’ 2/05/2017, accessed on 17/05/2017
historically controlled the organisations that facilitate globalisation. The 'developed north' have become progressively more threatened by East Asian interventionism in Africa. Brautigam posits that a dominant discourse has been produced by global northern elites which stokes the idea of a new ‘scramble for Africa’. It is undeniable that the IFIs have been side-lined, albeit incrementally, and China is now the biggest investor on the continent. Using China as an example, its trade with Africa has grown from $13 billion in 2002 to $180 Billion in 2012. This is three times the value of US Trade with the continent. Further, Chinese imports of metallic ores rose from 5% of Africa’s total exports in 1990s to 45% in 2010. According to Fitch ratings, between 2001 and 2010 China's Exim bank lent US$62.7 billion to Africa, which is US$12.5 billion more than the World Bank over the same period. The threat to the dominant western discourse is palpable.

Clearly there is a great transformation under way but this is not based on exploitation. Indeed, the analysis of the ‘developmental state’ above indicates otherwise. That said, this is no philanthropic relationship. It is part of the long-term strategy and there will always be a quid pro quo. Yet, as discussed, this joint strategy aims to move beyond the pursuit of economic growth and promotes social development. “It is about using economics and governance to improve society.” This approach is beneficial to the MDC and other corridor projects because it offsets the less socially inclined liberal economic orthodoxy. As Johnson and Taylor point out, critics of the ‘Developmental State’ would apply different parameters if determining the relationship of Western states with Africa, even if East Asia were employing similar industrial strategies. Johnson suggests this ‘Western’ perspective is ideological, based on fear and loss of international influence, rather than a sensible policy position. Further, Stiglitz backs this position regarding how the IFIs and the interests of capital have promoted the idea of aggressive

472 Freight and Trading Weekly, ‘China becomes Africa’s biggest trading partner’, 28/02/2012
473 H French, Op cit, Audio 12 mins
474 Ibid
475 Ibid, audio 11 mins
476 Ibid
477 J Ramo, Op cit, p4-5
479 Ibid
East Asia investments.  Taylor holds a similar position but his is more complex, often vacillating between perspectives, he offers some nuance but engenders a confused argument. This is probably rooted in his continued need to vilify the dominant economic discourse, particularly regarding the relationship between globalisation and Chinese integration. I appreciate the need to achieve some balance but here I am not convinced. Concluding, he comes down in favour of Chinese investment in Africa and generally appears to share Brautigam’s view, offering a more pro-Asian investment perspective, arguing that “Beijing’s engagement with Africa is grounded in pragmatism”. However, in reaching this position, Taylor still cites his earlier work which is more critical of Chinese investments. The work he cites views the relationship as exploitative. Finally, in his most recent work he suggests China have a positive intent, but that their de facto position is negative, in that, they are forced to operate within an exploitative capitalist framework. This is in line with this thesis to some extent, although I would suggest that East Asia have utilised tools to ameliorated global capitalist injustice, but maximise their own benefits where possible. After all many of East Asia’s nations have rejected orthodoxy and have worked hard to avoid the excesses of capitalism.

Taylor suggests that much of China’s ‘going global’ policy (in Africa) is based on the need to invest in exploitative extraction. Again, this position requires nuance. “Expropriation may take place alongside or beneath the fine words but expropriation is not exploitation. Expropriation demands a return – a reciprocation.” Therefore, the position is exploitative when unequal relations exist or when set within the wider liberal framework, but not necessarily all the time. Ohno and Ohno’s ‘vision’ is based on reciprocity and Ramo views this style of management as pragmatic. Both reinforce the more rounded approach above. On balance, areas of Taylor's argument are persuasive, but also flawed as they offer no real alternative and

480 See chapter 1, section ‘The Dominant Discourse’
482 Ibid, p182
483 Ibid, p163
484 Ibid
485 S Chan, Op cit, pp16-17
486 Ibid
487 JC Ramo, Op cit, p4
given that we operate in a ‘closed system’ or ‘world system,’\textsuperscript{488} globalisation is merely a process of capital, we can choose to adapt it. Taylor’s notion of exploitation is either outdated or is in fact simply overstating the case.

The West may be critical of this flexible approach but Brautigam is clear. China’s engagement with Africa in general, and Mozambique in particular, “repeats patterns established by the West,”\textsuperscript{489} but on balance it is neither better or worse, it simply emphasises different needs. The advancement of East Asian strategy in the MDC encourages entrepreneurship and coupled with the provision of targeted systemic aid, soft loans and FDI, it is very effective. TSB Sugar, Regal Farms and Sojitz, all detailed above are good examples of how volume agriculturally based employment opportunities have been created by various East Asian agreements in the MDC. Further, in conjunction with the government of Mozambique, Japan and China seek to add scientific knowhow to improve crop types, information sharing and productivity, chiefly in the areas of rice, fruit and fruit production and soya for animal feeds.\textsuperscript{490} These relationships are supported greatly by South Africa and Mozambique.\textsuperscript{491} Further, East Asia does not have a blind spot regarding agricultural investment which is promising.\textsuperscript{492} However the extent of this strategy, has been overly exaggerated in Mozambique.\textsuperscript{493}

While there is a vibrant agricultural sector in the micro-region of the MDC, fruit production and bulk carrying of fruit via Maputo is not yet significant.\textsuperscript{494} However as demonstrated in Chapter 4, this agricultural sector is beginning to thrive, particularly with East Asian support. In this sector, greater impact is likely in the Beira corridor in Mozambique\textsuperscript{495} as it encompasses vast tracts of prime agricultural land. Increasingly, a growing number of concessions are being made available.\textsuperscript{496} These volume agricultural projects will create higher employment, that in turn, will levy social development.

\textsuperscript{488} I Wallerstein’s, Op cit, Chapter 2, Audio Notes
\textsuperscript{489} S Chan, Op cit, p13
\textsuperscript{490} Ibid
\textsuperscript{492} D Brautigam, Op cit, Chapter 2, min 10, D Brautigam & SMS Ekman, Op cit, pp8-9
\textsuperscript{493} Ibid
\textsuperscript{494} Interview on 12/09/2011 with D Parsons, MD of Sturrock Focus Clearing (Pty) Ltd, Komatipoort, Mpumalanga, Interview on 20/09/2011 with J Bekker and Ferreira E of Metreta Investments, Clearing & Freight Forwarding, Nelspruit, Mpumalanga
\textsuperscript{495} Ibid
\textsuperscript{496} D Brautigam & SNS EKman, Op cit
Industries that require high productivity outputs will only ever offer limited opportunities to highly skilled employees. With a mixed economy encouraging FDI, governmental intervention and new concession agreements, the resulting agricultural growth will help reduce grinding rural poverty.

The people of the MDC have witnessed high levels of economic activity, towns have grown and there has been the rise of a consumer society, but this has not been experienced by everyone. Benefits were primarily accrued to the top of society. The MDC is overcoming its historical legacy that resulted in a failure to interact with civil society. Equitable benefits are not yet prevalent but it appears that the initial retardation in development and investment in social capital is being addressed. However, the views of traditional black communities are still under-represented in the MDC. This was true in the planning stages, and until it is addressed any formal manner it is not likely to change in any fundamental sense. In 2003 Soderbaum & Taylor surmised that 

“there was no convincing evidence that the state will be able to build a participatory and people centred development within the MDC.”

This is still formally so therefore wider participation is still limited. Yet, chapters 3 to 5 demonstrate that communities have benefited greatly from living in the MDC. Further, the extent and reach of CSR is grossly understated. The case is complex but it is often exaggerated too. In a similar vein to their earlier work, Soderbaum and Taylor’s contemporaneous work ‘Afro-Regions’, state that MCLI and the governments of South Africa and Mozambique “have a narrow understanding of who the corridor is for”. Further, they cite Horne-Ferreira (2004), the previous CEO of MCLI, suggesting she believed that ordinary traders are an inconvenience at the MDC border post. However, here I would suggest this is taken out of context, particularly after spending time with Ms Horne myself on several occasions. In fact, since retiring as CEO, she has worked hard to transform public safety in this border-area. Prior to modifications at the border post, pedestrians would have been in some danger. Even

497 F Soderbaum and I Taylor Ed, Op cit, p44
498 Ibid, p56
499 Fieldwork in the MDC
501 Ibid
502 Interviews on 30/9/2011 & 1/10/2011 with B Horne, Former CEO of MCLI, Infrastructure Consultant, Maputo, Mozambique
503 Ibid
today when lorries have their own gateway, the route on foot is precarious.\textsuperscript{504} The modern pedestrian route was completed in 2010 but “because of design and legality shortcomings”\textsuperscript{505} is still not functional. Further, having discussed this point with the current CEO, she is sure that her colleague was interpreted incorrectly.\textsuperscript{506} So while it is true that there is no integrative body to liaise between public and private, which would be helpful, this is due to MCLIs limited mandate not because of any bias.\textsuperscript{507} The scope of this mandate is not often discussed in any academic criticism of MCLI and little attention has been paid to this aspect of corridor management. Any amendment here would require MDCI board commitment, (high politics and anchor project consent amongst others) hence, support from MDC stakeholders is a good starting point to gain this assent. The Secretary General of SADC recently held the MCLI up as the most “excellent facilitator in southern Africa.”\textsuperscript{508} My belief here is that the MCLI can facilitate between public and private providing they receive adequate funding. Given the World Bank is keen to see societal impact for the model,\textsuperscript{509} and since 2016 funds MCLI, perhaps they can also assist in broadening this developmental agenda. This would mean that the whole gamut of views could be effectively represented in working groups or at stake-holder forums. Barbara Mommen, the current CEO of MCLI, believes this would be a positive step and there is no sound reason why an extended mandate could not strengthen collaborative efforts in the MDC.\textsuperscript{510} In these aspects this research is forging the way forward.

This ‘post-Washington’ position is transient and requires a caveat, the IFIs do still dominate in global economic terms and they do not favour this level of intervention, particularly where policies are perceived to impede on market mechanisms. This will continue to be problematic regarding existing agreement or relationships and in any fields where the global north still dominates. Here, state intervention is still largely perceived as anachronistic. Further, South Africa and Mozambique still require systemic aid from global IFIs, they will need to sustain these relationships to gain access to future tranches of capital and repay existing loans. Therefore, the continued

\textsuperscript{504} Fieldwork in the MDC
\textsuperscript{505} Email correspondence with B Mommen, CEO of MCLI, 5/04/2017
\textsuperscript{506} Ibid
\textsuperscript{507} Ibid
\textsuperscript{508} TA Salomao, Secretary General of SADC, Op cit
\textsuperscript{509} Interviews with F Healy and G Smith, Op cit
\textsuperscript{510} Interviews with B Mommen, Op cit
relevance of SAPs will remain for some time. These restrictions mean that extending societal benefits for communities within the MDC will have some limitations. Notwithstanding, as and when this dominance diminishes, any balance will alter allowing new strategies to come to the fore. In effect, over time this will enable a significant move away from market liberalism and the constraints associated with it.

Continued incremental change is visible in the MDC which endorses the East Asian developmental agenda. New strategic relationships between nations of the global South have led to increased competition in international markets, this has produced a sustained influence and new concession agreements in strategic industries in the MDC. This chapter has questioned the Western claims that these relationships are based in exploitation, if anything they are more inclusive that the previously enforced economic orthodoxy. Here we have contested this position arguing the contrary that in fact these relationships are mutually reinforcing. Creating the ‘right type’ of employment in the MDC has proved difficult as there has been a tendency towards high-tech corporations. In fact, promoting agricultural development that absorbs many thousands of employees would be more appropriate. The emphasis is slowly changing. Finally, communities have no formal voice in the MDC process, this could be addressed through the 'good offices' of the MCLI, but even they cannot survive without adequate and independent funding. Finally, with such support, there is considerable confidence that the MDC meets its economic and social objectives. If the MCLI mandate can be broadened it would be possible to locate social development within the micro-regional agenda.

Conclusion

The East Asian model has become ever more popular in Africa and it represents a significant breach with the dominant liberal economic discourse. This model represents a considerable challenge to the Washington consensus. Johnson’s and Ohno and Ohno's models suggest that it is necessary to take a more sensitive approach in developing countries, they question the need for an adherence to tight macro-economic planning. In the MDC, the ‘developmental state’ model offers a more flexible approach to industrial policy and significant contracts have been agreed along these lines. Essentially, ‘the strategic vision’ allows for additional tariff protection where necessary
and has formulated long term funding strategies that promote new transmission lines to market. This is not an exploitative relationship *per se* but one built on mutual respect and contract, and it offers an effective alternative to the dominant global discourse. As discussed, the model cannot step outside of the capitalist ‘world system’ and therefore competition dictates that greater benefits will accrue to the owners of business and international capital. However, the model or ‘vision’ does ameliorate the worst aspects of capitalism and represents a step-back from economic orthodoxy. As discussed, there is no single approach here. East Asia takes a diverse approach, nevertheless, certain trends are consistent. The Port Maputo Master-plan is indicative of the long-term planning required in this new environment. This master-plan has given great credence to the docks and is financially supported well into the future. Finally, I have demonstrated in many ways how Chinese and Japanese policies have been implemented in the MDC, including 'global' projects like the SEW customs initiative, aimed at speeding up regional trade. This works well alongside smaller projects such as Sojitz Ltd, which goes some way to improving employment opportunities via their multi state plantation strategy and sustainable action plan. Importantly, it links primary and secondary sectors which promotes a gamut of employment opportunities. This methodology is flexible and inclusive than that previously on offer by the global North. The model takes the needs of society into account and is much more able to meet with the MDC objectives. Certainly, the large employers examined have begun to take more responsibility for the welfare of their workers by promoting vocational training and encouraging social upliftment. There is evidence that CSR policies are having a significant impact in Maputo Province and Mpumalanga. These projects are helping greatly in the areas of education and healthcare, ensuring improved general health, access to medication and an improved skill base. This is demonstrable through increased levels human capital available in the MDC.

A post-Washington Consensus is visible but a complete metamorphosis has not occurred. A complete adherence to the model is not present and the strategy could be challenged. So, in effect, the evolution to a ‘post-Washington Consensus’ is not complete. However, embryonic changes are evident and are consistently providing encouraging results. Nevertheless, three main problems are present; much of the West still views this East Asian strategy as exploitative, I demonstrate that this premise is at best overstated. The MDC is effective, supported through MCLI (which includes
representative from both governments) it can draw employment opportunities towards the area, but creating volume opportunities is difficult. Where East Asian FDI packages are particularly helpful is by producing transmission lines to market, particularly when they are linked to agricultural development. This requires an element of intervention in industrial policy, shunned by the west, yet it presents some of the best means for promoting volume employment. This is very hopeful for agriculturally rich corridors such as the Beira corridor running from Zimbabwe to Mozambique. Finally, I acknowledged that there are few opportunities for civil society to engage in decision making in the MDC. This is overwhelmingly still the case. However, if social development is to occur on any fundamental level then genuine engagement is required, this is best addressed by extending the mandate of the corridor management body. Certainly, from my own fieldwork I have found that MCLI stake holders are at least interested in participating in discussions on this matter. If a mandate extension with adequate funding were provided to the management body, then these fully inclusive packages could be developed. This would be a very positive step.
Part II

Locating the ‘Development’ in Development Corridors

Introduction to Part II

Part II of this thesis is broadly critical, moving beyond positivist explanations towards more reflective analysis. The aim is to identify aspects of policy that can be adjusted to create positive social change and social upliftment in the MDC.\(^{511}\) Importantly I intend to share these results with practitioners via the MCLI, the department for trade and industry (DTI (SA)) and the department for international development (DFID UK). The term 'social upliftment' represents a visible and positive upward social trend that is demonstrable. While my argument rejects political and economic orthodoxy, suggesting that it is to some extent responsible for limited social development, it does not deny that they can produce positive economic results. Here in combination, ‘trickle down’ economics and East Asian developmentalism are responsible for encouraging aspects of corridor development. Chapters 4 and 5 analyse how far this is the case, demonstrating that this pathway can provide inclusive results for citizens who reside in the MDC. However, pursued earlier, an interventionist position would have been preferable and would have been of greater benefit to the poor in the MDC. Nevertheless, social benefits have accrued and are beginning to chip away at grinding poverty. For these reasons development corridors can provide hope not just to citizens within this corridor's jurisdiction but also to nations with similar micro-regions that host corridors in a more rudimentary or embryonic condition.

\(^{511}\) See maps in Appendix 1/3 & 1/4
This social development in the MDC is particularly crucial for Mozambique, southern Africa and the continent of Africa as corridor projects increasingly dominate infrastructure development and the network of corridors is becoming increasingly interlinked.

“South Africa, and Africa more broadly, has a significant current infrastructure deficit, particularly in power, transport and roads. Financing and executing this infrastructure investment is
a key challenge for expanding overall economic capacity.” Image 1 above denotes how Mozambique has become increasingly reliant upon this developmental philosophy. It is believed that the MDC can produce economic and social benefits, which have resulted in its elevation as a model in this field. However, the extent of these benefits has not been established, presenting a significant weakness to this developmental strategy. Part II addresses this weakness and offers a comparative analysis as to the benefits of living in the MDC. Part II is split into three sections: access to wealth (or poverty reduction), life-opportunities, and service allocation for residents of the MDC. Each is analysed in the following three chapters.

The MDC is an interesting microcosm, and as such it is useful for analysing how far ruling parties have represented the interests of their citizens. Problematically, it is evident that the ruling parties in South Africa and Mozambique have sought to maintain their dominant positions in advance of their constituents’ wellbeing, albeit while remaining within the confines of constitutional democracy. This evaluation of the micro-region also demonstrates that the ANC and FRELIMO governments have become increasingly powerful and have used power to maximise the benefits available to their own party while simultaneously limiting the opportunities available to the official opposition. Further, individual members also pursue power on behalf of political factions and their own self-worth.

This section demonstrates how social upliftment occurs within the context of the MDC but this has highlighted the need to evaluate the extent of ‘elite capture’, or how elites have successfully manipulated these outcomes to their own ends. An extensive evaluation of elite capture is not appropriate here and so an extensive analysis is found in a standalone chapter in Part III. This incorporates self-aggrandisement, manipulating systems to maximise personal wealth and how corruption has been

---

512 Goldman Sachs Report, ‘Two Decades of Freedom’, Investment Banking Division, South Africa, p56
incorporated into elite politics. It appears that party and personal interests in South Africa and Mozambique have been advanced at the cost of pursuing broad societal goals. Further, this demonstrates that there is a need for an independent governmental oversight mechanism, particularly in policy fields where greater governmental intervention is required. This will enhance the positive outcomes in the MDC.

As discussed in chapter 2, interim results from this research were introduced at the MCLI stakeholder forum in February 2016, and here the idea of including civil society within an organising framework was well received. The potential for broadening the MDC mandate set the tone for this stakeholder forum, also it provided a platform for DfID (UK) to introduce their new training document setting out the idea of an evolution for corridor projects; moving from transport corridor to economic corridor, in order to meet with wider societal objectives. Through consultation, my research informed this document and DfID UK now hope to promote ideas centred around broadening the scope of the Beira and Nacala corridors. This could help to overcome existing social cleavages which have been exaggerated by political tension. Additionally, Matthews Phosa’s keynote speech at the same event highlighted how social upliftment is now a priority in the MDC. For him, this is a relatively new position. The reality is probably related to the fact that gaining funding is ever more difficult without concrete results. In conjunction, these factors indicate that understanding the social dimension is of growing in importance within the MDC.

In contrast to my findings, Soderbaum and Taylor state that the MDC predicates policies “that further impoverish the masses whilst an ostentatious class of ‘entrepreneurs’ (both local and global) appear to be the only winners”. This is a somewhat crude statement and it is not wholly correct. Elite capture is problematic. However, I would argue that for the masses social development is in evidence in the MDC. Clearly then, entrepreneurs are not the only winners. It is informative that the inclusion of ‘appear’ in their statement above, demonstrates an element of

515 M Phosa, ‘Why the MCLI and this corridor matter’, Keynote Address, AGM and Stakeholder meeting, 6/2/2016, Nelspruit, RSA
516 This is a different position discussed by Phosa during my previous interview with him in Sanderton, Johannesburg, 2011.
518 See chapters 4 and 5
uncertainty in their position. Finally, their analysis relies on an overly partisan critique of neo-liberalism and a narrow perception of development corridors, which needs to be addressed. For example, Soderbaum and Taylor do not examine the intricacies of either East Asian development methodology or offer any fundamental understanding of CSR packages, both of which demonstrably ameliorated neo-liberal tendencies. Chapters 4 and 5 specifically measure the social impact of the MDC and its communities which to a greater degree debunks the above statement and shows that it is more favourable to live within this corridor in relation to the national standard and adjacent provinces. Essentially, the lot of the masses has improved in the MDC relative to other communities. Although, elites still benefit in relation to other groups. However, if anything, this is more related to the nature of capitalist competition and access to levers of power, both factors elevate this group.

This thesis acknowledges the general point that the social objectives of the MDC are not fully met. However, there are any number of variables that are indicative of positive trends. Nevertheless, poverty is still endemic in the MDC. A key factor here is that the social objectives have not been directly addressed in any significant formal manner in the corridor. Initially, Liberal orthodoxy promoted by the global North assumed that the economic benefits derived from greater trade would impact on the social objectives. This was the case but only to a limited extent. It did not promote fundamental social change. Thus far the outcomes have also become confused, politicians claim great social success but academics have denied them. Further, effective politicking has stood the corridor in good stead internationally despite this apparent paucity of societal results. Nevertheless, despite this, the MDC is the most advanced and most effective cross-border project in Africa, and as such it remains a useful benchmark. Even without societal results, the model has already been duplicated. This could be problematic. To address this, chapter 3, the first in Part II, examines the political justifications of promoting economic goals in advance of other aspects. It also begins to determine the results of relegating social policy in in the early phases of the MDC. Finally, there is a short conclusion to this unique analysis and evaluation. The thesis finally moves on in chapter 6 to evaluate the impact and appropriateness of elite actions in the MDC.

See Chapter 2: ‘Towards a ‘post-Washington Consensus’
Chapter 3

From Economic Growth to Eclectic Understandings of Development

Introduction

The central focus of this chapter is to establish how far there is a causal link between economic growth in the MDC and 'social upliftment', particularly in formerly deprived communities. To establish this a quantitative analysis has been undertaken that will establish how far economic growth leads to development. The evidence suggests that South African and Mozambican governmental actions have produced economic growth. Although, given that growth has largely taken precedence over development, social upliftment has been satisfactory rather than outstanding. However, this is not consistent throughout the MDC. Nonetheless, throughout the research period (1997 to 2013) there has been some continual improvement in the everyday lives of ordinary people and this has been sustained over time. This is complex as ANC and FRELIMO actions have not always been commensurate with their more widely stated goals. This chapter will interrogate how and why the ruling parties initially opted to shift their ideological positions, supporting economic liberalism rather than social justice, limiting the upliftment of the majority, before more recently striving to ameliorate this position. Political dominance and the tendency towards liberal orthodoxy promoted the drive towards economic growth. Regardless of the criticism, the MDC has produced a comparative reduction in poverty.

As discussed in the introductory chapter, according to Jourdan the motivation behind the MDC was to promote social and economic development, particularly for previously disadvantaged societies and areas disrupted by destabilisation and civil war.

\[520\] See introductory chapter: section ‘An insight into the MDC’
Much of the micro-region had been weakened by the South African apartheid regime’s Bantustan and destabilisation policies of the 1980s and civil war in Mozambique from 1975 to 1992. Soderbaum and Taylor were responsible for initially identifying the MDC as its own unique ‘micro-region’, in the sense that it represents a distinct unit made up from an area within two nation states. The MDC was a joint governmental solution in response to widespread decimation and carried with it great hopes for the economic and social rehabilitation of the area.

For the sake of clarity, “the journal ‘Development’ defines itself as committed to the search for alternative paths of social transformation towards a more sustainable and just world.” This represents a good general goal to realise. However, I am taking this a step further, so that development is considered the advancement of social and economic benefits accrued on behalf of citizens of all strata, and in this specific case within the micro-region which is the MDC. Development that only favours a small elite is, by definition, very limited and not in line with the above definitions and such results will be considered ineffective. The policy environment in South Africa and Mozambique has been characterised by rapid change since the early 1990s, yet in this micro-region poverty is still rife. From a position of unfathomable social disruption and gross inequality both governments aimed to bring about positive social change. In the ANC phrase, they sought to create ‘a better life for all’. Presidents Mandela and Chissano believed strongly that investment in the ‘borderlands’ via the MDC would create jobs and reduce poverty in both nations.

In chapters 1 and 2 it was established that the MDC has been economically successful with the docks showing a “growth of 185 percent in annual tonnage handling from 2000 to 2006.” Freight passing through the border post had increased from 29,000 tons in 1998 to 2.25 million tons by 2007. This is indicative of substantial improvement in

---

521 For a full discussion of the concept of the ‘micro-region’ see chapter 1
522 J Hanlon & T Smart, Op cit, p73
524 CM Rogerson, ‘Spatial Development Initiatives in Southern Africa: The Maputo Development Corridor’. Op cit, p324
526 Ibid
the business environment in the MDC. New trade and employment has been developed in the micro-region. This has improved along with East Asian investments. This new trade coupled with the re-routing of existing trade from the over-burdened ports at Durban and Richards Bay in South Africa has helped increased living standards in the micro-region. Port Maputo has made several strategic developments to help promote and maximise these sectors. For example, the port has developed specialist facilities to manage the export of granite, bulk sugar and automotive production. Bulk citrus facilities, in their infancy during my fieldwork in 2011 are now operational. Not all aspects have been totally successful. Halls Farms Ltd were unimpressed with their own trial run of exporting bulk citrus and took the decision to continue exporting via the more expensive Durban and Cape Town. There has been some transition from exporting primary to secondary goods as manufacturers in South Africa takes advantage of comparatively low costs at Port Maputo. Increasingly, it is more cost effective to manufacture in Mozambique and ship from Maputo. This transition is in line with the ideas of DfID (UK) who consider more embryonic corridor projects to be transport corridors, in comparison to this distinct and homogeneous micro-region. They would consider the MDC an economic corridor or fully-fledged development corridor because it is integrated and promotes social benefits. This is well worth duplicating.

Challenging the existing position on Social Development

Scholarly enquiry into the social dynamic of the MDC is limited. Mitchell, Rogersen, and Soderbaum and Taylor have maintained a narrow focus in their analysis. Their work is qualitative, largely theoretical and they suggest that the dominant neo-liberal discourse or ‘Washington Consensus’ has been prioritised in advance of social development. 

---

528 Interview on 20/09/2011 with B Anderson, MD of Halls Fresh Produce, Nelspruit, Mpumalanga
529 A Hope & J Cox, Op cit, p34 - 42
objectives which have been side-lined. An element of this is true. Business interests have taken priority and had social objectives been given more attention in the MDC, then a greater reduction in poverty would have occurred. We have already established in chapter 1 that the policy context was neo-liberal. But, too often these factors are conjoined and negative outcomes are assumed. The statements made by academics offer little by way of proof of a deteriorating social situation. Further, this is not in line with my own findings. It appears an array of presumed outcomes have gained ground in academic works, this accounts for the situation whereby academics challenge the notion that the MDC is meeting its goals and in contrast politicians and practitioners endorse it as an effective model suitable for wider dissemination. The MDC represents a complex set of policies operating in fundamentally unequal societies. Offering a zero-sum position is therefore unhelpful. This thesis stakes out a more nuanced position. The data analysis offered in these chapters 3 to 5, seeks to question the position of these academics further. A variety of factors have acted upon the MDC and its multiple agents at various levels, so unpacking the previously ignored ‘success stories’ in the MDC is even more vital. Given the MDC is utilised as a model for continental wide development, it is important to understand positive and negative trends rather than dismiss the whole project as an extractive ‘tool’ applied by neo-liberals, as has occurred in the past.

Ranchhoojee’s perspective is typical of this zero-sum approach. He is a practitioner and entrepreneur who specialises in the energy industry and cross-border corporate transactions, his view being that Africa needs to make hard choices, particularly given there is only limited window in which to benefit from infrastructure development. For him, African states with development corridors “need to decide whether [they] want economic growth or to resolve problems of social development”. He considers it a ‘straight choice’ between one or the other, preferring economic growth over social development. Yet this straight choice is just as problematic as previous academic perspectives. Economics does not occur in isolation from a state’s population. It may be perceived as a rational choice, but in effect the long-term the consequences of pursuing profit over people is not economically sustainable. Ranchhoojee suggests that

531 See chapter 1 for an evaluation of the Washington consensus
it is plausible to pursue social betterment through profit but this route is time consuming. Over reliance on market equilibrium, results in socially unjust outcomes. Firstly, this would simply not be in line with our definition of development and secondly opting for economic growth alone would be self-defeating, as it would risk triggering long-term social and political discontent and therefore economic instability. The following analysis does not reject the possibility that development along these lines can occur, but it does suggest that the social results are limited. Finally, social results are greater in Mozambique where the MDC is the prime driver of development as opposed to South Africa, where it represents only part of a wider national program.

The studies by Hauptfleisch, Campbell and Maritz\textsuperscript{534} (2008 & 2012) suggested a causal link between the MDC and social upliftment. Their research papers sought to identify social benefits obtained in relation to the development of the N4 Toll Road. These provided a useful starting point but offer only limited outcomes. They indicate that employment opportunities improve in relation to the distance people live from the N4 toll road.\textsuperscript{535} However, the authors considered most other factors inconclusive. Further, the data is now considerably out of date given it was collected pre-2002 and had limited scope, it was collected only in South Africa. This meant it was effectively outdated when first published in 2008. Further, these projects were not fully independent as they were sponsored by TRAC Pty Ltd (TRAC),\textsuperscript{536} the concessionaire for the N4 toll road, one of the prime MDC anchor projects linking Pretoria and Johannesburg to Maputo. These factors limit the validity of these reports.

No evidence has been available to demonstrate social upliftment in the MDC and this has led to false claims and exaggerations (both positive and negative). The Permanent Secretary at the Department for International Development (DfID) (UK) advised delegates at a G20 meeting in 2013 that British investment in infrastructure projects in Africa had a positive impact on communities, stating that:

“the development of the Johannesburg/Pretoria – Maputo corridor, which as well as improving road safety, has enabled

\textsuperscript{535} Ibid
\textsuperscript{536} Interview on 7/09/2011 with A Coy, CEO of Trac Pty Ltd, Midrand, Johannesburg
small businesses to flourish in communities along the way.”

One would have assumed the inclusion of some credible facts, had the evidence been available. Here I question the validity of this statement as while DfID (UK) have ongoing interests in Port Maputo, the Beira Corridor and the Nacala corridor, they do not have any direct influence in the MDC. Therefore, this claim remains unsound. Further, investment in the Nacala and Beira corridors, sponsored by DfID (UK) is based upon the success of the MDC model. Therefore, it is more than a little remiss that no extensive data exists to prove the MDC can meet its social objectives prior to organisations such as DfID (UK) investing in Mozambique, based on this model.

Embracing orthodoxy – the right move?

The UN Human Development Report of 2013 entitled “The Rise of the South: Human Progress in a Diverse World” hails high growth rates in underdeveloped economies in the southern hemisphere as “an overdue global rebalancing” with “far reaching implications for people’s lives.” The report goes on to state that;

“when dozens of countries and billions of people move up the development ladder, as they are doing today, it can have a direct impact on wealth creation and broader human progress in all countries and regions of the world.”

This is a worthy sentiment but equitable development rarely occurs in such a simplistic manner. In 2016, South Africa ranked 119th out of 188 nations in the Human Development Index (HDI) while Mozambique trailed amongst the most peripheral nations ranking 181st. Figures 2-5 demonstrate national growth was consistent in South Africa and Mozambique, and that overall trends were positive up until 2013.

---

537 Speech by Mark Lowcock, permanent Secretary at DfID(UK), G20 Africa Infrastructural Investment, Mayfair, London, 18/07/2013
538 Interview on 5/02/2016 with M Johnson, Consultant for DfID (UK), Nelspruit, South Africa
539 Interviews on 5-6/02/2016 with G Smith and Healy F, Consultants for DfID (UK), Nelspruit, Mpumalanga, South Africa,
540 Interview with M Johnson, Op cit
541 Interview with G Smith and F Healy, Op cit
543 P Bond, ‘Elite Transition,’ Op cit, p1
544 Ibid
545 Ibid
546 UN Human Development Report 2013, Op cit
There was some debate about what direction the ANC should take on coming to office in 1994. They needed to build the reputation of the new South Africa in what was a hostile global environment, whilst simultaneously reassuring the owners of capital that their investments were safe. This would avoid capital flight but the result would necessarily limit the ANC’s social strategy. How far the ruling party were aware that this would also limit their promises at this early stage is not clear. The IFIs needed reassurance and South Africa needed access to global markets. Negotiations between 1991-4 were aimed at providing this reassurance and allowed the ANC to consider the ramifications of moving away from their previously socialist agenda, as per the Freedom Charter and the Reconstruction and Development Programme (RDP). So, negotiations got underway and the RDP White paper of 94 blurred parameters between state and private ownership. Increasingly, the more fashionable dominant liberal discourse permeated the party and the resulting white paper was a fudge that meant different things to different people.547

Kasrils and Terreblance, with the benefit of hindsight, suggest the ANC were duped into making poor decisions resulting in the lack of social inclusion in South Africa today. The RDP had promised to “attack poverty and deprivation, and to build a united, non-racial and non-sexist South Africa.” They now indicate that a mixed economy could have ensured a more equitable distribution of resources. This may have allowed for a ‘middle way’, allowing for a broadly socialist agenda whilst also reassuring international capital, not too dissimilar to the East Asian model today. However, the RDP had a more radical dimension which could have been “potentially damaging to investor confidence and the growth prospects under democracy.” Such a model was out of vogue in the developed global North during this period. Because of IMF loans in 1994, the South African government and economy was tied to structural adjustment policies (SAPs). This pleased the more liberal membership, but gave the ANC little room for manoeuvre.

“Young ANC economists schooled in western economics

550 R Kasrils ‘How the ANC’s Faustian pact sold out South Africa’s poorest’, The Guardian, 24/06/2013
551 V Naidoo & A Mare, Op cit
…reporting to Mandela, were either outwitted or frightened into submission by hints of the dire consequences for South Africa should an ANC government prevail with what were considered ruinous economic policies. All means to eradicate poverty, which was Mandela and the ANC's sworn promise to the 'poorest of the poor' were lost in the process....the Freedom Charter was abandoned”

Bond suggests that more progressive ANC members latterly "suffered buyer’s remorse". The ANC gravitated away from RDP under international guidance, even though in 1994 it formed a central tenet of their electoral programme. Kasrils and Terreblance saw the introduction of Growth, Employment and Redistribution (GEAR) in 1996 as placing the ANC government on an overly conservative trajectory. At the time is was proposed as the best way of creating wealth for future redistribution. Although today there are few guarantees regarding such a broad policy Zarenda suggests that the national development plan (NDP) should go some way towards reducing the inequalities that were in fact exacerbated by the overtly conservative GEAR.

Initially change was incremental but it became wholesale when the RDP officially morphed in to GEAR in June 1996. Further, in 2012 the equally liberal but less orthodox NDP incorporated industrial and economic policy into a national planning framework. It sought to interlink this strategic policy between a range of governmental departments. Its driving ambition was to promote a “decent standard of living through the elimination of poverty and the reduction of inequality.” Here there is a clear departure from GEAR. This whole RDP–NDP trajectory developed alongside the evolution of the corridor program and reflected the initial strength of the liberal discourse, drawing the private sector into each area. NDP continues to prioritise

552 P Bond, Elite Transition, Op cit, p240
553 Ibid, p241
555 V Naidoo & A Mare, Op cit p410-412
557 P Bond, Op cit, p14
558 H Zarenda, Op cit, p2
559 Ibid, p7
economic growth to some extent, but it also relies on social development targets. It is a wide-ranging and knowledgeable industrial policy focussing in the areas of regional growth, social equity and the creation of employment. The policy is also interesting when examined in concert with corridor policies as it targets; sustainable infrastructure development, mining, manufacture, agriculture and tourism, each area is important to the success of the MDC. In the following two chapters, the pursuit of such goals has been demonstrably effective in the MDC.

South Africa could not reject integration into the economic order but embracing it has also left the government open to criticism on the left. It needed to maintain a functioning economy, attract FDI and indicate its commitment to build a domestic economy based on equitable delivery. In line with liberal orthodoxy, it was initially hoped that growth would provide employment opportunities, this would in turn uplift those communities previously marginalised by apartheid. In contrast to Kasrils and Terreblance, Ramaphosa perceived the negotiations they entered as “a sanguine and yet unromantic glimpse into future possibilities”. Key players, such as Mbeki, Manuel and Erwin worked with international organisations to ensure a smooth transition into the mainstream for South Africa. However, SAPs limited governmental intervention in the domestic economy. According to Terreblance, the transformation from RDP to GEAR from 1994-6 was “based on the wrong ideological premises, on the wrong power structures, and put South Africa on the wrong development path.” Disparities in wealth and opportunities are vast in South Africa. “The stark reality is that 85% of Africans still remain poor, while 87% of white South Africans are in the middle to upper class categories” Data from BBC news and the 2011 census is indicative of this gulf: “the average annual income of a white household is about 365,000 rand ($42,000; £26,000), followed by Indians at 251,000 rand...... and [finally] blacks at 60,600 rand.” Capitalist market mechanisms can produce economic growth in corridor projects, and this will create employment opportunities but not in volume. Without widespread commitment to producing employment, it is difficult to influence

---

560 Ibid, p1
561 Ibid
562 P Bond, ‘Elite Transition’, Op cit
563 S Terreblance, Op cit
564 P Bond, Op cit, p241
wealth at the bottom of society to any significant degree. Further, in the South African domestic economy, much structural inequality has survived the remnants of apartheid.\textsuperscript{566} The degree of change is debatable, and most would argue that little has changed for the very poor.\textsuperscript{567} Problematically, economic orthodoxy was not the ideal platform for social development. Although, the 2014 Goldman Sachs report assessing 20 years of democracy, demonstrated some positive indicators, for example

\begin{quote}
“fiscal and monetary balances have improved China and African trade; this rise has largely offset the European decline and the rise of the black middle class has led to a structural boost in spending and wage inflation. [Further] government grants have supported these trends”.
\end{quote}

Mozambique’s reasons for pursuing neo-liberal orthodoxy were more practical than South Africa’s. Post 1992 the state was crippled by post war devastation, they were suffering with chronic economic conditions, a lack of capital, and an anti-communist US led donor strike.\textsuperscript{569} This strike severely limited access to both international charity based or systemic aid. At this juncture, the government desperately needed to seek funds to prevent total economic collapse. Given their dire need, they had little choice but to agree the terms on offer by the IMF and WB and initiated the liberal Economic Recovery Plan (ERP). Soviet influence and collapse coupled with the harsh legacies of Portuguese colonial rule gave Mozambique a unique set of problems. The previous period of state led socialism and a divided society meant Mozambique had very limited experience of capitalism or markets. Further, a national elite was very late to evolve in Mozambique, limited to individuals able to access to charity based opportunities\textsuperscript{570} or those linked to the ANC in exile.\textsuperscript{571} A broad based mixed economy was rejected by IFIs and donors, so development policy was severely limited and economic policy adopted Williamson’s ‘Washington Consensus’.\textsuperscript{572} This meant promoting 'small government' by reducing expenditure and regulation, removing barriers to trade and

\begin{itemize}
\item \textsuperscript{566} Ibid
\item \textsuperscript{567} P Bond, ‘South Africa and Global Apartheid’, Op cit, p8
\item \textsuperscript{568} Goldman Sachs Report, Op cit, p10
\item \textsuperscript{569} J Hanlon & T Smart, Op cit, p15
\item \textsuperscript{570} Interview with J Hanlon, Private Offices, London, Interview 09/2010
\item \textsuperscript{571} Field work in the MDC during September and October 2011
\item \textsuperscript{572} J Williamson, ‘Did the Washington Consensus Fail?’, Speech given at Centre to Strategic and International Studies, Op cit
\end{itemize}
ending industrial protection.\textsuperscript{573} However, greater importance was placed on market fundamentalism than was envisaged by FRELIMO, and the IMF requested that Mozambique comply with stringent conditionalities. This policy position meant that FRELIMO were required to make economic and philosophical U-turns, a departure that could have caused political fragmentation. However, unlike the ANC which was prone to factionalism, Frelimo demonstrated a façade of tight unity, ‘keeping enemies close’, and within the party hierarchy.\textsuperscript{574} Therefore, with a united front the government of Mozambique pursued the type of polices suggested by the West, effectively placing capital and market stability ahead of social equity.

However, while Frelimo have had a co-operative relationship with the IFIs and donor agencies, they have maintained a firm grip on domestic politics.\textsuperscript{575} This had enabled this dominant party to maximise the relationship between international economic and domestic politics. In the first instance, the MDC has been a useful facilitator to the new elite. In political terms the success of the MDC and Mozambican development strategy, based on this example, is looking positive. FRELIMO have had little opposition to this policy, have portrayed a position of reason and co-operation, but have also consistently dominated the political environment. FRELIMO have consistently out manoeuvred RENAMO, constitution building prior to ceasing hostilities in 1990 meant they successfully centralised power and structured the democratic process to suit themselves.\textsuperscript{576} They managed outcomes and adopted strategies that maximise their own policy positions both domestically and internationally. From the beginning of the negotiations of the Rome Peace Accords, to the signing of the agreement in 1992, “Frelimo’s political strategy hinged on accommodating RENAMO ……… in the economic and social spheres, but weakening them politically; thus, keeping their own political power intact.”\textsuperscript{577} Through managing the constitutional process, they have limited RENAMO's institutional base and maximised their own advantages. According to Nuvunga and Salih, economic orthodoxy coupled with a well-managed transition to institutional dominance took some imaginative and inspired politicking.\textsuperscript{578} In this way

\textsuperscript{573} Ibid \textsuperscript{574} C Manning, Op cit, p154 \textsuperscript{575} Ibid \textsuperscript{576} A Nuvunga & MAM Salih, 'Party Dominance and Electoral Institutions: framing FRELIMO's dominance in the context of an electoral governance deficit', Africa Review, Vol 5/1, (2013), p27 \textsuperscript{577} Ibid p27 \textsuperscript{578} Ibid, p24
“FRELIMO [legitimately] broke the backbone of the former rebel movement.” 579

Democracy has been maintained as FRELIMO have “relied on narrow interpretations of the law to limit political competition and inclusion.”580 This dual economic and political process has enabled them to manage the state in a sophisticated manner. In turn, this has ensured the ruling elites can amass individual wealth and power whilst simultaneously maintaining their dominant political position.581 Popular consent was maintained via the fact that their position has been regularly endorsed via (relatively) free and fair elections. Further, FRELIMO have a strong party ethos, successfully subordinating any 'cults of personality' to the party.582

FRELIMO manipulation has made it difficult for RENAMO to lose their reputation as political rebels or make the most of their opportunities in opposition. Further, RENAMO appear to have no clear way of addressing this shortfall in legitimately. Historically, they have responded by boycotting the democratic process and latterly by resorting to violence.583 This is problematic and gives greater legitimacy to FRELIMO. Recent hostilities between FRELIMO and RENAMO have begun to make investors nervous and will stifle tourism.584 Further, my fieldwork suggests that open hostilities the Beira corridor are limiting economic and political solutions.585 This will impact on strategic planning for the corridor, which in turn will reduce economic linkages, employment and social development. This is problematic because not only does it delay anchor projects,586 it will stifle long term social development. This RENAMO strategy will also disincline investors in hydro-carbons who will want to know their potential investments are secure. This will create concessions from FRELIMO in the short term but will not promote good long-lasting relationships. Once gas exports are online hostilities could justify further centralisation of power, as foreign exchange from tourism would not be required. All in all, failure to co-operate and have democratic principles in place could prevent long term development occurring in any equitable

579 Ibid, p6, my italics
580 C Manning, Op cit, p154
581 See chapter 6, section ‘Elite capture challenges democracy’
582 A Nuvunga & MAM Salih, Op cit, p24
583 See chapter 6, Op cit
585 Interviews with F Healy & G Smith, Op cit
586 See chapter 6, section ‘Elite Capture’
manner. Conversely, successfully demonstrating the ability to produce equitable social outcomes in the corridor based on the MDC model could underpin micro-regional security.

In Mozambique, conditionalities first came into effect in 1987, with further adjustments required in 1991 and 1992.\(^{587}\) Government expenditure was substantially reduced even though vast civil war reconstruction was required. This was the wrong policy for a heavily indebted post-war society. The agreement also included reducing wages, ending price controls, devaluing the currency and opening the national current account.\(^{588}\) The government was required to apply credit limits to curb inflation and privatise as many industries as was possible.\(^{589}\) Such actions should not have occurred. With immediate effect, this prematurely opened the economy to global competition. These sacrifices may have been necessary to ensure future global support and to demonstrate globally that they were 'trustworthy capitalists',\(^{590}\) but the pace was too fast. However, the leadership had little choice but to make such changes. Figures 4 and 5 illustrate that post 1995 there has been a dramatic economic growth in Mozambique, although this was not indicative of related nation-wide social development. Poverty is still extensive. However, in combination with premature marketisation, which caused economic devastation, came a whole raft of donor aid. Mozambique has come to rely on this. Indeed, “ODA flows made up as much as 81% of gross national income (GNI) in 1992”,\(^{591}\) this has steadily reduced and since 2005 it has averaged 22%.\(^{592}\) This made up some of the shortfall, but a functioning economy would have been far more beneficial.

In relative terms, the improvement in mean gross domestic income in Mozambique has been even more impressive than in South Africa, rising from 79 billion meticals in 1997 to M186 billion meticals in 2013. Indeed, at the IMF 'Africa Rising' conference in May 2014 the mayor of Maputo stated it was this type of growth that had put Mozambique

---

\(^{587}\) J Hanlon & T Smart, Op cit, p12-13
\(^{588}\) Ibid
\(^{589}\) Ibid
\(^{592}\) Ibid
on the world stage.\textsuperscript{593} As indicated in figures 4 and 5 below, there has been substantial consistent growth in Mozambique’s mean per capita GDP, which measured US$1200 in 2013. In global terms, Mozambique has assimilated very well into the global capitalist system, albeit on the far periphery.\textsuperscript{594} Orthodox constraint was at the cost of social upliftment, which was not only economically but morally questionable in the aftermath of war when vast rehabilitation was required. To further qualify this position Mozambique suffers from very high levels of absolute poverty, particularly in rural areas and nationally 52\% still live in absolute poverty.\textsuperscript{595}

The previous chapters have demonstrated that the MDC represents a considerable success in economic terms. In order to sustain this, there needs to be a national policy that encourages private investment or public-private partnerships which are essential for large scale infrastructure projects. Figure 1 above demonstrates solid economic growth in South Africa with mean national GDP rising from R1200b (billion) in 1997 to R2090b in 2013. This is an increase of 74\% which is substantial. According to Goldman Sachs “South Africa recorded an average GDP growth rate of 3.6\% between 1994-2007, additionally with the introduction of targeting they brought inflation down to an average of only 6.3\%.”\textsuperscript{596} They cite the success of a prudent monetary and fiscal policy as being very effective at producing growth during this period.\textsuperscript{597} Clearly then, GEAR produced economic advancement, albeit figure 2 demonstrates a lull between 2007-9. GEAR was broadly criticised from a social perspective but nationally and in the MDC some social gains were made during this more conservative period.

\textsuperscript{593} Opening Speech by Mayor of Maputo, Mozambique, IMF Conference, ‘Africa Rising: Building to the Future’, 29–30/05/2014.
\textsuperscript{594} I Wallerstein, Op cit
\textsuperscript{596} Goldman Sachs, Op cit, p11
\textsuperscript{597} Ibid
There is dispute as to how far South Africa has travelled since 1994. Gwede Mantashe, ANC secretary general stated that “up to 80% of the ideals of the Freedom Charter have been attained,” largely via implementation of GEAR and NDP. However, this is far from being universally accepted and the South African Communist Party (SACP) and Congress of South African Trade Unions (COSATU) who rule alongside the ANC dispute this. For example, Albie Sachs suggests, “racism, inequality and unemployment still persist.” ANC policies have produced "a post-apartheid distributional regime marked by enduring poverty and some of the highest levels of income inequality in the world”. This thesis is not disputing the national position.

It is blatantly obvious that mistakes were made and more needs to be achieved. “South Africa [although wealthy.] has retained its dubious distinction of being among the world’s most unequal countries” its mean per capita GDP is US$11,500 and 45.5% of its population living below the poverty line. Given these facts it is to be expected that
social policy based in equitable results will be nominal in the MDC. However, what is interesting here is that the MDC is producing social upliftment and is comparatively advantageous for ‘ordinary people’. This represents a good step in the right direction. This is potentially a good sign for the Trans-African highway which promotes this model. Ideally, additional emphasis needs to be focussed on social development in the MDC, but this is already occurring to an extent. To cite RW Johnson, if both GDP and life expectancy are increasing then the ANC speeches of ‘a better life for all’ still has meaning. Here the MDC is working.

**Figure 3: Gross National Income in South Africa**


South Africa has not had the exceptional levels of growth that Mozambique has experienced, however it has sustained between 3-6% per annum. This is deemed to be relatively poor. Yet, it is a percentage the developed north would currently view as exceptional. A review of the national positions is valuable here. In Mozambique corridor policies have directly driven the volume of systemic aid, FDI and economic intervention. In this micro-region, this means that social development is reliant on the extent of economic growth the MDC can attain. Whereas in South Africa provincial

---

603 See conclusion to Part II
605 Appendix 3/2
606 See figures 2 - 5
strategy in the MDC has become increasingly tied to the national policy. According to
Moholwa of Mpumalanga, the New National Economic Policy (2010) indicated that
provincial governments must work in line with national governmental directives.\textsuperscript{607}
Further, the Municipal Economic Growth and Development Path (MEGDP) formally
linked the municipal plan to national and provincial strategies.\textsuperscript{608} This represented the
early ground work for the new NDP policy (2012) which also aims to reduce
unacceptable disparities in South Africa.\textsuperscript{609} Further, “over the period ahead (post 2016),
government will strengthen its partnerships with the private sector, labour and civil
society, to speed up the transformation envisioned in the NDP.”\textsuperscript{610} In the MDC the
focus has two strands; reducing unemployment through the encouragement of
manufacturing and processing industries, and forging greater links with landlocked
SADC states.\textsuperscript{611} This means that corridor development strategies are now not especially
dis-similar from the NDP, which also focuses on private sector investment, greater
integration of businesses and the promotion of sustainable employment.

Mozambique has experienced exceptional levels of growth, averaging 7.5\% per annum
since 2000.\textsuperscript{612} The 2011-2014 ‘action plan for the reduction of absolute poverty’
(PARPA II) further enhanced the use of anchor projects in development corridor
settings to maximise growth and employment. Where western influence prevails, there
is still a tendency to favour inflation control and expenditure management so here it
appears that macro-economic management is still taking priority over social
development to an extent. Ohno and Ohno’s model in chapter 2 would prefer this
emphasis be reduced. PARPA II promoted anchor projects linked to the improvement
of associated infrastructure. This is positive for newer development corridors and many
lessons have been learned from the MDC. As a result, PARPA II required that formal
linkages be made between anchor projects and other business sectors. It also actively
seeks to attract more diverse investment partners, favouring a South/South trajectory,

\begin{itemize}
  \item \textsuperscript{607} Interview on 22/09/2011 with M Moholwa, Department of Economic Development, Mpumalanga
        Provincial Government, Nelspruit, Mpumalanga
  \item \textsuperscript{608} Ibid
  \item \textsuperscript{609} H Zarenda, Op cit, p6
  \item \textsuperscript{610} Government of South Africa, Department of the Treasury, ‘2016 Budget Review’,
        20/01/2017, p13
  \item \textsuperscript{611} Ibid
  \item \textsuperscript{612} OECD, Op cit, p8
\end{itemize}
most “notably towards Brazil, China and India”.613 This Mozambican strategy relies on the ability of development corridor mega projects to create transmission lines,614 and secure internal and external markets.

A strong linear trend can be deduced from figures 2 to 5, which indicate that national growth in Mozambique is consistent throughout the length of this study. Mean growth figures are often quoted and even revered by governments and multi-lateral organisations alike, and yet they are largely irrelevant to the poorest in society. They can only provide a broad impression of the relative success of domestic economic policy, combining as they do production for exports as well as domestic consumption. The Mozal aluminium smelter, a core MDC anchor project, skews this data dramatically, making up over 50% of total exports alone.615 Additionally, when combined with very high poverty levels the data show a less positive trend also confirming the extent of wealth disparity. Conversely, much of Mozambique’s domestic growth and development strategy is based on the success of the MDC, this demonstrates that the project is critical. As the model is already being extrapolated into other Mozambican corridors it is important that transmission lines, high growth and social development be more closely linked together. Moreover, given that Mozambique’s success relies on corridor methodology the requirement for them to succeed is critical.

Ohno and Ohno would criticise the western adherence to macro-economic control as harmful to employment and social development as higher per capita growth does not necessarily equate to extensive development.616 Further, today the newer development corridors in Mozambique have caused an upwards trajectory in inflation and challenged the stability of the domestic current account.617 Excessive expenditure on infrastructure in the Beira and Nacala corridors is currently outstripping benefits,618 which were only beginning to produce exports in 2016.619 Linkages have been poor due to political

613 OECD, Op cit, p10
614 Interview on 14/09/2011 with G Smith, Regional SDI Programme Co-ordinator, RSA DTI, Midrand, Johannesburg
615 CN Castel-Branco, ‘Economic linkages between South Africa and Mozambique’, August 2002, p7
617 OECD, Op cit, p12
619 Macauhub Report, ‘Brazil's Vale starts receiving logistics equipment in Mozambique to start
tensions. Finally, high levels of unemployment will need to be addressed as such inequity is not socially sustainable over a longer period.

The global north/south relationships that once dominated in Africa are beginning to change and increasingly there are shifts towards a South/South balance.\(^{620}\) East Asian investment styles have encouraged greater volume of FDI and have clearly influenced the direction of domestic policy in South Africa and Mozambique. Both nations are promoting infrastructure development and inter-linking anchor projects with domestic policy. Integral is the promotion of wider employment opportunities and improved living standards. These are the key pillars of development in the MDC so results are in advance in this micro-region. Further, customs legislation is being introduced nationally, regionally and globally to ensure smooth flows to market. India and Mozambique are sharing information and working towards unifying legislation to remove remaining bottlenecks within the MDC, this deepens integration in target overseas markets.\(^{621}\) This greater breadth and depth of integration will prove beneficial when propagated in the Trans-African Highway. Finally, if management bodies such as MCLI can build on the social upliftment that is already attainable, then these mega-projects will represent an excellent and flexible option for South Africa, Mozambique and the wider continent.

Specifically, regarding the use of average figures, it is easy to be deceived as they can hide huge discrepancies. The profit made by an international corporation such as BHP Billiton, the largest extractive organisation worldwide, who happen to own the largest share and operate the Mozal aluminium smelter in Matola, Mozambique, is accounted for in mean calculations along with the lowliest of self-employed contractors. Mozal alone accounts for over 40% of GDP in Mozambique from 2000–2010,\(^{622}\) whereas the

---

\(^{620}\) See Chapter 2, section ‘A Post Washington Consensus’


\(^{622}\) N Castel-Branco, ‘Economic Linkages between South Africa and Mozambique’,
hourly sub-contracted rates of TRAC gang mowers on the N4 toll-road would be minuscule by comparison. Therefore, is doubtful that the resulting national mean data provides any specific new knowledge. Thus, any conclusions based on per capita data alone provides only the crudest of information. For this reason, the IMF 'Africa Rising', Goldman Sachs 'Two Decades of Freedom' or even the Mayor of Maputo's comment above lack depth.

**Figure 4: Gross Domestic Income in Mozambique**

![Gross Domestic Income in Mozambique](http://data.worldbank.org/indicator)

Finance minister Maleiane of Mozambique intimated that FRELIMO have achieved their goals as they have created stability via party unity and strong macro-economic management. For him, these have produced benefits for all Mozambican citizens. However, while it is evident that some citizens have accrued benefits, these have not been dispersed equitably. The data in figures 4, 5, 10 and 11 demonstrate that economic growth is evident nationally and within the MDC. Yet, deeper evaluation of the corridor indicates that Maleiane's point is less than convincing. The Mozambican domestic policy environment produces a complex cocktail of results. Key basic socio-economic indicators such as health and educational attainment show some advancement.

---

623 Appendix 3/1
625 Ibid
particularly within the MDC. Here, there is good evidence of social 'upliftment' but poverty levels remain extraordinarily high.

**Figure 5: Gross National Income in Mozambique**

![Gross National Income for Mozambique](http://data.worldbank.org/indicator)

Source: World Bank Group Data Bank, accessed September 14\(^{626}\)

Paradoxically those at the top of society can also feel vulnerable. “The big investors need bodyguards because they are so rich and they get robbed.”\(^{627}\) Wealth disparity is always evident on the streets of Maputo but it not easily evaluated.

“No figures exist on the wealth disparity here. Mozambique is a jumble of statistical contradictions. It has one of the highest real GDP growth rates in the world, at 7.5%. Yet it ranked 185th out of 187 countries on the 2013 UN Human Development Index.................it is one of the poorest countries in the world, with more than 55% of its 23.9 million people officially living below the poverty line\(^{628}\)

---

\(^{626}\) Appendix 3/2  
\(^{628}\) Ibid
In a similar fashion, mean Gross Domestic Product (GDP) or Gross National Profit (GNP) are steady improvement annually, but this does not equate an equitable distribution of benefits. Capitalism ensures that wealth is accrued to the top of society. With this wealth comes greater social advantage but only for some. “In the new, Chinese-built airport in Maputo, which was completed in February, aftershave lotions sell for [US]$230, and bottles of Dom Pérignon cost [US]$320. That is three months’ salary for the average worker, who live on 3,000 meticals (US$100) a month.” This is indicative of opposing economic fortunes present in this 'dollar economy'. This situation could deteriorate further, creating vast disparities of wealth along Angolan lines, particularly if the substantial income from embryonic hydro-carbon industry is poorly managed. This field is particularly interesting and its relationship with development corridors will require in depth research in the future. In the medium term, one can only hope that FRELIMO manage increased resources on behalf of the nation, rather than a select elite. Initial analysis by Hanlon & Navunga suggests this is not the case. Given these statistical and economic complexities it is necessary to measure

---

629 Appendix 3/2
630 M Thembi, Op cit
632 J Hanlon & A Navunga, ‘Gas for development or Just Money?’, Centre for Public Integrity, Good
wealth/poverty in a slightly different and more consistent manner.

**Mean Monthly Per-Capital Household Consumption**

To establish that the MDC has led to a better standard of living for communities within its jurisdiction a broader assessment needs to be made. Data representing mean per capita growth hides disparities in wealth and income, and often these are too vast to allow for any depth of analysis. Therefore, the remainder of this chapter seeks to delve beyond data based on growth alone. Inequitable domestic policy outcomes need to be resolved and increasingly poverty reduction is a vital challenge for the ANC and FRELIMO stability, if they are to retain their liberation credibility. Therefore, the remaining data illustrate information based on consumption rather than mean income. They are based on households rather than individuals and offer a more complex and flexible approach to understanding problems within developing countries. Here two calculations are very effective at measuring relative wealth or poverty, these being final household consumption and monthly per capita consumption. They are frequently employed by development professionals as they take a greater variety of everyday requirements into account.

**Figure 7:** Final Household Consumption in South Africa and Mozambique


---

Governance, Transparency and Integrity, Edition 08/2015

Appendix 3/3
Figures 7 and 8 examine mean monthly household consumption in South African and Mozambique, while figures 10 and 11 provide data based on monthly mean per capita consumption by province. An analysis of these reflects the beneficial situation within the MDC and allows a comparison with the national picture.

Final household consumption includes all items of private consumption and is a persuasive measurement for evaluating the relative position of groups of people. It indicates what level of expenditure is required to maintain individual families over the period. As such these figures are more reliable measures of development than previous data based on mean national economic growth. The trend in South Africa is positive indicating constant development over the period. Unusually, total consumption in Mozambique has stayed constant. Final household consumption in South Africa looks more promising, improving as it has year on year. At first sight, this could indicate the relative success of GEAR and NDP at delivering growth and development in South Africa, yet, as discussed above, GEAR has been criticised for its lack of redistribution, generally benefiting the upper echelons of society in advance of the poor.

**Figure 8:** Average household income (AHI) by province in South Africa, 1997 – 2011

In a similar fashion to economic growth these per capita figures do suffer from volume data disruptions so deviations can be ‘invisible’. Again, they also hide the large
disparities in wealth particularly in South Africa. This is less obvious in the case of Mozambique where much of the population tops up their income with subsistence farming or work in the informal economy.\textsuperscript{634} Figures 8 to 10 and tables 1 and 2 refine this position, allowing for a comparative analysis from both within and outside the MDC in both nation states.

So, with specific regard to the MDC, Mpumalanga province demonstrates a trend that is in advance of the national data set.\textsuperscript{635} Poverty levels also indicate a better position when compared to the North-West province. Household expenditure has advanced due to improved employment opportunities in the micro-region, of which many thousands of jobs are created because of investment in the MDC.\textsuperscript{636} Trade and business have continued to grow within the corridor and this is reflected in the tremendous improvement over the period of this study.\textsuperscript{637} There has also been a substantial increase in growth, with private sector investment of US$5 billion and related increased business opportunities in towns and cities within the MDC.\textsuperscript{638}

\textbf{Table 1-} Average Household Income (AHI) for households in South African Rands:

<table>
<thead>
<tr>
<th>Province</th>
<th>2001</th>
<th>2007</th>
<th>2011</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mpumalanga</td>
<td>30,658</td>
<td>60,115</td>
<td>76,577</td>
<td>150</td>
</tr>
<tr>
<td>North-West</td>
<td>30,112</td>
<td>49,445</td>
<td>68,883</td>
<td>128</td>
</tr>
<tr>
<td>South Africa</td>
<td>47,264</td>
<td>78,842</td>
<td>100,490</td>
<td>112</td>
</tr>
</tbody>
</table>


Mean national data is skewed somewhat by the success in Gauteng and Western Cape (see figure 8), so while Mpumalanga lags behind the national mean household expenditure, on balance, the growth is comparatively very promising. Clearly percentage change over the period of the MDC favours those provinces situated within

\textsuperscript{634} CN Castel-Branco, Op cit, p7, S Jones and F Tarp, Op cit, p56, J Hanlon & T Smart, Op cit, p4, pp195-205
\textsuperscript{635} D Hauptfleisch & H Marx, Op cit’, p9
\textsuperscript{636} J Hanlon and T Smart, Op cit
\textsuperscript{637} Ibid, p13
\textsuperscript{638} Ibid
an active development corridor. Mpumalanga has fared well. It has benefited from an orthodox, business focused, economic strategy which was backed by provincial government, particularly during the Phosa Premiership (1994–9). It has a vibrant business and NGO sector, a rapidly growing urban suburban area, supported with additional business opportunities throughout the corridor. Complex business relationships are facilitated through the corridor management body, the MCLI.

**Figure 9: People and Households in receipt of Social Grants by Province**

![Figure 9: People and Households in receipt of Social Grants by Province](image)


The ANC has been successful in distributing social grants and this has had a tremendous impact within the lower echelons of society. This is indicated in figure 9. “Studies consistently show that grants (particularly the child grant) are well targeted at very poor households,” and that they “have been central to poverty alleviation over the post-apartheid years – although they have had little effect on overall inequality in the country”. Additionally, according to the Southern Africa Labour and Development Research Unit (SALDRU), “the size of the grant for older persons is

---

639 M Phosa was a great supporter of the corridor as Premier of Mpumalanga from 1994–99.
641 It is not the intention of this thesis to evaluate the impact of social grants within development corridors per se, but it would be remiss not to acknowledge their impact.
643 Ibid
It is difficult to ascertain how far the provision of social grants has driven the improvement we see in the data. How far such grants are sustainable without great reductions in unemployment levels and increased economic growth is questionable. Certainly, the percentage of those receiving grants in Mpumalanga is not substantial enough to account for the difference alone. Crucially, the number of poor families is very high in comparison to the North-West, targeted investment has encouraged greater business interest into the MDC when compared to neighbouring provinces. Thus, the overall trend is due to the improvement of wide ranging opportunities into the corridor project. This does not necessarily completely buck national trends but the MDC does increase the level and concentration of opportunities. The impact of the corridor is beyond doubt.

Comparative provincial data in Mozambique is similarly indicative. The plateau visible in figure 7 for Mozambique is complex. It indicates an amalgamation of a general lack of development in a peripheral state, a large rural population who rely on subsistence production and a tendency for much employment to be informal. Each aspect here is problematic and remains difficult to resolve. Indeed, “since 2002/3, poverty has stagnated on a national basis and there is little evidence of structural change in the national economy.” Employment in the informal economy is on a grand scale in Mozambique and is particularly evident in the MDC. Unconventionally, Jones and Tarp have highlighted the fact that informal employment is often more lucrative than that in the formal sector, particularly when moving from primary to secondary sectors. This makes a nonsense of “demonizing the informal sector,” as has often been the case. Further they suggest that this informal work should not be marginalised but promoted as a method of reducing poverty. Conversely, Vines has recently suggested SME’s must enter the formal economy. It is a complex issue. Because of this I posed the idea at the MCLI stakeholders in February 2016, that they may need to

---

644 Ibid
645 D Hauptfleisch & H Marx, Op Cit, p13
646 C Castel-Branco C, Ibid. S Jones and F Tarp, Op cit
647 S Jones and F Tarp, Ibid, p60
648 F Soderbaum and I Taylor Ed, Op cit, p5. CN Castel-Branco, Op cit, p7, S Jones and F Tarp, Op cit, p56
649 S Jones and F Tarp, Ibid
650 Ibid, p65
651 Ibid, p66
consider how for ‘formalize’ aspects of the informal economy. Many delegates found this idea compelling. Comparative provincial data for Mozambique is detailed in figures 10 and 11, this data employs mean monthly per capita consumption used here to establish a trend in relative poverty reduction. This calculation represents an amalgamation of family size, employment status, family income and average consumption. It is calculated as a 'shopping basket' based on average 'acceptable' calorie intake in Mozambique, which is set at 2150 calories per day per person. This is the preferred method of calculating relative poverty levels because its a flexible and holistic measurement. This methodology provides greater detail and allows for a realistic evaluation and analysis in extremely poor countries such as Mozambique. It is employed by politicians, the World Bank and many development economists.

**Figures 10 & 11:** Relative Poverty Levels by Comparative Province in the MDC in Mozambique

![Comparative Poverty Reduction](image)

The flexible 'basket' allows for varied levels of comparability, allowing for differential development within and across provinces. It offers a more comprehensive evaluation than household expenditure alone. The data and resulting analysis can be adapted to

---


suit different or comparative nations/provinces. Moreover, it is not discriminative regarding the production or consumption of family members. The 'basket' is calculated on mean familial per capita basis, allowing for numerous shapes, sizes, employment status and wealth of family groups.

**Table 2 – Relative Reductions in Poverty in Mozambique by Province**

<table>
<thead>
<tr>
<th>Province</th>
<th>1997</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maputo Province - Urban</td>
<td>66.3%</td>
<td>39.2%</td>
</tr>
<tr>
<td>Maputo Province - Rural</td>
<td>49.3%</td>
<td>19.9%</td>
</tr>
<tr>
<td>Maputo City</td>
<td>37.1%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Gaza and Inhambane Province - Rural</td>
<td>71.7%</td>
<td>45.7%</td>
</tr>
<tr>
<td>Gaza and Inhambane Province - Urban</td>
<td>42.7%</td>
<td>21.2%</td>
</tr>
<tr>
<td>National Average</td>
<td>68.4%</td>
<td>52.0%</td>
</tr>
</tbody>
</table>

Source: Data from World Bank Team in Maputo

Crucially, it enables the consideration of those individuals who cannot contribute to the household, such as children, grandparents and those in ill-health, whilst allowing for the fact that they will still consume food and goods. Therefore, in areas such as Moamba or Naamacha in the MDC, where there are variations in wealth, subsistence farming and a typically high incidence of malaria or HIV/aids, these calculations still factor well. Similarly, the rural/urban split is less problematic. This data is especially helpful in allowing for families with partially employed, unemployed members or those operating in the informal economy, which we have already established represents the bulk of society in Mozambique. Therefore, production to consumption ratios work well for every person, while the individual content of shopping baskets allows for variations in income and choice. Further, the poorest can still purchase calories in the cheapest manner available; grain, pap meal or rice and vegetables. The model is deemed effective by Kedir, Sachs, McKay, Sachs and Frazer as it allows for flexibility in

---

655 Ibid
656 See map in Appendix 1/5
individual choice, location, wealth and increases in dependency.

In saying this, Hanlon and Smart feel that per capita household consumption is overly optimistic as a gauge to development.\textsuperscript{658} They suggest from their experience that it can indicate reduced poverty in areas where there is simultaneously evidence of malnutrition, which they find unacceptable.\textsuperscript{659} Nonetheless, here I find the data effective. However, their view may be reflective of the short-term cases they cite (1996/7 and 2002/3),\textsuperscript{660} which are incidentally for consumption data alone. Here I would suggest they are not comparing like with like. Larger samples, with data taken over longer time periods, such as in this thesis, produce clear trends. Further, there are very few statistical measures of poverty that allow for such elements of flexibility and work so well. So, while Hanlon and Smart selectively question its validity,\textsuperscript{661} it is by far the best measurement available. Yet, this arrangement is not perfect and there are problems associated with any methodology. For example, monthly per capita consumption data can be misleading. It is possible that poorer families grow basic foodstuffs, more so in rural locations, and wherever it occurs often it is not reported fully. Those with wider access to land will also sell goods in the informal economy. Again, this income is generally under-reported. Finally, there are technical errors that can be made when calculating how 'baskets' are made up. This means that the results may become skewed but not to the extent suggested above.

The data represented in figures 10 and 11 and Table 1 indicate that poverty is decreasing in the MDC relative to the adjacent Gaza Province as well as in comparison to the national average. This bodes well for communities within the jurisdiction of the MDC, where employment and trade opportunities are greater.\textsuperscript{662} However, there is still a marked decrease in urban poverty in Gaza Province which is indicative of a good level of urban development and greater trade links with the MDC.

\textsuperscript{658} J Hanlon & T Smart, Op cit, p61, JD Sachs & W McArthur, Op cit  
\textsuperscript{659} J Hanlon and T Smart, Ibid, p57  
\textsuperscript{660} Ibid, p61  
\textsuperscript{661} Ibid, p57  
\textsuperscript{662} D Hauptfleisch & H Marx, p13
Conclusion

There appears little dispute that the pursuit of economic growth alone is a questionable means of creating social development. Liberal economic policy may produce discipline but this has costs, the policy is simply not suitable in all scenarios. It was the wrong move for South Africa and Mozambique during their early rehabilitation period. Facilitating a mixed economy and active industrial policy after elections in 1994 would have been helpful to both national economies, but particularly for Mozambique. However, international pressure and the strength of the dominant neo-liberal order meant this did not occur until greater East Asian influence occurred. The MDC did evolve to produce significant social development during this period. This initial commitment to pursue economic objectives to promote social development, reflected the wider global context. As I have demonstrated that this was context rather than intent.

Today the MDC model appears to be effective and very transferable. It creates consistent economic growth in comparison to national averages and adjacent provinces. However, there are several aspects, including the inclusion of effective transmission lines, that would have initially made the corridor more effective.\textsuperscript{663} This is now being applied in newer DBSA and South African DTI supported corridor projects.\textsuperscript{664} Social improvements are apparent but evidence of poverty reduction is only attainable through mean family consumption data. This is indicative but greater depth of analysis is required, this is available in chapters 4 and 5. All indications thus far are in line with our definition of development as the MDC is a sustainable model and both social and economic benefits have been accrued on behalf of citizens of all strata. This chapter acknowledges that capitalism clearly produces wealth, but left alone, this will be largely confined to the top of society. It is undeniable that a proportion is distributed by the market to the poorer realms of society. However, if it is achievable, substantial wealth transfers would take generations. Social upliftment is comparatively greater in the MDC but more can be achieved with greater intervention. Clearly, economic growth can only provide a limited route to social development. In order that this is maximised all

\textsuperscript{663} Interview on 8/09/2011 with J Rocha of DBSA and L Goews, Acting CEO NEPAD Business Forum, Sanderton, Johannesburg
\textsuperscript{664} Ibid
stakeholders in the MDC need to create a strategic plan that includes civil society.

In response to the East Asian ‘developmental state’ African agency has increased and domestic policy has been amended during the length of this research project. Governments increasingly need an active focus on employment creation and poverty reduction. This will benefit all stakeholders tremendously. In South Africa and Mozambique there has been an increased propensity to combine regional processes and greater infrastructure development with strategic linkage into domestic agendas. Politicians and corridor practitioners are on board, and provided international and governmental commitment are maintained, then comparatively poverty will continue to reduce in corridor areas. Representatives from DfID (UK) suggest that there is a good chance this corridor strategy will work for Mozambique. Failure to produce good linkages between local markets and anchor projects was, and to some extent still is, a failure of the MDC. This has been limited by East Asian investment and remnants will be difficult to ‘reverse engineer’, particularly now projects are fully established. MCLI stakeholders show a positive response to ensuring this occurs. Today the South African DTI and PIDA look towards the MDC as a prime example of how high growth and poverty reduction can be transposed into southern Africa and ultimately the continent. Yet, the problems and complexities remain vast. It is necessary to address and modify weaknesses before they are duplicated further. Nonetheless, the MDC is a viable platform that can sit comfortably between social development and the international marketplace.

665 Ibid
666 R Tate, ‘Measuring the Social Dimension of Development Corridors: Creating Impact for Communities’ Presentation to MCLI Stakeholder Forum, 4/02/2016, Nelspruit, South Africa
667 See Chapter 1, section ‘Global Integration’
Chapter 4

Fit for Purpose: Does the MDC deliver for its residents?

Towards a Rounded Perception of Poverty Alleviation in the MDC

Economic measurements clearly demonstrate a reduction in poverty in the MDC when compared to the national average and adjacent provinces, yet such data provides little detail regarding the extent of these variances. As discussed in chapter 3, South African and Mozambican domestic policy is very focussed on poverty reduction largely through adherence to the National Development Plan (NDP) in South Africa and Poverty Reduction Action Plan (PARP) 2011-14 in Mozambique. They aim to reduce poverty and inequality and to inform a positive social and economic strategy. This revolves around increasing the number of active people in the domestic economy, and actively promoting employment through sectoral interests such as sustainable infrastructure development, mining, agricultural development and enhancing secondary manufacturing opportunities. It is believed that these interlinked social and economic strategies will promote development, reduce poverty and enhance regional integration. However, this will be reliant upon how far they are operational, what is informing the policy and how far they can be successfully implemented. The MDC is held up as a prime example in these three areas and so an analysis of its relative performance is required.

As with other aspects, success in the MDC is comparatively of greater significance to Mozambican development because it represents a large proportion of that economy.

668 See chapter 2, section ‘conclusion’
669 H Zarenda, Op cit, p1
670 Ibid
671 Keynote speech by TA Salomao, Secretary General of SADC at MCLI AGM 2011, 30/09/2011, Hotel VIP, Maputo, Mozambique
Yet, if the MDC can demonstrably deliver social benefits alongside economic gains, the
MDC will indeed meet the original South African SDI social objectives,672 as originally
put forward by Jourdan.673 Given this strategy is based on inclusive economic
development, this chapter examines those aspects that improve social capital, which, in
turn, will have transformative economic properties. To assess whether the MDC assists
in these wider strategies this chapter will examine social upliftment in terms of
longevity, the quality of life and ability to enhance human capital.

In many ways both the South African and Mozambican strategies are similar, promoting
a “multi-dimensional framework”674. The NDP “envisions a South Africa where everyone feels free yet
bounded to others; where everyone embraces their full potential, a country where opportunity is determined not by birth, but by
ability, education and hard work.”675

Similarly; PARP 2011-14 focusses on “the objective of combating poverty and promoting a culture of
work, with a view to achieving inclusive economic growth and reducing poverty and vulnerability in the country”676

Promoting a better life through promoting health, education and employment are all key
policy goals. These factors can build economic prosperity and reduce poverty. NDP and PARP represent effective and holistic frameworks that further increase societal
participation in the MDC. As such they are representative of the economic and social
objectives for the project. Further, these aspects allow us to determine if the promises
made by the ANC and FRELIMO promoting social development have come to fruition
in the MDC. This thesis suggests that more policy integration via corridor management
bodies is required in order develop social benefits further.

672 See Introduction, section ‘The MDC’
674 Government of South Africa, NDP Objective, ‘Executive Summary of NDP 2030’,
future%20-%20make%20it%20work.pdf, accessed 17/03/2017, p3
675 Ibid, p1
One of the concerns regarding infrastructure development centres around the prevailing dominant discourse which so firmly links the concepts of ‘Africa Rising’ and ‘road mythologies’.677 This suggests that corridor infrastructure is assumed to be beneficial and so remains unchallenged as an “unqualified human good”.678 Examining the Thika Super highway in Nairobi, Kenya, part of the North-South corridor,679 Manji states that infrastructure development and its related implications remain uninterrogated resulting in an unquestioning acceptance of the benefits.680 She specifically states that the relocation of communities and the manner in which people relate to the urban environment are not accounted for.681 In that context, her case is persuasive. It also helps to explain why the social benefits of the MDC has remained uninterrogated. Certainly, the perceived economic successes of the MDC have been vital in developing and implementing ‘the MDC model’ and promoting a ‘corridor narrative’ in developmental fields.682 The following two chapters specifically elucidate ideas how far the MDC produces social development in a comparative setting. An analysis of the social impact of the MDC is long overdue, it will produce empirical knowledge that will be utilised to enhance wider development and engender new research in this field. This is particularly important given the propensity to duplicate the MDC model elsewhere in Africa.

The national and provincial data analysis that follows aims to provide an in-depth account of the social position of communities within the jurisdiction of the MDC. The period under examination relates primarily to 1997–2013, but up to 2016 where additional information it is included. This chapter uses the methodology set out in the introductory chapter. Where relevant, the results will show the social position in relation to national data as well as comparative provincial data. For South Africa, Mpumalanga province, in the MDC, will be compared with the North-West Province and in a similar vein the 'corridor provinces' of Maputo City and Maputo Province will be compared with the adjacent Gaza province. The data is grouped as follows: life

---

678 Ibid
679 See map in Appendix 1/3
680 A Manji, Ibid, p208
681 Ibid, p208-210
682 TA Salomao, Secretary General of SADC, Presentation at the MCLI AGM and Conference, 30th September 2011, Hotel VIP, Maputo, Mozambique
expectancy and health are ‘bundled’ together, followed by the comparative trends in educational achievement and employment. It is vital to demonstrate advances in each of these areas if the corridor is to maximise the human capital necessary to implement either NDP or PARP.

It should be noted now that while Maputo city is in the MDC and a comparative analysis is provided, determining relationships is more difficult as Maputo City is essentially a ‘dollar enclave’. Foreign currency is abundant in Maputo, this is primarily because national embassies, visiting dignitaries and international agencies are all located in the capital city. This means the influx of (largely) dollars skews the city economy. So, while vast wealth is in evidence and the cost of living is very high in the city, the majority live in abject poverty alongside this glaring wealth.

The following analysis and evaluation is unique, it has not been available in any single setting previously and it allows me to demonstrate the impact of the MDC upon communities within the geographical micro-region. Essentially then, this project has sought to move beyond simple understandings of poverty, it establishes how far the MDC enables its communities. This will be analysed in conjunction with comparative improvements between these sub-regions and through identifying existing trends.

**General Population Information: Health and Longevity**

The first section evaluates life expectancy in conjunction with key health issues that endure in the MDC, South Africa and Mozambique. They are evaluated together due to their implicit nature; “health is a fundamental component in the reduction of absolute poverty.” Here the success of the MDC is discernible and the ability to recognise and enhance these factors will be vital for transposing the methodology more widely to the North-South Corridor, or the Trans-African Highway.

---

684 See map in Appendix 1/3
685 See map in Appendix 1/2
A particularly long life is not the norm in either South Africa or Mozambique. Figure 1 indicates national life expectancy at birth in South Africa and Mozambique. Figures 2 & 3 indicate national life expectancy for men and women over the same period. The most striking factor is that life expectancy reduced in South Africa until stabilising in 2009. It has not yet fully recovered. This is specifically due to the terrible failure of Mbeki’s administration’s inability to manage the HIV/aids crisis, the related increase in tuberculosis and other related immune deficiencies. The impact in South Africa has been that average life expectancy (by % of cohort) fell 12% for men and 16% for women between 1997 and 2005.

“Aids, he said, was indeed brought about by the collapse of the immune system - but not because of a virus. The cause was poverty, bad nourishment and general ill-health. The solution was not expensive western medicine but the alleviation of poverty in Africa.”

The result was a failure to initiate effective sexual health campaigns, which would have promoted abstinence and protection. He rejected the need to make antiretroviral drugs available for those living with HIV. The influential 2008 Harvard Report, condemning Mbeki’s policy suggested that 3.8 million years of life were lost in South Africa, directly caused by this poor policy. This has since been addressed by the Zuma administration with the National Strategic Plan I & II which aimed to roll out ARVs and reduce the impact of the epidemic, with some success. However, the delay has had a direct impact on the health of the nation. South Africa has the largest epidemic worldwide with 5.9 million adults or 18% of the population contracting HIV/aids. The related growth in poverty and increase in child-headed households, particularly in vulnerable areas previously impacted by apartheid, such as Mpumalanga.

---

686 R Tate, ‘SADC: the provision of security: anything more than a paradigmatic inflection?’, Submitted as a requirement of MA in International Security at University of Leicester 2009, p49
687 Ibid
688 See figure 1
693 Ibid
694 Ibid
695 Ibid

---
in the MDC, has led to long standing socio-economic consequences. This has disproportionately impacted on cities, borderlands and other transit areas.\textsuperscript{696}

Over the same short period the life expectancy increased by 3 years for both men and women in Mozambique, one of the world’s very poorest countries. Given the disparity of national wealth, one would not have expected comparative national life expectancy at birth to be within 2 years for the 2015 cohort. However, unlike South Africa, the Mozambican government accepted international advice and worked in conjunction with aid agencies to reduce the impact of HIV/aids. While slow to react initially, the government put a national strategy in place in 2000. The momentum of these incrementally revised National Strategic Plans (PEN I-III) “has provided a long-term strategic approach to tackle HIV/AIDS in Mozambique.”\textsuperscript{697} Figure 1 indicates that this program, in conjunction with PARPA II, is successfully reducing national prevalence, particularly in comparison to South Africa.

**Figure 1: Estimated Life Expectancy at Birth in South Africa and Mozambique**

![Comparative Life Expectancy at Birth](image)


HIV\textsuperscript{699} and Tuberculosis\textsuperscript{700} have a higher incidence in busy or transitory areas,\textsuperscript{701} creating a dual crisis for life expectancy in the MDC. There is an exceptionally high

---

\textsuperscript{696} SAPA, News 24 website, ‘Mpumalanga’s Gert Sibande district has highest HIV rate’, 22/11/2013, accessed on 25/01/2016


\textsuperscript{698} Appendix 3/4
incidence of both in the MDC. I found this has caused a great strain on many charity organisations, particularly in the Nelspruit area. Poverty is worsened due to the stigma and discrimination still associated with HIV/AIDS which is being challenged but still impacts greatly in traditional African communities in Mpumalanga. Shockingly, the number of child headed households in Matsulu, Mpumalanga is substantial, there are over 40 at the Takhelei secondary school alone, many of whom have no permanent abode and are socially outcast. To minimise this prejudice, voluntary testing has been encouraged by the state and employers. Anchor project concessionaire TRAC, introduced a voluntary testing and disclosure system for all its staff in 2009 to encourage openness and discussion.

Figures 2 & 3: National Expected Survival Level by Gender

![Comparative Life Expectancy - Male](image.png)


---

699 See figure 4
700 See figure 5
702 Ibid
703 Interview with B Moore, Op cit
704 Interview with B Botha, Op cit
705 Interview with Coy Arthur, CEO of Trans African Concessions (Pty) Limited (TRAC), Midrand, Johannesburg on 06/2009
706 Appendix 3/4
Figure 4: Percentage Prevalence of HIV/AIDS in South Africa and Mozambique


Appendix 3/6
However, at Takheli School, a community project has opened a food kitchen providing one good meal a day for these families.\textsuperscript{709} Minimal support is provided for these child-headed families.\textsuperscript{710} Poverty and food insecurity is very high and these children are very vulnerable.\textsuperscript{711} This high precedence is linked to the government’s failure to accept nevirapine,\textsuperscript{712} an anti-retroviral (ARV) drug, from Boehringer Ingelheim until 2002, this meant that mothers continued to pass HIV onto their unborn children.\textsuperscript{713} The result was a rapidly growing infant infection rate until 2009.\textsuperscript{714} This was rectified relatively quickly post 2008 and now the bulk of pregnant women living with HIV have access to ARV’s.

\textbf{Figure 5: Incidence of TB in South Africa and Mozambique}

![Tuberculosis Case Detection Rate (%)](image)


In health terms Mbeki’s HIV/Aids policy failure was dramatic. It will take more time to reverse the trend which figures 10 & 11 demonstrate has skewed the working age demographic in both Mpumalanga and North-West Province. The MDC has been disproportionately affected, according to Brenda More from Nelspruit Community Forum (NCF), a charity specialising in poverty support and homelessness. The

\textsuperscript{709} Interview with B Botha, Op cit
\textsuperscript{710} Ibid
\textsuperscript{711} Ibid
\textsuperscript{712} P Chigwedere et al, Op cit, p411
\textsuperscript{713} S Boseley, Op cit
\textsuperscript{714} See figure 12
\textsuperscript{715} Appendix 3/7
increased occurrence of HIV/Aids and TB along the MDC route is very clear, especially when compared to the general population. Further, it is the most vulnerable in society that are at the highest risk of infection. TB is a growing problem found in busier cross border areas where it tends to accompany HIV/Aids. Certainly, there is a higher propensity for sexual risk taking on the part of transient individuals where there is a burgeoning sex trade.

There is an added burden of HIV/Aids and TB in Mpumalanga and Maputo Province in the MDC, when viewed in comparison to the North-West and Gaza provinces. Health Minister, Motsoaledi advised that this tends to be the case where economic activity and industrialisation attract more people. In Maputo Province the incidence of HIV/AIDS stood as high as 17% of the population, in comparison to an “overall prevalence of 13.1% among women compared to 9.2% among men. Nationally, urban areas (15.9%) are generally more affected than rural areas (9.2%).” Economic activity coupled with a transient population has caused an extremely high prevalence in Maputo Province, more in line with South Africa. Further, a recent report by the International Organisation for Migration, regarding a key section of the MDC, suggests that in the border area between Maputo and Swaziland, particularly between Matola and Namaacha, “the situation along the corridor should be considered an emergency. These hotspots should be saturated with combination HIV prevention programmes as well as intensified access to treatment and care services.”

Given the high infection levels in mining areas of Mpumalanga, borderlands and other transitory areas such as plazas, laybys and car parks in the MDC, one would also have expected a comparatively high mortality rate. Table 1 below indicates that this has not been the case and life expectancy is comparatively high in Mpumalanga and in Maputo Province.

---

716 Interview with B Moore, Op cit
717 Ibid
718 Interview with A Mausse, et al, Op cit
720 Ibid
722 WHO website, Op cit
723 See map in Appendix 1/5
724 IOM Report, Op cit
Table 1: Life Expectancy by Province

<table>
<thead>
<tr>
<th>Province</th>
<th>Life Expectancy Men</th>
<th>Life Expectancy Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maputo City</td>
<td>56</td>
<td>59</td>
</tr>
<tr>
<td>Maputo Province</td>
<td>54</td>
<td>59</td>
</tr>
<tr>
<td>Maputo Province Urban</td>
<td>51</td>
<td>57</td>
</tr>
<tr>
<td>Maputo Province Rural</td>
<td>47</td>
<td>54</td>
</tr>
<tr>
<td>Gaza Province</td>
<td>40</td>
<td>46</td>
</tr>
<tr>
<td>Gaza Province Urban</td>
<td>44</td>
<td>53</td>
</tr>
<tr>
<td>Gaza Province Rural</td>
<td>39</td>
<td>44</td>
</tr>
<tr>
<td>Mpumalanga Province</td>
<td>56</td>
<td>60</td>
</tr>
<tr>
<td>North-West Province</td>
<td>56</td>
<td>58</td>
</tr>
</tbody>
</table>


This result is surprising given the MDC had some of the highest levels of pregnant women with HIV in 2015,725 and Gert Sibande District, Mpumalanga had the highest in South Africa at 46%.726 Finally, many “informal traders crossing the Mozambique-Swaziland border, see transactional sex as part of the ”costs“ of doing business. They tend to trade sex for non-payment of customs duties or the rapid processing of their transit through the border.”727 Clearly then, the MDC has many disadvantages concerning health issues, but paradoxically, life expectancy is higher too.728 Other positive factors counter this issue in the corridor, especially benefits relating to the

725 Ibid
726 SAPA, News 24 website, ‘Mpumalanga's Gert Sibande district has highest HIV rate’. Op cit
727 IOM Report, Op cit
728 See table 1
provision of health, education and employment which have stood communities in good
stead despite these issues. This is reflected in relative life expectancy in table 1.

**Figure 6: Women in receipt of ARVs (% of pregnant women living with HIV)**

![Graph showing % of Pregnant Women in Receipt of ARVs]


It is evident from figure 7 that the two single most prevalent illnesses leading to death in
these Mozambican provinces in the MDC are Malaria and HIV/Aids. The HIV/Aids
infection rate is exceptionally high in Maputo Province and Maputo City, but death has
been successfully curtailed through Pen III and PARP 2011-14. HIV/Aids is the
largest single killer, greater than the national average at 27%, yet ‘other’ is
significantly higher, however this includes road accidents and TB which are both
substantial risks in the MDC. However, death by Malaria and TB has been mostly
eradicated in the MDC, through the effective projects of the Mozal Community
Development Trust CSR program (MCDT) previously introduced in chapter 2. It has
had tremendous results eradicating the malaria carrying mosquito within Maputo
Province and City. In 2001 MCDT provided an initial US$600,000 and then
US$650,000 for the following 3 years. They continue to purchase and distribute 900
bed nets a month from “3 all-female associations made up of widows and single

---

729 Appendix 3/8
730 WHO website, Op cit
731 Ibid
732 Interview with B Moore, Op cit
733 Interview with A Mausse, et al, Op cit
734 MCDT Magazine, No 6, p18
mothers.” Further, in conjunction with the private sector and governments of South Africa, Swaziland and Mozambique, they have agreed to move beyond their 20km jurisdiction and help to reduce malaria infection in the entire borderland area.

**Figure 7: Most Common Types of Death by Relevant Provinces in Mozambique**

![Figure 7](image)


In Maputo Province malaria infection is very low at 11.4%. This is directly related to the extension of the MDCT target area surrounding Mozal where malaria infection has reduced from 85.6% in 1997 to 5.9% in June 2010. Gaza has relatively low levels of malaria infection at 18.8%. This is very encouraging because it is directly related to efforts to reduce infection in the borderlands. MDCT has pioneered the use of bed nets, education, youth theatre and covered water tanks in Maputo, and more recently Gaza province. By comparison, nationally malaria remains “the largest single cause of death” accounting for 29% nationally. The Mozal smelter is directly responsible for these local results in the MDC.

---

735 Ibid
736 Interview with A Mausse, et al, Op cit
738 Interview with A Mausse, et al, Op cit
739 INE, Op cit
741 Ibid
The MDC model results are favourable, it has facilitated a considerable increase in life expectancy over the projects lifespan. Figures 8 & 9 indicate that there has been an improvement in life expectancy for those aged between 15 and 35 in both the North-West and Mpumalanga. This reflects an increase in those who are most likely to become economically active. Recovery has been faster in Mpumalanga. It is possible that this may be due to the availability of ARVs, but one would then expect a similar result in the North-West Province which is not visible. Therefore, the prime reason for this population rehabilitation by way of inward migration into Mpumalanga, has occurred through the sustained creation of employment opportunities in the MDC.¹⁴²

¹⁴² See section on employment below
Figure 9: Distribution of population by age and sex in North-West – 1996, 2001 & 2011

Table 1 indicates significant variations in life expectancy between urban and rural populations and between corridor to non-corridor communities. Better living conditions, access to improved health care and enhanced employment opportunities in corridor areas are clearly influential. It is apparent in Mozambique that corridor policies have increased lifespan. Urban life-expectancy for men is 5 years in advance of rural. Significantly, in Mozambique, decreases in life expectancy directly correlate with distance from the central infrastructure connections in the MDC. For example, average life expectancy for men in Gaza province is still only 40 years compared to 54 years in Maputo Province. Even the rural variation between Maputo Province and Gaza Province is significant 8 years, the discrepancy is even greater in comparison to Maputo City. Further, the data demonstrates that life expectancy for women has increased by 10 years in Maputo Province when compared to the Gaza province equivalent. Although rural lifestyles are based on subsistence, which is undoubtedly a ‘harder’ type of lifestyle one would not usually expect such a great divergence in life expectancy. There are more economic and general trading opportunities in rural Maputo Province in comparison to other rural locations. This makes a great deal of difference. It would not
then be premature to conclude that the greater domestic and FDI investment in the MDC has had a beneficial impact on life expectancy in both urban and rural areas. Given the high incidence of HIV/Aids and TB in the MDC this is significant.

**Comparative Levels of Educational Attainment**

The South African and Mozambican integrated development strategies, NDP and PARPA II (2006-2010) & PARP (2011-2014), place a high value on educational attainment in promoting economic advancement. Education has been promoted widely as an effective mechanism for increasing levels of human capital and is necessary for developing a flexible and skilled workforce. Without an effective education system NDP and PARPA II & PARP would be unable to “roll back poverty and inequality.”

However, to raise living standards to a minimum acceptable level in either state, these strategies require greater emphasis on improving employment opportunities, alongside any productivity gains. It is only in combination they can enhance earning power and create sustainable wage increases. In South Africa, there is an additional commitment to attaining a decent social wage, although this does not extend for the duration of NDP. NDP acknowledges that black educational attainment has been relatively poor in South Africa. In Mozambique, the there is still a great need to enhance educational attainment as basic education is still unsatisfactory nationally. Further, vocational and further academic training also remains very low.

Educational advancement is widely accepted as a prime indicator for poverty alleviation and social development in previously disadvantaged communities. Success here would see the MDC delivering comparatively better than the nation or target province. There has been a sustained effort to improve educational attendance and attainment in Mpumalanga and Maputo Province. This chapter provides a comparative provincial analysis of non-attendance and attainment in the corridor. Primary education is

---

743 NDP executive summary, Op cit, p15
744 See chapter 3, section ‘embracing orthodoxy’
745 NDP, Executive summary, p16
746 Ibid, p31
747 Ibid, p38
748 See figures 11-13
749 See figures 11-13
compulsory in both states and the level of attendance is mixed. Many CSR projects promote education in the MDC, for example, TRAC support schools on both sides of the border, often stepping in to meet lack of funding and support vulnerable families. MCDT have had an extensive educational impact in Maputo Province, when in comparison educational attainment has been weak in Mozambique. The government revisited the failed elements of PARPA II, putting in place a systematic expansion of youth and adult literacy via PARP 2011-14. In the MDC, Maputo Province ‘bucks the trend’, outstripping these goals, but stubbornly high levels of under-employment require a redoubling of efforts if poverty reduction it to be attained.

Although education at primary level is compulsory in South Africa and Mozambique figures 10 (SA) and Column No.1 in figures 11-13 (M) indicate that a significant number of people still received no formal education. Figure 10 demonstrates that in South Africa this remained significantly high in Mpumalanga and Limpopo province until 2011, although this is fundamentally due to the age of that cohort when the ANC came to power in 1994. It is evident that in the North-West and Mpumalanga strategies have had a reasonable impact, with 14.8% of children receiving no education in Mpumalanga compared to 11.8% in the North-West Province. Both figures demonstrate a significant decline in non-attendance, but the data is still concerning. This is particularly the case in comparison with the national average of 8.6%. This is an area where corridor methodology (and in future perhaps an integrated CSR strategy) demonstrates its effectiveness. Further, the data needs contextualising as without support, poverty in these previously disadvantaged areas can be restrictive.

750 Interviews on 3/10/2011 with C Zamudine and F Inquane, HR Officer TRAC (Moz), Operations Managers TRAC (Moz), Matola, Mozambique, Interview with B Botha, General Manager at Nkomazi Plasa for TRAC Pty Ltd and Headmaster of Takheleini School, Matsulu, South Africa on 12/09/2011
751 Interview with A Mausse, et al, Op cit
752 PARP, Op cit, p23
What is certain is that if either strategy is to be successful the level of attainment needs to improve. While attendance is relatively acceptable in Maputo City, the same cannot be said for Maputo Province. Here, column 1 indicates the number of adults with no education in Maputo City, it is circa 6.5% for men & 11% for women. The corresponding data for Maputo Province slightly higher reflecting circa 11.5% for men but considerable at 21% for women. Yet, this is dwarfed by the very high level of the population that have not attended primary school in Gaza Province, which is more in line with the national position. Here it is extremely high with circa 68% of men and 74% of women receiving no primary education at all. In general, “children are supposed to enter first grade of primary school at the age of six – but many families do not send their children to school until they are seven, eight or more years old. The census

---

753 See figure 11
754 See figure 12
found that 63.6 per cent of six-year olds and 41.5 per cent of seven-year olds were not at school.”

In Gaza, the high level of illiteracy is likely linked to registration failure as most children reside far from school. Moreover, many children in rural areas are still required to help with traditional primary production. So effectively “a large minority of children of school age remain outside of the school system. The 2007 census [in Mozambique] found that 34.3 percent of children aged between 6 and 17 are not attending school.”

This is not in line with the aims of PARPA II (2006-2010) which was in action during this period. PARP has aimed to address the failings of PARPA II by devising and implementing mechanisms to ensure poorer families have access to primary education. The aim was to “free[ly] distrib[e] school books…. and increase the allocation of funds for schools through the Direct Support for Schools program.” It will be interesting to ascertain how far PARP (2011-14) has been any more effective in attaining these educational ambitions when 2017 census data becomes available.

In Mozambique, around “80% of the workforce has not completed the first level of primary school,” only 13% have achieved this. While this does increase to a 31% completion of primary education in the private sector, this is not enough to build a modern economy. Educational attendance is poor in Mozambique because while education is compulsory there is usually a registration fee. This means that children from the poorest families cannot attend. This has been ameliorated in the MDC because MCDT provides support by paying these fees for poorer families in Maputo Province. This has had a significant impact and, according to Mausse, attendance in the province has increased dramatically. Further, this single action by MCDT has

755 Mozambican High Commission Report, Op cit
756 ibid
757 PARP, Op cit, p25
758 ibid
759 PARP 2011-2014, Op cit, p12
760 ibid
761 ibid
762 Hanlon J & T Smart, Op cit p75
763 Interview with A Mausse, et al, Op cit
promoted inward migration into the area. People who could not afford to pay for enrolment have moved into the MDC locale to ensure their children’s education.764

**Figures 11 to 13: Mozambican Educational Attainment by Number of Students, Province and Sex**

**Key for Figures 11 to 13**

<table>
<thead>
<tr>
<th>Education Level</th>
<th>None</th>
<th>Literacy</th>
<th>Primary Grade 1</th>
<th>Primary Grade 2</th>
<th>General Secondary Education (GSE1) Level 1</th>
<th>General Secondary Education (GSE2) Level 2</th>
<th>Elementary Education (ETE)</th>
<th>Basic Technical Education (ETB)</th>
<th>Technical Education</th>
<th>Primary Inducation 1st Degree (EP1)</th>
<th>Higher</th>
<th>Unknown</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guide</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
<td>12</td>
</tr>
</tbody>
</table>

**Figure 11: Educational Attainment in Maputo City**

The level of educational attainment in South Africa at grade 12 matric level is promising. This is demonstrated in Figure 14 below. The data in this chart is more meaningful after the 1996 tranche as this is more reflective of education in the new democratic South Africa. Those who passed the matric examinations in Mpumalanga increased from 17.7% in 2001 to 29.5% in 2011. This is a considerable increase but

---

764 Ibid
still many are being left behind. Additionally, when combined with those who received no education, it means the system is still failing over 50% of the population, albeit most fall between these two educational standards and have a very basic education.

**Figure 12: Educational Attainment in Maputo Province**

![Educational Attainment in Maputo Province](image1.png)

**Figure 13: Educational Attainment in Gaza Province**

![Educational Attainment in Gaza Province](image2.png)

In North-West province, the increase during the same period was from 16.1% to 25.4% which is less effective than in Mpumalanga province, particularly given the high volume of people with no formal education in 1994. Therefore, educational attainment in Mpumalanga is 4% in advance of North-West Province. It is difficult to measure how far inward migration has impacted as most immigrants will have children of school age at some point during this period. Often this group will be unable to afford registration or uniforms. Therefore, it appears the MDC is holding up well in terms of educational results.

**Figure 14:** Level of education in South Africa over time (Grade12 / Std 10 / Matric) for those aged 20 years and older by province from Census 1996, 2001, 2011 and Community Survey 2007

By 2030 NDP aims to “improve the school system, including increasing the number of students achieving above 50 percent in literacy and mathematics, and increasing learner retention rates to 90 percent.”\(^{765}\) This will assist in equipping people for employment. Clearly, this means NDP needs to be fully implemented to deliver more jobs.\(^{766}\) Chapter 2 demonstrated how this is beginning to occur in the MDC. However, currently underemployment is significant, an increase in human capital through education may improve this, providing jobs as they become available.

---

\(^{765}\) NDP, Executive Summary, Op cit, p20

\(^{766}\) See below
After over 20 years of democratic governance in South Africa there are clearly still some extensive barriers to universal education. Fee payment is required after grade 10 which is a disincentive to poorer families. Families in receipt of social grants are usually exempt from additional fees, but often poorer working families cannot afford to send their children to school. For many the cost of school uniforms is prohibitive. NDP is aiming to reduce these associated costs such as books and in further and higher education is planning to providing tuition and living allowances, although this will not occur immediately. This means that for many prohibitive costs need to be eradicated. Schools do benefit from government schemes when they chose not to levy fees, but they also suffer from high attendance. This means that class sizes can be excessive while facilities are often poor and teachers are overstretched.

Educational attainment in Mozambique is relatively good to primary level where it is mandatory. Census data indicates a reduction in illiteracy rates at a national level. “In 1997, as many as 60.5 per cent of the population aged 15 and above could not read or write. Ten years later, the figure had fallen to 50.4 per cent.” However, it appears that donors have tended to concentrate on primary education. Hanlon & Smart suggest that to maximise employment potential there needs to be a greater emphasis on secondary education, which appears sensible. Although success has been mixed, PARPA II has focussed on education as “one of the key sectors in the government’s strategy to combat absolute poverty.” Most people have attained primary level but there is a varying amount of drop-off by the end of secondary school. Figures 11-13 are indicative of trends in provincial educational attainment. The patterns that emerge are encouraging for larger scale well-planned CSR projects associated with the MDC. Therefore, rationalising the CSR process through MCLI would be helpful.

The graphs show some useful trends. Below I have detailed the data in percentage terms as this is more clearly indicative of this success in the MDC. In Maputo City

---

767 Interview with B Botha, Op cit
768 Ibid
769 Ibid
770 NDP, Executive Summary, Op cit
771 Interview with B Botha and Headmaster of Takheleni School, Op cit
772 Mozambican High Commission Report, Op cit
773 PARPA II, Op cit, p88
83% of boys attend primary and secondary school and 75% finish with general qualifications. In comparison, 81% of girls attended to secondary level, again 75% finish with a general qualification. However, only 6% of boys and 3.5% of girls go on to gain a higher educational degree. With the support of MCDT, results in Maputo Province are antithetical to national trends detailed in PARP.\textsuperscript{774} They are very good, with 84% of boys attending to secondary level and 80% leaving with a general qualification. The attainment for girls is also good with 74% attending to secondary level and 72% leaving with a general qualification. However, in Maputo Province only 2% of boys and 1% of girls gain a higher education degree. This is likely to change with advances in secondary education in the MDC. The more natural comparison for Maputo Province is Gaza Province as historically Maputo City has had significant donor aid available to boost educational attainment.\textsuperscript{775} In Gaza Province 48% of boys attend to secondary level with 46% gaining some formal secondary qualification. The result for girls is slightly less with only 40% attending secondary school, 39% of whom gained a formal qualification. This is predominantly due to the nature of subsistence life in Gaza, where traditional roles still often apply. No results are available for higher educational attainment in Gaza Province. The results in Maputo Province are very pleasing and are directly linked to MDC strategies and CSR projects tied to MDC anchor projects. This is an excellent testimony to development corridor methodology. In Maputo Province, MDCT have worked hard to achieve these educational levels.\textsuperscript{776} Notwithstanding, it must be noted that not all anchor project CSR organisations will have the same financial scope or organisational acumen as MDCT.

The education system in the MDC has benefitted greatly from both large and small CSR projects. This is occurring in South Africa and Mozambique. The linking of CSR and education has been necessary because resources are limited in non-fee-paying schools. In combination with communities, anchor projects and other organisations have enhanced both the educational experience and attainment. TRAC, the N4 Toll Road Concessionaire, MDCT along with others have promoted many educational and sports projects.\textsuperscript{777} The impact has been more dramatic in Mozambique where educational

\begin{itemize}
  \item \textsuperscript{774} PARP 2011-14, Op cit, p12
  \item \textsuperscript{775} Interview with J Hanlon 09/2010, Private Offices, London
  \item \textsuperscript{776} Interview with A Mausse, et al, Op cit
  \item \textsuperscript{777} Ibid, Interview with A Coy, Op cit, Interview on 22/09/2011 with A Heyl, HR Consultant for TRAC, Nelspruit, Mpumalanga.
\end{itemize}
services and facilities are less advanced than in South Africa. If corridor methodology could be duplicated elsewhere, these better results could also be attainable for the new micro-region.

Nevertheless, in South Africa the outcome has been very positive and the MDC has enhanced children’s education. Schools and students have benefitted through poverty relief, improved facilities, enhanced community participation and better learning outcomes compared to the North-West. For example, the township of Matsulu, Mpumalanga, CSR allowed for a new nursery school and excellent junior school facilities. TRAC Ltd gifted their old ‘start up’ community liaison and training premises to the community. This is now a school with 4 classrooms, kitchen facility and office. In partnership with the community, they provided playing facilities and the materials for secure fencing for the playground. This created a safe facility for the provision of education from foundation to stage 1 education for the community. Further, TRAC have an ongoing CSR project at Takheleni Secondary school in Matsulu, Mpumalanga. They have supported several projects here, including creating a library, supplying books, shelves, tables and chairs. This has increased students’ access to books which had been very poor. Additionally, they provided materials and built a large covered assembly area, essential in the hot summer so close to the Mozambican border. Further, Mazda in Nelspruit have also provided toilet blocks with flushing toilets rather than pit latrines. Interlinking with this project, TRAC provided a water pump for drinking water and the flush toilets, and an associated community project was responsible for building a locked building for the water pump so it could be permanently fixed and to avoid theft. These commitments are appreciated by children, parents and community alike. Such projects offer revolutionary educational opportunities to children from the poorest communities in the MDC.

---

778 This is expressly due to the organisational structure and volume of revenue allocated by Mozal to MCDT
779 Ibid
780 Field work on 12/09/2011 with B Botha, General Manager of Nkomazi Plaza, TRAC (Pty) Ltd, to Little Angels School, Matsulu, Mpumalanga
781 Ibid
782 Ibid
783 Ibid
784 Interview with B Botha and Headmaster of Takheleni School, Op cit
785 Ibid
786 Ibid
787 Ibid
788 Ibid
The MCDT have had a striking impact through extensively improving the education provision in Maputo Province. This is because it has access to volume resources provided by Mozał Aluminium smelter to the equivalent of 1% of Mozal’s GNP per annum.\textsuperscript{789} The Rio suburb of Matola has expanded exponentially since 1997. Where it had one primary school, it now has seven each with over 500 children.\textsuperscript{790} The MCDT has been vital not only in creating the educational infrastructure, but also provides ongoing support such as registration payments, provision of books and support for orphans in the educational system.\textsuperscript{791} This modern education system draws families to the area.\textsuperscript{792} Additionally, via MCDT, the new Nelson Mandela secondary school has benefited from six new classroom buildings and a computer suite since 2010.\textsuperscript{793} This allows the school to support local students up to 12\textsuperscript{th} grade.\textsuperscript{794} This will increase the number of students in the province attending university. This school also hosts evening classes for adults who have little or no education.\textsuperscript{795} This is “the first Pre-University school in the areas of Matola- Rio and Belulane Industrial Park.”\textsuperscript{796} The MCDT has also built a sports complex for all the schools in the surrounding area and has “financed the training of teachers of physical education in Matola-Rio Schools. 1500 children benefit from an annual sports tournament held in Belulane.”\textsuperscript{797} Further, local schools and the technical college (also built by MCDT) benefit from the refurbishment of Mozał’s 500 computers every three years, whereby they are wiped, refurbished and fitted into local schools as an ongoing part of MCDT’s program.\textsuperscript{798} According to Mausse, prior to 1997 the single primary school lacked facilities and its attendance and academic attainment was poor, this has been raised substantially.\textsuperscript{799} This investment in the local youth has produced a rapid advancement both in attendance and the quality of education they receive. In Maputo Province CSR has been of great benefit to the educational attainment and facilities. This is directly due to investment in the MDC and

\textsuperscript{789} Interview with A Mausse, et al, Op cit
\textsuperscript{790} Ibid
\textsuperscript{791} Ibid
\textsuperscript{792} Ibid
\textsuperscript{793} MCDT magazine, No 3 (2005) & No 6 (2009–2011), Printed on behalf of BHP Billiton, Matola, Mozambique
\textsuperscript{794} Interview with A Mausse, et al, Op cit
\textsuperscript{795} Ibid
\textsuperscript{796} MCDT magazine No 3, Op cit
\textsuperscript{797} Ibid
\textsuperscript{798} Interview with A Mausse, et al, Op cit
\textsuperscript{799} MCDT magazine No 1, Op cit
would not have occurred without the corridor project. Attendance and attainment were far in advance of PARP targets during my last visit to Matola in 2011. This is not the norm in Mozambique and if other such programs in Beria and Nacala corridors can be established this will assist PARP in delivering national targets.

Problematically, these high standards are not met in a consistent manner. Some schools benefit while others fall into disrepair. In March 2015 parents made building repairs to a secondary school in Mpumalanga because essential roofing repairs were required. Further, not all CSR projects are effectively filtered or managed by the community as is the case with MCDT. For example, TRAC sponsors several school projects in South Africa and Mozambique but the selection criteria are relatively random. This can lead to inconsistencies as some schools benefit due to favouritism rather than need. This system is not perfect and cannot fully modernise educational services. In informal settlements close to Matola, Maputo Province some schools supported through CSR still lack critical facilities. On my visits to these schools they had no access to reading books, pens or exercise books. Free schools are often oversubscribed, this leads to a shortage of classrooms, meaning children attend school for half days, in shifts. For example, TRAC have built 3 classrooms at a primary school that they sponsor in Matola, but still some classes take place outside. Where facilities are poor teachers manage with hand-held blackboards with class sizes over 60. CSR projects ideally need some type of standard format, and element of consistency would be helpful. A corridor level plan for CSR might provide this and would support NDP and PARP calls for greater social inclusion. A unified response would be difficult to achieve but if this could be channelled along similar lines to MDC stakeholder meetings, establishing consistency in the MDC could be helpful. Further, this would also be in line with NDP and PARP poverty reduction and up-skilling objectives.

---

800 SAPA, SABC Press, Mpumalanga: Parents Fix Dilapidated School, http://www.sabc.co.za/news/a/4f5a940047828a20ac42ee42d945d4b0/Mpumalanga-parents-fix-dilapidated-school-20150303, 12/03/2015
801 Usually the decision is taken by the CSR team and the chief executive. Interview with A Heyl, Op cit
802 Interview with Zamudine C, HR Officer TRAC (Moz) and F Inguane, Operations Manager TRAC (Moz), Op cit
803 Ibid
804 Ibid
805 Ibid
While government policy in both nation states requires that children to attend school up to and including basic senior school examinations, this is still not always possible. Further enforcement of this compulsory education policy is simply not a priority for either government, given the implications for a skilled workforce this is unfathomable. Non-attendance is generally due to poverty or incapacity at some level. It is clear however that CSR projects via a corridor project can improve both attendance and attainment. This is very hopeful for nation states who have embarked on corridor projects, particularly if they are attached to substantial anchor projects. What would boost educational attainment in the MDC is the standardisation of these benefits. This would involve coordination between schools, civil society organisation and ideally the corridor management body. This would only be viable with continued governmental commitment to the national poverty reduction framework and support for an extended mandate for the corridor management body.

**Employment in the MDC**

Each of the aspects examined in this chapter are interlinked; longevity and good health enable people to meet their full potential. “Improved education, will lead to higher employment and earnings, while more rapid economic growth will broaden opportunities for all and generate increased resources required to [further] improve education”\(^806\) The lynch-pin is producing enough jobs of the ‘right type’. Volume employment needs to be created to reduce high unemployment levels. Official unemployment figures might only be circa 28% in South Africa\(^807\) and 27% in Mozambique\(^808\) but both are wildly inaccurate and vastly underestimate the true level of unemployment, which is at least 20% higher in both cases.\(^809\) This employment mismatch is complex and must be addressed if South Africa, Mozambique or development corridors are to advance further. Underemployment and informal

---

\(^{806}\) Ibid, my italics

\(^{807}\) See figure 17


\(^{809}\) The World Band data in figure 16 relies on subjective interpretations of what it means to be employed over the period. It requires short working hours to qualify as employed.
employment are widespread although it is difficult to be exact.\textsuperscript{810} Figure 16 demonstrates that this is a stubborn problem disproportionately impacting on the youth and women,\textsuperscript{811} especially in Mozambique. Goldman Sachs suggest that youth unemployment is around 71% in South Africa.\textsuperscript{812} Figure 16, would suggest it is around 60% and around 40% in Mozambique, but, if anything, this World Bank data is overly positive, and exaggerates the level of employment.\textsuperscript{813} Figure 18 suggests youth unemployment is much higher in the MDC in Mozambique, being as high at 84% in Maputo Province or 89% in Maputo City. This is more realistic but requires countering by the very high level of activity in the second economy. Regardless of the exact calculation both governments acknowledge their failure here. NDP and PARP show a long term governmental commitment to addressing these shortfalls.\textsuperscript{814}

Conversely, executive roles need experience and high skill levels, and this has become increasingly troublesome as party and state have encouraged vast patronage networks,\textsuperscript{815} allocating jobs according to allegiances and personal networks rather than skill.\textsuperscript{816} Adequately skilling the workforce and creating volume employment is perhaps the largest challenge facing Southern Africa. There have certainly been good attempts but clearly this is a weakness for development corridors just as it is for governments. There are simply no straightforward solutions.

\textsuperscript{810}Ibid
\textsuperscript{811}See Appendix 2/5-8
\textsuperscript{812}Goldman Sachs Report, ‘Two Decades of Freedom’, Investment Banking Division, South Africa, p31
\textsuperscript{813}See Appendix 3/10
\textsuperscript{814}PARP, p18, NDP, pp15-17, pp24-25
\textsuperscript{815}See Chapter 6
While economic orthodoxy has produced good levels of economic growth, which NDP and PARP advise is necessary to create employment, this has not yet created “nearly enough jobs on the scale needed to absorb the legions of the unemployed.”

---

817 Appendix 3/9
818 Appendix 3/10
819 NDP, Op cit, p17, PARPA II, p68
820 The Economist, Jobless Growth, 3/06/2010
Therefore, unemployment statistics have tended towards bleak even when there are high levels of growth. This has led to the concept of ‘jobless growth’ in southern Africa.\(^{821}\) The problem of unemployment is complex and wide ranging in the MDC and several intertwined factors further promote this idea of jobless growth. Firstly, it has already been established that the volume of people out of work has been too high to be absorbed. Secondly, in the first phase, anchor projects in the MDC produced a limited volume of highly skilled jobs. So “while mega-projects accounted for 72% of total capital investment over 1992-2010, they only generated 5% of [the] expected employment.”\(^{822}\) Thirdly, many people who are in work are underemployed. Therefore, poverty has remained a feature for many working families.\(^{823}\) Finally, where employment opportunities arise, they are mitigated by migratory flows, which in turn further bloat the unemployment figures in the MDC.\(^{824}\) This has also created hotspots of social hostility.\(^{825}\)

So, while the economic success of the MDC has encouraged many businesses to locate within its confines, and jobs have been produced, often the overall benefits are mitigated by other factors, notably inward migration. Employment is increasing in the MDC. This occurs locally and further afield, through increased regional trade.\(^{826}\) Further, with support new manufacturing opportunities are consistently evolving in the corridor.\(^{827}\) In time, this will create social upliftment of communities as spending power will increase. It will require continued advancement in educational attainment to meet with these opportunities. NDP recognises that there can be no ‘quick fix’. It “presents a long-term strategy to increase employment and broaden opportunities through education, vocational training, work experience and public employment programmes”.\(^{828}\) NDP aims to create 11 million new jobs by 2030.\(^{829}\) Similarly, PARP aims to promote further education and vocational training, establishing “traineeship

\(^{822}\) OECD report, Op cit, p18
\(^{824}\) Interview with A Mausse, et al, Op cit.
\(^{825}\) See Chapter 5/figure 10
\(^{826}\) Key Note Speech by TA Salomao, Secretary General of SADC, Op cit
\(^{827}\) See Chapter 1, section ‘The MDC & the Washington Consensus’, See Chapter 2, ‘A New Ideological Position for the MDC’
\(^{828}\) NDP, Executive Statement, p18
\(^{829}\) Ibid, p28
programs in partnership with technical schools, vocational training centres and public and private businesses in order to build on the technical capacities of recent graduates." \(^{830}\) These targets represent a tremendous challenge even where corporate resources are available in the MDC.

Conversely, in some areas skills are rising and new migrants threaten the unskilled, each aspect having the potential to sow social unrest. This disproportionately impacts in South Africa where an “estimated five million people who are unemployed, 3.5 million are under 35, \([and]\) more than 170,000 \……………….. are university graduates” \(^{831}\) As yet overqualification is less problematic in Mozambique, although this could easily occur in Maputo Province. \(^{832}\) Problematically, every argument here is cyclical.

“To achieve the employment promotion, three priorities have been identified: encourage the creation of employment; improve people's employability; and facilitate linkages between employment supply and demand” \(^{833}\)

Given circular nature of this problem, it has proved difficult for governments to reduce high levels of poverty, it is now focussed on reducing under and unemployment. Therefore, holistic poverty reduction platforms, interlinked with employment and education such as NDP and PARP are required, and so very long overdue. Indeed, they would have been impossible whilst adhering to the strict austerity politics associated with the ‘Washington Consensus’. These aim to provide a mixed strategy, by “address[ing] poverty and its impacts through broadening access to employment, strengthening the social wage, improving public transport and raising rural incomes.” \(^{834}\)

This is occurring at a faster pace in the MDC because of intense investment, better linkages to anchor projects and new effective transmission lines. Problematically for the MDC, this does not offer a long-term solution to unemployment because the benefits in the corridor also encourage migration. Simply put, the MDC project cannot produce enough jobs and this lack of employment creates insecurity and sustains a degree of poverty in the corridor. This position is improving as more employment develops, however, more needs to be achieved. Poor strategic planning and limited

\(^{830}\) PARP 2011-14, Op cit, p20
\(^{831}\) N Maseko, ‘South Africa's unemployment crisis: Begging for jobs’, BBC News, 25/05/2015
\(^{832}\) See figure 12
\(^{833}\) PARP 2011-14, Op cit, p18
\(^{834}\) NDP. Op cit, p24
economic linkages have also stunted employment opportunities.\(^{835}\) It is difficult to insert these strategies into the MDC at this late stage. Yet, some signs are encouraging. There are indications that business links between MDC and the provinces of Inhambane and Tete are increasing.\(^{836}\) This is vital for further development across Mozambique and would also indicate that the MDC can improve employment opportunities further afield.\(^{837}\) If sustained this will challenge notions of uneven development because the benefits are not necessarily limited to the nominal 50km jurisdiction of the MDC. However, as a recent occurrence, this benefit should not be overstated. Although, this is promising, and potentially far reaching for the continent.

During the ‘Washington phase’ much emphasis was given to strategic anchor projects. In the MDC, this initial emphasis on key anchor projects was necessary but to some degree short sighted. Often these produced a limited number of highly skilled roles, failing to produce any quantity of unskilled jobs after the construction phase. “At its peak Mo zal employed 9000 people of which 64% were Mozambican, 5300 of whom received formal construction training.”\(^{838}\) After construction, Mo zal, the N4 Toll Road and most roles at Port Maputo required employees with high-tech training and specific expertise. These jobs would only be open to a few well-educated people. This problem was more exaggerated in Mozambique where in 1997 general levels of education were poor. Figures 11 & 12 demonstrate this improvement but now the inverse also applies. Maputo City and Maputo Province do not create enough formal employment either so a disgruntled over-qualified group may also agitate. Thus, “many of the new entrants into the labour market are forced into marginal jobs in the informal economy.”\(^{839}\) In areas with very high levels of unemployment it is difficult to attain a good balance between skills and employment. On balance, it is probably best if education comes first.

Agricultural investment is beginning to have greater impact in the MDC,\(^{840}\) and here a balance between high and low tech also needs to be achieved. Lower productivity roles are more suitable while unemployment is so high. However, it is accepted that higher productivity will lead to economic growth more rapidly. Agricultural entrepreneurship

\(^{835}\) See Chapter 1, section ‘Globalisation: SDI to Economic Corridor’
\(^{837}\) Ibid
\(^{839}\) African Development Bank Report, Mozambique 2012. Op cit
\(^{840}\) See Sojitz, TSB Sugar and Regal Farms in Chapter 2 ‘A New Ideological Position in the MDC’
is flourishing under the East Asian model, but this sector is not especially favoured by the IFIs who prefer industrial options. Problematically, agricultural productivity has dropped in Mpumalanga following implementation of the somewhat schizophrenic post-apartheid land distribution policies centred around ‘willing buyer: willing seller’ agreements, and the availability of grants. This was reformed to a leasehold system, the Proactive Land Acquisition Strategy (PLAS) in 2006, but this has been similarly problematic. Often the worst land became available and was sold to people with few agricultural skills. The policy has passed through a few evolutionary cycles but is still ineffective. It has been difficult to match consumers to finance, land and required skill set. Further it was “widely criticised for the complex group dynamics that resulted, it reproduced overcrowding and it did not link the acquisition of land to support or resources that enabled people to generate a livelihood.” Sometimes whole plantations were purchased by ANC cadres as residencies. Mpumalanga has had some success in court, attaining community wide land claims, but sadly today much of this land lays fallow.

The whole sector has proved problematic in post-apartheid South Africa, it has not increased output significantly or produced many additional jobs. The raft of policies implemented since 1997 represent “a contorted reform governed by state officials, consultants and agribusiness ‘strategic partners’”. The complications include an amalgamation of unsettled multiple land claims, unintentionally turning commercial farms into subsistence plots, poor quality land, inadequate skills and unrealistic objectives. In Mpumalanga, the provincial government set up the Mpumalanga Agricultural Development Corporation (MADC) in June 2004 to aid with such problems. Recently results have been more favourable. Both nations in the MDC

841 Hanlon J and T Smart, Op cit, p165
844 Ibid, p215
845 Fieldwork in Mpumalanga and Maputo Province, September & October 2011
846 R Hall, Op cit, p219
847 Fieldwork, Op cit
848 R Hall & T Kepe, Op cit, pp11-12
849 Ibid, R Hall, Op cit, p215
are faring reasonably well as new investment opportunities occur. However, greater human and capital investment is required in this sector. Clearly then, governmental interventions are not always successful, but employment in this sector has great potential. In South Africa, this is a prime example of a rush to poor, short sighted solutions, to overcome problems associated with apartheid. This has resulted in a retardation of agricultural output in many areas of Mpumalanga.

Rural development in combination with advanced technology will help to absorb many unemployed people. Particularly in Mozambique where it can “ensure the active, direct involvement of poor rural families in the rapid growth of the Mozambican economy and guarantee that the agrarian economy contributes directly to a reduction of poverty.” It is clear that “unless its young people are able to find employment, any real gains in alleviating Mozambique’s persistent poverty will be lost.”

Sojitz Ltd in Mozambique and Regal Farms in South Africa have maximised labour intensive jobs and have utilised skilled workers by developing new transmission routes to market. They have successfully formulated strategies that incorporate primary and secondary industries in the MDC and have simultaneously secured markets in Vietnam and Japan. As Jones and Tarp point out, where productivity and investment both rise in the agricultural sector, it will be possible to make considerable inroads into poverty reduction. This will go some way to creating demand too, a point very relevant in the MDC, where purchasing power from additional employment will produce a higher standard of living and reduce poverty. The Sojitz plant shows how this model can work on many levels. It utilises wood from South Africa and Swaziland in a sustainable fashion, whilst planting new areas in southern Mozambique. During the civil war these areas were heavily mined and generally badly impacted by South African destabilisation. They can now develop sustainable woodland and support many people who currently scrape a living making charcoal in the Mozambican bush, selling it informally at the roadside. With the aid of sapling donations from Japan, those people who predominantly harvest

851 PARPA II, p68
853 See chapter 2 section ‘a new ideological position for the MDC’
855 Ibid
charcoal in the Namaacha district in the MDC, will likely become involved in managing forestry. If this type of activity can be successfully duplicated in the very fertile corridors, such as Beira, this will make the corridor model very successful.

**Figure 17: Unemployment rates (official) for persons in the labour force aged 15–64:**


In 2012 Chinese and Mozambican ministers for science and technology signed a joint agreement including US$700m investment on two agrarian research centres in Maputo Province, Mozambique. Part of the project centres around technology transfer to specifically improve agricultural performance. Ten Chinese technicians are employed to support farmers, promote growth in human capital and skill transfer to enhance profitability.

“The minister said he believed that once the period ended the Chinese technicians would have transferred their knowledge to

---

856 See map in Appendix 1/6
857 Club of Mozambique, ‘Maputo, Prime Minister lays first stone for wood processing plant’, Op cit
859 Ibid
the Mozambican technicians, which would make it possible to increase current levels of productivity.”

Here, PARP and governmental intervention are working in unison. In this ‘developmental state’ model, providing agricultural development is effective. Fewer restrictions apply to this South/South model which is in line with ‘the vision’ or a combined ‘strategic plan’.

Figures 18 & 19: Comparative Employment by Province and Age in Mozambique


Here the ‘soft loans’ work well because more profitable returns on investment can be made over the long term.

---


861 See Ohno and Ohno’s point above

862 S Jones & F Tarp, Op cit,
Much has been made of Special Economic Zones (SEZ) as part of the MDC strategy. Beluluane SEZ,\(^{863}\) adjacent to Mozal in Mozambique and Nkomazi SEZ, adjacent to the Lebombo Dry Port, located close to the Mozambican border in South Africa offer beneficial incentives for FDI. The aim is to provide employment and create a multiplier effect within the two domestic economies. The contemporary ideal is for these zones to be planned and in place at the outset. Langan is critical of SEZs as they produce a greater competitive advantage for FDI, thus tending to extract a greater volume of profit.\(^{864}\) Soderbaum and Taylor suggest they further promote uneven development by lifting profit into the global economy.\(^{865}\) These academics suggest SEZs may not be an ideal strategy in developing economies. But, a balance needs to be achieved between promoting investment and preventing premature liberalisation as the latter will lead to “social exclusion and distress of African citizens.”\(^{866}\) However, for Langan, ‘aid for trade’ and similar policies promoted by the USA and Europe are an attempt to ameliorate this position, “directed towards resolving supply-side constraints and improving trade capacity.”\(^{867}\) SEZs are a function of enticing this trade and encouraging new FDI. Further, they can represent a compromise adding value and promoting manufacturing into newly developing areas. When combined in this way they can help to create employment opportunities, especially when applied thoughtfully as part of a wider plan. Sojitz Ltd and Tata vehicles are indicative. In fact, a problem with the MDC is that these strategies were not integrated early enough. Therefore, while Soderbaum and Taylor and Langan make valid criticisms, sometimes such strategies can be helpful. Belatedly, international links via MCLI and direct links with Mozal are actively helping to secure new interest in Beluluane SEZ, and this is improving employment opportunities.\(^{868}\) The docks masterplan has already “indirectly created jobs involving harbour loading and unloading,”\(^{869}\) and in contrast to the OECD criticism that they do not promote employment, recently Mozal has successfully interlinked with the domestic economy, this has resulted in the creation of 1600 jobs at Beluluane in secondary businesses.\(^{870}\)

\(^{863}\) Beluluane was something of a White Elephant up 2006 until East Asian investment began to flow.
\(^{865}\) Soderbaum and Taylor, ‘Regionalism and Uneven Development’, p108
\(^{866}\) M Langan, Op cit, p45
\(^{867}\) Ibid, p82
\(^{869}\) S Jones & F Tarp, Op cit
\(^{870}\) Ibid
The traditional position is to engage with the formal economy and to produce as many quality new jobs as possible and yet Jones and Tarp have challenged this position stressing the importance of embracing the informal sector too. They suggest that “over reliance on macro-economic policy has failed to deliver consistent improvements at the household level”.\(^\text{871}\) In effect then, it has produced greater unemployment and a very broad informal sector, more so in Mozambique where it is traditional. These traditional practices have been evident in the MDC for centuries. This is interesting because their thesis suggests that it is more lucrative to move from primary to secondary sectors in the informal economy than move from primary to primary in the first economy.\(^\text{872}\) “So swapping workers to formal jobs will be of little or no benefit.”\(^\text{873}\) This is significant given that close to the Ressano-Garcia border post up to 85% of trade is in the second economy.\(^\text{874}\) It is estimated that 145,000 illegal immigrants live and work in Mpumalanga and Limpopo provinces in South Africa.\(^\text{875}\) Further, in Southern Mozambique

“most men are absent from the family farm for most of the year: at least one third of them may be either in South Africa (legally or illegally) or trying to get a contract in South Africa.”\(^\text{876}\)

The methodology Tarp and Jones suggest for tackling or interacting with the informal sector remains unclear but given conditions in the MDC it is an interesting concept. Certainly, “the dominant discourse demonises the informal sector.”\(^\text{877}\) Non-payment of VAT on goods entering Mozambique from South Africa continues to challenge the Mozambican economy.\(^\text{878}\) Tarp and Jones’s idea may be helpful on a number of levels; for example, if assimilated it could increase productivity and create a wider tax base. They conclude, “the informal sector must not be marginalized in favour of the formal wage sector unless broader dynamic benefits can be documented.”\(^\text{879}\) The lack of any engagement with this sector is certainly failing, but it is difficult to perceive a model

\(^{871}\) Ibid, p57  
\(^{872}\) Ibid, pp57-63  
\(^{873}\) Ibid, p65  
\(^{875}\) Ibid  
\(^{876}\) Ibid  
\(^{877}\) S Jones & F Tarp, Op cit, p65  
\(^{879}\) S Jones and F Tarp, Op cit p66
that would allow for wider engagement. Certainly wider consideration by stakeholders in the MDC would be helpful.

**Figure 20: Migration between Provinces.**

![Migration between Provinces](source)


A related consequence of this development and growth in employment has been increased formal inward migration into the MDC. Figure 15 represents inter-provincial migration in South Africa and there are some clear trends. “Gauteng and Western Cape attract the highest number of migrants from other provinces [justified in the census by] ………… people mov[ing] in search of job opportunities.” 880 Yet, Mpumalanga has also witnesses significant inward migration from other areas. In Mpumalanga, the population growth in 2001 was 567 thousand, this increased by another 902 thousand in 2011. Unemployment has been stubborn in the MDC, but it has not increased. In contrast, while Mpumalanga has gained a significant population, the North-West has lost 637 thousand people over the period. 881 This is a good indication that a substantial amount of new jobs have been created in the MDC. In comparison, North-West

---


881 Ibid
Province has witnessed significant losses in population and yet, very similar volumes of unemployment.  

The MDC has established a very active business environment which has not been the case in the North-West province. The North-West is more peripheral but does represent a ‘natural trade route’ from Botswana to Durban or Maputo, yet it has thrived less effectively. It has not been organised in such an effective manner as the MDC. Currently, it represents a transport as opposed to an economic, or fully-fledged development corridor. According to Tambi, it lacks political drive, has no significant corridor strategy or active management body. The provinces’ links to the North-South corridor, part of the ‘Trans-African Highway,’ may assist in the future. This indicates how important it is to have a vibrant development corridor to raise standards in a micro-region. The MDC may not be able to solve the unemployment issue per se, but it produces tremendous benefits to people who live along the route.

It is fair to say that the original adherence to orthodox economic policies, as influenced by the global North, initially compounded the employment crisis in the MDC. Applied sooner, these more rounded policies (NDP and PARP) that incorporate an element of the developmental state and accept some level of increased state intervention, could have helped promote growth and ameliorate the extent of the unemployment crisis much sooner. However, IFI’s conditionalities did not favour this type of intervention during the first decade of the MDC’s evolution. Chapter 2 discussed how East Asian FDI and South/South interactions have promoted a greater economic diversity and have begun to improve employment in the MDC. The outcome has been a positive trend for poverty reduction. However because of the lack of credible evidence until now, many official documents, including the

---

882 See figure 17
884 Ibid
885 Interview on 8/09/2011 with J Tambi, Transport Infrastructure Expert, New Partnership for Africa’s Development (NEPAD) and Coordinator Presidential Infrastructure Champion Initiative (PICI), Midrand, Johannesburg
886 See map in Appendix 1/3
887 See map in Appendix 1/2
888 See chapter 1 section ‘locating the MDC in IPE’
889 See Chapter 2, ‘Towards a Post Washington Consensus’
890 See Chapter 3, section
Mozambican ‘OECD investment policy review’ still dispute the extent of these benefits. Clearly, Part II of this thesis bridges this gap between the positive and negative interpretations and provides a more balanced approach to developmentalism in the MDC. In turn, this enables ‘development corridor methodology’ to be considered a helpful tool for the continent.

**Conclusion**

From this research, it is fair to surmise that greater life opportunities are available in provinces with very active corridor programmes. The MDC is fulfilling a developmental role regarding reducing poverty, improving health and education and promoting employment. These factors are translating into longevity and a comparatively low mortality rate. Further, health is improving in the MDC in comparison to other areas. Often this is not in small part due to CSR projects, the largest of which are linked to MDC anchor projects. Employment opportunities are increasing, and this is demonstrable through a combination of migration, export led growth, and improvements in new manufacturing and service industries. As indicated human capital is improving to meet these needs. Yet, lack of employment is still the most fundamental challenge. Certainly, more strategic planning needs to occur in the early phases of newer projects if poor economic linkages are to be avoided. Long term planning and more interventionist development strategies may help in this regard. However, for the MDC this has been more difficult to attain after the fact. Even greater social benefits could be attained if the management body was able to extend its mandate and work with civil society organisations. This would require inter-agency and inter-governmental support. What is clear from this research is that the MDC does improve the lives of those that live within its jurisdiction. Similarly, more could be achieved. The model is certainly transferable in Mozambique and Southern Africa and is flexible enough to be transposed for use in the Trans-African Highway. Given this, the corridor model could meet with Vines requirements for development in Sub-Saharan Africa.

---

891 OECD, Op cit, p18
892 Ibid
893 See chapter 3, ’conclusion’
because as he suggests “job creation, socioeconomic development and poverty reduction [need to] go hand-in-hand.”

---

Chapter 5

The Dilemmas of Service Delivery

This chapter evaluates comparative service delivery in relation to the MDC, the nation and comparable province. It elucidates how far societal modernisation has been delivered in the MDC. The analysis focuses on core service delivery, in terms of the nature and quality of housing, electricity provision, water supply and access to advanced communication. While each individual aspect is not necessary to raise societies out of poverty, they do feed into societal and global expectations regarding development. They represent a good indication of shared expectations and therefore an effective measurement of social upliftment in the MDC.

The National Development Plan (NDP) and Poverty Action Reduction Plan (2010-14) (PARP) both commit to a mixed economy and ‘developmental state model’.\(^895\)

According to Mkandawire, here the developmental state assists in underpinning developmentalism.\(^896\) Service delivery is perceived as poor in the MDC and delivery disputes are common. Yet, there is some debate regarding how delivery and social disputes link. In Mozambique, social protest tends to be more vociferous as increases in absolute poverty promote instability. On occasions where food security is threatened full rioting can occur. Such crisis develops because of the lack of goods or high price of essential food items.\(^897\) NDP and PARP promote a more positive role for the state in attaining domestic benefits. The trajectory of these policies is twofold: they aim to address poor service provision and maintain existing electoral support for the ANC and

\(^{895}\) See chapter 2 for Johnsons definition of the developmental state

\(^{896}\) T Mkandawire, ‘Thinking about Developmental States in Africa’, UN University, http://archive.unu.edu/hq/academic/Pg_area4/Mkandawire.html, accessed on 20/9/15

Today, it is recognised that successive governments have fallen short of broad social expectations and that more needs to be achieved. Citizens in Mpumalanga and North-West Province overwhelmingly perceive that municipal government fail in delivering adequate services. However, that perceived dis-satisfaction has reduced greatly between 2006 and 2012, reducing from 37% to 8% in Mpumalanga and from 38% to 4% in North-West Province. This is indicative of a general improvement. The NDP in South Africa aims to resolve key societal issues by 2030. It “makes a firm commitment to achieving a minimum standard of living” by “reduc[ing] the proportion of households with a monthly income below R419 per person from 39 percent to zero.”

PARP committed the government of Mozambique to improving service provision, especially where they are considered an impediment on economic productivity. PARPA II previously committed to widening access to water and sanitation, but had seen poor results by 2010. Revised and commitment redoubled via PARP, the government acknowledged this and recognised that advancements would reduce disease. “The lack of clean drinking water and appropriate sanitary services are the leading causes of water-borne diseases like cholera, malaria, and diarrhoea” in Mozambique. This ultimately results in greater “productivity and improving quality of

---

898 Appendix 2/13
899 Appendix 2/11
901 Ibid, p24
902 Ibid
903 Results from the 2017 census will be helpful in future research regarding the success of this policy
905 Ibid
There are sound arguments associated with broadening basic services and “improving and expanding the access to portable water and adequate sanitation,” which has been poor nationally. Disease reduction would improve high child mortality rates too. The aim of this chapter is to demonstrate that service delivery is enhanced in the MDC when compared to adjacent non-corridor provinces and the national mean. This is a fundamental point of departure from academics who believe that mega projects such as the MDC “show dubious results”, even promote societal exclusion, “closing opportunities for genuine development.” This thesis challenges that approach. Further, politicians and practitioners who believe the MDC can enhance societal benefits will be pleased with the results from my research, fieldwork and the resulting analysis.

In South Africa, the ANC claims that it has improved living standards. Access to electricity and water are improving and modern communication is spreading with the advent of new cellular technology. The Goldman Sachs report, ‘Two Decades of Freedom’, reinforces this point. It identified a higher standard of accommodation, supply of vital services, communication and food security. However, it acknowledges that there are challenges ahead too. Further, according to Coleman, who wrote the foreword to this report, “it is vital that government takes steps to reduce inequality, increase employment, especially amongst the youth, and defend the gains made by the African middle class.” Figure 1 outlines their headline findings. In general, they report that the “overwhelming majority of our peoples living conditions are vastly different from what they were” [and that] “people have access to housing, better and more equal access to basic

906 Ibid  
908 Ibid  
910 Ibid, p136  
911 Tate R, ‘Measuring the Social Dimension of Development Corridors: Creating Impact for Communities’, Presentation to MCLI Stakeholder Forum, 4/2/2016, Nelspruit, South Africa  
912 See figures 19- 21  
914 See figure 1  
services, more households have electricity [and] there have been enormous advances in healthcare and education, economic opportunities have been opened to the people”.

However, these benefits are disputed and often this national data is skewed by the wide disparity of wealth in South Africa.

“Misguided governance, low-quality education, skills shortages and massive unemployment levels of around 40% has left it more disadvantaged today than when Nelson Mandela was still behind bars. Black income has virtually flat-lined, betraying tremendous gulfs between the wealth of the different racial groups.”

Figure 1: Goldman Sachs Report on Service Delivery improvements in South Africa


Richard Poplak of Business Day suggests that the position put forward by the Goldman Sachs report ignores the plight of the poorest. He is particularly damning regarding service delivery.

“Service delivery has improved since 2002”, which quotes entirely from a Stats SA 2012 general household survey. And

916 M Letsoalo, Mail & Guardian, ‘Are the people really sharing in the country’s wealth?’, 14/1/2015
917 The Economist, ‘The Longer Walk to Equality’, 6/12/2013
918 R Poplak, ‘Goldman Sachs report can end up being lethal to South Africa’, Business Day, 10/11/2013
yes, according to Stats SA, service delivery has improved, but service delivery is, of course, the single largest flash point in this country, a fact, you’ll be unsurprised to learn, that goes virtually ignored in this report.”

NUMSA too repudiates these points in the strongest terms, suggesting that “55% of Africans live in dwelling with less than 3 rooms, 21% live in one room homes,”

“People [living in] townships demonstrated against apartheid; [but] today they mount regular protests against the woeful delivery of basic services by corrupt and underfunded local councils.”

Since 1994 NUMSA believe that “there has been reverse distribution from poor to rich.” Clearly, there is dispute on either side, but development in terms of economic growth has been positive, even though the data suggests a slump between 2007-9.

For Mozambique, the challenge to the government is somewhat different. Their nation is peripheral, most definitely located in the ‘developing’ category. As discussed in Chapter 3, Mozambique’s HDI rating places them 181st out of 188 countries worldwide. Essentially bankrupt since 1987, the government has operated under greater international financial constraint, coupled with a lack of institutional capacity, meant it was difficult to implement an effective social policy. This meant that PARPA I, although designed to reduce poverty, focussed on producing economic growth in that pursuit.

The extremes of poverty and wealth are plainly visible in the wealthy southern cities of Maputo and Matola and the country still lacks a functioning middle class.

As discussed in chapter 1, economic shock therapy was not appropriate for this

---

919 Ibid
920 M Letsoalo, Op cit
921 See below
922 D Blair, ‘South Africa’s Long Walk to Decline’, The Telegraph, 27/4/2017
923 Ibid
924 See Chapter 3, Figure 1
925 See Chapter 3, section ‘embracing orthodoxy’
underdeveloped economy. According to Mutch, “Mozambique is a glaring example that the 'trickle down' effect of development capitalism do[es] not work” Here Hanlon and Smart, Soderbaum and Taylor and in particular Langan are correct. The premature opening of backwards economies creates chaos. The result is that living standards are still very low for most people. Ownership of even basic “durable goods paints a picture of severe poverty, with almost half the population unable to afford even a radio.” The FRELIMO elite are comparatively well off. Mostly they have attained a good education, and are often employed in government, for global NGOs or international TNCs. “A small elite associated with the ruling party and with strong business interests dominates.” However, such opportunities are not open to all. This is problematic, nevertheless, this research still demonstrates a comparative social benefit has been accrued to communities within the MDC. Chapters 3 and 4 demonstrated that the MDC has improved health and longevity, reduced poverty and made a positive impact in terms of education and employment, and that this has been especially the case in Mozambique. This chapter examines the level of housing and service delivery open to residents of the MDC. The analysis seeks to discern to what extent the MDC provides everyday services to communities within its jurisdiction.

Service Delivery Protest

People’s perceptions and actions regarding poor levels of service delivery have led to service strikes in South Africa and urban violence in Mozambique. The MDC is far from immune to this social unrest. Yet, while there is a tendency to protest regarding the lack of services, it appears that this singular focus is too narrow. According to the South African Local Government Association (SALGA) the reasons for such protest are complex and multi-dimensional. Protests in the MDC support Steyn’s and

929 See Chapter 1, section conclusion
930 T Mutch, Op cit,
931 J Hanlon & T Smart, Op cit, pp14-15
933 M Langan, Op cit, pp12-16
935 T Mutch, Op cit
Alexander’s stance that “on the surface they are about the failure of service delivery,” or “a rebellion of the poor,” but that there are several catalysts. Key among these in Mpumalanga, represented by Booysen’s ideas that they represent a type of disassociation or malaise due to social exclusion. Further, Alexander's notion of abandonment by the political leadership, also holds true. In these cases, protest is often used as a negotiation tool, or a mechanism for influencing local leaders. In a similar vein, Booysen also demonstrates that often they can be triggered by the perceived failure of national politicians, even though paradoxically, service delivery is a municipal responsibility. This is often complicated further by negative responses to inward migration.

In particular, high youth unemployment in combination with inward migration has caused a violent protest around the Nelspruit area in the MDC. It is a common belief amongst the poorest black South Africans that employment will be given to immigrants in advance of them as they (the immigrants) are happy to accept lower wages. In border areas such as the MDC “high levels of dissatisfaction with service delivery can become a xenophobic powder keg.” Certainly, where service delivery fails there is a greater tendency to protest. However, protest occurs less where political consultation is the norm. Yet, according to Steyn, municipal consultations often served to raise expectations and increased dissatisfaction. Proving once again that service delivery protests are a complex cocktail particularly in micro-regional projects such as the MDC. Competition with new migrants intensifies this experience. Conversely, these new migrants are ‘happy’ to live in squalid informal sites with no access to services. These people experience a disparity of income which is “highly ranked among the

---

938 Ibid
939 Ibid, Alexander citing Booysen
941 J Steyn, Op cit
943 J Steyn, Ibid, See figure 10
944 P Alexander, Op cit
945 Ibid
946 Ibid
947 Ibid
949 J Steyn, Op cit, p17
structural determinants of social protest.” Further, while both ruling parties still have majority support in South Africa and Mozambique, ironically they are still largely viewed as the best means of achieving viable services. It is the political and social disconnect that can lead to civil violence. Often societies, politician and practitioners ‘talk past’ one another. The NDP acknowledges this. “Outbreaks of violence in some community protests reflect frustration not only over the pace of service delivery, but also concerns that communities are not being listened to sincerely.” For example in some cases in the MDC, citizens were “disgruntled with the list of candidates submitted to the electoral commission.” Often politicians do not appear accountable and are “well hidden in the state bureaucracy.” These feelings are exacerbated by perceived attitudes of the political elite which are far removed from popular expectations. Thus, disputes caused by poor service delivery are not clear cut. There are many cross-cutting factors that lead to these disputes. This is true for the MDC where national trends persist. The analysis now turns to assessing whether service delivery is more advanced in the MDC and if the greater wealth associated with living in the corridor, can ameliorate poor social standings.

In Mozambique, politicians have taken a more active stance towards preventing a repeat of the 2010 civil protests. In September 2010, as staple food and other service prices increased, protest led to riots, and in the capital city this in turn led to many arrests, 500 injuries (mostly gunshot) and 13 deaths. There is a propensity to extreme violence in the face of familial insecurity, shortages of foodstuff, fuel and other essential items. Riots develop when the cost of the most basic goods rises above the ability of those in absolute poverty to pay for items goods they deem vital. This means unrest will not abate easily until governmental intervention stabilises the situation, or, more importantly, acts to ensure affordability. A wider agricultural crisis produced the

950 Ibid, p32
951 P Alexander, Op cit, p29
952 See section on service protest below.
954 NDP, Executive Summary, Op cit, p27
958 Ibid
959 R Patel, ‘Mozambique’s food riots – the true face of global warming’. The Observer, 5/9/2010,
backdrop to the 2010 crisis; global prices increased due to extreme global weather patterns.\textsuperscript{960} The MDC road corridor was blocked at several points during these protests.\textsuperscript{961} There were also additional protests against the rise in the cost of living in Matola, Maputo Province.\textsuperscript{962} But, one of the biggest domestic problems causing price rises in 2010 was the fact that FRELIMO artificially suppressed price rises during the run up to the 2009 general election.\textsuperscript{963} As the original price controls were political in nature,\textsuperscript{964} the later price rises, largely a restoration of supply and demand became problematic. Such primal needs will tend to bring violence onto the streets, particularly in very poorest countries, especially if the majority of household income is spent on necessities. In such nations, particularly where there has been political interference in creating these perceived price increases, the government had little choice but to intervene.

Clearly then, issues surrounding service delivery are real, as is the resulting dissatisfaction. However, governments and citizens act in various manners to maintain or maximise their own position. Problems are at their most volatile when many factors overlap and create greater insecurity.

**Housing Quality in the MDC**

This unique amalgamation of data and the resulting analysis demonstrates that people living within the bounds of the MDC project are experiencing improved living conditions. It is a common enough belief that the type of housing in which a family resides is a good indication of their social standing. The Mozambican government suggests that quality of housing “is an accepted indicator of material wealth.”\textsuperscript{965}

Housing is more advanced in South Africa than in Mozambique, especially when considering formal housing. Therefore, for South Africa a greater degree of focus in

\textsuperscript{960} Ibid
\textsuperscript{961} D Walsh, ‘Food riots erupt in Mozambique’, World Socialist Website, www.wsws.org, accessed on 14/1/2015
\textsuperscript{962} Ibid
\textsuperscript{963} Ibid
\textsuperscript{964} Ibid
this section is placed on the extent to which the population resides in informal settings. This works well for as the evaluation, for demonstrated, much of the ‘formal’ housing in Mozambique would be considered informal if a ‘like for like’ comparison was offered. The MDC demonstrates a far greater advancement in Mpumalanga and Maputo Province than in each state (South Africa and Mozambique) or in comparison to the North-West and Gaza Provinces.

Figure 2 demonstrates that in South Africa the number of people living in informal housing has risen by almost 2 million since 2001. Yet, this represents a small relative reduction in the national mean by 2.4% since 1996. The comparative reduction in North-West Province is 2.2%. However, a decrease of 3.1% is in evidence in Mpumalanga. Further, the increase in formal housing has been higher and more consistently advancing in Mpumalanga (17.9%) with compared to the North-West (6.6%) or even the national average (12.3%). Over 80% of Mpumalanga’s families reside in formal housing. In the MDC, this demonstrates increased economic growth, greater employment opportunity, this has led to an orderly process of urbanisation from townships to suburbs in Mpumalanga. New jobs have drawn increased migrants into the MDC. This inward migration has placed increased pressure on limited housing services but this has not diminished the greater advancement in Mpumalanga. However, it has led to increased levels of violence, as the unemployed youth of Mpumalanga face growing competition for jobs and a limited availability of new housing. Poverty and protest have become increasingly concentrated especially in the numerous informal settlements. This protest spirals because proportionately service delivery is further reduced, hence the violent service delivery hotspots near Nelspruit and close to Emalahleni, Mpumalanga. Violent service delivery is usually more common around large cities where competition for greater employment opportunities are compounded by inward migration. The same is true in the MDC. It is pleasing that the overall trend in informal housing is downwards. Therefore, while proportional

---

966 Appendix 3/11
968 Appendix 2/10
969 Interview on 22/09/2011 with J Pieterse, Manager, Lowveld Chamber of Business and Tourism, Nelspruit, Mpumalanga
970 See Chapter 4, section ‘Employment in the MDC’
971 See figure 10
972 Ibid
973 SAPA, ‘Africa’s Poor Squeezed by Mass Urbanisation’ Op cit
development is positive vis a vis the MDC, in this case newer migrants living in existing and newer informal housing, face greater competition for poor resources, which in combination elevates violent protest by existing residents.

A similar data set initially demonstrates a weaker position in Mpumalanga. The ‘percentage of population’ living in informal housing is 8% in Mpumalanga but only 6% in the North-West Province, albeit that this discrepancy can be off-set by a separate 2% grouping of ‘other’ in the North-West. ‘Other’ is not listed in Mpumalanga. There has been extensive urban development in the MDC which has increased by over 17%. Although, the complex demographic means there is only a 1% greater chance for ‘families’ in Mpumalanga to live in formal housing when compared to the North-West. When this modest 1% benefit is considered alongside the volume of inward-migration and prolific house building in the MDC, the benefits are striking. This clearly demonstrates that standard of living is improving at a greater pace in the MDC. The scale and volume of new suburbs in Nelspruit are extensive. Investment encourages construction and domestic employment which has aided the movement to formal housing. To consolidate this position, an analysis of the ‘number of households’ is compelling; in terms of households, 86,000 families live in informal dwellings in Mpumalanga as opposed to 110,000 in the North-West. This demonstrates the advantageous benefits of residing in the MDC. As a result, the MDC is a sought-after location, promoting inward migration, employment and producing a better-quality housing stock. This is positive because it promotes further development of the corridor, increasing demand and therefore promoting even greater employment. Nevertheless, it must be considered that inward migration will continue to be problematic if the imbalance between service provision remains. It also ensures the continued use of informal housing which poorer migrants will use until they can gain employment.

---

974 SSA, ‘South Africa: Informal Settlement Status’, Op cit
975 Appendix 2/10
976 Interview with J Pieterse on 22/9/2011, Manager, Lowveld Chamber of Business and Tourism, Nelspruit
977 Ibid
When evaluating reductions in informal housing at first glance the national data appears more impressive than the MDC. However, there are several factors involved that skew that set. Firstly, there has been a large reduction in informal housing in Gauteng (-5.2%) and Free State (-10.5), together they are large enough to skew the whole data set. Secondly, formal urbanisation around Cape Town, Johannesburg and Pretoria has significantly raised the national percentage of formal housing from 63% to 79%. Thirdly, there is no consistent method of recording data which has varied between surveys. For example, the measurement for 'shack not in backyard' is imprecise and open to interpretation. Further, for ‘informal settlements’, the data collection procedure varies according to the company and the methods used for defining the boundaries of informal settlements. In addition, the boundaries of informal settlements are relatively fluid. Finally, data needs careful interpretation as it can be misleading. For example, although the number of people living in informal dwellings is

---

979 Ibid, p25
980 Ibid
981 Ibid, p24
low in Free State, when measured by households it has the largest proportion nationally at 14%. This is because “households have grown faster than the individual population and household sizes have continued to decline.”982 In South Africa, this can make some national comparisons tenuous if the researcher is unaware.

The categories of housing available in Mozambique are formatted differently to South African data. Here, they are presented in a static format as 1997 data remains inconsistent. Nevertheless, the results are still indicative. The lack of urbanisation in Mozambique has witnessed limited substantive change since the last census. Much of the housing stock is poor quality when compared to South Africa and over 70% of the population still reside rurally.983

“The [2007] census found that 29.8 per cent of the population is urban, and 70.2 per cent live in the countryside. In 1997, the figures were not very different – then 28.6 per cent were urban and 71.4 per cent were rural.”984

Due to the range of accommodation and varying material types, only the most popular housing types per province have been utilised here. The data in table 1 below is taken from a wider set that is available in Appendix 2, figure 9. Figure 3 provides a useful simplification from which graphing is more visually arresting.

<table>
<thead>
<tr>
<th></th>
<th>Temporary House</th>
<th>Basic House - No Facilities</th>
<th>Town House</th>
<th>Flat</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maputo City</strong></td>
<td>27212</td>
<td>149632</td>
<td>18677</td>
<td>22374</td>
</tr>
<tr>
<td><strong>Maputo Province</strong></td>
<td>87271</td>
<td>141714</td>
<td>17905</td>
<td>296</td>
</tr>
<tr>
<td><strong>Gaza Province</strong></td>
<td>120074</td>
<td>42652</td>
<td>4772</td>
<td>186</td>
</tr>
</tbody>
</table>

*Source: Mozambican Census 2007; http://www.ine.gov.mz, accessed September 12 and October 14*

Accommodation in peripheral countries tends towards low cost and simplistic

982 Ibid, p10
983 Mozambican High Commission Report, Op cit
984 Ibid
construction. ‘Temporary’\textsuperscript{985} and ‘Basic Housing’\textsuperscript{986} are rudimentary and make up the bulk of housing in Maputo City and Maputo Province in the MDC.

“Most residents live in inadequate housing on low lying areas on the outskirts prone to flash flooding. Around three-quarters of the population lack access to piped water and sewage systems, leading to outbreaks of malaria and waterborne diseases including cholera”\textsuperscript{987}

This is predominantly due to the relatively high levels of chaotic urbanisation in the South of Mozambique. This initially occurred during the destabilisation period and civil war of the 1980s,\textsuperscript{988} when people went to the city to avoid insecurity caused by warfare.\textsuperscript{989} Once present around the edge of Maputo and Matola these refugee communities simply remained and became permanent, hence the poor amenities. In Maputo, “54.3 per cent have no sanitation at all, not even a simple pit latrine [although this is a substantial improvement on 1997, when 66 per cent of homes had no latrine.”\textsuperscript{990}

Further, permanent buildings have been built on top of the old metropolitan rubbish sites, which are still visible, on the outskirts of Maputo and in Matola.

Poor housing is currently problematic and in need of modernisation. In recent times, the area of Matola has grown rapidly, particularly in the dock-lands where there is greater likelihood of work. This urbanisation has continued due to enhanced employment opportunities in the Maputo and Matola areas. These jobs are directly related to the continued development of the MDC. Notwithstanding, Maputo has been identified as having the highest potential for inclusive growth in Sub-Saharan Africa.\textsuperscript{991} The area’s “inclusive growth potential falls into the medium-high category, attributed to its share of Mozambique’s FDI, which, as a percentage of national GDP contribution, was among the highest in the world.”\textsuperscript{992}

\textsuperscript{985} Appendix 3/18
\textsuperscript{986} Ibid
\textsuperscript{988} Ibid
\textsuperscript{989} Ibid
\textsuperscript{990} Ibid
\textsuperscript{991} D Oliveira, ’Maputo ranked African large city with highest potential for inclusive growth’. Engineering News, 15/1/2016
\textsuperscript{992} Ibid
This is directly related to Mozambique's ability to forge the MDC and encourage associated anchor projects into the area. Here, the ‘double-edged sword’ of development and migration has led to an increase in informal housing. This means the ‘temporary’ and ‘basic’ housing types have been sustained.

“According to the provincial survey conducted in January to July 2006 the backlog on housing stands at 95,000…. while the shortage in urban areas has led to mushrooming of informal settlements also contributes to the rise of housing shortage.”

Formal housebuilding is consistently taking place, as such, the MDC should be deemed successful.

Most households in Maputo city live in houses that appear to be formal, and of permanent construction. Although, it is noteworthy that this category includes ‘basic housing’ discussed above. This devalues the notion of formality. The most popular housing type is usually shared with an extended family and has good facilities. The exact figures for permanent dwellings in Maputo Province and Gaza Province are 64.5% and 61.3% respectively' although comparatively, each type tends towards more

---

993 Mozambican High Commission Report, Op cit
994 See figure 3
basic in Gaza Province. Again, this is positive for the corridor. Where better housing is available these official distinctions set the bar very low and the data for formal housing includes some slum dwellings, which is not ideal.

In more rural areas, there is a tendency to live in houses considered of ‘temporary construction’. 49% of households in Maputo Province live in this type of construction as opposed to 42.9% of households in Gaza Province. However, taken in combination with traditional huts, accommodation is more fragile in Gaza Province, where 40.2% live in ‘huts’ as opposed to 16.7% in Maputo Province. This illustrates that 83% of households in Gaza Province still live in temporary accommodation or traditional huts. Gaza Province is clearly less developed than the adjacent Maputo Province situated in the MDC. Overall, the comparisons here indicate that the MDC has promoted fundamental enhancements to the breadth and depth of living standards in Maputo and Maputo Province.

The analysis of housing type demonstrates greater permanence and so familial protection in Maputo Province and Maputo City, albeit that some of these permanent buildings would be regarded as slum dwellings in developed countries. The government is however committed to improving the quality of housing stock nationally, although, they offer no firm indication of what this means. This increased urbanisation and modernisation in Matola, and the potential for inclusive growth in the MDC are both directly related to better educational and employment opportunities which promote migration into the corridor. Further, while I can offer no direct causal link, I would suggest that the permanent housing available in Maputo Province is directly related to increased employment and reduced poverty, which in turn promotes good health and longevity in this province, vis a vis Gaza Province.

The difference is less definitive in the South African side of the MDC. However, the combination of data strands (the relative reduction in informal housing, the fact that fewer families reside in informal housing, the growth of the formal housing sector and substantial inward migration) suggests that the benefits of living in the MDC are plain.

---

995 Appendix 2/9
996 Ibid
997 See analysis in chapter 4
Inward migration is specifically linked to the increase in economic activity and employment in the corridor. Adversely, this has tended to make service delivery protests more violent. Nonetheless, the general improvement in living standards is also bolstered by the improvements in health provision and educational attainment. These elements coalesce and create better living conditions for communities in the MDC.

Comparative Service Delivery for Households in the MDC

The governments of South African and Mozambique have been keen to widen service delivery to their populations. The provision of electricity, water and sanitation are some of the most important aspects of this development. As demonstrated above there are varied understandings of the nature and volume of such improvements causing much debate. In South Africa the ANC and the Goldman Sachs report, ‘Two Decades of Freedom’, indicates that improvements have been made nationally and that good levels of service provision are occurring in South Africa. This differs from the view of critics such as NUMSA and Vy, who believe society is widely divided. This perspective is akin to Bond’s ‘Global Apartheid’ in South Africa, whereby with the exception of the new black elite, a racial and spatial divide are maintained through economic disparities. Bond suggests that “the failure of South Africa’s elite transition is that new social movements are based on grievances of material poverty.” As discussed, the problem here is that the debate can be overly exaggerated or simplified, results stem from a range of issues and singular explanations can be misleading. In saying this, it is certainly true that many townships and traditional African communities have been denied access to services, employment and economic prosperity. In the first instance, it is the disparity in employment that requires governmental attention. This will increase wealth and raise standards of living vis a vis the state. Service delivery appears marginally better in the ‘South African’ MDC, however in conjunction with migration benefits have accrued more widely into the

998 See figure 10
999 See figure 1
1000 See introduction above
1002 Ibid
1003 Ibid, p7
In Mozambique, wealth disparity is in general less distinct, the majority being very poor. As late as 2006 with the ascendancy of PARPA II over 60% of the population lived in absolute poverty,\textsuperscript{1004} albeit in an improving situation in Maputo Province in the MDC. Here improvements are apparent but from a lowly starting position. In 1994, the economic context was driven by the dominant liberal discourse which limited social benefits. This made promoting development corridors important because it was hoped they would assist in development by producing growth.\textsuperscript{1005} Therefore, promoting development corridors would uplift social conditions and were widely believed to be the best option available to provide ‘social goods’ and reduce poverty.\textsuperscript{1006} As discussed in chapter 1 and 2 a more active social policy with some degree of state intervention would have ameliorated this position sooner, but it was difficult to justify in the early phase of the MDC. The government of Mozambique sought to provide essential services, “access to private goods and services, such as access to modern lighting, a source of potable water and improved sanitation systems, better housing, and possession of durable goods.”\textsuperscript{1007} They acknowledge that this has been challenging and yet the results are positive. This is promising, especially given that even without this firm evidence, the government has persisted in pursuing development corridors as a means of creating nationwide development.

\textsuperscript{1005} See Chapter Introduction, section ‘The MDC’
\textsuperscript{1006} Interview with M Phosa, Op cit, Interview with G Smith, Op cit
\textsuperscript{1007} PARPA II, Op cit, p14
Access to Electricity in the MDC

Figure 4 demonstrates the national distribution of electricity provision over the duration of the MDC for both states. South Africa has made great strides in urban connectivity, increasing it to 94%. However, the disparity between urban and traditional African or rural communities is tangible. Yet, there is a good level of improvement and connectivity has increased from 40% to 71% over this period. Problematically, informal settlements (circa 14% of people nationally) are not included in this national data. Similar trends are visible in figure 6 below which reflects the ability to cook with clean fuels. The comparative provincial position is discussed below.

**Figure 4: Provision of electricity per households in South Africa and Mozambique with Rural and Urban Split**

![Graph showing provision of electricity by state and rural/urban split](image)


In South Africa, figure 5A indicates the proportion of households (by percentage) using electricity for lighting, whereas 5B is indicative of those with a greater ability to pay, or those exceeding the basic 50kw free provision agreements. 5A & B demonstrate the data nationally and comparatively by province in South Africa. Unless stated, the World Bank data sets are representative of all usage. Therefore, data in figure 4, 5A &

---

1008 See figure 2  
1009 Appendix 3/12
6 appears comparatively high in comparison to other data streams, this is because minimal electric sources are more attainable to the population. While it may not be possible to opt for 100% coverage in the short-medium term, in 2000 the ANC aimed to provide minimum supplies nationally.\textsuperscript{1010} This resulted in a minimum free provision of up to 50 kWh per month for poor families, supplied on a free basic electricity tariff, irrespective of ability to pay.\textsuperscript{1011} This represented “enough to provide basic water heating using a kettle, basic ironing and power for a small television set and radio.”\textsuperscript{1012} In 2015 some 1 million families were claiming this tariff nationally.\textsuperscript{1013} This has promoted wider use of minimal supplies in South Africa.

**Figure 5A:** Percentage of households using electricity for lighting by province in South Africa from Census s 1996, 2001 and 2011 and Community Survey 2007

![Percentage of households using electricity for lighting by province in South Africa from Census s 1996, 2001 and 2011 and Community Survey 2007](source)

Applying ANC standards aiming to supply all families with basic electricity, figure 5B represents a luxury tariff whereas figures 4, 5A and 6 represent ANC minimum standards. 58.1% of the population in South Africa used electric lighting in 1996 when the MDC project was being planned. This had increased to 89.1% in 2007, with a decline to 84.7% in 2011 indicating high volumes of disconnections for non-payment of

---

\textsuperscript{1010} ESKOM website, [http://www.eskom.co.za/news/Pages/Apr18.aspx](http://www.eskom.co.za/news/Pages/Apr18.aspx), accessed 20th March 2017

\textsuperscript{1011} Ibid

\textsuperscript{1012} Ibid

\textsuperscript{1013} Ibid
the higher tariff. Further, illegal re/connection has produced potential hostility, and induced a new catalyst for service delivery protest. The perceived failure of the ANC to deliver on these promises are significant in informal settlement, townships and the ‘old homelands.’ This is indicative of Eastern Mpumalanga in the MDC where disconnections and illegal connections now challenge universality of a free basic electricity supply.

The comparative provincial study, 5A indicates that both the North-West and Mpumalanga provinces began below the national average at 42.7% and 51.8% respectively at the start-point of this research. Initially, only 32% of families in Mpumalanga and North-West Province had access to electricity for lighting, heating and cooking. However, there was consistent growth from this low level, with the North-West establishing ‘basic facilities’ above the national average achieving 86.4%. This is 1.5% better than the national mean whereas Mpumalanga languishes some 4% below the national average. Here the impact of the minimum free tariff and illegal connections are evident. In 2014-15, 80 thousand families in the North-West Province benefited from the free tariff, but only 62 thousand families in Mpumalanga took it up. This low take up of minimum tariff could indicate that Mpumalanga was faring well, however according to Eskom, the low take up in Mpumalanga is actually indicative of high numbers of illegal connections. In 2011 multi-purpose connectivity in North-West Province was slightly higher than the national average of 73.9%, as opposed to Mpumalanga with 69.3%. This is surprisingly high for the North-West province but it reflects the substantial net outward-migration of 721 thousand people. These migrants are poorer families in search of work. It may appear counter-intuitive but this represents instability in the North-West as opposed to growth, further, it is consistent with migration into poorer areas in the MDC.

---

1014 NN Jili, ‘The perceptions of youth on service delivery violence in Mpumalanga province’, submitted as part of MBA at University of Zululand
1016 Ibid
1017 Ibid
1018 See Chapter 4, figure 20
Prior to 1996, at the outset of the MDC project, residential electricity supplies were confined to the more luxury Lowveld suburban areas around Nelspruit, so the starting position for electricity supply in Mpumalanga was not extensive.\textsuperscript{1019} Yet, given reduced poverty and greater access to employment identified in the MDC,\textsuperscript{1020} one would have expected higher domestic electricity usage in the corridor. So, at first sight, this low uptake appears problematic for the corridor. However, there are several mitigating factors that explain this anomaly: greater employment opportunities have conversely promoted inward migration of lower socio-economic groups in search of work. This directly impacts on the high requirement for ‘electricity light’ only connections and the excessive number of illegal connections. These factors coupled with significant non-payment to Eskom supports the fact that Mpumalanga has a disproportionately high volume of poorer communities, largely drawn by better employment opportunities in the MDC. Further, there are a greater number of large sprawling townships in Eastern Mpumalanga which are often more difficult to connect to the national grid.

\textsuperscript{1019} Ibid
\textsuperscript{1020} See Chapter 4, section ‘Employment in the MDC’
“In Nkomazi municipality, the most impoverished part of the old homeland, KaNgwane, is close to the Mozambican and Swazi borders, and just south of the Kruger National Park. The backlog in the provision of electricity to households is still huge and [the gap is] increasing at an alarming rate due to the uncontrolled expansion of these rural villages.”

These locations do not lend themselves to electrification and my fieldwork suggests that people tend to cook on charcoal fires and light with paraffin. Indeed, “paraffin is the main energy source in 7.5% of all homes.” Figure 7 supports this comparative analysis demonstrating that a greater number of people cannot afford payment or gain electrical connectivity in this area of the MDC in Eastern Mpumalanga.

Figure 6: Access to clean fuel for Cooking per state

This relatively impoverished position of communities is visible throughout the mining and borderland areas in Mpumalanga in the MDC. In February 2017 Eskom took the decision to cut power to whole municipalities because of large scale non-payment. This impacted on the Malahleni and Msukaligwa municipalities in Mpumalanga, having a

1022 Fieldwork in Mpumalanga in September and October 2011
1024 Appendix 3/13
particularly negative impact on residential areas in the towns of Doornpoort, Churchill, KwaGuqa, Witbank and Emerlo.\textsuperscript{1025} Similar threats were made to Goven Mbeki, Lekwa, Emakhazeni and Nkomazi municipalities in Mpumalanga in April 2016.\textsuperscript{1026}

**Figure 7:** Public Perception of Most Important Problems Regarding Electricity Service Provision by Province

![Bar chart showing public perception of electricity service problems by province.]


Nationally the situation shows some similar trends, figure 4 demonstrate that disconnections have been commonplace. This is less dramatic than in Mpumalanga, where the situation has been exceptional.\textsuperscript{1027} But, had these large-scale disconnections witnessed in Mpumalanga been duplicated nationally then one would have witnessed a substantial reduction in supply. Clearly, inward migration into the MDC, in the hope of a better lifestyle, has augmented poverty and therefore disconnections have been greater in this historically impoverished area. In the North-West province, there is greater access to electricity. Mpumalanga is consistently just short of the national average for both data sets. Here then results are somewhat disappointing from the perspective of the MDC.

\textsuperscript{1025} SAPA, ENCA News, Op cit
\textsuperscript{1027} SAPA, ENCA News, Op cit
Yet, as demonstrated above several mitigating circumstances have led to this position. Without these demographic changes, housing stock would be further improved and poverty in the corridor would be reduced. Certainly, without the substantive inward migration encouraged because of enhanced opportunities in the MDC, it would be likely that Mpumalanga would appear more advanced. This confirms the point raised above that to an extent corridor development and the benefits are a double-edged sword. However, this must be set within the context that the MDC promotes greater opportunity than the state or North-West province.

Data analysis demonstrates the MDC promotes wider use of electricity when compared to Mozambique or Gaza Province. The supply of commercial electricity is more of a luxury in Mozambique where national average connectivity is a lowly 14%. Census data suggests that “ten per cent of all houses visited in the 2007 census had electricity, [poor yet] double the 1997 figure.”1028 During the span of this project urban supplies have increased from 18% to 54%. Nationally the benefits to rural populations have been sparse, only increasing from 2% to 4% nationally. Further some “54% of [Mozambican] households used paraffin or kerosene to light their homes. 30.3% used wood fuel as their sole energy source, which includes lighting.”1029 Evidence from fieldwork in September–October 2011 suggests that the most common methods of cooking in rural Maputo Province was with charcoal ovens or over open fires. Further, there is significant use of paraffin lamps for lighting. This accounts for the poor uptake of electricity for cooking.1030 Mozambique’s status as a peripheral state and its lowly position in the HDI accounts for the fact that some 80% of households have no domestic electricity supply.1031 Ministers suggest that implementing a national electricity infrastructure has been “prohibitively expensive”.1032

The volume of households attached to the national grid in the capital city is relatively high at 60%.1033 The main reason for this is that the capital city was linked to a national

---

1029 Ibid
1030 See figure 6
1032 Ibid
1033 See figure 8
grid via the hydro-dam at Cahora Bassa by the Portuguese, this infrastructure still exists. Yet, given the relatively high cost of electricity and the substantial volume of temporary and informal 'slum' type of housing in Maputo, it is understandable that a high proportion of people still use more easily attainable, portable liquid fuel. This should not reflect negatively on the MDC as it is linked to post-civil war migration and the pull of the capital city.

Figure 8 highlights comparative energy use trends in the MDC for Mozambique. Suburban Matola’s electricity supply is directly linked to the positioning of the Mozal Smelter. This association means connectivity is more available in the MDC. Here the MDC, Matola and Maputo city all benefit from supplies of electricity from South Africa which is linked to Eskom’s MDC concession. Eskom supply Mozal smelter, which requires a constant supply of electricity, as part of the reciprocal BOT agreement regarding the Cahora Bassa Dam.1034 The surrounding area has benefited greatly from the development of a newer grid and these benefits are fundamentally linked to the MDC. This contrasts with the more rural Maputo Province and Gaza Province where liquid fuel vastly outstrips electricity supplies. Any nationwide development in Mozambique will take considerable time. PARP is aiming to achieve broad goals but challenges with policy implementation have been an ongoing since (PARPA I) at the beginning of this project. Thus, circa 30% of Maputo Province gain electricity supplies because they live in the corridor. This equates to some 78 thousand households that benefit directly. Urban areas in Gaza Province are relatively well linked to the national grid, resulting in 10% of the provincial population having electricity. However, in Gaza, 166,000 households use paraffin or kerosene and 35,000 rely solely on candlelight, all of which are easily attainable, and this is indicative of a diffuse rural population. The MDC has forged a good domestic service via South Africa for permanent dwellings in Matola and Maputo. Albeit that this electrical power has already been exported from Mozambique to South Africa as part of the MDC concession.

1034 See chapter 1, section ‘The MDC and the Washington Consensus’
The provision of domestic electricity supplies along the corridor are linked to both urbanisation and the positioning and location of key anchor projects along the MDC. The industrial areas in Mpumalanga and Gauteng, as well as Maputo and Matola, rely heavily on electricity from the rehabilitated Cahora Bassa hydroelectric dam. There is a popular misconception, particularly among white South African citizens, that exporting electricity to Mozambique is in part responsible for Eskom’s power production problems in South Africa. This is very much a fallacy as a substantially higher volume is exported from Mozambique to South Africa as part of the MDC project.\textsuperscript{1035} Mozambique exports account for 3\% net of South African power,\textsuperscript{1036} which is substantial and represents 75\% of the power produced at Cahora Bassa.\textsuperscript{1037} Eskom’s problems have greater links to poor strategic management, elite capture and the ANC patronage networks associated with BEE.\textsuperscript{1038} Therefore, it is clear that the MDC has produced positive domestic as well as industrial results that benefit South Africa and Mozambique.

\textsuperscript{1035} Fieldwork in Mpumalanga in September and October 2011
\textsuperscript{1037} Ibid
\textsuperscript{1038} See chapter 6, section ‘Elite Capture’
**Water provision in the MDC**

The governments of South Africa and Mozambique view water provision as an essential service. It is perceived as a primary developmental goal. Hence, access to clean drinking water and sanitation are key aspects of both the NDP in South Africa and PARP in Mozambique. The ANC have made multiple claims, committing to addressing this shortfall, particularly during municipal election campaigns.\textsuperscript{1039} Within the executive summary of the NDP, the ANC acknowledges its failure to deliver these essential services, which includes supplying clean drinking water, providing water for all household needs and removal of waste.\textsuperscript{1040} Failure here has been a particular catalyst for service delivery protests in South Africa.\textsuperscript{1041} Indeed residents in Mpumalanga and North-West Province perceive water provision to be the single largest failure of the municipal governments.\textsuperscript{1042} This problem has specifically ignited numerous violent disputes in the MDC, where provision of water is problematic.\textsuperscript{1043} Further, the MDC has become a national hot-spot for violent service delivery protests. This had previously been limited to larger metropolitan areas in South Africa.\textsuperscript{1044}

The Mozambican government is similarly aware of potential unrest due to poor water supply and acknowledges it needs to address this shortfall.\textsuperscript{1045} In Mozambique, “access to safe water [is] probably the least impressive of all indicators reported.”\textsuperscript{1046} Yet, the government suggests that “water is vital to the achievement of millennium development objectives……play[ing] an important and unique role in the well-being of people everywhere.”\textsuperscript{1047} PARP demonstrates the governmental commitment to enhance water

\textsuperscript{1040} NDP Executive Summary, Op cit
\textsuperscript{1041} J Burger, Op cit
\textsuperscript{1042} Appendix 2/13
\textsuperscript{1043} K Magubane, Op cit
\textsuperscript{1044} See figure 10
\textsuperscript{1045} Parpa II, Op cit, p95
\textsuperscript{1047} Parpa II, Op cit
services, previously a prime target since PARPA I in 2001. However, improving water supply has been difficult to achieve in such a poor country. A greater political and financial commitment and effective implementation will be required to achieve this.

**Figures 9: Comparative Improvements in Water Supply by Nation**

![Comparison of Water Supply Improvement](image)


Figure 9 demonstrates a constant improvement in urban and rural water provision in South Africa and Mozambique over the research period. Clearly, South Africa is more advanced. Statistics South Africa (SSA) data in figure 11 demonstrates that the national mean for water connectivity in South Africa has increased from 60.7% in 1996 to 78.4% in 2011, while World Bank data in figure 9 suggests a greater increase from 85% in 1997 to 93.2% in 2015. Improvement in South Africa’s urban water connectivity has been consistently effective, delivering 73.4% measured by household (99.6% given the loosely defined World Bank definitions). Figure 9 suggests rural connectivity has increased from 68% to 81% over the period. Here World Bank data is effective at demonstrating trends but more limited for any in depth analysis. It includes those living within 1km of a standpipe, useful for wider analysis and assessing trends but unhelpful when assessing poor connectivity in rural locations or townships. Rural water supply is a significant problem in the MDC. This mean data in figure 9 is overly generous, it ignores informal settlements and conceals gross disparities in access to

---

1048 Appendix 3/14
1049 This definition is too broad, see Appendix 3/14
water in traditional rural areas and townships in South Africa.

**Figure 10: Number of Violent Service Delivery Protest in South Africa**

In Mozambique, there has been a consistent improvement in water supply from 27-30%. The nation’s lowly economic status and high volume of widespread rural communities mean that rural connectivity is still poor, reflecting Mozambique’s status as ‘underdeveloped’. The data suggests that piped water is a relatively rare resource in Mozambique. Nevertheless, the overly generous World Bank data suggests an increase from 39% in 1997 to 51% in 2015 does suggest improvement. More specific census data indicates that actual household connections were a lowly 8.5% by household in 1997, rising to 10% in 2007. This is more indicative. Here, Mozambique’s urban delivery improved from 74% to 79% during the research period. Yet, even in the capital city mains water quality is poor and requires boiling prior to consumption. The water supply in Mozambique requires substantial rehabilitation, and hence the renewed strategic commitments to improve social infrastructure in PARP. The census data compared with data in figure 13 demonstrates that the MDC is certainly

---

1050 Mozambican High Commission Report, Op cit
1051 Ibid
1052 Field work Op cit
1053 PARP (2010-14), p32
performing above national standards. The water supply for the MDC outstrips provision in Gaza province in every category. Water connectivity in the corridor has been enhanced comparatively but results overall are weak.

**Figure 11:** Percentage of households with access to piped water inside the dwelling/yard by province: Census 1996, 2001, 2011 and Community Survey 2007

![Percentage of households with access to piped water inside the dwelling/yard by province](source)

To ascertain how far the MDC delivers, it is necessary to compare Mpumalanga with national data and North-West province. Except for urban areas in South Africa, it is widely acknowledged that individual household water connectivity can be sparse. National mean data obscures these differentials. In poorer areas and townships which are considerable in the MDC, individual household connections are unlikely, usually a minimum service is provided.\(^\text{1054}\) In the MDC this is achieved through access to communal standpipes or portable water. A 24-hour communal water supply close to urban and suburban areas is often aspirational.\(^\text{1055}\)

In South Africa, comparative provincial data in figure 11 indicates that in Mpumalanga water provision per household increased from 58.2% in 1996 to 71.2% in 2011. This is consistent advancement but it is still 2% below the national mean. The North-West

---

\(^{1054}\) Ibid, NDP, Executive Summary, Op cit p28

\(^{1055}\) Fieldwork, Op cit
province has shown greater overall attainment (18% increase) and is situated at 69%. Yet, in the North-West province one would have expected more advanced results here given the comparatively low volume of informal housing, particularly when coupled with a substantial increase in outward migration. Nevertheless, formal connections do appear to have consistently improved in both provinces. Yet, these results are exaggerated due to non-inclusion of informal settlements. This disadvantages the MDC, which hosts a greater volume of informal settlements and sprawling townships, particularly in the East and in the border-lands. Further, constant water supplies are poor in most townships in Mpumalanga in the MDC, where access is generally limited to communal standpipes, active for two hours, twice a day. This is not clear in World Bank data which considers this a satisfactory connection. This situation is considered poor by residents. “Protests in Mbombela, Bushbuckridge, Tshwete, Pienaar [in the MDC] were started because of continued demand for water and sanitation connections.”

In these locations, poor service means that violent outcomes have increased.

Water shortages were cited as a catalyst to violent protest in KaNyamazane township in the MDC. Other protests linked to water supply have taken place in Nelspruit, White River and Matsulu. Alexander rightly suggests that it is too complex to see these protests in terms of poverty alone, but the MDC ranks highly regarding violent protests, and poor water provision is often the catalyst. Figure 10 demonstrates that in terms of violent protest the MDC is on par with Johannesburg, Cape Town and other large cities. By contrast Nelspruit, the capital of Mpumalanga, is significantly less cosmopolitans and less densely populated. Crucial here is that inward migration persists as a catalyst to violent protest. Clearly, water service delivery is a catalyst to protest but many social problems consolidate this promoting a generalised tension.

1056 Fieldwork, op cit
1057 K Manubane, Op cit
1058 See figure 10
1059 K Manubane, Op cit
1060 Ibid
1061 P Alexander, Op cit, p32
1062 Ibid
Overall, Mpumalanga has fared well in comparison to North-West Province although increased inward migration and a larger informal housing stock have meant poor water connectivity has caused greater unrest. Clearly, more needs to be achieved to avoid this, particularly in areas where the lure of employment promotes informal urban sprawl and resentment. However, even in formal townships water is often rationed. Figure 12 below, which includes informal settlements, demonstrates where people say they attain their water supply.

20% more people have access to a private supply in North-West Province, half of which have access to a public tap in Mpumalanga. Additionally, 3% of people draw water from unsafe sources in Mpumalanga, this does not occur in the North-West. Further, in Mpumalanga 48% of the population are dissatisfied with water supply as opposed to 40% in the North-West Province.\textsuperscript{1063} 43% of households in Mpumalanga believed the quality of their water was poor, and only 28% believed it to be good. This is very disappointing when comparing to North-West Province where the data reflects 8% and 66% respectively. Once again, this reflects a greater influx of poorer people into the

MDC in search of work. These people are more willing to put up with a greater hardship to gain wider opportunities. This proportion of the community are very poor, trapped with poor access to water services.\footnote{Fieldwork, Op cit} For them the MDC is not working.

**Figure 13: Comparative Water Supply by Province in Mozambique**

![Comparative Water Supply by Province in Mozambique](figure13.jpg)

*Source: Mozambican Census 2007; [http://www.ine.gov.mz](http://www.ine.gov.mz), accessed September 12 and October 14*

In Mozambique access to clean drinking water is even more problematic. In Maputo, PARP acknowledges that both urban and rural service improvements are necessary to avoid communicable diseases, and improving economic productivity through improving this social infrastructure is required.\footnote{PARP 2011-14, Op cit, p26} Nationally, in 1997, 8.5% of houses had piped water but this had only risen to 10% by 2007.\footnote{Mozambican High Commission Report, Op cit} A further 24% of people used a public standpipe or protected well.\footnote{Ibid (Including borehole with pump)} However, as many as 64% of the population used unprotected sources.\footnote{Ibid} With regard to indicators of development or modernity, “access to safe water [is] probably the least impressive of all indicators reported.”\footnote{Estatisticas publicacoes, ‘Poverty and Well-being in Mozambique’, Third National Assessment, [http://www.ine.gov.mz/estatisticas/publicacoes/pobreza-e-bem-estar-em-mocambique_-_terceira-avaliacao-nacional.pdf/view](http://www.ine.gov.mz/estatisticas/publicacoes/pobreza-e-bem-estar-em-mocambique_-_terceira-avaliacao-nacional.pdf/view) accessed 6/03/2015} Figure 9 demonstrates that the national mean has increased from 38.9% in 1997 to 51.1% in 2015. Mozambique’s urban delivery has improved from 74-80% during the
period, although water quality remains problematic.\(^{1070}\) Again this data set is overly generous in comparison to census data but provides a stable developmental trend.

Figure 13 is more precise and detailed, it indicates connectivity in provinces in Gaza Province and the MDC. It is immediately visible that private connectivity in Maputo City (28\%) and Maputo Province (19\%) are far in advance of the National Average of 10\%.\(^{1071}\) Gaza Province is far less developed with only 3\% private connectivity.

Unlike in South Africa, protests regarding connectivity are rare and it is widely accepted that shared facilities are the norm.\(^{1072}\) Expectations are lower due to the nation’s status as a peripheral and under-developed. In Maputo city 20\% of the population share a public standpipe. Comparative data with the World Bank data set in figure 9 is unhelpful here due to the data disparity.\(^{1073}\) In comparison, only 16\% in Maputo Province and 3\% in Gaza Province are connected to the mains by public standpipe. So, taken together, there is a high degree of connectivity in the capital city (48\%) and in Maputo Province (35\%), particularly when compared to Gaza Province (6\%). The MDC far out-performs Gaza Province.

Connectivity in Maputo Province in the MDC has developed consistently, whereas prior to 1997 the area was underdeveloped with poor infrastructure.\(^{1074}\) Here investment and development associated with the MDC are in evidence. Further, without the input of the Mozal smelter and industry associated with the MDC in Matola, it is fair to assume that development would not be far in advance of Gaza province. Further, as discussed above, this whole area has attracted very high FDI and its rehabilitation is directly linked to investment in the MDC. Yet, given that permanent housing is more advanced in Maputo City and Maputo Province\(^ {1075}\) (64.5\% and 61.3\% respectively) one would expect better access to formal water supplies. In Gaza, 83\% of housing is temporary, so this too is indicative. Here the comparative benefits for the MDC are outstanding.

---

\(^{1070}\) Fieldwork in Maputo Province and Maputo City, September–October 2011
\(^{1071}\) Mozambican High Commission Report, Op cit
\(^{1072}\) Fieldwork, Op cit
\(^{1073}\) Appendix 3/14
\(^{1074}\) Interview with A Mausse, et al, Op cit
\(^{1075}\) See figure 3
Improvement of Sanitation in the MDC

It has been difficult to make dramtic inroads into the provision of sanitation in South Africa or Mozambique as only formal urban locations lend themselves the provision of new sewage systems. Conversely, new properties in remote townships in the MDC, temporary dwellings, rural settings and informal settlements find advancing sanitation difficult. Thus, it is debatable how far formal ‘western style’ sanitation is a key determinant of development.

It is technologically more difficult to provide sanitation than to provide the simplest water service. It also requires significant infrastructure. For this reason, formal sewage systems are limited to urban areas. Rural and semi-urban locations can use septic tanks but costly servicing is often still prohibitive. The NDP makes a commitment to improving water services and developing this infrastructure.\textsuperscript{1076} Supplying good levels of sanitation is key to promoting “health, social protection and community safety.”\textsuperscript{1077}

In Mozambique, PARP aims to develop “new connections to conventional sewer systems, septic tanks and improve latrines,”\textsuperscript{1078} but also encourages modernisation of and ultimately a move away from pit latrines. However, for ease, and in defiance of public health warnings, many new properties in rural areas are still built with traditional pit-latrines.\textsuperscript{1079} Further, flush toilets are simply not deemed a necessity in rural areas.\textsuperscript{1080}

\textsuperscript{1076} NDP, Executive summary, p32
\textsuperscript{1077} Ibid
\textsuperscript{1078} PARP 2011-14, p26
\textsuperscript{1079} Fieldwork, Op cit
\textsuperscript{1080} Ibid
**Figures 14:** Comparative Improvements in Sanitation by Nation State with Urban and Rural Split

![Graph showing comparative improvements in sanitation](image)


**Figure 15:** Percentage of households with a flush toilet by province: Census 1996, 2001, 2011 and Community Survey 2007

![Graph showing percentage of households with a flush toilet](image)

**Source:** [http://www.statssa.gov.za/Census2011/Products/Provinces%20at%20a%20glance%202016%20Nov%202012%20corrected.pdf](http://www.statssa.gov.za/Census2011/Products/Provinces%20at%20a%20glance%202016%20Nov%202012%20corrected.pdf), accessed November 2013

Figure 15 offers a comparison of provincial and national mean data in South Africa. It indicates that the national average number of households with a flushing toilet in South

---

1081 Appendix 3/15
Africa has increased from 50.5% in 1996 to 62.6% in 2011. Further, figure 14 shows a continual improvement to 2015. It demonstrates that the national average substantially outperforms North-West Province and Mpumalanga. However, this is substantially skewed by provinces with large urban conurbations such as Western Cape and Gauteng. Mpumalanga and the North-West have both shown a consistent and positive trend in the growth of flushing toilets but here the North-West has grown faster. The average in North-West is 46.2% compared to 45.2 in Mpumalanga. Again, the combination of outward migration, in search of employment, from North-West and inward migration into Mpumalanga would easily reflect the percentage difference. Initially these migrants would live in poorer accommodation, which is also relevant. Further, few townships have sewage systems and Eastern Mpumalanga has an array of sprawling rural townships that would also impact on this data. Thus, while the trend between the comparative provinces is indistinct, here the MDC does not outperform North-West Province.

Figure 16: Comparative Sanitation by Province in Mozambique.

![Sanitation by Comparative Province](image)


Mozambican improvements in sanitation have remained positive and consistent. Urban areas fair comparatively well, but there was little overall improvement in development (from 35% to 42%) up to 2015. The evolution to flushing toilets has been poor. Over
half (54.3%) of all households in Mozambique have no access to sanitation, although it is a substantial improvement from two-thirds in 1997. Nationally, the rural improvement over the period is 3% to 10% but it is difficult to justify extensive sewage infrastructure in rural Mozambique. This data includes none-flushing pit latrines. Figure 14 demonstrates that modernisation here is static and flush toilets are an urban luxury.

The provinces in the MDC have access to a range of sanitation from basic pit latrines to flushing toilets. 30% in the capital have access to a flushing toilet, 9% in Maputo Province and only 2% in Gaza Province. Correspondingly, 35% in the capital have access to a pit latrine, some 10% less than Maputo Province (45%) whereas pit latrines are extensive in Gaza Province (58%). Here the MDC is beneficial at promoting some level of improved service. Only 1.5% of people have no access to sanitation in Maputo City, albeit this is the capital city and a plethora of other factors work to this advantage. Yet, 10% of people in Maputo Province have no sanitation compared to 29% in Gaza Province. This does not include families in informal settlements which are considerable in Maputo City and on the outskirts of Matola in Maputo Province. Nonetheless, from the graph above all three provinces demonstrate better than average improvement. Maputo Province, which is largely rural, outstrips Gaza Province exponentially. This reflects organised urbanisation in Maputo province and corresponding facilities enabled by investment in the MDC.

Sanitation has steadily improved over the life-span of the MDC. In urban areas in Maputo Province and Mpumalanga, excluding townships, the benefits have been good. Urban results are outstanding in South Africa. In South Africa, the corridor fared less well than the mean national average and when compared to the North-West Province. The comparison with mean national averages is less easy to ascertain because of huge conurbations such as Cape Town and Johannesburg. As discussed, there are good reasons for the poorer performance in the MDC. The extent to which this is a blow for the MDC is debatable, from my research, where provision is poor there are some mitigating circumstance. It could easily appear more problematic given a ‘western lens’. In Mozambique, the corridor fared well in comparison to the national average,

---

1082 Mozambican High Commission Report, Op cit
1083 Ibid
but exceptionally well compared to Gaza Province.

**Access to High Tech Communication**

Technological advances in communication have become accessible to vast numbers of people throughout southern Africa, South Africa and Mozambique. Cell phone technology means that people have immediate access to mobile networks and the internet. “It is a truth universally acknowledged that the future of Africa is mobile,”\(^{1084}\) and the growth of and access to mobile phones, is a revolution in southern Africa. Such technology allows access to the internet through mobile connectivity, which has grown rapidly in the MDC.\(^{1085}\) Local sim cards are available cheaply at the border post.\(^{1086}\) This ensures continued contact for even poorer families, something unimaginable previously.\(^{1087}\) Vodacom has numerous outlets throughout both countries and informal trade in sim cards is common. This enables the use of both mobile phone and data bundles which have transformed everyday life for ordinary people in South Africa and Southern and urban Mozambique where internet connectivity is prevalent.

Figures 18 & 19 demonstrate telephone access nationally. Figure 18 shows a slight reduction in fixed telephone lines nationally in South Africa since the inception of the MDC, from a high point of 12.4 people per 100 in 1999 to 7.7 people per 100 in 2015. Given the advances in mobile technology this decrease is unsurprising. In Mozambique, the level has remained static at 0.3 people per 100, this being indicative of limited urban and elite access.\(^{1088}\) Private telephones in Mozambique still represents elite usage. Since 1997 South African mobile subscription per 100 people have grown from 4.2 to 164%, reflecting over 1.5 mobiles per adult. This is high because it includes pre-paid card transaction popular for dependants. Over the same timeframe subscriptions grew from 2–8 million in Mozambique. This represents a vast communication network for business and familial connectivity which would not have been possible previously. It is important in rural areas and townships throughout the

---


\(^{1085}\) This was not widely accessible during my 2009 visit to the MDC

\(^{1086}\) Fieldwork, Op cit

\(^{1087}\) Ibid

\(^{1088}\) Ibid
MDC because “advances in communications and transport have reduced the barriers of transacting across borders,

**Figure 18 & 19: National Number of Telephone/ Mobile Subscriptions by State**

![Graph showing the number of telephone and mobile subscriptions by state over time for Mozambique and South Africa.]


allowing migrants to maintain personal, social, and economic networks across countries”\(^{1090}\). This is equally the case for communication and commercial movement of

\(^{1089}\) Appendix 3/16

Figure 20: Mobile Telephone Subscriptions in South Africa and comparative province

![Graph showing mobile telephone subscriptions in South Africa and comparative provinces.]


Figure 20 represents the transformative nature of new mobile technology. It demonstrates a clear national trend which Mpumalanga has mirrored. It has resulted in a slightly higher than average mean at 91.1% as opposed to 88.9% nationally. Growth has been at virtually the same pace in the North-West but starting from a lower base at 27.7% compared to 31.1%, rising to 86.8%, just below the national average. The provincial transformation in communications has been revolutionary since 1997. There has been a similar increase in both provinces but coverage is close to universal even in rural Mpumalanga. This is due to wider employment opportunities, both formal and informal, in the MDC.\textsuperscript{1091} The transient population flow also facilitates greater purchasing opportunities. Illicit trade in mobile phones has rocketed in both states. So, it is now necessary to register temporary sim cards with proof of address at the point of purchase.\textsuperscript{1092} This would likely increase the purchase of sim cards from informal traders in poorer areas of the MDC.

According to a recent article, 40% of South Africans who access the internet now do so

\textsuperscript{1091} See chapter 4, Section 'Employment in the MDC'

\textsuperscript{1092} Fieldwork, Op cit
from their smartphones.\textsuperscript{1093} The figure for rural access to the internet via mobile phone is \textit{circenna} 27\%.\textsuperscript{1094}

“\textit{Millions are converting to smart-phones}”\textsuperscript{1095} South Africa has the highest density of adult smartphone users in Africa.\textsuperscript{1096} This is positive as IT consultants believe that “smartphones are to sub-Saharan Africa what the steam train was to 19\textsuperscript{th} Century Europe.”\textsuperscript{1097}

Further, figure 20 indicates that Mpumalanga has fared well in comparison to the North-West province, demonstrating a 5\% greater uptake. Super-fast broadband and mobile connectivity has been essential for establishing business infrastructure in the MDC.\textsuperscript{1098} The MDC has fared well compared to more urban provinces of Western Cape and Gauteng too, this would not have been possible for the MDC without advances in technology. Entrepreneurs have facilitated exceptional rural connectivity for communities in Mpumalanga and as well as Maputo Province in Mozambique.\textsuperscript{1099} In the MDC, communication via social networking, particularly Facebook and SSMs are the most used aspects of smartphones across the internet.\textsuperscript{1100} Interestingly, Facebook has proved a very popular mechanism for communication regarding ‘service delivery protests’ in townships in Mpumalanga.\textsuperscript{1101}

National Internet connectivity in South Africa has followed a similar trend to that of mobile phone connections. Figure 21 includes all type of internet access per percentage of population. Here the advent of smart phones in 2007 has “allow[ed] mobile phone


\textsuperscript{1095} SA Arnold, Business Day, Op cit


\textsuperscript{1097} W Wallis, ‘Smart Africa: Smartphones Pave Way for Huge Opportunities’, The Financial Times, 26/1/2016


\textsuperscript{1099} Ibid

\textsuperscript{1100} N Bremmen, Op cit

\textsuperscript{1101} Discussion with MCLI staff at MCLI AGM, Hotel VIP, Maputo, Mozambique, 29-30/9/2011
users to access the internet at unprecedented levels.”\textsuperscript{1102} This is widespread despite “problems with affordability and costs,”\textsuperscript{1103} with 51\% of South Africa’s population having access to internet services. This reflects a substantial increase from 10\% in 2009. Figure 22 indicates a similar trend but by household, with 7.2\% of households having access in 2007, increasing to 35.2\% in 2011.

\textbf{Figure 21: Individuals Using the Internet by State}

\begin{figure}
\includegraphics[width=\textwidth]{figure21}
\caption{Individuals Using the Internet by State}
\end{figure}

\textsuperscript{1102} A Dahir, ‘Smartphone use has doubled in Africa in two years’, Quartz Africa, 3/9/2016, https://qz.com/748354/smartphone-use-has-more-than-doubled-in-africa-in-two-years/, accessed on 20/5/2017
\textsuperscript{1103} Ibid
\textsuperscript{1104} Appendix 3/17
\textsuperscript{1105} See Chapter 4, section ‘employment in the MDC’
\textsuperscript{1106} A Dahir, Op cit

Internet connectivity by province shows that Mpumalanga is in advance of North-West by circa 5\% of households. Both had a meagre starting position at 3.7\% for Mpumalanga and 2.9\% for North-West Province increasing to 31.4\% and 26.3\% respectively in 2011. The positive result reflects the better relative economic positions of the province\textsuperscript{1105} and corporate decisions to keep prices low.\textsuperscript{1106}
Outside of corridor projects, connectivity in Mozambique is still very poor,\textsuperscript{1107} and “92.9\% of the Mozambican population still has no internet access,”\textsuperscript{1108} although the 2015 World Bank data in figure 21 is slightly more optimistic (91\%). In 1997 there were very few internet connections. Eduardo Mondlane University in Maputo had the first IP address,\textsuperscript{1109} but from 2009 to 2015 the trend has been particularly positive with an increased national uptake from 2.7\% to 9\%. “Internet access is [now] easy and fast in Maputo and other major centres, where there are numerous wi-fi spots and internet cafes. Elsewhere, there are internet cafes in most provincial capitals and some larger towns”\textsuperscript{1110} Further, Teledata provides internet access to all provincial capitals in Mozambique.\textsuperscript{1111}

\textsuperscript{1107} High Commission Report, Op cit
\textsuperscript{1108} SAPA, IT News Africa, ‘Kamaleon brings internet access to remote areas of Mozambique’, www.itnewsafrica.com/2016/12/mozambique-kamaleon-brings-internet-access-to-remote-areas/ accessed 13/12/2016
\textsuperscript{1110} SAPA, IT News Africa, Op cit
\textsuperscript{1111} Ibid
Comparatively technological advancements are superior in Maputo City and Maputo Province but this reflects the quality of housing stock and electricity provision too. Fixed internet access is far better in Maputo city (7.1%) than Maputo province (2.1%) but less so in Gaza province. 11% of the population have access to a computer in Maputo City, compared to 4% in Maputo Province and 1% in Gaza Province. Mobile phone ownership, smart and otherwise, demonstrates better communication but not necessarily wider internet access. Mobile phone ownership was 37% in Maputo city, 27% in Maputo Province and 15% in Gaza province, which has only limited connectivity.\textsuperscript{1112} New comparative provincial data will not be available until 18 months after the publication of this thesis, but the results will be interesting.

There have been great strides in internet and smartphone technology in South Africa. This new technology, its affordability and wide uptake have meant that these services are not confined to better off previously white urban areas. Mobile phone ownership in the MDC is consistent with the national level and between each province. However, business requirements for super-fast broadband in the MDC and wider access to more

\textsuperscript{1112} Balancing Act, Op cit
advanced handsets has meant that communities along the corridor have benefitted from
greater internet access, by circa 5%. This is despite increased inward migration into
informal settlements. Although poverty is more pronounced in Mozambique, similar
trends are clear within the MDC. Here greater requirements for technology and access
to ‘pay as you go’ technology have ensured wider access to smartphones. As discussed,
cost has not impeded the purchasing of data bundles in areas where internet access is
viable.\textsuperscript{1113} Where internet access is available in Gaza Province this is in large part
because of internet cafes in urban areas.\textsuperscript{1114} Overall, there are substantial benefits open
to communities in the MDC in Mozambique and South Africa.

**Conclusion**

It is evident that social benefits have accrued in the MDC. There has been some
improvement in the quality of housing and service delivery since 1997, yet the ANC
and FRELIMO acknowledge that not enough has been achieved. Implementation of
policy is weak and elite capture and the misuse of public resources for private
accumulation is believed rife.\textsuperscript{1115} In South Africa urban facilities are generally very
good but this is not consistent nationally and reflects a wide disparity of wealth.
Services are generally poor in rural townships and traditional African settings. From
these data sets it is difficult to ascertain exactly how poor the standard of housing is in
informal settlements. Advancements in housing stock in the MDC has not kept up with
inward migration in either Mpumalanga or Maputo Province. In South Africa the
national mean is more advanced, although this statement is overly simplistic. The
standard of formal housing in Western Cape and Gauteng is far in advance of other
areas which skews the national data. Similarly, the ‘percentage of population’ as
opposed to ‘number of families’ living in informal settlements shows a variable picture.
Further, collection anomalies occur regularly. Employment promotes migration from
all provinces, this has sustained and promoted movement into informal housing.
Although, the standard of formal housing stock is improving at speed. Taken in
combination with other factors the data demonstrates a clear advantage to residing in the

\textsuperscript{1113} SAPA, IT News Africa, Op cit
\textsuperscript{1114} Balancing Act, Op cit
\textsuperscript{1115} See Chapter 6
The provision of sanitation and electricity at a higher level are both more advanced in North-West Province than in Mpumalanga. However, the provision of basic electricity and water services in Mpumalanga outstrips North-West Province. Given the high volume of large rural townships and informal settlements in Mpumalanga, the limited access to electricity is unsurprising. Generally, water provision is poor in rural areas in both provinces. Here the variances are not substantial. Inward migration, particularly into informal accommodation, has led to increased levels of violent protest which has been problematic in the MDC. Notwithstanding, in terms of service delivery it is only when mitigating circumstances are incorporated into the analysis that it becomes clear how far citizens benefit from living within the jurisdiction of this corridor. It should also be considered that by drawing people into the corridor, the project is to some extent a victim of its own success.

In Mozambique urbanisation has been slow, except in elite or corporate compounds. Even formal housing tends towards poor, often falling into basic and temporary categories. Modern urban housing is generally limited to Maputo and Matola in the MDC. This is substantially in advance of the nation in general. Shared or basic housing is the most common, but the housing stock is meagre. Here it appears sanitation is linked to the permanence of housing stock. Except for provincial towns, most rural housing and informal housing is either traditionally built or temporary in nature. Throughout Mozambique it is common for families to live in one-roomed houses with no facilities, more akin to informal housing in South Africa. In Mozambique, there are substantial benefits for citizens living in the MDC, both when compared to the national mean and in Gaza Province. Housing types and construction are more advanced in the MDC. Electricity supply is more accessible because of the concession with Mozal Smelter. Water supply is far in advance of that available in Gaza Province. In Mozambique, it is beneficial in every sense to live in the MDC.

Access to mobile telephones and the advancement in internet provision are directly related to the need for modern communications infrastructure in the MDC. Superfast broadband and low cost mobile data bundles have been effective at transforming commercial and personal relationships in the MDC, in South Africa and Mozambique.
This has affected a substantial impact on communities by enhancing familial and extended relationships. It has also enhanced the ability of the youth to communicate and agitate when they feel excluded from wider society. Overall, it is demonstrable that the social objectives are being met but that greater input is required to enhance living standards further. Integration of civil society into the management body would help concentrate minds here as would a commitment from government towards fully implementing NDP and PARP.
Conclusion to Part II

Social Development in the MDC

At the outset of Part II, I suggested that to be successful the MDC would be required to produce upliftment by delivering benefits to all social strata. This was set against the backdrop that key academics believed the MDC project to be narrow, unable to reduce poverty or improve the social condition. Soderbaum and Taylor believe the MDC is “designed to handle the relationship between [the] state and foreign capital,”\(^{1116}\) that is a “transmission belt for capital, neglecting social and participatory development.”\(^{1117}\) In Mozambique, Hanlon and Smart suggest that anchor projects “produce few jobs with the exception of cooking and cleaning”\(^{1118}\) and that their contribution has been marginal.\(^{1119}\) Soderbaum and Taylor also suggest that there has been a failure to remove bottlenecks\(^ {1120}\) and that there “is a good chance the MDC will fade into oblivion with immense implications for other planned SDI’s”.\(^ {1121}\) I would suggest these criticisms are too negative. Further, the MDC has immense implications for embryonic development corridors, providing the lessons highlighted throughout this research are learned. I cannot foresee the MDC fading away. My thesis clearly sets out to debunk these narrow, even tendentious, accounts of the MDC.

Chapter 3 demonstrates that in general terms South Africa and Mozambique both followed liberal economic strategies, that they had little choice but to do so, but also that this was not a zero-sum position. Both states have ameliorated their initial positions, using strategies that limited the harshest social aspects of neo-liberalism.\(^ {1122}\) East Asian investment, corporate social responsibility programs and greater south/south relationships have facilitated this change. Adopting average per capita consumption

---

\(^{1116}\) F Soderbaum and I Taylor ‘Regionalism and Uneven development in Southern Africa: The Case of the Maputo Development Corridor’, Ashgate Publishing (2003), Hants, UK, p109
\(^{1117}\) Ibid, p110
\(^{1119}\) Ibid
\(^{1120}\) F Soderbaum and I Taylor, Op cit, p111
\(^{1121}\) Ibid
\(^{1122}\) See Chapter 2 & 3
data is more reflective of the social development than pursuing the notion that economic growth leads to social development. As Hanlon and Smart suggest, it is not perfect, but by pursuing a good breadth and depth of analysis it is possible to demonstrate that poverty has been reduced in the MDC.

Longevity has increased substantially for those who live in the ‘Mozambican’ MDC. Such results are good and will prove helpful to those practitioners seeking to promote the model elsewhere. However, this is still surprising since the incidence of HIV/aids and tuberculosis is more prevalent in the corridor. Certainly, MCDT have made impressive inroads reducing malaria in Maputo province and the surrounding areas. They have also begun to expand this project into Gaza province. Both governments are committed to providing education, although facilities, equipment and even buildings remain poor. This has been substantially enhanced by anchor projects and their CSR programmes in the MDC. Educational attainment bears this investment out. However, ideally there needs to be greater consistency in the management of CSR projects across the MDC. In regard to expanding CSR or making it more consistent, a formal mechanism via MCLI would be helpful. Here much can be learned from MCDT philosophy.

Unemployment has remained stubbornly high. This is the biggest challenge for social development. The MDC has encouraged businesses in the area and produced employment, and both have been good for the micro-region. Nevertheless, corridor enhancement cannot totally solve unemployment. There exists a complex mixture of joblessness, underemployment and over and under-skilling. What is required ideally is an industry that can promote decent work in high volumes. This would be particularly helpful if it were linked to new complete transmission lines. Agricultural and manufacturing roles would be ideal. This is occurring but needs to be on a more significant scale. Jobless growth is a valid criticism of the MDC but NDP and PARP are seeking to deliver here. Such results will clearly be easier to achieve if they are linked to a development corridor project with an active management body such as in the MDC.

The MDC has drawn employment into the micro-region which, in turn, has increased living standards beyond the point of subsistence. Overall, housing stock has
consistently improved in the MDC. Fewer families reside in informal housing, although inward migration has also sustained much of this poorer style of housing. In South Africa, large-scale urbanisation and vast townships around major cities skew the national mean. This makes national comparisons troublesome. However, by comparative province, when analysing data sets in conjunction with each other, there is a clear trend towards better living conditions in the MDC. In Mozambique, advances in the MDC clearly outperform both the nation position and in Gaza province.

The provision of electricity and water services demonstrate that supply is still problematic in the ‘South African MDC’. Supplies appear poor compared to the nation and North-West province. This has much to do with the sprawling nature of townships and traditional African areas in Eastern Mpumalanga. Further, inward migration into informal settlements has exacerbated the problems associated with grinding poverty. This means service delivery has been diluted, appearing relatively poor. In comparison, given the relatively high investment in infrastructure in the MDC in Mozambique, electricity and plumbed water services have been greatly enhanced when compared to the nation or Gaza province. This is directly related to fundamental enhancements associated with the MDC. It appears that outside urban areas there is no great requirement for plumbed sewage services, particularly in Mozambique. However, in comparison, IT and communication services have been driven by the requirements of the MDC. Communications infrastructure has been put in place to facilitate extended business networks throughout the length of the MDC. Smartphones have revolutionised internet contact between businesses and families, all of whom have benefitted greatly. The MDC has ensured that internet access has evolved in rural Mpumalanga and throughout southern Mozambique. This is a ground-breaking success.

To overcome underdevelopment RDP and PARP need to continue promoting development corridors. If corridors can be formally linked to poverty reduction and a proactive and inclusive development policy this would be beneficial for existing and future projects. This will require some changes in mind set but is wholly achievable through corridor management facilitation. Practitioners appear to be happy to consider such links but it will take governmental support to make it happen within an acceptable timeframe. Further, the political elite need to promote social upliftment in advance of
political tribalism or personal gain. Neo-liberal economic policy will deliver on social outcomes in the most basic of ways. However, this is no longer acceptable. Certainly, if there is to be any significant increase in social upliftment then domestic policy needs to move towards a much more equitable distribution of benefits.

\footnote{1123 See Chapter 6, section ‘Challenging Democracy in Corridor Projects’}
Part III

Chapter 6

'For Better or for Worse': Elite Politics in the MDC

It is evident that disparity of wealth is significant in South Africa and Mozambique. Further, since the adoption of constitutional democracy in 1994, benefits and wealth transfers, in both states, have increasingly accrued to the top of society. Each state has a dominant elite group who are made up of “individuals that wield significant power within the state apparatus”\(^{1124}\) or a “non-state elite who include, prominent businessmen, NGOs [particularly donor organisations], trade union activists and religious leaders”.\(^{1125}\) However, politicians define, promote and implement social and economic policy, whereas other elites usually have some indirect influence in the process, especially in modern democracies. The dominant ruling party in each of these states has systematically affected a fundamental redistribution of power in their own favour. This has resulted in a concentration of power and influence, a melding of party and state and a self-serving attitude which has led to poor governmental commitment to policy implementation and to corruption. The impact on domestic policy can be fundamental. Large projects such as the MDC tend to concentrate corruption. The MDC is indicative because increasingly power and resources are controlled by the ruling party, thus the benefits that could improve living conditions have been redirected.

“Elites have multiple motivations”\(^{1126}\) which can often be conflicting. This includes “winning elections, patronage, rent-seeking, nationalism [or] pragmatism and improving


\(^{1125}\) Ibid

\(^{1126}\) Ibid
the populations' standard of living". Given the substantial changes in standards of living that many communities have experienced, some elites have unsurprisingly become disconnected from the electorate and have sought to guarantee their new lifestyle. This has transformed into ‘state capture’, a systematic abuse of power by “the ruling elite and/or powerful businessmen [who] manipulate policy formation and influence the emerging rules of the game (including laws and economic regulations) to their own advantage.” This chapter examines how elite politicians have pursued state control. Sometimes the boundaries between legality and illegality are blurred. Forging inappropriate allegiances between the party machine and factionalism often lead to an affinity to personal gain rather than to public service.

Currently, South Africa sits 61st out of 168 nations on Transparency International’s global corruption index, while Mozambique flounders at 112th. South Africa shows a slight improvement from 2012, but this likely indicates growing corruption in other states rather than any positive trajectory. Interestingly, Hamill states that crony capitalism, the embezzling of state resources and the rise of the tenderpreneur are key factors in elite corruption. These categories fit admirably into this chapter which evaluates the extent of elite capture in the MDC. This has limited social development and democratic accountability and raises concerns for wider commitment to the MDC model. In both states, a lack of administrative oversight and poor privatisation strategies has allowed a manipulative elite to capture the state. This chapter facilitates this understanding through an evaluation of elite capture. It analyses how the political elite systematically accessed state resources, the impact of corruption in the MDC and touches on embryonic corridors in Mozambique. Finally, it assesses how state capture has undermined constitutional democracy and the resulting impacts upon development corridor projects.

Politics in the MDC demonstrates how self-fulfilment is often sought in advance of pro-poor polices. “Public sector corruption is about so much more than missing money. It’s

---

1127 Ibid
1132 Ibid
about people's lives.”

It appears many politicians have overlooked their personal responsibility to the wider public, and by burying their conscience they have denied the positive impact they could have on social upliftment. Broad based or institutionalised social upliftment as proposed in chapter 5 could have been achieved, particularly had the millions of dollars diverted from investment in the MDC been used more effectively. These purloined resources could have supported poor and previously disadvantaged communities or enhanced volume employment through re-investment. Even if a small proportion of the wealth extorted by a narrow elite group had been re-invested into the MDC or used to support the management body, the MCLI, more effectively, greater social upliftment would have resulted. This would have helped to address the historical injustices and grinding poverty, as Jourdan intended, when designing the SDI process. As Matlosa suggests, while citing Ake and Londman, “the pursuit of democratisation in tandem with peace and development is the defining feature of social democracy”

Currently, neither ruling party appears to be meeting such an end.

**Elite Capture of Resources**

The ANC and FRELIMO were both elected in 1994 promising social upliftment. However, during the early phases of the MDC, neo-liberal polices predominated which limited the extent to which social policy could be enhanced. In South Africa a diluted version of the Reconstruction and Development Programme (RDP) followed by an austere Growth, Employment and Redistribution policy (GEAR) failed to deliver wide social benefits. In South Africa, “the all too apparent urge to fight for the power to ‘feed at the trough’ while the going was good, has totally undermined the image of the governing political party.” In Mozambique, according to the GAN anti-corruption portal, neither insider trading or embezzlement are prohibited through legislation. This has enabled the well positioned to benefit through legitimate

---

1133 Transparency International, Op cit
1134 Below specific reference to the Guptas, Zuma, former president Guebuza and their political sycophants
1135 See Section ‘Locating the MDC’ in chapter 1
1136 K Matlosa, Op cit, p9
1137 See Chapter 1, section, ‘MDC and the Washington Consensus’
1138 M Letsoualo, Mail & Guardian, ‘Are the people really sharing in the country’s wealth?’. 14/1/2015
1139 D Gibson, ‘The ANC has forgotten the voters’. Politics Web 13/07/2017
1140 GAN Business Anti-Corruption Portal, ‘Corruption in Mozambique’. http://www.business-anti-
means. So problematic is state capture in Mozambique, that according to GAN every level of governmental and judicial authority is open to various forms of corruption.\textsuperscript{1141} The results are that profits have been funnelled to a narrow national elite at the very top of the ANC and FRELIMO, bolstering both party and personal wealth. Privatisation, encouraged by the neo-liberal discourse, has been a central pillar of macro-economic policy but this too has been hi-jacked. The result has been limited poverty reduction, fewer employment opportunities and limited social development.\textsuperscript{1142} This chapter demonstrates that vast wealth has been produced in the MDC but the distribution of benefits has been poor. Further, a wealthy elite have chosen to pursue personal wealth even if this means introducing murky and corrupt politics into the MDC project. I also counter the argument that corridor projects will necessarily transfer capital out of the national economy,\textsuperscript{1143} this does occur but the relationships here too complex to make such simplistic statements. Clearly elites function very well in ‘opaque democracy’ but they operate within their own agency. They need not opt for self-interested or illegitimate action. This is at the crux of limited social development in the MDC. Individualistic elites’ have demonstrated a clear intent to accrue personal wealth. Yet, even under these circumstances, the MDC has delivered improved social benefits to poorer communities. Should greater anti-corruption legislation and oversight be introduced, the future of communities in the MDC and ‘corridor methodology’ appears promising. This could have an impact on economic growth, social development and political stability for projects located in micro-regions in the wider Trans-African Highway project.

In the MDC, the political elite have virtually unabated access to power and resources, and this enables vertical transfers of power and wealth. This is especially the case because the political elite are all but unchecked by the electorate. Power has been skewed, and this has resulted in a disconnect between dominant political parties and the electorate.\textsuperscript{1144} So sure have the ANC and FRELIMO been that they will retain power that the leadership have put their personal needs in front of the electorate.\textsuperscript{1145}

\textsuperscript{1141} corruption.com/country-profiles/mozambique, accessed 1/07/2017
\textsuperscript{1142} Ibid
\textsuperscript{1143} Ibid
\textsuperscript{1145} See Chapters 1 and 5
\textsuperscript{1146} See below
Patronage networks ensure commitment by subordinates, who in return for benefits or protection continue to support their patron. Such networks set the scene for implicit approval of widespread corruption by political underlings.\textsuperscript{1146} Ironically, the ANC may accelerate the direction of travel here, should they elect Mpumalanga’s Premier, David Mabuza, as vice president. He has benefited greatly from illegitimate capture of resources in the MDC.\textsuperscript{1147} Substantial benefits accrue to those managing contracts. Often tender processes appear transparent, but there is still legitimate scope for an individualistic elite to generate staggering personal profits.\textsuperscript{1148} On balance, not all actions are considered criminal, positive discrimination and insider dealing having enabled less deviant politicians to position themselves well. Actions considered illegal in the West are legitimate in developing countries.

“Empirical evidence has suggested that the message of liberalisation has not set “free” the market from political interference but has, rather, stimulated a useful injection of political and economic resources that has the dangerous potential to perpetuate – if not entrench- patrimonial politics on the continent.”\textsuperscript{1149} This type of activity is evident at many levels through nepotism, patronage networks and a failed cadre-deployment process. These aspects are discussed below in relation to the MDC.

It is widely accepted that development corridors are economically effective,\textsuperscript{1150} and are best served by appointing political champions.\textsuperscript{1151} In the early days, Mathews Phosa was intrinsic to driving the speed and direction of the MDC,\textsuperscript{1152} he still represents South Africa on the board of MCLI. Yet, often the relationship between the ruling elite and the MDC is problematic. The MDC has generated a plethora of opportunities for the

\begin{footnotesize}
\begin{enumerate}
\item RSA Constitutional Court Ruling, ‘The Nkandla Judgment: Nkandla, the President and the Public Protector’, https://www.5sah.co.uk/downloads/download/10/nkandla-judgement.pdf, accessed 15/04/17, p15
\item It is not surprising that Ramaphosa and Guebuza are amongst the richest men in SA and Mozambique.
\item Extensive discussion is available in chapters 1-3
\item F Soderbaum, ‘Governance in the MDC’, Op cit, F Soderbaum and I Taylor Ed, Op cit, p55
\item Ibid, p56, Interview on 13/09/2011 with M Phosa, ANC Treasurer General and MCLI Co Chairman (South Africa), Sandton, Johannesburg
\end{enumerate}
\end{footnotesize}
micro-region but well placed elites such as Ramaphosa, the Gupta family, David Mabuza and President Guebuza have all benefitted personally from these ties. The relationship between ‘Tegeta Exploration and Resources Ltd’, ‘Eskom’ and the Gupta owned ‘Optimum mine’ in the MDC has proved politically problematic for President Zuma’s son. In typical style, “they inflated their six-month contract from R855million to R1 billion.” These activities give an element of credence to the view of Hanlon and Smart, Soderbaum and Taylor and other critics, who view the MDC as an elite project.

Elite capture was not foreseen by SDI architects. Legitimate and illegitimate capture of resources is visible in MDC where the ANC elite have taken advantage of their positions and made personal fortunes. For example, vice president Ramaphosa is a non-executive director of Assore Ltd who own 50% of Assmang Propriety Ltd. This company produces manganese and chrome ores and alloys. They are located at Machadodorp, South Africa, within the Corridor, and export over 100 million tonnes of semi-finished goods annually, much via Port Maputo. Additionally, Patrice Motsepe, executive chair of the Motsepe Group, holds additional interest in Assmang. Located in the MDC, Optimum mines have huge domestic and overseas markets, and ship a proportion of goods via Maputo. Further, Optimum mines and Eskom have strong financial relationships with Zuma’s family and the Guptas, relationships which have caused a national scandal because of claims of corruption. Here Black Economic Empowerment (BEE) has put profit in the hands of the few, whereas this could have promoted wider social upliftment for communities in the MDC.

In a similar vein, the Mbombela football stadium in Nelspruit, Mpumalanga, is a

---

1153 See below
1154 A Rose-Innes, ‘Gupta-Zuma tentacles affect Mpumalanga’s Majuba Power Station’, News Horn, 5/05/2017
1155 Ibid
1157 F Soderbaum & Taylor Ed, citing Hanlon, ‘Regionalism and Uneven-development in Southern Africa: The Case of the Maputo Development Corridor’, p49
1158 F Soderbaum & Taylor Ed, Ibid, Op cit, p107
1161 See below
fascinating and tragic example of the complex web of personal advancement and corruption associated with local governance in the MDC.\textsuperscript{1162} Although, interestingly, even without fair distribution or re-investment the corridor has still performed well in its social function.\textsuperscript{1163} Nevertheless, those elites that have taken personal advantage are debasing BEE, the MDC and corridor methodology. This is a poor representation of the vibrant ideas conceived by Jourdan.\textsuperscript{1164}

Enhanced elite competition has resulted in great personal wealth in the MDC.\textsuperscript{1165} Vertical (poor to rich) rather than horizontal elitism (area to area) has resulted. In Mozambique, this has generated an element of competition but benefits tend be particularly concentrated in the FRELIMO elite.\textsuperscript{1166} The MDC and other embryonic development corridors have offered exceptional potential for self-enrichment, “considered patrons, consolidate[ing] power by organising groups of clients through offering financial, organisational, economic benefits and access to resources in exchange for their support.”\textsuperscript{1167} “FRELIMO, have effectively established hegemonic power over the state, the economy and the resources with which the country is endowed.”\textsuperscript{1168} They are “seen by many as a self-serving, [only] interested in extending patronage and benefit to its members.”\textsuperscript{1169} Sanctioned at the very top, this attitude has infiltrated each economic sector within the MDC, and has been consolidated into concession agreements in the Nacala and Beira Corridors too.

The transfer of capital has taken slightly different forms in South Africa and Mozambique. A more comprehensive strategy for privatisation has been implemented in South Africa. In hindsight, the positive discrimination and quota system relating to BEE has proved problematic. In Mozambique, a weak state with lax oversight had enabled those at the very top to access markets. This attitude has permeated the official realm rapidly. Corridor related projects are currently the prime targets for self-

\textsuperscript{1162} See analysis below
\textsuperscript{1163} See chapters 3 - 5
\textsuperscript{1164} See introductory chapter.
\textsuperscript{1165} See below.
\textsuperscript{1167} Ibid
\textsuperscript{1168} Ibid
\textsuperscript{1169} Ibid, p64
enrichment in Mozambique. A combination of the lack of transparency, limited plural or popular access to the civil service and concession agreements, and a failure to re-invest to promote employment, have limited social development in the MDC. This continues to stifle poverty reduction in the micro-region.

In Mozambique the MDC represented *circa* 55% of FDI nationally in 2015.\textsuperscript{1170} FDI is set to increase with the elevation of the Nacala and Beira corridors, and increased European bi-lateral aid will help further increase FDI.\textsuperscript{1171} With the exception of gas exports which could be substantial, these three corridors will be largely responsible for Mozambique’s continued growth and profitability.\textsuperscript{1172} That said, poor decisions have meant that revenue from natural gas is unlikely to be profitable until approximately 2050.\textsuperscript{1173} During the marketing of these corridors to bi-lateral investors, the ‘pitch’ has been based on the MDC as a successful model for development. My research suggests that marketing development corridors as part of this process has caused the social aspects to be fudged.\textsuperscript{1174} Various diplomatic missions, some in concert with the World Bank, have fostered bilateral trade agreements,\textsuperscript{1175} but these are limited. Currently, no specific data regarding any social benefits has been highlighted to prospective bi-lateral donors in this process.\textsuperscript{1176} No clear data regarding the social benefits has been produced beyond economic viability of corridors.\textsuperscript{1177} This was primarily due to the lack of data available and is why this research is so greatly required. What is certain is that corruption and a lack of re-investment directly into corridors has reduced potential social benefits. Problematically, it appears that investment in newer corridors has led to even greater volumes of elite based concession agreements in Mozambique. New bi-lateral support for the Beira and Nacala corridors has been in no small part due to the marketing strategy, which holds up the MDC model as successful.\textsuperscript{1178} Corruption and elite ambivalence to social upliftment has either been ignored by donor nations or was not fully disclosed. An element of both is likely. It is indeed fortunate that the MDC

\textsuperscript{1170} Ibid
\textsuperscript{1171} Interviews on 5-6/2/2016 with F Healy and G Smith, Consultants for DfID (UK), Nelspruit, Mpumalanga, South Africa
\textsuperscript{1172} Macauhub Report, ‘Maputo Development Corridor is a “success story”’, 5/06/2015
\textsuperscript{1173} See below
\textsuperscript{1174} Meetings on 23-25/09/2011 with F de Mann, Ambassador to Kingdom of the Netherlands & R de Burca, Ambassador to Irish Republic, at Chez Vincent, Nelspruit
\textsuperscript{1175} Ibid
\textsuperscript{1176} Ibid
\textsuperscript{1177} Ibid
\textsuperscript{1178} Ibid
has delivered regardless.

The MDC is currently, and Nacala and Beira corridors are increasingly enabling a wealthy domestic elite. In Mozambique, partial privatisation and liberalisation of SOEs evolved rapidly.\textsuperscript{1179} “By May 2011 more than 1200 [Mozambican] state-owned enterprises (mostly small) had been privatized.”\textsuperscript{1180} Privatisation of the larger parastatals such as telecommunication, electricity, rail and ports has since taken place. This greatly benefited those such as former President Guebuza and his family empire who have substantial investments in Mozambican rail and ports (CFM) which is particularly pertinent to all three major corridor projects. Further, all Southern Africa’s exports passing through Mozambique will add to Geubuza’s personal wealth. Problematically, many queries regarding the soundness and independence of concession agreements have arisen.

**Figure 1:** Composition of Exports by Mega-Projects in Mozambique in 2011

![Figure 1: Composition of Exports by Mega-Projects in Mozambique in 2011](Image)


Figure 1 demonstrates that

“in 2011, 72.6% of Mozambique’s exports originated from mega-projects, especially in the aluminium industry, but with a


\textsuperscript{1180} Ibid
strong growth of exports [expected in] electric power, coal and heavy sands.\textsuperscript{1181}

Each is required to be transported by rail or the EN4 to port Maputo. Guebuza already has personal interest in TRAC Ltd, as well as concessions agreements in place for Portos e Caminhos de Ferro de Mozambique. (CFM or Mozambican ports and rail) This gives him a de facto monopoly concern in corridor investments, albeit he does not have 100% interests in any field. Additionally, figure 1 demonstrates the dominance of the MDC in the Mozambican economy, largely due to the influence of electricity and aluminium exports. Nhachote highlights that fact that tenderpreneurship and nepotism are clear at the highest levels of government and have vastly exceeded those tendencies in South Africa.\textsuperscript{1182}

“The tentacles of Mozambican President, Armando Emilio Guebuza’s huge family business empire make Zuma Incorporated look like a spaza-shop operation”\textsuperscript{1183}

Guebuza has vast business interests in banking, telecommunications, fisheries, transport, mining and property sectors.\textsuperscript{1184} His family are amongst the wealthiest in the country.\textsuperscript{1185} His company Intelec “holds 5% of Vodacom Mocambique which is growing rapidly at over 30% annually,\textsuperscript{1186} However, advanced communications are as yet restricted to Maputo City and Maputo province and other urban areas.\textsuperscript{1187} He also has interests in electricity transmission, cement, construction, Tata vehicles and natural gas,\textsuperscript{1188} all directly linked to development corridors. When Tata Mozambique, in which Guebuza owns a 25% stake, gained the contract to build 150 gas powered buses in Maputo, no tender was issued.\textsuperscript{1189} This is clearly not transparent and there was no oversight. This is an illegitimate action. Further, the greater proportion of his investments are inextricably linked to Guebuza’s ability to invest in every area in the MDC. He has been a long-standing board member of TRAC pty Ltd and has extensive

\textsuperscript{1181} OECD ‘Investment Policy Review’, Op cit, p11
\textsuperscript{1182} L Nachote, ‘Mozambique’s ‘Mr Guebusiness’, Mail & Guardian, 6/01/2012
\textsuperscript{1183} Ibid
\textsuperscript{1184} Ibid
\textsuperscript{1185} L Nachote, Op cit
\textsuperscript{1187} See chapter 5, section ‘Access to High-Tech Communication’
\textsuperscript{1188} L Nachote, Op cit
\textsuperscript{1189} Ibid
business interests in the management of the Beira corridor.\textsuperscript{1190}

Guebuza clearly had a conflict of interest sitting on the board of TRAC, concessionaire for the EN4 anchor project (toll road), when the government were flouting gazetting (toll increase) agreements.\textsuperscript{1191} The government refused to increase tolls to improve its electoral standing. Against the wishes of TRAC, this clearly had the assent of President Guebuza. Further, it had significant legal and financial implications for TRAC and the Government of Mozambique.\textsuperscript{1192} Nhachote suggests that TRAC represents Guebuza’s most important South African business relationship.\textsuperscript{1193} His empire has been helped considerably by the 2011 mega-projects legislation that requires 5-10\% of an international concession to be owned by domestic players.\textsuperscript{1194} Few Mozambicans have this opportunity and key elites compete on the edge of legality without oversight. According to Phiri and Macheve, conflicts of interest are not limited to the president and there are many between high ranking Frelimo elites with significant business interests.\textsuperscript{1195}

CFM have significant involvement in the MDC as well as development of new infrastructure in the Nacala and Beira corridors in Mozambique.\textsuperscript{1196} In 2013 poor rail infrastructure was limiting Mozambican economic growth as coal concessionaire; Vale, were prevented from exporting due to poor infrastructure, especially the poor-quality bridges.\textsuperscript{1197} This should have been no surprise. I was made aware of this problem during my field trip to South Africa and Mozambique in 2011, some 24 months before Vale began producing coal for export via Beira.\textsuperscript{1198} According to Hanlon, "this is an annoying poker game in which every side wants the other to do something without

\begin{enumerate}
\item[Ibid]
\item Interviews on 7/11/2011 and 20/06/2009 with A Coy, CEO of Trans African Concessions (Pty) Limited (TRAC) Midrand, Johannesburg
\item Ibid
\item Ibid
\item Ibid
\item B Nhamire & H Matine, ‘PPPs: A Necessary but Problematic Investment in Mozambique’, Centre for Public Integrity, December 2015, Maputo p63
\item A Flak & M Lopes, ‘Poor railways, ports put brake on Mozambique’s coal rush’, Reuters News, 16/04/2013
\item Interview on 8/09/2011 with J Rocha of DBSA & L Goews, Acting CEO, NEPAD Business Forum, in Sanderton, Johannesburg
\end{enumerate}
committing.”\textsuperscript{1199} Clearly, this is not conducive to Hanlon’s ‘elite developmentalism’.\textsuperscript{1200} Further, the Guebuza led government took the 2/3 owned concession out of Indian firms’ ownership, giving 100% control to CFM.\textsuperscript{1201} In 2015 this concession was reported for a lack of transparency and significant problems relating to non-disclosure.\textsuperscript{1202} The presence of well-placed elites “contributed negatively to this company and prevented the government from taking [remedial] action sooner.”\textsuperscript{1203}

Many transfers of ownership are legitimate yet they have still proved wholly inequitable. The elites in the two dominant political parties were well placed to transfer ownership during this period of democratic transition after 1994. Some have benefited greatly. This is typical of vertical elitism whereby an informed domestic elite prosper in relation to and at a direct cost to poorer citizens.\textsuperscript{1204} Even Ramaphosa, who has made a substantial fortune, suggests that wider society would have benefited from greater redistribution and better services had the elite not used commercial activities to enrich themselves.\textsuperscript{1205}

\textbf{Contract Corruption and Nepotism}

Political elites have used political acumen to accumulate vast amounts of wealth and power.

“The human cost of corruption is huge, yet all too often leaders with notoriously corrupt records continue to enjoy lives of luxury at the expense of people living in grinding poverty”\textsuperscript{1206}

Massive projects within the MDC provide a great opportunity for economic growth, business development but also corruption. “Disturbingly high levels of cronyism, the displays of conspicuous consumption by the new ANC elite,”\textsuperscript{1207} are evident in the

\begin{flushleft}
\begin{footnotesize}
\textsuperscript{1199} A Flak & M Lopes, Op cit
\textsuperscript{1200} See Below
\textsuperscript{1201} B Nhamire & H Matine, Op cit,
\textsuperscript{1202} Ibid, p49
\textsuperscript{1203} Ibid
\textsuperscript{1204} E Wallerstien, Op cit, Audio Chapter 2
\textsuperscript{1207} J Hamill, Op cit, p4
\end{footnotesize}
\end{flushleft}
MDC. Similarly, the MDC has facilitated these opportunities in Mozambique, but now these patronage networks are being further enhanced with the development of the Nacala and Beira corridors. These corridors need management and investment to produce growth but elite capture fails to distribute benefits widely, which will limit social development.

In South Africa, “the president and his allies have long viewed state-owned enterprises as a rich source for plunder.”1208 Here the MDC is only one among any number of opportunities for self-enrichment, offering ‘another great opportunity’ rather than the singular best option. There has truly been an era demonstrative of vertical elitism, as wealth has been rapidly transferred, legitimately and illegitimately, from the state to wealthy individuals.1209 The recent Organisation Undoing Tax Abuse (OUTA) report has clearly demonstrated that the Zuma administration has been complicit, stating he has “abused his position to enrich himself, his family, his friends and his cronies.”1210 It appears that, “the main influence on power has moved from Parliament and the elections to the non-accountable, quarrelling factions in and around the ruling tripartite alliance.”1211 This reflects the overall context in which the MDC is situated, it has assisted in creating an environment where corruption is deemed acceptable.

Ramaphosa neatly linked ‘state capture’ to development, explicitly demonstrating the link between corruption and social development.1212 Further, Transparency International have developed a legal definition of ‘grand corruption’, which is parallel to ‘elite capture’ and applicable here. It recognises corruption as “the abuse of high-level power that benefits the few at the expense of the many, and causes serious and widespread harm to individuals and society”,1213 Ramaphosa is attempting to distance himself such corruption.1214 He stated that “the interests of the people were being

1208 J Hamill, ‘Has South Africa finally reached tipping point in Zuma’s Disastrous Presidency?”, World Politics Review, 13/04/2017, p2
1211 P de Lange, ‘Is democracy under the ANC in terminal decline or is it only the growth pains of a multiparty democracy?’, The South African, 24/12/2014, accessed on 27/01/2016,
1212 S Moodley, Op cit
1214 J Kane-Berman, ‘Who is the real Ramaphosa?’, Politics Web, accessed 17/07/2017
subordinated to the interests of a few,” and an independent enquiry is required. Problematically here, Ramaphosa has benefited extensively from being ‘in the right place at the right time’, although it appears he has opted for a legitimate route, withdrawing from politics to avoid clear cut conflicts of interest. Further, Ramaphosa is now openly critical of the relationship between Zuma and the Gupta family. He stated that

“we as taxpayers paid for a lavish [Gupta] wedding that took place at Sun City. These are resources that belong to people of South Africa, with which we were meant to build schools, houses, clinics, with which we were meant to support emerging farmers, small business and cooperatives. This money could have been used to fund education for the poor and improve the quality of health in our country. I will not remain quiet. It is unacceptable and should not be happening in our democracy.”

This sentiment is perhaps indicative of the stance he needs to define his presidential candidacy. However, it is a little late given he has been ANC deputy-president since 2012. However, it neatly reinforces the fact that elites have systematically reduced social development in projects such as the MDC, where the potential for growth is concentrated. These gains from investments located in the micro-region, coupled with the failure to re-invest has certainly reduced social outcomes in the MDC. Without some element of redistribution to limit social disparity, projects like this will find it hard to deliver to their full potential. Oversight is required to ensure the implementation of social policy, without regulation of some wealth will accrue upwards and potentially bodes ill for development corridors as a developmental model.

On the South African side of the MDC, a greater concentration and more rapid acceleration of economic growth is present. Opportunities for corruption grow exponentially inside large vibrant development corridors. The Moloto Corridor, based on the MDC model, links the MDC in Gauteng to Limpopo Province. Currently, R34

---

1215 M Losi, ‘It pained Kathrada to have to ask Zuma to resign; Ramaphosa’, Sunday Times, 22/07/2017
1216 SAPA, ‘How Cyril Ramaphosa Obtained his Wealth’, Op cit
1217 S Moodley, Op cit
billion is due to be invested in the rail upgrades alone. The corridor has already received a significant investment of R1.5 billion in 2015. N Jordaan suggests that such a project is open to systemic corruption. Problematically, the “level of corruption and patronage at the top [has] made tackling inequality [in South Africa] almost impossible.” Further, Digital reporting Buthelezi's views, states that “over the years, they [the ANC] let corruption seep into governance so that now it pervades every level of government, from national departments, to provincial and local government.”

Hamill too highlights ANC corruption at every level of government. This ranges from “disturbingly high levels of cronyism, the displays of conspicuous consumption by the new ANC elite, and the outright embezzlement of public resources.” Hamill suggests that this “misappropriation of public resources for private gain is a pronounced feature of dominant party systems,” showing how a combination of politicking and self-aggrandisement in the name of the ANC is increasingly a threat to democratic accountability.

Poor and illegal allocation of contracts is occurring within the MDC, where cronyism is increasingly a blight. Most contract anomalies are slight and can be explained. Yet, even legitimate changes can still have significant impact on those employed at a lower level. For example, TRAC amended their SMME contracts because contractors often failed to maintain machinery or meet their obligations. These amendments limit the autonomy of contractors but still maintain the working relationship. However, any financial reward has been systematically altered to favour TRAC rather than these small

---

1219 JJ Joubert, ‘Ministers bumpy ride on SA roads’, The Sunday Times, 6/05/2015
1220 Ibid
1221 Ibid
1222 N Jordaan, ‘South Africa’s future is bleak as ANC division and policy incoherence hamper economic growth: ISS’, The Sowetan, 21/06/2016
1224 J Hamill, ‘South Africa’s Deepening Corruption Crisis’, World Politics Review, 10/01/2012, p3
1225 Ibid, p4
1226 Ibid, p3
1227 Interview on 3/10/2011 with TRAC Ltd, SMME contract manager, Nkomazi Plaza, Mpumalanga, SA
1228 Ibid
A great number of extractive companies are either based or have extensive projects in the MDC, examples being Assmang Propriety Ltd, Eskom (BOT concessionaire regarding importing electricity from Cahora Bassa Hydro-dam in Mozambique, part of the wider Mozal concession agreement) as well as Optimum and Exxaro mines. Each is linked to substantial BEE agreements.

The benefits for elites operating in these companies are substantial. For example, corruption and nepotism are central to a number of contract irregularities linked to the Gupta/D Zuma owned Optimum Mines in Central and Eastern Mpumalanga. Indeed, contract discrepancies relating to Optimum Mines are having a national impact due to the release of the ‘Gupta emails’ which discredit President Zuma. Minister Gigaba responsible for repackaging state owned enterprises (SOE’s) and central to the recent attempt of Zuma’s cronies to control the treasury manipulated Eskom officials into

“funnelling billions of rands in coal-supply contracts to Gupta-owned mines, including this Optimum Mine in Mpumalanga, ……..[further] that Eskom, under Molefe, literally forced Glencore to sell into Gupta hands.”

Glencore had struggled with this mine due to Eskom’s insistence at meeting unrealistic targets. The change in ownership was forced upon Glencore.

“Former mining minister, Ngoako Ramatlhodi made damming allegations against Molefe, Eskom chair Ben Ngubane and President Jacob Zuma, telling amaBhungane that he was fired from the department when he would not go along with a plan to blackmail former Optimum owners, Glencore.”

\[1229\] Ibid
\[1230\] C Jamasmie, Op cit
\[1231\] OUTA report, op cit, p24
\[1233\] J Hamill, ‘Has South Africa finally reached tipping point in Zuma’s Disastrous Presidency?’, World Politics Review, 13/04/2017, p2
\[1234\] C Jamasmie, Op cit, SAPA, Damning report links Molefe to Gupta mine ‘hijack’, Op cit
\[1235\] Ibid
Ramathodi was replaced with an associate of the Guptas.\textsuperscript{1237} Eskom under Gupta influence cancelled a contract with Exarro mines to replace it with a new contract for Optimum mines.\textsuperscript{1238} Finally, in a disagreement with the local community Optimum Mines have breached a contractual obligation, preventing a CSR project health clinic from opening.\textsuperscript{1239} This demonstrates the breadth and depth of malfeasance in the MDC where opportunities for self-enrichment and corruption are intertwined. Often, corruption is ignored for fear of drawing attention to other elites involved in malpractice. Allister Sparks suggests this inter-linked knowledge of corruption causes gridlock because each fears oversight into their own actions.\textsuperscript{1240} MacGregor suggests the processes must be more open to avoid bid-rigging which is now commonplace.\textsuperscript{1241} This web is truly paradoxical given the ANC warn of their own transgressions.

The ANC could be set to make the contradictory move to elevate David Mabuza, the Premier of Mpumalanga to vice president in 2019. He claims to be a guardian, cleaning up corruption in the ANC,\textsuperscript{1242} but ‘cut his teeth’ on dubious business relationships in the MDC. He will not set the best example. In May 2009 he was accused of corruption by the EFF and a group of entrepreneurs from Nkangala, Mpumalanga.\textsuperscript{1243} Mabuza was suspected of hiding vested interests within a “sophisticated proxy scheme.”\textsuperscript{1244} The EFF accused Mabuza of holding a type of shell company buying up prime land within the MDC around Badplass.\textsuperscript{1245} The Knangala Chamber of Commerce suggest that Mr Mabuza and his friends have been stifling open business in the area, where extensive clientelism was apparent.\textsuperscript{1246} Regarding the land claim in Badplass, the EFF produced documents with Mabuza’s signature live on air during a SABC interview.\textsuperscript{1247} Mabuza and his associates have effectively set the scene for widespread corruption in

\textsuperscript{1237} Ibid
\textsuperscript{1238} SAPA, Op cit
\textsuperscript{1240} A Sparks, ‘The Law of Creeping Corruption’, Business Day, 14/04/2010
\textsuperscript{1241} K Macgregor, Op cit
\textsuperscript{1244} Ibid
\textsuperscript{1245} Ibid
\textsuperscript{1246} Ibid
\textsuperscript{1247} S Stone, Op cit
Mpumalanga.

“Mphahlele says the modus operandi for municipal enrichment is to infiltrate local governments, take over pivotal financial, supply chain and municipal manager roles. Once these are ‘owned’ by fraudsters, the criminals coerce others to join the enrichment schemes. …… The corruption at this level isn’t about taking money it’s about tenders. We find people in power who channel tenders where they want them to go.”

There are also several links between Mabuza and the Mbombela Stadium debacle. Here, Mabuza reinstated a minister accused of fraud at a secret meeting at his home. Further, EFF leader Sedibe (a previous long time ANC stalwart) accused Mabuza of trying to kill him and ordering the killing of Mohlala for highlighting corruption regarding Mbombela stadium. It is unclear how far his accusers are correct, but what is obvious is that Mabuza displays Zuma-like behaviour by simply denying all accusations and trying his best to use his charismatic style to avoid giving explanations. The ANC needs to step away from state capture, so elevating Mabuza into national office would not be a positive step. He holds considerable responsibility for elevating corruption and self-enrichment in the MDC.

In Mozambique “the ruling party’s power is pervasive.” There is a disconnect with the poor in society who perceive the FRELIMO elite as self-enriched and unconcerned with their plight. Phiri goes so far as to suggest it is parasitical, based on corruption, clientelism, nepotism and abuse of public funds. The extent of elite corruption in Mozambique came to light in 2016 with a series of hidden private loans worth US$2.32 billion, which were linked to ex-President Guebuza, and problematically were then underwritten by the government. They were also hidden from the office of national

---

1248 M de Wall, ‘Mpumalanga’s corruption cancer grows every day’, Daily Maverick, 4/09/2016
1249 See below
1250 SAPA, ‘Premier plots to kill me’, Afrikan Voice, 7/07/2016
1253 MZ Phiri, Op cit
Guebuza may no longer be President but he still has considerable influence within the ‘all inclusive’ ruling party. Presumably, if President Nyusi was aware of the loans, he too hoped any shortfall would be settled from future hydrocarbon profits. Having discovered the position, the World Bank and IMF suspended all new loans and tranches of existing loans. Further, it induced a downgrading by credit scoring agencies. The FT reported this as “one of the worst cases of the provision of inaccurate data by a government to the IMF in an African country in recent times.” Caught-out, the government claimed that such action had been necessary because “the governing FRELIMO party [were] using the loans for defence and intelligence purposes [and] was justified to protect infrastructure” in the Beira and Nacala Corridors. This action was deemed necessary to protect exports and to secure future investments. The depth of the illicit loans will stress the economy greatly for some time to come. What is more, these illegal loans have now been set against future hydro-carbon earnings from the Nacala corridor and similar off-shore investments. This reasoning justifies destabilising RENAMO strongholds. FRELIMO suggest that the loans “had to be kept secret from former rebel group RENAMO............. because they had been attacking government offices and railways in the centre of the country.” This is true, but there is evidence that RENAMO had been incited by FRELIMO supported armed militias. The is a growing perception that FRELIMO are exaggerating RENAMO’s ability to disrupt commerce to maximise their own political and economic position. “Investigations confirm that government forces have been the chief aggressors in Mozambique’s latest civil conflict, contradicting the dominant narrative propagated by state-owned media that blame the RENAMO rebels.” This is problematic because much of the Nacala corridor is in areas that favour RENAMO. Further, remaining government assets at the Nacala docks are being...

1256 MZ Phiri, Op cit
1257 J Hanlon & A Navunga, ‘Gas for development or Just Money?’, Centre for Public Integrity, Good Governance, Transparency and Integrity, Edition 08/2015
1258 A England, Op cit
1259 J Hanlon & A Navunga, Op cit
1260 Ibid
1261 A England, Op cit
1262 Ibid
1263 J Hanlon & A Navunga, Op cit
1264 A Vines, Op cit,
1265 P Wallace and B Nhamire, Op cit
1266 P Fletcher, ‘Donor darling looks less lovable after attacks’, Reuters, 23/07/2013
1267 T Bowker, S Kamm & A Sambo, ‘Mozambique’s Invisible Civil War’, Foreign Policy, 6/05/2016
sold off to help settle these substantial ‘private’ debts. While this does not directly impact on the success of the MDC, it is indicative of corruption at the very top, limits opposition oversight and will jeopardise stability and development in the Beira and Nacala corridors. It is doubly problematic given the propensity to instability in the RENAMO enclaves in the centre and north of Mozambique. It represents a flagrant breach of transparency, corruption and democratic accountability by the government.

Elites in Mozambique, in this case, the previous President Guebuza, along with his family and business associates, have fully embraced free market liberalism and its individualist ethos. They used their political power to maximise their own wealth and subvert democracy. According to England, the extent of potentially unlawful loans that came to light in 2016 remains undisclosed.1268 These loans were linked to Guebuza owned companies and were underwritten by the Mozambican government.1269 “In Mozambique, fingers are pointed at former President Armando Guebuza and a small group around him, as well as [ministers] Chang and Sise.”1270 Clearly this goes far beyond liberal individualism. They took on undisclosed long-term loans, on the basis that they could pay them back quickly before the deception came to light.1271 This risk may have paid off had the coal exports from the Vale mine in the Beira corridor not been problematic.1272 The same applies to the belief that gas revenue from exports in the Nacala corridor (and off shore sites) would come on line in 2020 as suggested.1273 Both turned out to be premature making the gamble problematic.1274 Further, these actions could undermine state security by antagonising RENAMO. Vines states that

“promises of riches from gas, and to a lesser extent coal [in the Beira and Nacala corridors, both in the heart of RENAMO territory] also partly explain the renewed conflict with RENAMO and the [recent] fragmentation of the party of government”1275

1268 A England, Op cit
1269 Ibid
1270 J Hanlon, ‘Mozambique fell prey to the promise of fabulous wealth – now it can’t pay nurses’. The Guardian, 17/01/2017
1271 A England, Op cit
1272 See below
1273 J Hanlon & Navunga A, Op cit
1274 Ibid
1275 Ibid, italics are my addition.
Vines also suggests that along with this newly discovered “acute liquidity crisis” there is fear of new riots in Maputo as food prices are set to rocket because of this short-sighted policy.\textsuperscript{1276} Hanlon backs this point, suggesting imported ingredients used to make bread will increase in price, increases hitting the very poor hard.\textsuperscript{1277} Effectively then, Guebuza’s patronage network has benefited at the cost of stifling democracy and increasing poverty. Christine Lagarde of the IMF has suggested hiding the loans was tantamount to government sponsored corruption.\textsuperscript{1278} This could jeopardise British & Dutch sponsored corridor projects, which have also been suspended in light of this action.\textsuperscript{1279} Politicking, deception and outright corruption may have provided substantial elite benefits, but national security, good governance, democracy, poverty reduction and economic stability have all been put at risk.

In Mozambique, there are clear signs of nepotism. Before her death in 2016, the former president’s youngest daughter, Valentina Guebuza, was “ranked as one of Africa’s most powerful women”\textsuperscript{1280} in 2014. Nicknamed ‘the millionaire princes’ by Forbes, she had assembled many directorships and was linked to many companies.\textsuperscript{1281} Her network included many leading politicians. She headed the family business, Focus 21, from 2006.\textsuperscript{1282} By 2014 she was Mozambique’s richest woman with a personal wealth of US$170 million.\textsuperscript{1283} It is currently unclear to whom her fortune will fall. Focus 21 has an eclectic portfolio, focussing on business development, media, brewing, engineering, ICR, logistics and mining and the growing agri-business sectors.\textsuperscript{1284} Focus 21 is a 15% stakeholder in Star Times Media, the major shareholder is Chinese ‘Chinese Star Times International’. This company have invested heavily in cable TV in Mozambique and the government committed to replacing analogue broadcasting with a digital platform by 2015,\textsuperscript{1285} however such modernisation is of little significance to most Mozambicans. Star Times Media was allocated the concession to change platforms, a contract worth US$300 million but against legislation, no public tender was issued.\textsuperscript{1286} Valentina was

\textsuperscript{1276} A Vines, Op cit
\textsuperscript{1277} J Hanlon & Navuniga A, Op cit
\textsuperscript{1278} Ibid
\textsuperscript{1279} Interview with F de Mann and R de Burca, Op cit
\textsuperscript{1281} EN Pereira, Op cit
\textsuperscript{1282} Ibid
\textsuperscript{1283} Ibid
\textsuperscript{1284} Ibid
\textsuperscript{1285} L Nachote, Op cit
\textsuperscript{1286} A Viera, ‘Jitters as Mozambican president’s daughter wins US$300 deal’, Africa Review, 4/04/2014
married to the head of state telecommunications company MCel. Focus 21 is in partnership with state owned Portos e Camíhos de Ferro de Mocambique ((CFM) Ports and Railways of Mozambique), refurbishing and operating transport infrastructure to the four largest dock projects in Mozambique, including in the MDC. Further, Valentina was a shareholder in Beira Grain Terminal, which operates the bulk grain terminal for this massive agricultural region, which produces goods and through which goods are transported for exports from Zimbabwe. Additionally, she personally held 2.5% stake in the port itself. Her brother, Guebuza’s oldest son, Armando, “registered a company last year called ‘Billion Group Moçambique’, which has interests in mining, energy, construction and public works. It appears to be part of the Bongani Investment Holdings empire” which is linked to South African President Jacob Zuma. According to Pereira, these complex relationships have meant much of the import/export legislation has needed to be written around former president Guebuza’s business interests. Such vast familial holdings in any single country is problematic and requires anti-monopoly legislation to contest it. However, given such gridlock, it is unclear whether the government of Mozambique would pass such legislation.

Hanlon suggests that the picture painted above of a self-centred elite in Mozambique who pursue “state resources for person gain” is overly pessimistic. He posits that entrepreneurs such as Guebuza have built ‘dynamic networks of elites’ who can “create firms and groups which are effective enough to be competitive and developmental.” To him this is not problematic as these tightly knit elites are re-investing profits into more state related economic ventures. He suggests that this reinvestment may be enough to stimulate the economy, promoting the idea of an ‘elite

1288 EN Pereira, Op cit
1289 Ibid
1290 L Nachote, Op cit
1291 Ibid
1292 A Sparks, Op cit
1294 Ibid, p10
1295 Ibid, p12
1296 Ibid, p10
The “shift from unproductive to productive rent-seeking begins to look more like the model in some successful developing [East Asian] countries.” For me this is blindly optimistic and will continue to exacerbate existing problems associated with state capture. Further, ‘productive rent-seeking’ is itself a dubious concept. This transfer of previous parastatals to private ownership into the hands of a political elite has limited social re-investment and poverty reduction in Mozambique’s development corridors. The security concern in the centre and north of Mozambique need resolving. My concern is that Hanlon’s ideas would exacerbate this. Encouragement would advocate wider ownership in Mozambique’s economy.

Tenderpreneurship and corruption is commonplace in South Africa and Mozambique. If corruption and self-enrichment are accepted at the top of government in the form of state capture, then it should be unsurprising that it pervades all areas of society. In South Africa, opportunities appear to be more condensed in development corridors. Whereas, except for natural gas, which is unrealised, they are one of the most lucrative options in Mozambique. The examples above attest to this. What is clear is that greater accountability at every level of government is required. Should Mabuza become vice president in 2019, the problems associated with Mpumalanga and the MDC are likely to follow him. This could be problematic in the MDC where Mpumalanga appears to have a problem with corruption and the mentality of ‘it’s our time to eat’ prevails, additionally oversight at any level appears weak.

---

1297 Ibid
1298 Ibid, p11
1299 J Malala, ‘Justice Malala: Circle of corruption in place’, The Herald, 15/05/2017
Elite Capture: Challenging Democracy in Corridor Projects

Not only has ‘elite capture’, in its many guises, for example, cadre deployment, tenderpreneurship and state capture, been prioritised ahead of social upliftment, it represents a fundamental challenge to the democratic process and democratic accountability nationally and in the MDC. A consequence of the ANC’s and FRELIMO’s dominant status since 1994 is that both have been able to centralise power. This has occurred legitimately whilst operating within the constitution, under what have been deemed ‘free and fair’ democratic elections. This has created a situation whereby power resides in the hands of a few. Further, in Mozambique, opposition parties have been systematically excluded from the decision-making process. In this realm, state capture has been pursued by collapsing the dominant party into the state. This concentration of power is not helpful in the pursuit of democracy, transparent governance, development or social upliftment. Both dominant parties would benefit from greater democratic competition.

Within the ANC and FRELIMO, factional elements in pursuit of narrow objectives have taken priority over democracy. They have sought means to maximise their own power and limit the opposition’s access to the democratic system. The ability for political elites to garner power is key to this process. This can also precipitate the ability of some to ‘bend the rules’ in their own favour and curtail democracy by producing an ‘unlevel playing field’. The ANC and FRELIMO have been successful here but this has also led to state capture, which compromises their accountability and social development. Levitsky and Way suggest this is common, used by incumbent parties to abuse power, whilst maintaining a façade of legitimacy. The system remains nominally pluralist but the dominant party is still hegemonic. This applies equally to South Africa and Mozambique who, for different reasons, find themselves democratically compromised. Legitimate actions have limited political access to

---

1302 Ibid
competitors while leaving dominant actors with greater access to power and resources.

“Such conditions often exist in cases of incomplete transitions from single-party rule.”

This is clearly the case in the MDC (and Beira and Nacala corridors in Mozambique) where national political allegiances/factions overlay the decision-making process within the project.

"Single-party regimes tend to fuse the state and ruling party creating a highly politicized state in which bureaucrats are also party cadres, state properties (businesses and media outlets) are also party properties, and resources from various state agencies are systematically deployed for partisan use.”

The dominant political parties within South Africa and Mozambique have guaranteed continual power which benefits party and individual members alike. Thus, achieving their prime political goal of preserving power in government. Paradoxically, they have achieved this while failing to provide substantial social upliftment to their own electoral base, which in the long term is self-defeating and could lead to electoral instability. Cracks have begun to appear in the ANC’s electoral hegemony, the 2016 municipal elections attesting to this point, and the party could be compromised as early as 2019 if they fail to address corruption and unemployment. Ramaphosa is at last calling for an end to state capture, demonstrating that he acknowledges the political need to address these excesses.

In South Africa, the benefits gained from investment in the MDC have been substantial, but unlike Mozambique it is only a small aspect in this large African economy. Therefore, the problems associated with state capture in the South African domestic economy can be highlighted through the microcosm of the MDC, but the MDC is too small to represent this change alone. An informed and well positioned elite in South Africa have furthered their business interests in the MDC through ill-conceived privatisation (BEE) policies, which were intended to re-allocate private capital to previously disadvantaged citizens. However, such

---

1303 Ibid, p64
1304 Ibid
1306 Ibid
1307 See above section on Corruption and Nepotism
transfers have produced a concentration of ownership in a black and largely ANC connected network. A significant proportion of the ANC’s elite and their associates have profited substantially from these relationships, many of which are far from transparent. The redistributive nature of BEE is no longer based on equitable redistribution to the previously disadvantaged but on vertical elitism, where wealth has been levied from the state to the top of society. Zuma's attitude towards ‘state capture’, profiteering and constant battles against charges of corruption, sets the standard for others who have similar means, motive and opportunity. Zuma has a legacy

“characterised by the misuse of public funds for private gain, the absence of a culture of accountability, the attempted intimidation of critics and a belief that the constitution, and the institutions created by it must bend to the will of the party.”

According to Vavi of COSATU, “the ANC is increasingly wracked by factionalism, patronage and corruption and is unable to reassert strategic missions for the future. Struggles in the organisation are increasingly over the control of levers of accumulation.” The Mbombela football stadium debacle is typical of the failure of BEE and the ability to elevate suitable entrepreneurs or deploy cadre effectively for collective goals. This overarching mindset is problematic for South Africa, democracy and mega projects such as the MDC, which have vast business tenders to offer. Individuals who have power over the allocation of BEE, its implementation coupled with the management of large tenders have no reason to act in an efficacious manner. Problematically, skilled business positions have been filled by vastly under-qualified, but well connected black candidates. It appears that there has been a total failure in the understanding of cadre-deployment as originally envisaged. This is because BEE has enabled an elite network to put themselves first, in effect, communities in the MDC have lost out through poor social investment of profits.

1310 C Jamasmie, Op cit
1311 See above
This under-skilling, poor judgement and corruption have all dissipated into the lower order of civil servants who believe they too have the right to self-enrichment. There have been many poor decisions made and contracts are manipulated at every level. The location of the Mbombela World Cup Stadium in Nelspruit, Mpumalanga is indicative. It was a symbolic project based in kudos, yet in many ways it is a ‘white elephant’. It has been problematic on so many levels but is ideal for demonstrating the breadth and depth of poor decision making and contract manipulation in the MDC and South Africa. It is also a perfect example of the problems associated with self-enrichment and fraud.

The stadium in a central position in the MDC, aimed to encourage tourism to the Lowveld and Kruger National Park during the football World Cup of 2010. It has been surrounded by scandals, including “an attempt by the municipality to buy [read defraud] the land from the Matsafeni community owners for one rand, allegations of irregular tenders, overpayments, conflicts of interests and tax evasion” were consistent. Corruption to the value or R1.2 billion was perpetrated, and municipality speaker, J Mohlala, a local politician since 1994, was murdered after ‘whistle-blowing’ during investigations that saw leading local ANC politicians replaced, after accepting substantial ‘kick-backs’. It is alleged that the murder was ordered by P Nyoni; ANC’s deputy chairperson in Ehlanzeni, Mpumalanga. CSR agreements associated with the construction were left unfulfilled. this included re-siting of new school rooms and securing a permanent water supply for the adjacent settlement. Concession agreements were clearly flouted and Lefika Emerging Equity “fraudulently obtained a tax certificate to win the stadiums construction tender.”

“Mbombela municipality established that Lefika was paid R43-million in an irregular transaction. Subcontractors appointed by Lefika to work on the Mbombela stadium threatened to go on strike, saying Lefika had not paid R9-million due to them. The municipality had already paid Lefika more than R100-
Six men were arrested in 2013 relating to the fraud. Extensive and complex webs of corruption here demonstrate how malpractice in local government can impact on the MDC and typifies the situation nationally. This is demonstrable both by the positioning of the stadium and this array of interlinked illegal actions that occurred all largely based in self-enrichment.

There is a general convergence of opinions between the majority of academics and commentators such as Bond, Hamill, Hartley, Johnson, Reddy, Southall and Tangri, that BEE or affirmative action was poorly designed and badly implemented. According to Johnson, this actively encouraged poor elite values steeped in entitlement. Initially it “amounted mainly to the transfer of shares, which [were] acquired disproportionately by a small number of prominent, politically connected black figures.” But as highlighted above it eventually produced “an insidious and largely discredited form of crony capitalism in which well-connected ANC figures move effortlessly back and forth between the political and corporate worlds”. This has occurred because even though acutely factional, the ANC have remained unchallenged. According to Hamill, it is this that led to constitutional oversight mechanisms being countermanded by ANC stalwarts. This must be addressed if the MDC or the model is to succeed in the future. Poorly designed privatisation has provided a legitimate medium for South African elites to loot the state. It was designed as a mechanism that would result in a redistributive advantage for those who had been side-lined by apartheid. Sadly, evidence in this chapter suggests that most citizens in poorer areas such as Mpumalanga, have in one way or another, have also been side-lined by the ANC.

---

1320 Ibid
1321 Ibid, L Sindane, Op cit
1322 P Bond, ‘Talk left, walk right’, Op cit
1323 J Hamill, Op cit, p3
1324 R Hartley, Op cit, p142-150
1328 RW Johnson, Op cit, p420
1329 R Tangri & R Southall, Op cit, p700
1330 J Hamill, Op cit, p5
1331 Ibid, p3
This dilemma is at the heart of state capture. Regardless of problems, electoral support remains consistent for the ANC, albeit “Zuma’s dysfunctional presidency could well challenge ANC dominance as soon as 2019. The outcome could lead to a disentanglement of party and state. However, a possible outcome of this gridlock could be political continuity and poor levels of professionalism. According to Hamill, a Dlamini-Zuma presidency in 2019 would most likely see these networks remain intact. A vehement supporter of Zuma until recently, Mpumalanga’s Premier, Mabuza, has recently been threatened with arrest by Zuma if he, (read Mpumalanga) did not declare for Dlamini-Zuma in the presidential race. Until July 2017, Mabuza was thought to be the best candidate for vice president in 2019, but even he is ‘hedging his bets’. This outcome would entrench current levels of social development in MDC and probably in South Africa. Broad-based development and social welfare requires open investment and political commitment. If these patronage networks remain intact then social development will not flourish in the MDC.

FRELIMO has pursued a more successful *modus operandi* and have been even more successful at securing the state for its own ends, than have the ANC. FRELIMO has shrewdly skewed power away from RENAMO, to the extent that French suggests they have produced a ‘hollow democracy.’ However, this 'success' has (re)created national instability in Mozambique. FRELIMO are widely accused of restricting full transition to pluralism and limiting political diversity to maintain their dominant national position, thereby ensuring their continued unfettered access to power and resources. In effect, FRELIMO have produced an “incomplete hybrid democracy.” In it most contemporary guise the biggest political, electoral and economic problems for FRELIMO relate to the fact that RENAMO and the smaller splinter opposition party, the Democratic Movement of Mozambique (MDM), have political strongholds in

---

1332 Ibid, p1
1333 Ibid, p3
1334 M Letsolo & P Harper, ‘‘Vote for NDZ or else,’ Mabuza told’, Mail & Guardian, 21/07/2017
1335 Ibid
1336 H French, Op cit, Audio: chapter 2, 2 – 3 mins
1338 AVines et al, Op cit, p18
central and northern Mozambique. Given the bulk of Mozambique’s natural resources (and related concession agreements) are found in these enclaves, accessing them has become ever-more fraught. The Beira and Nacala corridors are in this area have become central to the national political debate. Coal shipments to Beira port have been intermittently suspended between 2013 to 2016 due to growing political violence. In the MDC, FRELIMO have established impressive patronage networks, this will be more difficult in these newer corridors. Hence the increase in violence. For example, large tracts of prime land in the MDC are owned by the nomenclature, and often they are left barren in advance of future speculation. As demonstrated above, corruption in the concession process in all three corridors is rife, and the largest pay-outs go to the very top of the FRELIMO hierarchy. FRELIMO fortunes are intertwined with continued economic prosperity and this will require inclusive political stability. However, given the substantial volume of coal, natural gas and European agricultural contracts, greater leverage has been placed in RENAMO hands. Hence, FRELIMO’s incentive towards ‘state capture’ and need to discredit RENAMO. This focus on power maintenance at the elite level, for personal and political benefit, has now left FRELIMO open to accusations that they have “stalled the democratic process”. According to Manning they have leveraged political success by limiting the functional ability of the opposition. Political inclusivity and decentralisation of power are necessary to end the growing political tit-for-tat violence. Promises have been made, Nyusi appears more inclusive, but as yet in 2017, any democratic solution seems unlikely. Further, President Nyusi has made

---

1339 C Manning, ‘Political tensions Threaten Mozambique’s Tenuous Peace’, World Politics Review, 21/01/2017, p2
1340 Ibid, p1-2
1341 A Vines et al, Op cit, p12, p18
1342 SAPA, ‘Rio Tinto Suspends exports from Moz after Sabotage Threats’, Reuters, 26/6/2013
1343 Interviews with F Healy and G Smith, Op cit
1344 J Hanlon and T Smart, Op cit, p108
1345 MZ Phiri & A Macheve, Op cit, p22
1346 See chapter 2, section ‘MDC & Post-Washington Consensus’
1347 Ibid,
1348 J Pearce, Op cit
1352 A Vines et al, Op cit, p22
1353 P Fauvet, Op cit, B Ligomeka, ‘Mozambique govt in deal with Renamo over governing of provinces’,
veiled threats to resolve the problem ‘the Angolan way’, by eliminating RENAMO leader Dhlakama. Diplomatic strategies need devising that will underpin and seek to overcome these social and political cleavages in the Beira and Nacala corridors. This will require elite compromise which currently appears unlikely. According to Vines et al, Nyusi must address this and promote greater inclusivity. The role of development corridors in promoting stability needs further research but they could promote Vines et al’s requirement that decentralisation and development work in concert with one another. Further, if they can uplift communities then it may be possible to work towards a democratic compromise. If successful, the model would be useful transposed into other micro-regions. This would assist greatly in making it transferable to any rudimentary transport corridors in the Trans-African highway.

Levitsky and Way’s ‘unlevel playing field’ is a useful concept highlighting how political malfeasance can skew outcomes while appearing to be at least nominally democratic. Until the recent national loans scandal, there had been no obvious out-right corruption or clear cut election rigging, but FRELIMO’s actions are consistent with ‘tipping the electoral scales’ and includes “partisan appropriation of state resources, systematic packing of state institutions and [to some extent a] state run media, and politicized distribution of state resources, concessions and licences”. In combination, they reduce the ability of the legitimate opposition to organize and compete. “The upshot has been a growing FRELIMO monopoly of power at all levels.” This gerrymandering is “less evident to outside observers than is electoral fraud or repression.” However, where RENAMO have won mayoral races “the ruling party prevented them from succeeding by withholding transfers of revenue and authority from the central state, but also by the absence of institutional party channels to


1354 C Manning, ‘Political tensions Threaten Mozambique’s Tenuous Peace’ Op cit, p11
1355 Interviews on 5-6/2/2016 with Healy F, Op cit
1356 A Vines et al, Op cit, p18
1357 Ibid, p28
1358 Interviews with F de Man & R de Burca, Op cit
1359 S Levitsky & L Way, Op cit
1360 Ibid
1361 Ibid, p58
1362 Ibid
1363 C Manning ‘Mozambique’s slide to one party rule’, Op cit, p151
1364 S Levitsky & L Way, Op cit, p57
structure policy, decision-making or *promote* strategic cooperation across municipalities.” 1365

Such action precludes RENAMOs input and has a devastating impact on democratic competition. 1366

The democratic process is less than transparent in Mozambique. This is creating ongoing political tension often leading to violence. If this democratic deficit is not dealt with, it is likely the Nacala and Beira corridors will not function effectively and results will be limited. Further if RENAMO is continually side-lined then sporadic violence will continue to occur. ‘Un-tilting the playing field’ will help address this by producing more consistent democratic outcomes. FRELIMO have largely adhered to an open democratic process but they have also induced a position that works in their own favour. Further, they failed to carry out a review of the electoral system, as was notionally agreed in the general peace accords of 1992. RENAMO agreed to elections in 1994, “seeing them as necessary, but not sufficient, the group expected elections to be supplemented by consultation and negotiation between the two major parties.” 1367 This did not occur. Further, faced with evidence of vote rigging RENAMO have consistently questioned election results, with no formal outcome. This is largely because FRELIMO have ‘packed’ the national elections commission, (CNE) and inconsistencies have not been investigated in a rigorous manner, or they have simply been ignored. 1368

According to Manning, the CNE has “hobbled the opposition in advance of elections, compromising results by failing to take action to prevent manipulation of regulations and by *ignoring* dubious occurrences at polling stations” 1369 CNE has failed to address ballot box stuffing or investigate very high numbers of spoiled ballot papers at each general election. 1370 Additionally, they permitted the use of party sympathisers as election staff. 1371 Therefore, CNE’s actions cannot be deemed transparent. FRELIMO have used the new constitution, electoral politics, the state legislature and outright intimidation to limit RENAMO’s political input at every level. 1372

---

1365 C Manning, ‘Political Tensions Threaten Mozambique’s Tenuous Peace’, Op cit p9
1366 S Levitsky & L Way, Op cit
1367 C Manning, Op cit, p10
1368 C Manning, ‘Mozambique’s slide to one party rule’, Op cit, p141
1369 Ibid, p157-158
1370 Ibid
1371 Ibid
1372 Ibid, C Manning ‘Mozambique’s slide to one party rule’, Op cit
The most contentious element is related to the appointing of provincial premiers which would require an amendment to the constitution. Currently, the ability to appoint provincial leaders lies with the president. Thus, even in opposition held provinces, an unelected FRELIMO cadre puts together a cabinet and sets the political agenda.

After years of political manoeuvring by FRELIMO to avoid decentralising power.

“FRELIMO’s own fear of decentralization may stem from the culture of a centralized system since independence, from perceived risks to national unity, and from the opposition’s growing presence in and influence on elected municipalities.”

In August 2017, President Nyusi and RENAMO leader Dhlakama, decided a package of legislation regarding decentralisation of power was required.

“The Mozambican government agreed to make constitutional changes that [would] allow the opposition RENAMO to govern in six provinces where it won majority votes during the 2014 elections.”

However, RENAMO's representative, J Pondeca, was assassinated in Maputo prior to the commencement of negotiations with the president. This murder has stalled the negotiation process and according to Human Rights Watch, was a “blow to efforts to resolve Mozambique’s dangerous political situation. It is “the government’s failure to genuinely investigate past killings [that] provides space for this latest terrible crime.”

Levitsky and Way specifically identify the government of Mozambique as guilty of creating an unlevel playing field and for pursuing unabated power in any possible manner. FRELIMO have undermined democracy by stealth, and here the notion of an ‘unlevel playing field’ facilitates understanding in a situation where most single

---

1373 C Manning, ‘Political Tensions Threaten Mozambique’s Tenuous Peace’, Op cit p10
1374 P Fauvet, Op cit
1375 A Vines et al, Op cit
1376 Ibid
1377 B Ligomeka, Op cit
1379 Ibid
1380 C Manning, Op cit
actions appear legitimate. This represents a situation where vast wealth and power could be at risk, so it is clear why FRELIMO cannot or do not want to step back from this position. The link between elite capture and under-development is plain, wealth is siphoned from the state into individual bank accounts, further continued benefits are reliant on political patronage networks and access to corporate tender processes. The section above regarding CFM, Valentina Guebuza and Focus 21 exemplify how FRELIMO have elevated their elite in advance of either democracy or social development. It is unlikely they will want any challenges to their powerbase. Changing the provincial leadership in these traditional RENAMO strongholds could threaten FRELIMOs assets in these new development corridors.

The ANC and FRELIMO have sought to maintain their dominant position and minimise the ability of their political competitors to mount a credible electoral challenge.

“An indirect effect of corruption is thus that the ruling party, already benefitting from a tilted playing field in its favour and access to state resources, will find it increasingly difficult to win elections in a fair contest, as a result democracy is eroded and a greater focus on hegemonic power, authoritarianism and repression becomes the order of the day.”

By collapsing the dominant party into the state, they have demonstrated that maintenance of their own political authority is de facto more important than the pursuit of constitutional democracy which they set out to achieve in 1994. The ANC's factionalism has ultimately undermined their own electoral position. State capture has undermined President Zuma’s authority to the point that his own position is no longer tenable. FRELIMO have side-lined the opposition to the point that RENAMO have reverted to political violence. The elite in South Africa and Mozambique have become so involved in questionable decisions and investments that staying in power becomes an end in itself. Ultimately, international trade requires political stability. Internecine political battles leading to state violence and corruption will not enhance investment and trade. This is the lifeblood for development corridors such as the MDC if governments cannot create adequate oversight it is unlikely that international investment or social development will continue to flourish in the long term.

1381 DA Williams & J Isaksen, Op cit, p64
Conclusion

Elite politics in South Africa and Mozambique poses particular problems for the MDC and if not monitored will promote benefits to a narrow national elite rather than reinvestment to enhance economic and social benefits to ‘corridor communities’. This chapter demonstrates without a doubt that elite capture of resources and politically driven ‘state capture’ are challenging economic growth, democratic accountability and social policy. They have the potential to challenge regional stability in Mozambique. Extensive infrastructure contracts, development corridor concessions and one-off grandiose projects such as Mbombela stadium, provide ample cover for chronic mismanagement, fronting and corruption. Corruption at this high-level sends poor signals to lesser politicians who then also seek to enhance their wealth. The MDC works well but is an access point to large tenders which have become politically troublesome in South Africa and have begun to create monopolies in Mozambique.

It is difficult to envisage a return to fully representative constitutional democracy. Ramaphosa is setting out initiatives to step back from state capture should he be selected at the electoral conference in December 2017. President Nyusi needs to address RENAMO and MDM concerns as they are excluded from the democratic process. RENAMO will object to how the FRELIMO elite have gained access to corridor infrastructure concessions in ‘their’ political heartland. This will need addressing in the future. Further, FRELIMO has no incentive to enhance the living standards in these areas. This partisan access to resources in the Nacala and Beira corridors in Mozambique has the potential for political instability.

Problems with the political process in South Africa and Mozambique make the corridor model appear problematic. However, some elites have clearly hi-jacked political and economic resources. I would argue that this is not a problem with development corridors per se, but just like for the state, elite capture has skewed rules and enhanced the wealth of certain individuals. Hanlon suggests that they could well re-cycle this wealth to produce elite developmentalism, but this seems unlikely. Democratic oversight needs to be applied to the state however this will require strong leadership. Reducing corruption and political factionalism in South Africa could produce this reprieve which would
impact in part on the MDC. It will be more difficult to counter the elite stranglehold on the tender process, especially in Mozambique, but clearly this must be achieved. Ideally it will need to be linked to the process of re-creating wider democratic accountability. Acknowledging that both parties have tilted the playing field in their own favour would be a good starting position. Enhancing corridor management could be achieved if stakeholders and government supported strong and proactive management bodies. MCLI could be well placed to lead this model. This would allow them to actively pursue social upliftment and to become fully inclusive organisation.
Conclusion

Emancipation, if so, for whom?

Central to this research has been the juxtaposition which presents the MDC, and so the development corridor methodology, as elite projects that produce economic growth but ignore any wider social objectives. This position is advanced by leading academics who stress the exclusion of ordinary citizens in the corridor process at every level. My argument is pursued with two clear points of focus. Critics of the model suggest that the economic growth that is delivered is accrued by international capital and a self-centred elite, and that the host micro-regions, the nation state or communities fail to benefit from these mega-projects. Some elements of this perspective are difficult to dispute. Yet the depth and extent of that position is easily exaggerated and has proved to be lacking in nuance. This research is clear, demonstrating that the MDC produces economic growth and this growth is beneficial for the micro-region. Further, most have either downplayed or simply rejected the idea that the MDC produces any social dividend. Tevera and Chimowa, in Soderbaum and Taylor’s edited volume, ‘Regionalism and Uneven development in Southern Africa’,¹³⁸² suggest that “while private sector investment as an engine of growth is accepted as the guiding principle in the MDC, the benefits that are accruable to the ordinary South Africans and Mozambicans in the Mpumalanga and Maputo provinces have been limited”¹³⁸³

Conversely, politicians and practitioners are busily promoting the MDC model throughout Africa, as they perceive it as a good method for promoting infrastructure development and securing new investment.¹³⁸⁴ Nevertheless, their focus has largely been economic growth, without which it would be impossible to promote social development. This research demonstrates that corridor practitioners were initially

¹³⁸² F Soderbaum and I Taylor Ed, ‘Regionalism and Uneven development in Southern Africa: The Case of the Maputo Development Corridor’, Ashgate Publishing (2003), Hants
¹³⁸³ D Tevera and A Chimowa, ‘Situating the MDC: A Regional Perspective’, Ibid, p37
¹³⁸⁴ Interviews on 4/5/02/2016 with F Healy and G Smith, DFID (UK) Consultants, Nelspruit, South Africa, Interview on 8/09/2011 with J Tambi, Transport Infrastructure Expert, New Partnership for Africa’s Development (NEPAD) and Coordinator Presidential Infrastructure Champion Initiative (PICI), Midrand, Johannesburg
guided by the dominant discourse of neo-liberalism, but are increasingly responsive to promoting the social aspects in the MDC. This project demonstrates that an uplifted and skilled society is more active and responsive to economic requirements in the MDC, further there are indications that the results of this growth could be utilised to promote political stability. This thesis suggests that the ideological position taken by academics, and the subsequent failure to investigate the lacuna between these diverging perceptions, has precipitated a fudging, or fear to investigate how far the MDC meets with its social objectives. Practitioners believe their results to be good but have lacked sustained evidence to support this. Certainly, the interim results from this research, delivered at the MCLI stakeholder forum in February 2016, allowed practitioners to take well-deserved reprieve from constant criticism; a remission in which to consider they can make a substantive difference.\footnote{R Tate, ‘Measuring the Social Dimension of Development Corridors: Creating Impact for Communities’, Presentation to MCLI Stakeholder Forum, 4th February 2016, Nelspruit, South Africa} They also appear inclined towards taking a more positive role to enhance this positive perspective regarding societal benefits available in the MDC. This thesis calls for the formalisation of civil society interactions as part of the wider stakeholder group. Ideally facilitated within the MCLI working group format. This will enable a consolidated and professional approach with targeted goals, delivering social benefits to communities in the MDC. It is clear there is a capacity to apply the model in other microregions on the continent. This will enable the transformation of transport corridors into fully fledged development corridors as identified by DfID (UK).\footnote{M Johnson, Presentation to MCLI Stakeholder Forum, 4th February 2016, Nelspruit, South Africa}

Chapter 1 contextualised the environment within which the MDC developed as a model or more flexibly, ‘a methodology’. It questions the extent to which the MDC is a neo-liberal project, determining that existing academic evaluations of the corridor are narrow and ideological, and lack nuance. It establishes that during the 1990s political choices were limited, and both governments, for varying reasons, needed to demonstrate they could be good democrats and responsible actors in the international sphere. Given the dominant liberal discourse and the stance of the IFIs, who were driving global economic policy, it was in fact unsurprising that they ‘opted’ for an orthodox economic strategy. In terms of the MDC, I believe this to be the context in which the model evolved rather than an informed direction. Particularly in Mozambique, prematurely

\footnote{R Tate, ‘Measuring the Social Dimension of Development Corridors: Creating Impact for Communities’, Presentation to MCLI Stakeholder Forum, 4th February 2016, Nelspruit, South Africa} \footnote{M Johnson, Presentation to MCLI Stakeholder Forum, 4th February 2016, Nelspruit, South Africa}
opening the economy to global competition was an unwise move. In fact, shock therapy caused near complete economic collapse. This positioning was not the intent of the MDC which possessed a collective legacy. Nevertheless, the context called *a priori*, for economic growth, relegating social objectives such as uplifting previously disadvantaged societies, promoting employment and creating sustainable development.

The global context meant wider governmental intervention was impossible in the early phase. The governments focussed on attracting international finance, consolidating substantive anchor projects and improving infrastructure. It was necessary to offer excellent terms to these initial anchor projects because it provided the means to compete in this global environment. In combination, this context and the speed with which Mandela and Chissano sought to implement the MDC, meant achieving a fully inclusive bottom up strategy was unrealistic. Therefore, social inclusion and wide-ranging consultations were overlooked. Most problematically for the corridor, and therefore growth, employment and poverty reduction, was a lack of strategic planning which forestalled the linking of anchor projects to the domestic economies of South Africa and Mozambique. So, in the early days, Soderbaum & Taylor, Nel and Hanlon and Smart were correct to see the corridor as beneficial to global capital. Yet, they failed to move forward from this point, applying a similar criterion to new occurrences in the MDC. Thus, while it is to some extent understandable that the MDC project was deemed neo-liberal, I suggest this was predominantly contextual, or a phase for the corridor, and this critical academic perspective is overly narrow.

As the global context changed, so too did the influences placed upon the South African and Mozambican governments in their interactions with the MDC. Chapter 2 acknowledges that East Asian investment has provided impetus to address economic and social challenge, via a ‘strategic vision’, this challenges the dominant western

---

1388 See MDC Objectives in the Introductory Chapter
1390 K Ohno in I Ohno and K Ohno ed, Japanese Views on Economic Development: Diverse Routes to
discourse. It has allowed for the MDC strategy to become less ideologically fixed and to address some of the limiting factors associated with a tight macro-economic policy and the potentially predatory nature of competitive global markets. Johnson’s and Ohno and Ohno’s idea of the ‘developmental state’ and relationships based in *quid pro quo*, questions the validity of tight macro-economic policy and challenges the non-interventionist stance of the ‘Washington consensus’. They promote a role for the state in developmental policy, with strategic use of long term ‘soft loans’, an active industrial strategy and substantive infrastructure development. This has worked well.

Further, the model encourages an element of social responsibility and strategic planning that was not previously considered acceptable. The chapter challenges the perspective that considers East Asian investment as exploitative. The chapter acknowledges the importance of an effective corridor management body (MCLI). This and subsequent chapters call for a more holistic and functional role for MCLI, one that draws civil society into the developmental process. This research contradicts Tevera and Chimowa above, evidencing that new markets promote employment and that results from CSR projects have a significant social impact in Maputo Province and in Mpumalanga. In Mozambique and South Africa, the adherence to this corridor model has led to the development of entirely new transmission routes. In agriculture, this has proved to be labour intensive which is very positive. Further, in the MDC there is evidence of newly devised economic linkages into the economy. Ideally should the model be transferred such activities need to be incorporated into the planning phases.

In the MDC, improved South/South relationships have been cultivated. This has proved effective and an active industrial policy and internal trade mechanisms such as the SEW are encouraging greater volumes of trade with India, China and Japan as well as with smaller East Asian nations. These sustainable strategic and long-term packages built in concert with East Asia, such as Sojitz Ltd and Regal Farms, detailed in Chapter 2 demonstrate that ‘objective four’ calling for “strategies and frameworks ensuring a holistic, participatory and environmentally sustainable approach to development” is occurring in the MDC. 1391 Clearly, there has been no revolutionary change but it is significant and where the ‘Washington Consensus’ has been challenged results appear

---

1391 Mitchell J cited in F Soderbaum and I Taylor, Op cit, p6
positive.

As discussed in the conclusion to part II, this research has brought together a unique set of data, fieldwork and interviews which span the MDC as a single project. The research has considerable breadth and depth. It demonstrates for the first time that development corridors, in this case the MDC, can meet with their social objectives. What is especially important is that those communities living within the jurisdiction of the MDC benefit in advance of the mean national position and in equivalent communities in adjacent provinces. Chapter 3 criticised the early focus on growth as development, but also established comparative poverty reduction as a trend for the corridor. Growth is demonstrable in South Africa and Mozambique. It has been substantive in the MDC, however, the mean data used to establish this also hides gross disparities of wealth. Therefore, deeper analysis is required. Initially, this was achieved through successfully measuring mean per capita consumption (monthly in Mozambique), which given the time span and breadth of cohort, overcomes those problems that Hanlon and Smart experienced with their shorter studies. It is clear that social upliftment and poverty reduction are occurring in the MDC relative to other micro-regions.

Chapters 4 & 5 provide a significant and independent depth of analysis and evaluation that has not been achieved previously. They demonstrate commitment from the governments of South Africa and Mozambique, yet acknowledge past failures and now show a determination to achieve greater social upliftment. The MDC does not reject social or participatory development. The model recognising the need to “maximise social development, employment opportunities and increase the participation of historically disadvantaged communities.” The MDC is imperfect, but the ongoing academic accusation of failure in social development and sustainability does not hold true. Clearly, the comparative increase in longevity for communities in the MDC is marked, especially in more ‘corridor reliant’ Mozambique, where the improvement is outstanding. Gains in health and educational attainment are key to improving social development and community upliftment. Further, while less powerful, the data regarding the ‘South African MDC’ does indicate a greater propensity towards virtually every aspect of social development, particularly when taken in concert with inward

1392 As suggested by F Soderbaum and I Taylor, Ibid, p110
1393 Mitchell J cited in F Soderbaum and I Taylor, Ibid, p6
migration. Here, except for sewage connections, communities are better placed in comparison to the North-West province, especially with regard to employment. With good reason, comparisons with the mean national position are less easily attained in South Africa, although the general thrust is positive. While the greater volume of employment in the MDC promotes inward migration, it also sustains a high volume of informal housing, making the social tableau complicated in Mpumalanga.

Greater governmental commitment to human development via the NDP (in South Africa) an PARP (in Mozambique) provide an additional boost to the corridor, which had achieved much already. Where poverty remains high these policies could represent a fundamental step towards meeting with employment needs and advancing social policy. Employment is certainly more buoyant in the MDC. Yet, whether these two grand policies can be fully implemented, without running into political inertia, as did their predecessors, remains unclear. Alone, without a strategic vision, drive and commitment, the MDC can offer no guarantees. No doubt, the corridor model can offer greater strategic development to the region and potentially has considerable implication for the Trans-African Highway. Therefore, the situation is buoyant and runs absolutely contra to the criticisms of Tevera and Chimowa above. The MDC does deliver to the populations of Mpumalanga and Maputo Province.

Finally, chapter 6 demonstrates that the MDC is a microcosm of national policy but that the democratic model is also open to abuse on a grand scale. Elite capture of ‘mechanisms of state’ and ‘economic initiatives’ are a serious problem, especially in divided societies such as South Africa and Mozambique where elite privileges can stoke hostility. This is a problem for the nation state, but given the consolidation of business opportunities and infrastructure tenders, opportunities are concentrated and hence such abuse is potentially damning for MDC itself. It also challenges this transferable model. Formal democratic oversight would be helpful in curtailing such activity, provided it could it be achieved in any meaningful manner. Here, those academics that suggest the MDC can be hi-jacked as an elite mechanism for self-enrichment put forward a sound argument but do not delve into the complexities. The analysis in chapter 6 demonstrates this, providing a complex understanding of elite capture in the MDC, which has been

---

1394 See the analysis in Chapters 4 & 5
missing until now. Once again it has been easy to over simplify arguments or even justify individual acts of corruption as development. The reasons elites benefit from the MDC are mixed, stemming from context, economic opportunity and political rationale. The dominant discourse was key to understanding the political decisions taken early on. In many ways, the context for liberal capitalist competition was set prior to the South African and Mozambican ‘democratic transition’ of 1994. Of course, free market capitalism was hegemonic in the early 1990s and the ANC rule was central to establishing the MDC. They came to power amid the collapse of economic alternatives to free market liberalism. Many politicians simply positioned themselves well and went on to make legitimate personal fortunes. Other elites have stepped over a moral boundary into a range of corrupt actions. Evidence suggests that lower political echelons now seek to gain similar benefits to their superiors. Further, complex and extended knowledge of corruption has produced gridlock that will be difficult to circumvent.

Increasingly problematic has been the trend for the ANC and FRELIMO to blur the boundaries of their dominant party with the state. At times, it appears the leadership of both parties perceive they have the sole right to rule and to determine national benefits. High level corruption in Mozambique regarding illegal loans and Zuma’s relationship with the infamous Gupta family are indicative of this. This is particularly problematic and the democratic deficit could well degenerate into significant political violence. This, then, is potentially problematic for the corridor model which is so dominant in Mozambique. Where its propensity to produce positive social outcomes could be used to facilitate communication between Mozambique’s political factions, elite tenderpreneurship could damage tense relationships. Further, any new bouts of elite capture, justified through greater intervention, could easily degenerate into political violence in the Beira and Nacala corridors. While not implicitly a part of this research, without an element of regulation and oversight, elites have too great an input into the management of resources. This will ultimately limit the potential of the model for other micro-regions.

The MDC has evolved, and has begun to meet all four of its objectives. This research demonstrates that the model is adaptable and can create both economic growth and social development. This is not trouble free and in a capitalist global system benefits
will always accrue vertically and horizontally. This means that in developing countries
social development will, to some extent, always be of secondary importance. However,
where this study represents a critical departure from other academic studies is by
evidencing the success of the MDC to deliver social upliftment and poverty reduction.
This research suggests that the formal implementation of the four strategic goals, as
outlined in the introductory chapter, through a management body will ensure the MDC
continues to meet these objectives. Further, as it is flexible, corridor methodology can
adapt to other political and economic situations in other micro-regions. Where
implemented, it will ensure a more fluent transition from transport to development
corridor, providing the lessons learned in the MDC can be applied in a new
environment. The MDC has continued to develop since its initial implementation,
evolving to meet the changing global context. These adaptations include the use of
strategic planning to build domestic economic linkages, advanced transmission lines
that promote and enhance employment opportunities, and an increasingly independent
management body. This thesis suggests social and economic advancement can occur
providing the MCLI adopts a wider mandate to incorporate civil society. However, an
effective democratic oversight mechanism to limit corrupt practices is a prime
requirement. Here the ANC and FRELIMO need to take a longer term political view,
one that places national advancement above party factionalism and personal gain.
Problematically, this lies within the realms of each governments' legislative ability to
control the excesses of their own elite. This means they would be self-governing,
therefore any greater oversight is probably unrealistic. No doubt elite capture is a
fundamental limitation on social upliftment in the MDC. The corridor model is
successful in the MDC, creating both growth and development.

Finally, the model produces development that is in line with the ‘Journal of
Development’s’ own definition: it is striving to create alternative paths of social
transformation that are sustainable, reduce poverty and have potential to promote a
more just world.1395

1395 J Hanlon & T Smart, Op cit, p73
Appendix 1

Map 1 – North East South Africa and Mozambique

Source: https://www.google.co.uk/search?q=image+of+mozambique&client=firefox-b-ab&source=lnms&tbm=isch&sa=X&ved=0ahUKEwj9fIUUsDPAhlUsDMAKHeBtA70Q_AUICCgB&biw=1024&bih=635#imgrc=JrouV5bVfcmn0M:
Map 2 – Trans African Highway

Map 3 – The North South Corridor

Source: http://www.transportworldafrica.co.za/2015/12/09/fesarta-partners-with-iru-on-northsouth-corridor/
Map 4 – Maputo Development Corridor with Toll Plazas

Source: http://www.safiri.co.za/lpfdb/maritime-port-of-maputo.html

Map 5 – Road Map of Maputo Corridor and Surrounding Area

Source: www.villaespanhola.com
Appendix 2

**Figure 1:** Children Living with HIV/Aids in South Africa

![South Africa ZAF Children (0-14) living with HIV](chart)


**Figure 2:** Children Living with HIV/Aids in Mozambique

![Mozambique MOZ Children (0-14) living with HIV](chart)

**Figure 3:** Poverty Reduction objectives for PARP 2010-14

![Diagram showing Inclusive economic growth and poverty reduction, 1. Boost farm and fisheries output and productivity, 2. Promote employment, 3. Human and social development, Cross-cutting issues, Macroeconomic and fiscal management, Governance.]

**Figure 4:** NDP: An Approach to Change

![Diagram showing Rising living standards, Poverty reduction, Effective government, Employment growth, Social cohesion, Active citizenship, Opportunities, Capabilities, Conditions, Strong leadership, Cycle of development.]

Figures 5 & 6: Female & Female Youth Employment by State


\(^{1396}\) Appendix 3/19
Figures 7 & 8: Male & Male Youth Employment by State


\(^{1397}\) Ibid
Figure 9: Housing Types in Mozambique

![Figure 9: Housing Types in Mozambique](image)


Figure 10: Formal Housing in South Africa

![Figure 10: Formal Housing in South Africa](image)

**Figure 11: Perception of Public Satisfaction in 2006 and 2010**


**Figure 12: Perception of services that most need addressing**

**Figure 13:** Perception to question asking in the municipal government is providing good services.

Appendix 3

World Bank Data Bank Definitions

1. **Gross Domestic Income**: Gross domestic income is derived as the sum of GDP and the terms of trade adjustment. Data are in constant local currency.

2. **Gross National Income**: GNI (formerly GNP) is the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees and property income) from abroad. Data are in constant local currency.

3. **Final Household Consumption**: Household final consumption expenditure is the market value of all goods and services, including durable products, purchased by households. It excludes purchases of dwellings but includes imputed rent for owner-occupied dwellings. Data are in constant 2000 U.S. dollars.

4. **Life Expectancy at Birth**: Life expectancy at birth indicates the number of years a new-born infant would live if prevailing patterns of mortality at the time of its birth were to stay the same throughout its life.

5. **Survival to Age 65**: Survival to age 65 refers to the percentage of a cohort of newborn infants that would survive to age 65, if subject to current age specific mortality rates.

6. **Incidence of HIV % of Uninfected**: Number of new HIV infections among uninfected populations ages 15-49 expressed per 100 uninfected population in the year before the period.

7. **Tuberculosis Case Detection Rate**: Tuberculosis case detection rate (all forms) is the number of new and relapse tuberculosis cases notified to WHO in each year divided by WHO's estimate of the number of incident tuberculosis cases for the same year, expressed as a percentage.
8. % of Women in Receipt of ARV’s: Women with Registered Pregnancies receiving ARVs by %.

9. Employment by Population and State over 15: Employment to population ratio is the proportion of a country's population that is employed. Employment is defined as persons of working age who, during a short reference period, were engaged in any activity to produce goods or provide services for pay or profit, whether at work during the reference period (i.e. who worked in a job for at least one hour) or not at work due to temporary absence from a job, or to working-time arrangements. Ages 15 and older are generally considered the working-age population.

10. Youth Employment by Population and State aged 15-24: Employment to population ratio is the proportion of a country's population that is employed. Employment is defined as persons of working age who, during a short reference period, were engaged in any activity to produce goods or provide services for pay or profit, whether at work during the reference period (i.e. who worked in a job for at least one hour) or not at work due to temporary absence from a job, or to working-time arrangements. Ages 15-24 are generally considered the youth population.

11. Informal Settlements in South Africa: According to national census or household statistics an informal settlement is either “an unplanned settlement on land which has not been surveyed or proclaimed as residential, consisting mainly of informal dwellings” or shacks, these are makeshift structures made from scrap items, usually wood and tin, additionally they are not in line with formal planning

12. Sustainable Energy includes energy from all types of source.

13. Access to Clean Fuels: Access to clean fuels and technologies for cooking is the proportion of total population primarily using clean cooking fuels and technologies for cooking. Under WHO guidelines, kerosene is excluded from clean cooking fuels.

14. Improved access to Water Sources: Access to an improved water source refers to the percentage of the population with reasonable access to an adequate amount of water
from an improved source, such as a household connection, public standpipe, borehole, protected well or spring, and rainwater collection. Unimproved sources include vendors, tanker trucks, and unprotected wells and springs. Reasonable access is defined as the availability of at least 20 litres a person a day from a source within one kilometre of the dwelling.

15. **Access to Improved Sanitation:** Access to improved sanitation facilities refers to the percentage of the population with at least adequate access to excreta disposal facilities that can effectively prevent human, animal, and insect contact with excreta. Improved facilities range from simple but protected pit latrines to flush toilets with a sewerage connection. To be effective, facilities must be correctly constructed and properly maintained.

16. **Mobile Telephone Subscriptions:** Concerns subscriptions are subscriptions to a public mobile telephone service using cellular technology, which provide access to the public switched telephone network. Post-paid and prepaid subscriptions are included.

17. **Internet users:** Individuals who have used the Internet (from any location) in the last 3 months. The Internet can be used via a computer, mobile phone, personal digital assistant, games machine, etc.

18. **The Mozambican Census Housing Definitions:** ‘Temporary housing’ is semi-permanent but built from whatever materials can be found to hand including plant materials. ‘Basic housing’ is built from permanent materials such as bricks and tins but does not have basic amenities such as kitchen, water or sanitation.

19. **Employment to Population Ratio:** Is the proportion of a country's population that is employed. Employment is defined as persons of working age who, during a short reference period, were engaged in any activity to produce goods or provide services for pay or profit, whether at work during the reference period or not at work due to temporary absence from a job, or to working-time arrangements. Ages 15 and older are generally considered the working-age population.
BIBLIOGRAPHY


African Development Bank, 'Multinational - Nacala Road Corridor Phase 1, Project Appraisal Report', May 2009

African Development Bank, 'Multinational – Nacala Road Corridor – Phase II', Project Appraisal Report', September 2010


African Union Convention on Preventing and Combating Corruption, Maputo 11th July 2003
African Union: Signatories to the following conventions as at (date in brackets)

- African Convention on Preventing and Combating Corruption (3/2/10)
- Convention on the Prevention and Combating of Terrorism (3/2/10)
- Protocol to the African Charter on Human and Peoples Rights on the establishment of an African Court on Human and Peoples Rights. (1/3/10)
- Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa (22/7/10)


Alden C & S Chichava, 'China and Mozambique: From Comrades to Capitalists', Fanele, (2014) South Africa


Allix M, Business Day, 'Infrastructure crucial for African growth', 5th December 2014


ANC Policy Document, ‘RDP an Executive Summary’
http://www.anc.org.za/documents/Policy-Documents/ accessed 17/03/2017


Arsenault C, 'Mozambique agriculture plan could displace 100,000 farmers – activists', Daily Mail, 25th May 2015


Avert HIV and Aid Worldwide Website, https://www.avert.org/professionals/hiv-around-


Bauer N, 'ANC Expels Julius Malema', Mail & Guardian, 28th February 2012

Bauer N, 'Cosatu's Vavi condemns national development plan', Mail & Guardian, 12th March 2013

Banks N & D Hulme, 'New development alternative or business as usual with a new face? The transformative potential of new actors and alliance in development', Third World Quarterly, (2014) Vol 35/1


BBC News Africa, 'Portugal deal on Mozambique's Cahora Bassa dam', 9th April 2012

BBC News Africa, 'Mass arrests over Mozambique food riots', 6th September 2010


BBC News Africa, 'Mozambique Profile', 11th October 2014

BBC News Africa, 'South Africa: Has democracy delivered?', 1st May 2013


BBC News Africa, 'South African Police scuffle with MPs after Nkandla vote', 14th November 2014


Bek D, Binns T & Etienne N, ', Catching the development train', perspectives on 'top-down' and 'bottom-up' development in Post-Apartheid South Africa', Progress in Development Studies,
(2004), Vol 4/1, pp22 – 46


Berman JK, 'Rebellion may send t-tolls to the scrap heap of apartheid laws', Business Day, 1\textsuperscript{st} June 2015

BHP Billiton Press Release, 'Empowerment Transactions', 13\textsuperscript{th} December 2011


BHP Billiton Website, 'BHP Billiton resourcing the future, business for Millennium Development', www.bhpbilliton.com/bb/aboutus/charter.jsp, accessed 22\textsuperscript{nd} Feb 2011

BHP Billiton Website, Presentation regarding the Mozal Project, www.bhpbilliton.com, accessed 15\textsuperscript{th} November 2010


Blair D, ‘South Africa’s Long Walk to Decline’, The Telegraph, 27\textsuperscript{th} April 2017

Blom N, 'On the Water: Resistance to e-tolling is not about the money', Business Day, 25\textsuperscript{th} May 2015


Boeing Website, 'Boeing and Corus, Build Solid Future for Mozambique with Moza

Booker Tate Website, http://www.booker-tate.co.uk, accessed 22nd June 2012


Bowker T, S Kamm & A Sambo, ‘Mozambique’s Invisible Civil War’, Foreign Policy, 6th May 2016


Brautigam D& SMS Ekman, ‘Rumours and Realities of Chinese Agricultural Engagement in Mozambique’, African Affairs, (May 2012)


Bucuane A & Mulder P, 'Exploiting Natural Resources in Mozambique, Will it be a Blessing or a Curse ', Instituto de Estudo Sociais e Economicos, Conference Paper No 4, September 2007


(February 2014),


Caholo Eng. JS, Deputy Secretary (Regional Integration), SADC Secretariat, Transport Infrastructure Developments along with Transit Corridors of the COMESA-EAC-SADC Tripartite and IGAD Regions. Presentation to COMESA-EAC-SADC Tripartie and IGAD Infrastructure' Conference, 28-29 October 2010, KICC, Nairobi

Campbell K, 'State capitalism: is it a rival to market capitalism?', Mining Weekly, 30th March 2012

Campbell MM, 'The Viability of a Corridor Development of the R30 Route between Welkom and Bloemfontein', University of Freestate, Unpublished Paper


Club of Mozambique, 'China grants 15.2 million USD for distance learning, science and technology', 11th August 2011, 

Club of Mozambique, 'Even More Cahora Bassa Power for South Africa', 15th April 2008, 

Club of Mozambique, 'Maputo, Prime Minister lays first stone for wood processing plant', 8th August 2011, 

Club of Mozambique, 'Metical Slides against Dollar: Mozambican Central Bank Blames Post-Election Instability', 15th December 2014, 

Club of Mozambique, 'More Chinese Doctors for Mozambique', 21st September 2010, 


Confederacao das Associacoes Economicas de Mozambique, 'Botswana Transports Trial Wagon of Coal to Maputo', Newsletter 84, 20th April 2012

Confederacao das Associacoes Economicas de Mozambique (CTA), 'New Minimum Wages' Newsletter 93, 18th April 2012,


Coy Arthur, CEO of TRAC, 'E-correspondence: Re Gazetting in Mozambique', 28th February 2012

Coy Arthur, CEO of TRAC, 'Memo to All Staff Re: HIV/AIDS – Launch of Voluntary Counselling and Testing Programme', 29th June 2009

Coy Arthur, CEO of TRAC, Presentation to the MCLI working group, 4th February 2010

Coyoacan DF, 'Leon Trotsky – Marxism in our Time', April 1939 World Socialist Website,

Creamer M, ‘BHP boosts buyback plan to 410bn, profit soars 72%’, Mining Weekly, 15th Feb 2011

Creamer M, ‘South Africa has major manganese potential to unlock – BHP Billiton’, Mining Weekly, 15th Feb 2011

Creamer M, ‘South Africa’s AMD/waste water is minable’, Mining Weekly, 20th Jan 2011

Creamer T, ‘R17bn, SA rail link to open new coal capacity’, Mining Weekly, 12th January 2012


Curtis M, ‘The EU’s ugly resource grab’, The Guardian, 14th November 2010


Davids D and A Hadlend, ‘Satisfaction with the way democracy is working on Post-Apartheid South Africa’, Politikon, Vol 35/3 (2008)


de Bruyn C, ‘Beacon Hill boosts coal output at Mozambique Mine’, Mining Weekly 27th September 2010

de Bruyn C, ‘Beacon Hill, partner sell 26% of Mozambique coal project’, Mining Weekly, 19th July 2010

de Bruyn C, ‘Beacon Hill expects 200% increase in Minas Moatize output’, Mining Weekly, 24th June 2010

de Bruyn C, ‘Beacon Hill raises £730,000 for Projects’, Mining Weekly, 5th October 2010

de Bruyn C, ‘Beacon Hill to build mobile coal wash plant at Mozambique mine’, Mining Weekly, 6th August 2010

de Bruyn C, ‘EMS completes trials to convert AMD to potable water’, Mining Weekly, 4th October 2010

de Bruyn C, ‘Limited border post operating hours hamper Maputo Corridor Progress’, Engineering News, 30th September 2010
de Lange P, ‘Is democracy under the ANC in terminal decline or is it only the growth pains of a multiparty democracy?’, The South African, 24/12/2014, accessed on 27th January 2016

de Wall M, ‘Mpumalanga’s corruption cancer grows every day’, Daily Maverick, 4th September 2016

de Wet P, ‘NUMSA’s Front: United only in opposition’, Mail & Guardian, 14th December 2014


Department of Public Enterprise of RSA, ‘How much electricity is exported by Eskom, b) where is the electricity exported to?’, Written Reply from National Assembly, 5th March 2010


DP World Presentation, Port of Maputo Masterplan Conference, June 2011, Maputo Mozambique


Flak A & M Lopes, ‘Poor railways, ports put brake on Mozambique’s coal rush’, Reuters News, 16th April 2013

Flanagan J, ‘My husband would still be alive today if it hadn’t been for FIFA World Cup Corruption’, Mail Online, 13th June 2015

Fletcher P, ‘Donor darling looks less lovable after attacks’, Reuters, 23rd July 2013


Freight and Trading Weekly, 'China becomes Africa's biggest trading partner', 28th February 2012, accessed on 28th February 2012


Freight and Trading Weekly, 'Multi-million cement factory in Moz to be ready in November', 26th March 2012, accessed on 26th March 2012


French H, 'The Plunder of Africa', Foreign Affairs, July/August 2015


Goldman Sachs Report, ‘Two Decades of Freedom’, Investment Banking Division, South Africa


Government of Mozambique, Presentation from the Enterprise Council regarding SEW, 4th February 2010, accessed 22nd February 2012


Grant G, ‘Beware, the 'Beijing Consensus' is a sinister one’, The Telegraph, 6th Jan 2011

Green Z, ‘Mozambique health care workers speak on struggle to control tuberculosis’, World Socialist Website, wsws.org, accessed 14th January 2015

Hall Peter, Regional Institutional Structure and Industrial Planning: Richards Bay and the Spatial Development Initiatives, DPRU University of Cape Town, No 99/28 (1999)


Hamill J, 'South Africa's Deepening Corruption Crisis', World Politics Review, 10th January 2012


Hamill J, 'South Arica After the ANC: Part I', World Politics Review, October 2012

Hamill J, 'South Africa After the ANC: Part II', World Politics Review, October 2012

Hamill J, 'Zuma’s Scandals Threaten ANC, South Africa with Lost Decade', World Politics Review, November 5 2014

Hamill J, ‘Has South Africa Finally Reached a Tipping Point in Zuma’s Disastrous Presidency?’, Work Politics Review, 13th April 2017


Hanlon J & B Cunguara, Crisis States Research Centre, 'Poverty is not being reduced in Mozambique', LSE, Working Paper No 74, June 2010


Hanlon J, 'Mozambique: the war ended 17 years ago but we are still poor', Conflict, Security and Development, (March 2010) Vol 10/1

Hanlon J, 'Mozambique fell prey to the promise of fabulous wealth – now it can't pay nurses', The Guardian, 17th January 2017

Hanlon J & A Navunga, ‘Gas for development or Just Money?’, Centre for Public Integrity, Good Governance, Transparency and Integrity, Edition 08/2015
Harriss J, ‘Bringing politics back into poverty analysis: why understanding social relations matters more for policy for chronic poverty than measurement’, Q- Squared working paper No 24, April 2007, Commissioned by the Chronic Poverty Research Centre and first presented at the CPRCC ‘Workshop on Concepts and Methods for Analysing Poverty Dynamics and Chronic Poverty’, held at the University of Manchester 23 – 25 October 2006


Harvey D, ‘The G20, the financial crisis and neoliberalism’, interview in Democracy Now! New York, 3rd April 2009

Hauptfleisch D, Campbell M and Maritz J, ‘Literature review conducted to establish Impact of Maputo Development Corridor on Socio-economic development within corridor’, Part of Private Report Commissioned by TRAC, August 2008

Hauptfleisch Prof D, Campbell M & Maritz J, 'The Impact of the Maputo Development Corridor on Wealth Creation within the Region it Services', Private Report commissioned by TRAC, August 2008


Hunter Q, 'Broke ANC wants more tax money', Mail & Guardian, 5th December 2014

Hunter Q, 'SACP to discuss future in the ANC', Mail & Guardian, 7th July 2015

Hunter Q, 'The SACP, regretful it created a cult around Zuma, is heading for a tripartite alliance meeting divided over what position to take', Mail & Guardian, 7th July 2015
Hunter Q & M Letsoalo, 'The ANC is broke', Mail & Guardian, 31st October 2014


JICA knowledge website. http://gwweb.jica.go.jp/km/ProjDoc539.nsf/VIEWJCSearchX/F5F6B67F75D2B09C49256FD9003D6AD9/$FILE/SO%20MSSI2%EF%BC%88PO%EF%BC%89.pdf, accessed 22nd June 2012

Jili NN, 'The perceptions of youth on service delivery violence in Mpumalanga province', Submitted as dissertation for Master’s Degree in Public Administration, (MPA) Faculty of Commerce, Administration and Law, University of Zululand

Johns L and H Kruger, 'N1 protests turn violent', Cape Argus, 11th September 2012


Jordaan N, 'South Africa's future is bleak as ANC division and policy incoherence hamper economic growth: ISS', The Sowetan, 21st June 2016

Joubert JJ, 'Ministers bumpy ride on SA roads', The Sunday Times, 6th May 2015


Kahn M, 'the fall of the Wall, the rise of the BRICs and the new Scramble for Africa', Emerald Insight, Vol 13/3 (2011) pp38 – 49

Kagwanja P, 'Power and Peace: South Africa and the refurbishing of Africa’s Multilateral


J Kane-Berman, ‘Who is the real Ramaphosa?’, Politics Web, accessed 17th July 2017

Kasrils R ‘How the ANC's Faustian pact sold out South Africa's poorest’, The Guardian, 24th June 2013


Kedir A & McKay A, 'Chronic poverty in urban Ethiopia: panel data evidence', International Planning Studies, Vol 10/1, Feb 2005


Kolver L, 'Mozambique wants foreigners to explore its minerals treasure', Mining Weekly, 14th September 2007

Kufa Macgregor, 'Tenderpreneurs and Cartels', Progressive Leader, ANC Publication, July 2010


Leonard A, 'No consensus on the Beijing Consensus', 15th September 2006,

Letsoalo M, 'Are the people really sharing in the country’s wealth?', Mail & Guardian, 14th January 2015

Letsoalo M, 'Julius Malema announces ambitious EFF plans', Mail & Guardian, 22nd February 2014

M Letsoalo & P Harper, ‘Vote for NDZ or else,’ Mabuza told’, Mail & Guardian, 21st July 2017

Letsoalo M and T Zwane, 'Malema: I will never go back to the ANC', Mail & Guardian, 14th December 2014

Letsoalo M, M Mataboge, Q Hunter & T Gqirana, 'SACP: Zuma our mistake', Mail & Guardian, 26th June 2015


Losi M, 'It pained Kathrada to have to ask Zuma to resign: Ramaphosa', Sunday Times, 22nd July 2017

Lowcock M, Speech by the Permanent Secretary at the Department for International Development, G20 Africa Infrastructural Investment Conference at the Millennium Hotel, Mayfair, London, 18th July 2013

Lubombo Transfrontier Conservation Area (LTFCA) and Lubombo Spatial Development Initiative (LSDI), Trilateral Ministerial Meeting, Minutes from 28th June 2008


Lynn M, 'Africa's rapid growth is down to industry and free markets', The Telegraph, 16th September 2014


Macamo S, 'Privileged Places in South Central Mozambique', Studies in Global Archaeology, No 4, Published by African and Comparative Archaeology and Ancient History, Uppsala University, Maputo, Mozambique


Macauhub Report, 'Cotton processing factory with Chinese capital to open in Beira, Mozambique', 22nd October 2012, accessed on 8th July 2015


Hphanda Nkuwa hydroelectric facility due to start producing electricity in


Macauhub Report, 'Mozambican government approves construction of new coal-fired power


Macauhub Report, 'Mozambique expected to attract US$10 billion in foreign investment over next three years', 22nd March 2013, accessed 8th January 2015


Macauhub Report, 'Real size of natural gas reserves in Mozambique to be known within two years', 27th May 2011, http://www.macauhub.com.mo/en/?s=Real+size+of+natural+gas+reserves+in+Mozambique+to+be+known+within+two+years, accessed on 23rd February 2012


Macauhub Report, Westphalia Fruit of Mozambique starts exporting avocados to Europe 2nd May 2017, accessed on 17th May 2017


Magubane K, ’DA has no place for 'disgusting' white racist, says Zille’, Business Day, 8th December 2014

Mail & Guardian, ’Cosatu's Vavi calls for unity, Numsa's reinstatement’, 22nd November 2014


Mail & Guardian, ’Load shedding looms: Eskom warns of rolling blackouts’, 9th January 2012

Mail & Guardian, ’Six houses burned down in protesting Boitumelong’, 8th April 2013


Makwetia T, ’Premier of Mpumalanga, at the launch of new Maputo Development Corridor projects at Emnotweni Arena’, Nelspruit, South Africa on 5th December 2008


Manning C, ‘Political tensions Threaten Mozambique’s Tenuous Peace’, World Politics Review, 21/01/2017


Marawa A, Director, Infrastructure Development, COMESA Secretariat, on behalf of the Tripartite, ‘Transport and Trade Programmes of the COMESA-EAC-SADC Tripartite’, Presentation to REC-TCC Meeting 14-17 February 2011, Kigali, Rwanda


Masie D, ‘South Africa: We need to talk about Cyril, South Africa’s VP comes under the spotlight’, www.allafrica.com/stories/201411240916.html, accessed 16th December 2014


Massingue T, ‘N1-N2 Winelands Toll Highway Project’, TRANSRAL Presentation

Massingue T, The N4 Witbank to Maputo Toll Road Project’, TRANSRAL Presentation


Matos A, MCLI Co Chairman (Mozambique), Presentation at the MCLI AGM and Conference, 30th September 2011, Hotel VIP, Maputo, Mozambique

Mawarire T, ‘Slowly, slowly, the ANC is following Zanu-PF’s lead’, Mail & Guardian, 5th December 2014


Mbanjwa X ‘Policy to blame for poor jobs growth’, City Press, 1st March 2016

MCDT Magazine, Local Magazine Printed by Moza Aluminium Smelter No 1

MCDT Magazine, Local Magazine Printed by Moza Aluminium Smelter No 6

MCLI News 8th December 2014, 'Expanding Scope of Corridor Approach’, 8th December 2014

MCLI Newsflash 954, 'Grindrod Says Maputo port expansion progressing', Feb 28th, 2011

MCLI Newsflash 1062, 'CFM to upgrade Sena line in Mozambique by early 2013’, 6th November 2011

MCLI Newsflash 1064, 'MCLI signs MOU with the Lowveld based Trade point, Mbombela’, 8th December 2011

MCLI Newsflash 1070, 'Port Maputo – Introduction of a Strategic Partner in the Maputo Coal Terminal – Grindrod and VITOL', 19th January 2012


MCLI Newsflash 1087, 'TRAC Mozambique Toll Tariff Adjustments', 24th February 2012

MCLI Newsflash 1124, 'Transet's 'Back to Rail Strategy', 25th April 2012

MCLI Newsflash 1278, 'UNCTAD Report Cites Low Implementation Rate of Regional Agreements as Hampering Regional Trade', 23rd July 2013

MCLI Initiative Presentation, 'Significant Events in the Rehabilitation of the Maputo Corridor', MCLI working document.

MCLI Report 'SSATP – Corridor Facilitation Program, Transit Regime for Mozambique', 2011, Revised Edition 01

MCLI Website 'Spatial Development Initiative', www.mcli.co.za/mcli-web/sdi-web/sdi.htm, accessed 20th November 2009 & 1st February 2010


Mozambique News Agency, ‘India offers $500 million credit line’, AIM Reports, No 410, 5th October 2010


Nachote L, ‘Mozambique’s ‘Mr Guebusiness’, Mail & Guardian, 6/01/2012


Netshtizenze J, ‘Reviewing the past 15 years.......and the challenges ahead’, Progressive Leader Magazine, Issue 1, 2009


Nevin T, ‘Maputo Corridor qualified success: the Maputo Development Corridor initiative began life 10 years ago. The idea was to provide southern Africa’s industrial heartland with a shorter link to the sea in Mozambique and in the process, generate wealth all along the routes. Has this happened?’, African Business, Dec 2006, accessed 10th December 2009


Ngubane M, ‘Could the NDP put SA into reverse gear?’, Mail & Guardian, 19th September 2013

Nhamire B & H Matine, ‘PPPs: A Necessary but Problematic Investment in Mozambique’, Centre for Public Integrity, December 2015, Maputo

Nkosi O, ‘United Front Reinvents the Class Struggle’, Mail & Guardian, 1st January 2015

Nordengen P, RTMS National Steering Committee, ‘The road transport management system and observed success in South Africa’, Presentation at the MCLI AGM and Conference, 30th September 2011, Hotel VIP, Maputo, Mozambique


Ohno I and Ohno K, 'Dynamic Capacity Development: What Africa can Learn from Industrial Policy Formulation in East Asia', National Graduate Institute for Policy Studies (GRIPS), Tokyo, March 13, 2009


Patel R, 'Mozambique’s food riots – the true face of global warming', The Observer, 5th September 2010

Paton C, 'Zuma regards state firms as his personal playground', Business Day, 12th December 2014


Pillay V, 'Mantashe: Numsa members will still support the ANC', Mail & Guardian 7th January 2014

Pillay V, 'Numsa maps out its brave new world', Mail & Guardian, 31st October 2014


Plessing J, ‘Challenging Elite Understandings of Citizen Participation in South Africa’,
Politikon, Vol 44/1 (2017)


Poplak R, ‘Goldman Sachs report can end up being lethal to South Africa’, Business Day, 10 November 2013


Premhid K, ‘The ANC has a leadership problem’, Mail & Guardian, 7th January 2015

Pressly D, ‘Income Inequality the Most Divisive’, The Sunday Independent, 19th February 2012

Prinsloo L, ‘India eyes South Africa's coal and gold resources’, Mining Weekly, 7th Jan 2011


Prinsloo L, ‘SA coal and gold strike looms over wages’, Mining Weekly, 7th July 2011

Prinsloo L, ‘Swazi line top priority to relieve coal line congestion – Transnet’, Mining Weekly 27th June 2011

Prinsloo L, ‘Transnet expects study on new Richards Bay line by October’, Mining Weekly, 22nd June 2011


Rasmussen HL, ‘Donors put brakes on Mozambique aid’, Mail & Guardian, 1st July 2010

Reid I, Mozal Presentation to World Bank, World Bank Resource Website, siteresources.worldbank.org/.../resources/IanReid/mozal.ppt

Republic of Mozambique, Ministry for Tourism Transfrontier Conservation Areas, 'The year in review 2004'

Republic of Mozambique, Ministry of Tourism, 'Transfrontier Conservation Areas and Tourism Development Project', Mid-Term Report, June 2009


Republic of South Africa, Department of Transport Presentation, 'Department of Transport Vision for 2010', accessed November 2009


Reuters Press Release, 'Anadarko sees potential in Mozambique oil exploration', 1st November 2007

Reuters Press Release, 'ARM to sign iron-ore deal with Transnet', 7th October 2010

Reuters Press Release, 'Malawi, Brazil's Vale ink $1bn rail line deal', 11th January 2012

Reuters Press Release, 'Mozambique families protest against Brazil's Vale', 11th January 2012

Reuters Press Release, Mozambique police seize 1.3 tonnes of poached rhino horn and ivory, 14th May 2015

Reuters Press Release, 'Mozambique to submit new mining law this year', 22nd November 2011


Reuters Press Release, 'South Africa Invited to Join Bric Group', 24th December 2010


Riche A & S Ponte, 'New Actors and Alliance in Development', Third World Quarterly, (2014) Vol 35/1

Robinson DA, 'Chinese Engagement with Africa: The case of Mozambique', IPRIS, 21st January 2012


Rogerson CM, 'Road construction and small enterprise development, the experience of the Maputo development corridor', Development Southern Africa, (2000) Vol 17/4


A Rose-Innes, ‘Gupta-Zuma tentacles affect Mpumalanga’s Majuba Power Station’, News Horn, 5th May 2017


Rota L, 'Benefits for automotive shipment through port of Maputo hold promise', Engineering News, 30th July 2004


SABC, 'Mpumalanga resident join service delivery protests', 10th February 2014, accessed 15th January 2015


SAPA, ‘Joburg CBD safe from acid mine water study’, Mining Weekly, 28th June 2011

SAPA, ‘Mandela’s ANC died with him: Malema’, Mail & Guardian, 6th April 2014


SAPA, ‘Nacala the next boom?’, Freight and Trading Weekly, Mozambique Special, 16th October 2016


SAPA, ‘Premier plots to kill me’, Afrikan Voice, 7th July 2016


SAPA, ‘Privatising aid is a dangerous strategy’, The Guardian, 11th December 2012

SAPA, ‘Protesters Block Road over Water Issues’, The Corridor Gazette, 20th August 2014

SAPA, ‘Maternal Mortality: how many women die in childbirth in your country?’, The Guardian, 16th October 2012

SAPA, ‘Rio Tinto Suspends exports from Moz after Sabotage Threats’, Reuters, 26th June 2013


Schrire R, 'Adapt or Die: The End of White Politics in South Africa', (1991), The Ford Foundation, USA

Serino K and S Mapenzauswa, 'South Africa’s Rainbow Nation turns dark as immigrant attacks rise', Daily Mail 19th April 2015


SMASE-WESCA 10th Anniversary Document (South African Organisation which promotes the teaching of science and maths) http://www.jica.go.jp/english/operations/education/pdf/smase.pdf accessed 18th June 2012,


Soderbaum F & I Taylor, 'Regionalism and Uneven development in Southern Africa: The Case of the Maputo Development Corridor', Ashgate Publishing (2003), Hants, UK

Soderbaum F, 'Institutional Aspects of the Maputo Development Corridor', Development Policy
Research Unit, University of Cape Town, No 01/47, April 2001


Stiglitz J, 'Do as the US says, not as it does: America-preaches free markets, but at home it’s a different story', The Guardian, 29th October 2003


Stiglitz J, 'The Post Washington Consensus Consensus', Presentation at Sao Paolo 22 August 2005


Stone S, 'Most of the Ideals of the Freedom Charter have been achieved', Business Day, 26th June 2015


Swanepoel D, 'Ros's Albanese steps down as impairments weigh on company', Mining Weekly 17th January 2013

Swatuk L & L Wirkus Eds, 'Transboundary Water Governance in Southern Africa', Nomos Verlagsgellschaft, Baden Baden, Germany


Tate R, 'SADC: the provision of security: anything more than a paradigmatic inflection?', Submitted as a requirement of MA in International Security at University of Leicester 2009


Tate R, ‘Measuring the Social Dimension of Development Corridors: Creating Impact for Communities’, Presentation to MCLI Stakeholder Forum, 4th February 2016, Nelspruit, South Africa


Taylor I, 'Africa Rising BRICS: Diversifying Dependency', James Curry (2014)


Taylor I, 'Public-Private Partnerships: Lessons from the MDC Toll Road', Development Policy Research Unit, University of Cape Town, No00/44, December 2000

Taylor I & Nel P, 'New Africa, Globalisation and the confines of elite reformism: 'Getting the rhetoric right', getting the strategy wrong', Third World Quarterly, Vol 23/1


The Economist, 'A faltering phoenix, corruption, crime and unemployment still threaten a notable success story', 8th July 2010

The Economist, 'The Longer Walk to Equality', 6th December 2013

The Economist, 'A recipe for riots: rising prices can cause mayhem', 26th May 2011

The Economist, 'Global hunger index: feed the world', 12th October 2010

The Economist, 'Growth and Poverty in Africa: How is Africa actually doing?', 12th March 2010

The Economist, 'Mozambique: not quite as stellar as it looks', 29th November 2007

The Economist, 'Mozambique's recovery: A faltering phoenix, corruption, crime and unemployment still threaten a notable success story', 8th July 2010

The Economist, 'Not liberal enough: African economies suffer from a lack of liberalisation', 30th January 2008

The Economist, 'Riots in Mozambique: The Angry Poor', 9th September 2010

The Economist, 'Sub-Saharan Africa's GDP', 28th October 2010

The Economist, 'The Chinese are coming.....to Africa', 22nd April 2011

The Economist, 'The female poverty trap', 8th March 2001

The Economist, 'The rise of state capitalism', 21st January 2012

The Economist, 'Jobless Growth', 3rd June 2010

The Infrastructure Consortium for Africa, 'North-South Corridor: The Key Facts', www.icafrica.org, accessed 7th September 2014

Rosalind TH, 'Development Corridors and Spatial Development Corridors in Africa', Paul Nitze School of Advanced International Relations, January 2009

Rosalind TH, CEO of SADC-DFRC and Former Director of the African Development Bank, 'FDI and SME Linkages – The Case of Moval I and II', Paper given at IDCR Private Sector Development Task Force Conference, 7-8 April 2005, Ottawa, Canada

Thomaz C, ' $69m coal mine project awarded in Mozambique', Mining Weekly, 12th March 2010


TSB Sugar International Website, http://www.tsb.co.za/the_company/about_us/profile/, accessed 22nd June 2012


UN African Review Magazine, 'We have to deliver on Africa's Development says NEPAD Chief', 17th December 2009


UNCTAD Conference on Trade and Development, 'Reconnecting the MDGs to the development agenda: A four-pronged approach’, Policy Brief, No 14, June 2010


UNICEF Report, 'Child Poverty and Inequality', Edited by Isabel Ortiz, Louise Moreira Daniels and Sólún Engilbertsdóttir, (2012)


Vines A, ‘Mozambique 20 Years of Peace at Risk’, Chatham House, 11th December 2013


Vukmanovic O and J Gronholt-Pedersen, ‘Asian buyers line up for Mozambican LNG with new

Wadhams N, 'Is East Africa the Next Frontier for Oil?’, Time Magazine, 10th March 2010

Wait M, 'Beacon Hill finalising Sena rail line allocation', Mining Weekly, 5th October 2012


Walsh D, 'Food Riots erupt in Mozambique', 4th September 2010, World Socialist Website, wsws.org, accessed 14th January 2015


Williamson J, 'Did the Washington Consensus Fail?’, Speech given at Centre to Strategic and International Studies, Washington DC, 6th November 2002


World Health Organisation, ‘Progress on Sanitation and Drinking Water’, 2010 Update

World Health Organisation, ‘A Snapshot of Progress towards the MDC Drinking Water and Sanitation Target’, Progress on Sanitation and Drinking Water: 2012 Update


Zuma J, ‘Address by President Zuma at the 27th Meeting of the NEPAD Heads of State and Government Orientation Committee (HSGOC)’ AU Summit, Addis Ababa, Ethiopia, 14th July 2012
Interviews and Presentations

Abdula S, Communications and CSR Officer, Port Maputo at MCLI AGM and Conference, Hotel VIP, Maputo, Mozambique, Informal discussion on 30/09/2011

Anderson B, MD of Halls Fresh Produce, Nelspruit, Mpumalanga, Interview on 20th September 2011

Bekker J and Ferreira E of Metreta Investments, Clearing & Freight Forwarding, Nelspruit, Mpumalanga, Interview on 20th September 2011

Botha B, General Manager TRAC Nkomazi Plaza Manager, Nkomazi Plaza, on 12th September 2011

Botha B, General Manager at Nkomazi Plaza for TRAC Pty Ltd: Visit to Little Angels School, TRAC sponsored school, Matsulu, South Africa, 12th September 2011

Botha B, General Manager at Nkomazi Plasa for TRAC Pty Ltd: Visit to Takheleni School, Matsulu, South Africa, 12th September 2011

Chen L, CEO of NEPAD Business Foundation, Private email correspondence on 5th April 2011

Christiansen A, Marketing Manager, Barberton Tourism, Barberton, Mpumalanga, Meeting on 19th September 2011

Coy A, CEO of TRAC, Midrand, Johannesburg, Interview on 7th September 2011

Coy A, CEO of Trans African Concessions (Pty) Limited (TRAC), Midrand, Johannesburg, Interview on June 2009

de Burca R, Ambassador, Irish Republic, Informal meetings on 23-25 September 2011 at Chez Vincent, Nelspruit, 23-25 September 2011

de Man F, Ambassador, Kingdom of the Netherlands, Informal Meetings at Chez Vincent, Nelspruit, 23-25 September 2011

Ferraz J, CEO of MPDC (Maputo Docks), presentation at MPDC Conference 6th June 2011

Fourie A, HR Manager TRAC, Midrand, Johannesburg, Interview on 8th September 2011

Goews L, Acting CEO NEPAD Business Forum and Rocha John of DBSA, Sanderton, Johannesburg, on Interview on 8th September 2011

Gosslet F, Barberton Business Chamber and Umjindi Gold Project, Barberton, Mpumalanga, Interview on 19th September 2011

Hanlon J, Private Offices, London, Interview September 2010

Healy F, Consultant for DfID (UK), Interview on 5th and 6th February 2016, Nelspruit and Whiteriver, Mpumalanga, South Africa

Heyl A, Consultant for TRAC, Nelspruit, Mpumalanga, Interview on 22nd September 2011

Horne-Ferreira B, Former CEO of MCLI, Infrastructure Consultant, Private Meeting in Maputo,
Mozambique on 30 September 2011 and 1st October 2011

Johnson M, Consultant for DfID (UK), Interview on 4th February 2016 at MCLI Stakeholder forum, Nelspruit, South Africa

King C, Publisher of Highlands Herald, Waterval Boven, Mpumalanga, Interview on 13th September 2011

Kotze D, Maintenance Manager TRAC – (Manager responsible for SMME contracts) Nelspruit, Mpumalanga, Interview on 15th September 2011

Kubeka G, Model Trac Employee, Nelspruit, Mpumalanga, Interview on 15th September 2011

David, TRAC Induction and Contract Manager, Nkomati Plaza, Mpumalanga Informal meeting on 12th September and 3rd October 2011

Mausse A, Traquino S and da Conceicao F, Meeting at Mozal Community Development Forum, Matola, Mozambique on 3rd October 2011

Mihlasedi M, Head of Public Works, Roads and Transport, Mpumalanga Provincial Government, Nelspruit, Mpumalanga, Interview on 6th September 2011

Moholwa M, Dept of Economic Development, Mpumalanga Provincial Government, Nelspruit, Mpumalanga, Interview on 22nd September 2011

Mommen B, CEO of Maputo Corridor Logistics Initiative, Nelspruit, Mpumalanga, Interview on 5th September 2011 and 5th & 6th February 2016

Mommen B, CEO of MCLI, MCLI Newsflash 1062, CFM to Upgrade Sena Line in MCLI, Presentation by MCLI, ‘Rehabilitation of the Maputo Corridor’

Mommen B, CEO of MCLI, Presentation at the MCLI AGM and Conference, 30th September 2011, Hotel VIP, Maputo, Mozambique

Mommen B, CEO of MCLI, Presentation at the African City Leadership convention, 27-29th October 2010

Moore B, Nelspruit Community Forum, Nelspruit, Mpumalanga, Meeting on 20th September 2011

Mshothola S, Travel Guide, Ntwahano Tours and Transfers, Various Private Meetings, Nelspruit, Mpumalanga, During Fieldwork in the MDC, September & October 2011

Parsons D, MD of Sturrock Focus Clearing (Pty) Ltd, Interview on 12th September 2011 at Komatipoort, South Africa

Mualeia R, Deputy Minister for Tourism in Mozambique and Pareila Francisco, National Director for Conservation Areas, Maputo, Mozambique, Interview June 2009

Phosa Dr M, ANC Treasurer General and MCLI Co Chairman (South Africa), Presentation at the MCLI AGM and Conference, 30th September 2011, Hotel VIP, Maputo, Mozambique

Phosa Dr M, ANC Treasurer General and MCLI Co Chairman (South Africa), Sandton, Johannesburg, Interview on 13th September 2011
Phosa Dr M, ‘Why the MCLI and this corridor matter’, Keynote Address, AGM and Stakeholder meeting, 6th February 2016, Nelspruit, South Africa

Pieterse J, Manager, Lowveld Chamber of Business and Tourism, Nelspruit, Mpumalanga, Interview on 22nd September 2011

Rocha J, NEPAD Business Foundation Presentation, given at PPP meeting on 24th July 2008

Rocha J of DBSA, Interview at NEPAD Business Forum with Goews Leon, Acting CEO NEPAD Business Forum, Sanderton, Johannesburg, on Interview on 8th September 2011

Salomao Dr TA, Executive Secretary of SADC, MCLI AGM 2011, Key Note Speech at the MCLI AGM and Conference, 30th September 2011, Hotel VIP, Maputo, Mozambique

Salomao Dr TA, Executive Secretary of SADC, Presentation at the MCLI AGM and Conference, 30th September 2011, Hotel VIP, Maputo, Mozambique

Semente I, Field Assistant for Monitoring and Evaluation, Transfrontier Conservation Area Co-ordination unit, Ministry of Tourism, Mozambique, Interview June 2009

Smith G, Regional SDI Programme Co-ordinator, South African DTI, Midrand, Johannesburg, Interview on 14th September 2011

Smith G, Consultant for DfID (UK), Interview on 5th and 6th February 2016, Nelspruit and WhiteRiver, Mpumalanga, South Africa

Tambi J, Transport Infrastructure Expert, New Partnership for Africa’s Development (NEPAD) and Coordinator Presidential Infrastructure Champion Initiative (PICI), Midrand, Johannesburg, Interview on 8th September 2011

Wilson R, Associate Director, Macquarie Africa (Proprietary) Ltd, Cape Town, SA, Interview June 2009

Zamudine C, HR Officer TRAC (Moz) and F Inguane, Operations Manager TRAC (Moz), Matola, Mozambique, 3rd October 2011