

Chapter I: INTRODUCTION

In the early 1960s the Companhia do Buzi (Buzi Sugar Company) transferred more than two thirds of its sugar plantations to out growers and the founders of the Açucareira de Moçambique (Mozambique Sugar Company) decided that the company wouldn't have plantations but would rely exclusively on supplies of sugar cane delivered by out growers. These developments initiated a new era in the history of the Mozambican sugar industry. They broke with a pattern prevalent since the 1890s, whereby the sugar companies were responsible of both sugar cane cultivation and milling. Sugar cane cultivation and milling had demanded huge investments and had turned the sugar companies into large agro-industrial complexes which employed thousands of agricultural and industrial workers.

The adoption of out growing schemes was accompanied by high expectations not only amongst the 'sugarocrats' and the out growers but also amongst the colonial authorities and the supporters of Portuguese colonialism. The 'sugarocratos' expected to increase the production of sugar; the out growers expected to rapidly become prosperous commercial farmers while the colonial authorities and the supporters of colonialism expected the scheme to assist in the project of establishing more Portuguese settlements in the Mozambican countryside.

But the enthusiasm created around the out growing schemes was short lived, firstly due to the outbreak of conflicts between the out growers and the mills in the late 1960s and lastly due to the fall of the colonial state in 1974-1975. The fall of the colonial state altered the background that had helped the emergence of the out growing schemes.

AIM AND RESEARCH QUESTIONS

The aim of this study is to discuss the rise and the fall of the Companhia do Buzi's and the Açucareira de Moçambique's out growing schemes. Both sugar companies are

located in Sofala province, Central Mozambique and were the only two out of ten to rely on supplies of sugar cane delivered by out growers.¹ The period of study runs from 1963 to 1982. The 1960s were marked by the increase of the number of out growers from ten in the beginning of the decade to more than one hundred by the end. The early 1980s were marked by the collapse of the scheme after a gradual decline that had started during the mid-1970s.

The Companhia do Buzi started to transfer sugar cane cultivation to out growers during the mid-1950s. Until the beginning of the 1960s they were only ten and supplied only 1/3 of the mill needs in sugar cane. This situation changed during the mid-1960s, when their number tripled and they became the major supplies of the mill, covering more than 2/3 of the demands.² The Açucareira de Moçambique was founded in 1966. From the outset this company was planned to operate only as an industrial unit, relying exclusively on supplies delivered by out growers.³

The simultaneous transfer of sugar cane cultivation to out growers by neighboring sugar companies raises questions about the context of and the reasons for their policies. The literature points out that Mozambican agriculture was from the late 1950s, characterized by three phenomena, namely, the aggravation of the shortage of African labour in the plantations, the increase of costs of African labour and the replacement of African peasants by Portuguese settlers as main cash crops (cotton and rice) producers. The shortage of African labour in the plantations resulted from the African exodus to the cities which had become attractive due to industrialization and higher wages.⁴ The

¹Carlos Serra. (Dir). *História de Moçambique. Parte I: Primeiras sociedades sedentárias e impacto dos mercados, 200/300–1885; Parte II: a agressão imperialista, 1886-1930.* (Maputo: Livraria Universitária, 2000, Vol. I), 429; ‘A produção de açúcar em Moçambique’. *Boletim da Câmara de Comércio de Lourenço Marques* (nº 15, 1º trimestre, 1970), 50

² Fernando Florêncio. *Processos de transformação social no universo rural moçambicano pós -colonial: o caso do distrito do Buzi.* 1994. Tese, Mestrado (Instituto Superior das Ciências do Trabalho e da Empresa, Lisboa, 1994), 93

³ João do Amparo Baptista. *Moçambique perante o problema açucareiro nacional.* Vila Nova de Famalicão: Centro Gráfico, 1964, 18

⁴ Judith Head. *O desenvolvimento de uma força de trabalho nas plantações da Zambézia* (Maputo. UEM/CEA, 1981), 8; Martin Schaedel. *Eingeborenen-arbeit. Formen der ausbeutung unter der portugiesischen kolonialherrschaft in Mosambik.* Koln: Rohl.Rugenstein Verlag, 1984. [Chapter II, translated into English by Gottfried Wellner, under the title “The growth and consolidation of a mozambican proletariat in the last phase of colonial rule”), 12

increase of the cost of African labour resulted from the wage increases decreed by the colonial state in the context of its new African policy.⁵ The replacement of African peasants by Portuguese settlers as main cash crops producers resulted from the combination of the settlement of thousands of Portuguese citizens in the Mozambican countryside and the abolition of forced crops cultivation in 1961.⁶ Those Portuguese citizens had started to arrive massively in Mozambique in the context of the 1953-1958 and 1959-1964 *Planos de Fomento* (Development Plans) and the 1964-1974 colonial war. In many areas, their settlement resulted in the outbreak of land struggles with local African communities, as it was accompanied by dispossession.⁷ This study will explore the role of these changes in framing the Companhia do Buzi's and the Açucareira de Moçambique's attitudes as well as the impact of the expansion of out growing on local communities.

In 1975 Mozambique achieved independence under the leadership of the Mozambique Liberation Front (FRELIMO). The proclamation of independence was followed by the introduction of new social and economic policies. In agriculture, FRELIMO introduced several changes including the abolition of seasonal labour in the plantations and the establishment of state farms and cooperatives. Both the state farms and the cooperatives were provided with public technical and financial support, while commercial farmers and the family sector were left struggling to exist.⁸ This was the background against which the Companhia do Buzi's and the Açucareira de Moçambique's out growing schemes

⁵ António Rita-Ferreira. *Evolução da mão-de-obra e das remunerações no sector privado em Moçambique, desde 1950 a 1970* (Lourenço Marques, 1971), 112-116.

⁶ Marc Wuyts. "Economia política do colonialismo português em Moçambique", *Estudos Moçambicanos*, (1, 1980) 21-22; Michael Cross. "O capitalismo colonial e a força de trabalho. A economia política nas plantações de chá no norte de Moçambique, 1930-1975." *Revista Internacional de Estudos Africanos* (16-17, 1992-1994) 151-152; David Hedges, (Coord). *História de Moçambique: Moçambique no apogeu do colonialismo, 1930-1961* (Maputo: Livraria Universitária, 1999), 165-167; David Hedges, *A modernização da cultura do algodão na agricultura moçambicana, 1945-1974* (Maputo, 2003), 9, 13

⁷ Kenneth Hermele. *Land struggles and social differentiation in Southern Mozambique: case study of Chokwe, Limpopo, 1950-1987*. Uppsala: The Scandanavian Institute of African Studies, 1988, 37-38; Eléusio Filipe. *Colonato do Sábiè: contexto e implicações sobre a economia camponesa, 1956-1974*. 2000. Tese, Licenciatura (Universidade Eduardo Mondlane, Maputo, 2000), 44 *et seq*

⁸ Anna Wardman. 'The Co-Operative Movement in Chokwe, Mozambique'. *Journal of Southern African Studies*, Vol. 11, No. 2 (Apr., 1985); 299, 302; Harry West & Gregory Myers. 'A piece of land in a land of peace? State farm divestiture in Mozambique'. *The Journal of Modern African Studies*, Vol. 34, No. 1 (Mar., 1996), 31; Bertil Egero. *Moçambique*, 86

collapsed and the mills became fully responsible for sugar cane cultivation. This study tries to establish a link between the changes in the agrarian policy and the out growers' withdrawal.

This research is guided by the following key questions:

- Why did the Companhia do Buzi and the Açucareira de Moçambique transfer the sugar cane cultivation to Portuguese out growers?
- To what extent did the out growers resolve the problems that had led to their recruitment?
- How did the post-colonial changes in agrarian policy affect the out growers?
- How did the expansion of out growing impact on local communities?

LITERATURE REVIEW

There is a vast literature on the Mozambican agriculture during both the colonial and the post-colonial periods.⁹ However, for the purposes of my research, I will focus on the literature that analyzes the political economy of out growing and the changes introduced in agrarian policy between the late colonial and the early post-colonial periods.

The political economy of out growing during the colonial period

The literature on the political economy of out growing during the colonial period focuses on the case of cotton. This literature examines the reasons of the transfer of cotton cropping to African peasants and their relationship with the cotton concessionary companies.

⁹Joseph Hanlon. *Mozambique: the revolution under fire* (London: Zed Books, 1984); Margareth Hall & Tom Young. *Confronting leviathan: Mozambique since independence* (London: Hurst, 1997); Marie Anne Pitcher. *Politics in the Portuguese Empire: the State, industry and cotton, 1926-1974* (Oxford: Clarendon Press, 1993)

Collaboration between the Portuguese textile industry and out growers began in the 1850s. In the beginning, the bulk of the out growers were Portuguese settlers but in 1926 the colonial state issued legislation imposing cotton cropping to African peasants. They should grow cotton on their own plots and sell the yields to concessionary companies which had to gin the cotton and export it to Portugal. The prices of both raw and ginned cotton were set by the colonial state. Later, a Cotton Export Board (Junta de Exportação de Algodão Colonial – JEAC) was created to supervise the scheme.¹⁰

The studies on the reasons of the imposition of compulsory cotton cropping to African peasants point out economic motivations for colonial state policy. According to Fortuna, the transfer of cotton cropping to African peasants resulted from frustration amongst the Portuguese textile industrialists because of the inefficiency and increasing costs of the settler scheme.¹¹ Pitcher's study on the initial attempts to establish out growing schemes based on Portuguese settlers in Angola and Mozambique also argues that the turn to African peasants was a result of frustration within the colonial state and the Portuguese textile industrialists due to the costs of a settlers-based scheme.¹² In spite of the fact that the sugar companies favoured Portuguese settlers, the example of cotton policy provides insights that I will use in framing the sugar out growing schemes.

On the relationship between the concessionary companies and the African peasants the literature suggests the existence of a permanent conflict between them. This literature also points out the causes and the essence of this conflict and has the tendency of viewing the peasants' attitudes as *resistance against colonial exploitation*. According to Hedges & Chilundo, the conflict resulted from the combination of the harsh working conditions on the plots with the low incomes provided by the cotton growing. They explain that the conflict consisted of riots, demonstrations, boycotts and other forms of unrest.¹³ In *Cotton*

¹⁰Carlos Fortuna. *O fio da meada: o algodão de Moçambique, Portugal e a economia-mundo (1860-1960)*, Porto: Afrontamento, 1993, 79, 114

¹¹ Carlos Fortuna. *O fio da meada*, 104

¹² Marie Anne Pitcher. 'Sowing the Seeds of Failure: Early Portuguese Cotton Cultivation in Angola and Mozambique, 1820-1926'. *Journal of Southern African Studies*, Vol. 17, No. 1 (Mar., 1991), 66

¹³David Hedges & Arlindo Chilundo. 'A contestação da situação colonial, 1945-1961'. Hedges, D. (Coord) *História de Moçambique: Moçambique no apogeu do colonialismo, 1930-1961*. 2ed. Maputo: Livraria Universitária, 1999, Vol. II, 210-213

is the mother of poverty, Isaacmann *et al* also point out the contrast between the harsh working conditions in the cotton fields and the low incomes as the main cause of conflict between the concessionary companies and the growers. According to them, the conflict assumed diverse forms, including desertion to neighboring colonies, demonstrations and disguised acts of sabotage.¹⁴

Changes in the colonial agrarian policy, 1950s-1974

The literature on the changes in agrarian policy during the late colonial period identifies the abolition of forced cotton growing in 1961 and the allocation of public funds to Portuguese settlers as its most important features. The literature points to the gradual replacement of African peasants by Portuguese settlers as the main cash crops producers.¹⁵

The concept of ‘Peasant’ has raised discussions and debates amongst scholars. Some of them deny the existence of *peasants* in Africa,¹⁶ while others have drawn social, economic, political and cultural criteria to classify an individual as *peasant*.¹⁷ In this study, the concept of ‘peasant’ to be used refers to individuals living in rural areas who depend on household agriculture for their reproduction. Despite this dependence on household agriculture, they were integrated in the formal sector of the economy. During the colonial period such integration was done throughout forced cash crops cultivation, seasonal forced labour in public or private enterprises and/or migration to South African or Rhodesian mines and/or plantations. Part of the incomes was used to pay taxes, which

¹⁴ Allen Isaacman *et al*. "Cotton Is the Mother of Poverty": Peasant Resistance to Forced Cotton Production in Mozambique, 1938-1961. *The International Journal of African Historical Studies*, Vol. 13, No. 4 (1980), 592 *et seq*

¹⁵ Marc Wuyts. "Economia política"; David Hedges. A "modernização"; José Negrão, *Cem anos de economia da família rural africana: o delta do Zambeze em análise retrospectiva* (Maputo: Texto Editores, 2005)

¹⁶ Claude E. Welch, Jr. "Peasants as a Focus in African Studies". *African Studies Review*, Vol. 20, No. 3, Peasants in Africa (Dec., 1977), 1 *et seq*

¹⁷ L. A. Fallers. "Are African Cultivators to Be Called "Peasants"?. *Current Anthropology*, Vol. 2, No. 2 (Apr., 1961), 108 *et seq*

were compulsory for all adults.¹⁸ This pattern of integration continued even after the formal abolition of forced cropping and forced labour in 1961.¹⁹ Due to the persistence of low wages, the dependence on the household agriculture remained during the post-colonial period, in spite of the attempts carried out by FRELIMO to create a class of agrarian proletarians during the ‘socialist’ revolution (1975-1987).²⁰

Two perspectives are evident in the literature explaining the reasons behind the replacement of African peasants by Portuguese settlers in the production of cash crops. The first perspective, provided by Baptista and Wuyts, views the replacement as the result of the realization by colonial officers and their capitalist allies, that the African peasants employed in the plantations had low productivity and therefore were costly.²¹ The second perspective, defended by Negrão, argues that the expansion of Portuguese settlers’ economy and the reduction of its African counterpart was part of a plan directed to assure the perpetuation of the Portuguese colonialism in Mozambique, which was being threatened by the Mozambican liberation movement.²²

Some studies explain the mechanism used to carry out such replacement. For example, Hedges’ study on the changes in colonial cotton policy between 1945 and 1974 explains how, throughout protectionist policies the colonial state sponsored the replacement of African peasants by Portuguese settlers as the main cotton producers and suppliers after the 1961 ban of compulsory cropping. Hedges argues that the most important of such

¹⁸ Leroy Vail and Landeg White. ‘Tawani, Machambero!’: Forced Cotton and Rice Growing on the Zambezi’. *The Journal of African History*, Vol. 19, No. 2 (1978), 239-263; Allen Isaacman. ‘Peasants, Work and the Labor Process: Forced Cotton Cultivation in Colonial Mozambique, 1938-1961’. *Journal of Social History*, Vol. 25, No. 4 (Summer, 1992), 815-855 David Hedges & Auélio. Rocha. ‘O reforço do colonialismo, 1930-1937’. Hedges, D. (Coord) *História de Moçambique: Moçambique no apogeu do colonialismo, 1930-1961*. 2ed. Maputo: Livraria Universitária, 1999, Vol. II, 49-53; David Hedges & Aurélio Rocha. ‘A reestruturação da sociedade moçambicana, 1938-1944’. Hedges, D. (Coord). *História de Moçambique: Moçambique no auge do colonialismo, 1930-1961*. 2ed. Maputo: Imprensa Universitária, 1999, Vol. II, 97

¹⁹ David Hedges. “A modernização”

²⁰ Merle L. Bowen. “Peasant Agriculture in Mozambique: The Case of Chokwe, Gaza Province”. *Canadian Journal of African Studies / Revue Canadienne des Études Africaines*, Vol. 23, No. 3 (1989), 362-363

²¹ Marc Wuyts. “Economia política”, 21-22; João do Amparo Baptista. *Moçambique: província portuguesa de ontem e de hoje* (Vila Nova de Famalicão: Centro Gráfico, 1962), 269-270

²² José Negrão. *Cem anos*, 103-104

measures was the availability of credits and technical assistance to the settlers and their denial to African peasants.²³

Early post-colonial agrarian policy, 1975-1983

The literature on the early post-colonial agrarian policy identifies the emergence of the state and the cooperative sectors as its main features. The state and the cooperative sectors were supported by public funds, while the private and family sectors were left struggling on their own.²⁴

Most of the literature argues that the emergence of the state and cooperative sectors was the FRELIMO response to the collapse of the colonial economic structure. According to Isaacman, Munslow, Ottaway and O’Laughlin, the nationalization of land in 1975, the creation of state farms and the encouragement of peasants to create cooperatives were part of FRELIMO attempts to halt the economic collapse caused by the exodus of the Portuguese settlers, who from the 1950s were the main food and cash crops producers.²⁵ My critique of this argument is that it doesn’t consider the hypotheses that the nationalization of land and other measures were responsible for the flight of certain settlers.

RESEARCH METHODOLOGY

I carried out research on both primary and secondary sources.

²³ David Hedges. “A modernização”, 11-13

²⁴ Allen Isaacman. “Transforming Mozambique’s Rural Economy”. *A Journal of Opinion*, Vol. 8, No. 1 (Spring, 1978); , Barry Munslow. “State Intervention in Agriculture: The Mozambican Experience”. *The Journal of Modern African Studies*, Vol. 22, No. 2 (June, 1984); David Wield. “Mozambique: late colonialism and early problems of transition”. White, G., Murray, G White, C. (eds) *Revolutionary Socialist developments in the Third World* (Brighton: Wheatseaf Books, 1983), Marina Ottaway. “Mozambique”: Bridget O’Laughlin. “Through a divided glass: dualism, class and the agrarian question in Mozambique”. *The Journal of Peasant Studies* (Vol. 23, No 4, July, 1996)

²⁵ Allen Isaacman “Transforming”, 19; Barry Munslow “State intervention”, 211; Marina Ottaway. “Mozambique”, 215-216; Bridget O’Laughlin “Through a divided glass”, 16-17

Primary sources

The primary sources used consist of a variety of documents (correspondence, reports, etc) available at the Arquivo Histórico de Moçambique (AHM - Mozambique National Archives), at the Centro de Promoção da Agricultura (CEPAGRI - Agricultural Development Centre, formerly Instituto Nacional do Açúcar - INA) and in the sugar companies' archives. At the AHM I researched several sections of documents (the *Fundos*) which contain information on the history of the companies during the colonial period. Those *fundos* are the “Fundo da Administração Civil” (FAC), the “Fundo da Companhia de Moçambique” (FCM), the “Fundo do Governo do Distrito da Beira” (FGDB), the “Fundo da Administração do Concelho do Buzi” (FACB), the “Fundo dos Serviços de Comércio e Indústria” (FSCI), the “Inspeção dos Serviços Administrativos e dos Negócios Indígenas” (ISANI) and the “Secção Especial” (SE). Basically, the *Fundos* contain administrative inspectors and companies reports, correspondence between the companies and the colonial authorities and correspondence between the companies and the cane growers. These documents deal with important topics such as the number of workers employed by the companies and/or out growers, their places of residence, the social conditions provided to the workers by the companies and/or by the out growers, etc. The *Secção Especial*, in particular, contains annual reports written by the companies, describing their main achievements and plans. The INA/CEPAGRI archive contains information on the sugar cane produced by the companies since 1970, plantations productivity and post-colonial sugar policy. Unfortunately, archival research was only able to find the companies' and out growers' annual yields and some related information during both the colonial and the the post-colonial periods.

The analysis of the archival documents produced during the colonial period shows that they were influenced by the shifts introduced in the Portuguese colonial policy during the 20th century. The influence is particularly evident in the reports written by colonial officers on the Companhia do Buzi. For example, in contrast with the first half of the century, when they frequently praised the company due to what they considered activities

in favour of Portuguese colonialism, during the second half of the century they criticized the poor conditions provided to the African workers.

Also at the AHM there are Acts, newspapers and magazines (*Notícias, Notícias da Beira, Diário de Moçambique* and *Tempo*). Those acts were issued during the colonial period. They contain the official sugar policy and provide insights to explain some measures carried out by the sugar companies. The newspapers and the magazines are especially important to the reconstruction of the companies' daily activities. However, it is important to recall that during both the colonial and post-colonial periods there was censorship which conditioned the press reports. As a result, reports on several issues including land struggles, low yields, conflicts between the mills and the out growers were given little attention. For example, the first references to conflicts between the mills and the out growers were made after the 1974 coup. The press reports written in the post-colonial period tend to ignore the existence of out growers or the problems they faced.²⁶ This silence resulted from the FRELIMO attitude towards the private farmers. The party viewed them as 'exploiters', 'bourgeoisies' and enemies of the revolution.²⁷

Interviews and life histories

In Mozambique, oral testimonies have played a central role in the reconstitution of several historical processes. .

Many scholars have discussed the use of oral sources. For example, commenting on the attitude and role of the interviewees, Thomson argues that people tend to compose memories which will help them to feel relatively comfortable with their lives, which give them a feeling of composure. People remake or suppress memories of experiences which are still painful and 'unsafe' because they do not easily accord with their present identity, or because their inherent traumas or tensions have never been resolved. People seek

²⁶ I will give more details on this aspect in Chapter IV.

²⁷ See, for example, Samora Machel. *O Partido e as classes trabalhadoras moçambicanas na edificação da democracia popular: relatório do Comité Central ao III Congresso*. Maputo: DTI, 1977, 57 et seq

composure, an alignment of their past, present and future lives.²⁸ As Portelli synthesized, ‘*Memory is not a passive depositary of facts, but an active creation of meanings*’.²⁹ I was able to identify individuals who played key roles in the collapse of the out growing schemes but I failed to convince them to give their testimonies. Probably their attitude is related to the present sugar policy, which encourages the involvement of out growers in the supply of the Mozambican sugar industry.

With the interviews I intended to get details on a variety of issues including the way the out growers were recruited, why they decided to join sugar cane cultivation, their relationship with the local authorities, how local people were affected by the expansion of the areas under the out growers and how the companies resented and responded to the out growers withdrawal. The interviews were inconclusive as I failed to get elements of the six categories of interviewees I had drawn before (see section below).

LIMITATIONS AND POSITIONALITY

This study has been carried out under several constraints. The main constraints were and/or are related to (i) the limited access to the archives and gaps in the archival documents, (ii) the inaccessibility of some categories of informants and (iii) the political background of the fieldwork.

Access to the archives, in particular those belonging to the companies, to the Ministry of Agriculture and to the INA/CEPAGRI was heavily conditioned by bureaucratic norms and internal regulations. They demanded a list of topics I intended to research and warned me that some of them are confidential. As a result, I failed to find information on several aspects including the individual yields of the out growers, the amounts annually

²⁸ Alistair Thomson. “Anzac Memories: Putting Popular Memory theory into practice in Australia”. Robert Perks & Alistair Thomson (eds). *The Oral History Reader* (London & New York: Routledge, 2003), 301

²⁹ Alessandro Portelli. “What makes Oral History Different”. Robert Perks & Alistair Thomson (eds). *The Oral History Reader* (London & New York: Routledge, 2003), 68

spent by the companies to pay for the sugar cane, correspondence between the mills and the out growers, the path of the out growers withdrawal, etc.

My access to the AHM wasn't conditional. However, problems in the organization of the documents turned the research into a monumental task. In fact, with the exception of the *Secção Especial*, the documents contained in the *Fundos* aren't organized either chronologically or thematically. Another problem is related to gaps in the sequences of documents. The *Secção Especial* for example, should contain the companies' annual reports for the whole colonial period, but in the case of the Companhia do Buzi's the only available reports are related to 1932, 1933, 1936, 1964, 1966 and 1970. According to Liesegang, the gaps and disorganization of sources at the AHM resulted from the chaotic process of transfer of the documents from the original institutions during the early post-colonial period.³⁰

Prior to the fieldwork, I identified six potential categories of informants, namely, former out growers, former out growers plantations workers, former residents of the plantations surrounding areas, former local authorities, former policy makers and former mills workers and/or managers. Unfortunately, I was only able to interview individuals of two of those categories, namely former residents of the plantations surrounding areas and former out growers' plantations workers. I also interviewed the son of an ex-out grower. The exodus of the out growers during the early post-colonial period and the removals or retirement of former companies' workers and managers and local authorities resulted in a lack of interviewees. As a result I failed to get information on several issues including on what changed in the relationship between the mills and the out growers and how the local authorities viewed the out growers during the early post-colonial period.

I traveled to Sofala province to carry out the fieldwork in mid-April 2014. At that time the province was the center of a crisis with the FRELIMO government facing a violent challenge from the *Resistência Nacional Moçambicana* (RENAMO), the former guerrilla movement. The crisis began in October 2012 and it was not until September 2014 that the

³⁰ Gerhard Liesegang. 'The Arquivo Historico de Moçambique and Historical Research in Maputo'. *History in Africa*, Vol. 27 (2000), 471-477

contending parties signed a cease fire agreement. Amongst the most affected areas were Chibabava and Gorongosa districts, which have common borders with Buzi and Dondo districts respectively. Thus, my safety was at risk and I couldn't go to all places I had planned to carry out the interviews.

Besides the risks to my safety, the crisis between the government and RENAMO affected how people looked at me. I belong to the Tsonga ethnic group, which is stereotypically associated to FRELIMO and the bulk of my potential interviewees belong to the Ndau ethnic group which is stereotypically associated to RENAMO. I speak Ndau, but my guide introduced me to the interviewees as an individual resident in Maputo (capital of Mozambique) and a lecturer at a public university. By saying this he created some discomfort amongst the informants, as they associated me with FRELIMO and/or government service.

Despite those problems, the fieldwork yielded some positive outcomes. In the Açucareira de Moçambique I discovered the existence of African and female out growers. This discovery introduced changes in my argument. The interviews with José Zindoga, the son of a former out grower and with former out growers' plantations workers provided insights on the last days of the out growing scheme.

REPORT STRUCTURE

The report is organized in five chapters.

Chapter two, analyses the situation of the Mozambican sugar industry from the foundation during the late 19th century until the 1950s, the decade prior to the massive transfer of sugar cane cultivation to the out growers. During this period, the Mozambican sugar companies were responsible for both sugar cane cultivation and milling. Sugar cane was cultivated in large plantations by unskilled African workers who were compulsorily recruited by the colonial state and directed to the companies.

Chapter Three, analyses the socioeconomic and political background against which the Companhia do Buzi and the Açucareira de Moçambique transferred sugar cane cultivation to out growers as well as the impacts of the transfer on the mills and local communities. For the mills, the transfer solved the long term shortage of African agricultural labour force and increased the yields of sugar. For the local communities, the growth of the areas under the out growers resulted in land dispossession.

Chapter Four, analyses the out growers withdrawal during the early post-colonial period as well as its impacts on the companies. The out growers' withdrawal resulted from the combination of political and economic factors and had a decidedly negative impact on the mills, which were structurally dependent on the supplies delivered by them.

Chapter Five, draws together the main arguments of the report.

Chapter II: THE MOZAMBICAN SUGAR INDUSTRY DURING THE FIRST HALF OF THE 20TH CENTURY: AN OVERVIEW

Introduction

The emergence of the Mozambican sugar industry in the late 19th century changed the livelihoods of the rural African communities as a result of the combined effects of land dispossession and their employment on the plantations and in the mills. Both land dispossession and the labour supply to the plantations and mills were made possible by a set of discriminatory laws drawn by the Portuguese colonial state.

The main purpose of this chapter is to analyze the situation of the Mozambican sugar industry during the first half of the 20th century. The analysis will focus on the supply of African agricultural labour, the experiments carried out by the sugar companies to overcome the problems originated by the reliance on African agricultural labour and the impact of the creation of the sugar industry on the local communities' access to and security of land tenure.

2.1. The Mozambican sugar industry, 1890s-1950s

The modern phase of the Mozambican sugar industry history began in the 1890s and coincided with the initial Portuguese military campaigns of 'pacification' throughout the Mozambican territory. By the late 1920s there were ten sugar mills spread through four provinces of central and southern Mozambique. Those mills were owned by Portuguese, British, South African and French investors.³¹

³¹ INA/CEPAGRI. 'A produção açucareira em Moçambique'. Maputo: INA/CEPAGRI, 1989: 2-8;

During the 1929-1933 world economic depression six mills became insolvent. The surviving mills belonged to three companies, namely, the Sena Sugar Estates (SSE), the Companhia do Buzi (CB) and the Incomati Sugar Estates (ISE).³² (See **Map I**).

The SSE had been founded in 1893 by a British investor called John Peter Hornung. The SSE was the largest Mozambican sugar company, with two mills and plantations occupying a total area of 20 500 ha. The mills and the plantations of this company were located along the two banks of the Zambezi River, namely in Luabo (northern bank, Zambezia province, Chinde district) and Marromeu (southern bank, Sofala province).³³ The Companhia do Buzi had been founded in 1898 but only started to produce sugar in 1908.³⁴ When it was founded, the Maina e Sofala territory was under the administration of the Mozambique Chartered Company. The Companhia do Buzi was forced to take part in the Portuguese colonial state's efforts to expand its authority to unoccupied areas of the Mozambican countryside in response to the wider 'Scramble for Africa'. The 10th article of the company's concession charter, for example, urges the later to *'[...] promote, through protectionist measures the settlement of white Portuguese citizens as quickest as possible in order to settle at least 60 individuals within 8 years.'*³⁵ As a result of its Portuguese origin (it belonged to the Portuguese firm Arriaga & Comandita), the Companhia received the monopoly of alcohol production in Mozambique in 1932.³⁶ The main Companhia's plantations were located in the Buzi district (Sofala province), but there were others in Vilankulo and Govuro (Inhambane province). In Buzi, the

³² António M. De Matos. 'A evolução e o sentido do regime açucareiro nacional'. *Boletim da Câmara do Comércio de Lourenço Marques*, n° 2, 1966, 50. Some sources refer to the survival, at least until the mid 1930s, of a fourth company, the Açucareira de Mutamba (Inhambane province, Southern Mozambique). The available information on this company is scarce. The only information I got points out that the 1936 Decree-Law 26 741 gave a 100 tons quota to this company [BO, I Série, n° 164, Decreto-Lei n° 26 741 de 3 de Julho de 1936, artigo 4, alínea a); 740]

³³ INA/CEPAGRI. 'A produção' 11; Leroy Vail & Landeg White; *Capitalism and colonialism in Mozambique: a study of Quelimane district*. Minneapolis: University of Minnesota Press, 1980: 148-153. The name Sena Sugar Estates was adopted in 1920. Initially, the company had four mills.

³⁴ Companhia Colonial do Buzi. *Contractos celebrados com a Companhia de Moçambique*. Lisboa: Typographia de Adolpho de Mendonça, 1898: 1. The original name was Companhia Colonial do Buzi (The Buzi Colonial Company). The adjective 'Colonial' was removed during the 1950s.

³⁵ Companhia Colonial do Buzi. *Contractos*, artigo 10

³⁶ William Clarence-Smith, 'O proteccionismo e a produção de açúcar na África Central e Equatorial (Angola, Moçambique, Zaire e Zimbabwe), 1910-1945'. *Revista Internacional de Estudos Africanos*, 4-5 (1986), 177

concession occupied 135 200ha (See **Map 2**). Besides sugar production, the Companhia do Buzi developed other activities including cotton-ginning and cattle breeding.³⁷ The Incomati Sugar Estates (ISE) was founded in 1910 by a group of South African investors. The plantations and the mill of this company were located in the Nkomati river valley in Manhiça district, Maputo province, Southern Mozambique. The ISE concession had 18 907 445 ha. During the 1940s the area under sugar cane occupied only 2500ha.³⁸ In 1952 ISE was purchased by the Portuguese firm Grupo Espírito Santo and was renamed *Sociedade Agrícola do Incomati* (SAI).³⁹

Unlike other sugar industries in the region including the South African, where planting and milling were divided between out growers and industrial units in order to achieve greater efficiency,⁴⁰ in Mozambique both activities were integrated under the responsibility of the same company. Sugar cane cultivation was based on the labour of thousands of African unskilled workers, who were compulsorily and seasonally recruited by the colonial state and directed to the plantations. Below in section 2.2 I will explain the mechanisms and the patterns of the colonial state's involvement in the recruitment as well as the problems faced by the plantations due to the employment of unmotivated and unskilled African workers. The industrial activities were carried out by skilled and semi-skilled workers who were mainly Europeans and Asians.

During this period and particularly after the coming into power of the *Estado Novo* dictatorship in Portugal (1926) the industrialization of the Portuguese colonies was heavily regulated in order to prevent competition with the metropolitan industry and to turn the colonies in preferential markets of Portuguese industrial products. Another objective was to prevent a large-scale investment of non-Portuguese capital in the Portuguese colonial empire. The 1936 decree-law 26 509 (*Lei do Condicionamento*

³⁷ Fernando Graça. 'A Companhia Colonial do Búzi: breve monografia'. *Moçambique : documentário trimestral*, 32 (Nov.-Dez.), 1942: 4, 15; INA/CEPAGRI. 'A produção'. 5

³⁸ INA/CEPAGRI. 'A produção'. 6

³⁹ David António. *A produção de açúcar no Vale do Incomati, c. 1950-1980*. Maputo. 2000. Dissertação, Licenciatura, Universidade Eduardo Mondlane, 2000, 3

⁴⁰ Peter Richardson. "The Natal sugar industry in the nineteenth century". William Beinart; Peter Delius, S. Trapido. *Putting a plough to the ground: accumulation and dispossession in rural South Africa, 1830-1930* (Johannesburg: Ravan 1986), 139-140

Industrial), for example, determined that the establishment of certain industries in the colonies had to be approved by the Head of the Colonial Office. Although the sugar industry was exempted from this regulation, it helped to shape a context of poor levels of industrialization and until the 1960s Mozambique was a net exporter of raw materials to Portugal. In this context, sugar became one of the most important Mozambique exports in parallel with cotton and copra.⁴¹

The Mozambican sugar industry was the largest in the Portuguese colonial empire. Production and marketing of sugar in the Portuguese empire were regulated as part of a strategy directed to turn the colonial sugar industries in cheap suppliers of the metropolitan market. In fact, the laws issued by the colonial state imposed compulsory export quotes and low prices for colonial sugar in Portugal.⁴² The colonial sugar industries sought to compensate for the low prices paid in Portugal by exporting to the regional and the international markets (South Africa, Southern Rhodesia, Nyassaland and Great Britain).⁴³ However, the combination between the increasing demand for sugar in the Portuguese market⁴⁴ and the changes in the conditions of the regional and the international markets after the great economic depression and particularly after the Second World War⁴⁵ led the Portuguese colonial state to virtually prohibit exports to non-Portuguese markets.⁴⁶ Thus, from the late 1950s until the end of colonial rule the Mozambican sugar industry was dependent on the exports to the Portuguese empire. In chapter III, I will analyze the ‘sugarocrats’ reaction to the Portuguese sugar policy. Prior to the prohibition of exports to non-Portuguese markets, the colonial state had recognized

⁴¹ Inês N. da Costa. *Contribuição para o estudo do colonial-fascismo em Moçambique*. Maputo: AHM, 1987: 30

⁴² For more details, see António M. De Matos. ‘A evolução’. 45-54

⁴³ William Clarence-Smith, ‘O proteccionismo’, 172 *et seq*

⁴⁴ Some estimates point out that only during the 1950s the consumption of sugar within the Portuguese market rose from 161 640 tons in 1952 to 226 500 tons in 1959 while the production rose from 141 379 to 231 441 tons (BO, I Série, nº 19, 1964. Decreto-Lei nº 45 691 de 9 de Maio)

⁴⁵ The changes included the emergence of preferential trade areas linking countries with political and/or ideological ties. For more details see Roy Ballinger. *A history of sugar marketing through 1974*. Washington: Department of Agriculture, 1978, 59 *et seq*

⁴⁶ The 1958 Decreto-Lei nº 41 573, for example, imposed a system of solidarity between the colonial sugar industries by stipulating that if a mill failed to fulfill his export quote, the deficit had to be completed by a mill of the same colony. If within the colony there was no available sugar to fulfill the deficit, it had to be transferred to another colony.

that the low prices paid in Portugal were an obstacle to the development of the colonial sugar industries and consequently to the achievement of self-sufficiency in sugar. Thus, besides the concession of tax incentives, the 28th March, 1952 Decree-Law 38 701 (the *I Regime Açucareiro*) increased the prices of colonial sugar in Portugal.⁴⁷ Even so, the prices paid in Portugal remained lower than in the international market, where Portugal had to turn to cover the deficit of the colonial production.

2.1.1. The sugar companies and local communities: dispossession and land struggles

The sugar facilities, particularly the plantations, were large and were usually located along river basins. Due to their fertility and availability of water, those areas were frequently under previous occupation by local African peasants who cultivated food crops. Thus, the development of sugar production was inevitably accompanied by the eviction of African tenants and by the consequent emergence of discontent amongst them.

The concession of large areas of land to private enterprises was facilitated by the discriminatory character of the Portuguese land policy. In fact, the laws approved between the 1890s and the 1950s not only ignored the existence and the rights of the African communities to the land, but also facilitated its allocation to settlers. The 1892 *Regulamento de Terras do Território da Companhia de Moçambique* for example, classified the land in three categories. The first comprised residential areas, the second was formed by unoccupied lands intended for agricultural and industrial facilities; the third, comprised the areas inhabited by Africans. The law stipulated however that the areas under the African tenants could be requested by the settlers who wanted to set up agricultural or industrial facilities.⁴⁸ The same discrimination was evident in the 1924

⁴⁷ *Diário do Governo*, I Série, nº 71, 1952. Decreto-Lei nº 38 701 de 28 de Março, número 4 e artigos 1º e 6º. The last rise had been approved only three years earlier.

⁴⁸ Bárbara Direito. *Políticas coloniais de terras em Moçambique: o caso de Manica e Sofala sob a Companhia de Moçambique, 1892-1942*. Lisboa, 2013. Dissertação, Doutorado, Universidade de Lisboa, 2013, 144, 234-235

Regulamento de Concessão de Terrenos, which replaced the 1892 *Regulamento*.⁴⁹ On the discriminatory character of the law, it is important to mention that there was no difference between the areas under the Mozambique Chartered Company and the areas under direct control of the Portuguese colonial state.

The literature on the Mozambican sugar industry during both the colonial and the post-colonial periods focuses on the evolution of the sugar policy and production as well as on the recruitment and employment of African workers in the plantations and/or mills.⁵⁰ On the other hand, the literature on the colonial land policy focuses on the changes introduced in the law and pays no attention to the disruption of the African communities livelihoods provoked by the implementation of the laws.⁵¹ In other words, the existing literature is silent on land dispossession in the sugar areas.

The sugar companies' reports and other documents are also silent on land issues. The Companhia do Buzi's 1933 annual report, for example, refers to the existence of 22 settlements in the concession but says nothing on the existence of African inhabitants in the area. The report indicates also that the settlements were expanding.⁵² But some studies on land struggles during the colonial period have revealed that they were extensive to the sugar areas. For example, Zonjo's thesis on land struggles in the Buzi district refers to the expulsion of local communities from the most productive lands to facilitate the establishment of the Companhia do Buzi's sugar plantation and other facilities. He notes that there are divergences amongst oral sources on the form of the expulsions. Some argued that the dispossession was accompanied by compensation,

⁴⁹ Bárbara Direito. 'Políticas', 155-156

⁵⁰ Judith Head. 'A Sena Sugar Estates e o trabalho migratório', *Estudos Moçambicanos*, No. 1, 1980; William Clarence-Smith. 'O protecționismo', David Ant3nio. 'A produ333o'; Amarchand Ribeiro. A sobreviv4ncia da ind4stria a3ucareira moçambicana com especial refer4ncia 3 Maragra. Maputo, 2006. Disserta33o, Licenciatura, Universidade Eduardo Mondlane, 2006

⁵¹ Nanan Coissor3. 'O regime de terras em Moçambique'. *Moçambique: curso de extens3o universit3ria, ano lectivo 1964-1965*. Lisboa: ISCSPU, [s.d]; Eduardo dos Santos. 'Regime das terras'. Albuquerque, Lu3s de. (dir) *Portugal no mundo*. Lisboa: Alfa, 1989

⁵² AHM-SE. Companhia Colonial do Buzi. *Relat3rio e contas da ger4ncia de 1933*. Lisboa: Centro Tipogr3fico Colonial, 1934, 6

while others said that nothing was paid.⁵³ Direito's thesis on Mozambique Chartered Company land policy also refers to '*tensions between African and European farming*' in the Buzi district as a result of the dispossession that accompanied the expansion of the areas under the Companhia do Buzi. According to Direito, in Buzi, the land struggles were inevitable as 27.5% of the total area of the district had been granted to the Companhia do Buzi.⁵⁴ Negrão's study on the changes in the livelihoods of the African families resident in the Zambezi valley during the 20th century, also refers to wide-scale evictions carried out by the SSE. According to Negrão, the evictions started in 1905 and the most affected areas were Caia and Inhamunho. Despite the fact that the company was advised to suspend the evictions, they continued which resulted in the creation of a depopulated strip of land along the river and the former inhabitants moving to the reserves.⁵⁵

2.2. The sugar plantations, African labour and the colonial state

The sugar plantations, African labour and the colonial state formed a triangle. Each element of the triangle had specific tasks and interests as well as a specific relationship with the other elements. The triangle was evident in all sectors of the economy. It is, therefore, important to analyze each element, beginning with the sugar plantations.

Four key aspects characterized the Mozambican sugar plantations during the first half of the 20th century. The first was their large dimensions, which ranged from 4500 to 13000ha.⁵⁶ The second was the low degree of mechanization. In the SSE plantations, for example, the only mechanized activity was the tillage.⁵⁷ These factors resulted in dependence on large numbers of workers. In 1940, for example, the SSE plantations

⁵³ Johane Zonjo. Acesso, posse e conflitos de terra: o caso do Distrito do Buzi, de 1975 à actualidade. Maputo, 1999. Dissertação, Licenciatura, Universidade Eduardo Mondlane, 1999: 32-33

⁵⁴ Bárbara Direito. 'Políticas', 145, 278

⁵⁵ José Negrão. *Cem anos*, 163-168

⁵⁶ INA/CEPAGRI. 'A produção', 11

⁵⁷ Judith Head. 'A Sena Sugar Estates'. 58-59

employed 30 674 labourers (16 433 in Luabo and the remaining 14 241 in Marromeu).⁵⁸ During the second half of the 1950s the plantations of the three sugar companies employed more than 40 000 workers.⁵⁹ The third, which was also influenced by the seasonal character of labour, was low productivity. During the 1950s, for example, the average production of the Mozambican sugar plantations was 63 tons/ha.⁶⁰ During the same period, the average production of the Zululand plantations (South Africa) was 71 tons/ha.⁶¹ To reverse the situation, the Mozambican sugar companies adopted several strategies including investment in the mechanization of sugar cultivation, but with no success as the funds employed were limited.⁶² The fourth was the vulnerability to natural disasters including floods and droughts, which frequently resulted in low production. As noted above, the plantations were located along river valleys and didn't have dykes or dams to control the water. For example, in 1939, the Companhia do Buzi's plantations were affected by floods which resulted in the decline of the production of sugar cane; two years later, the production declined again, but due to a severe drought that affected the zone.⁶³ In 1954, the SAI plantations were also affected by floods which led to the decline of production.⁶⁴

The second element of the triangle was African labour. As in several other sectors of the Mozambican colonial economy, the bulk of the African labour employed in the plantations was recruited on a seasonal basis. The duration of the labour agreements for individuals recruited long distances from the plantations tended to be longer, ranging from a renewable three to twelve months. Individuals residing in the plantations surrounding areas tended to serve in short-term contracts. Some were employed on a daily basis. The reliance on seasonal labour had a negative impact on the plantations performance, as the bulk of the labourers were unskilled and never got a chance to attend training courses. Some Marxist scholars view the predominance of seasonal labour in the

⁵⁸ Leroy Vail & Landeg White. 'Tawani, Machamero!', 247

⁵⁹ 'Principais produtos agrícolas de Moçambique: o açúcar'. *Economia de Moçambique*. 12 (Nov.), 1964: 7

⁶⁰ Idem, 7

⁶¹ Owen Williams. 'Sugar Growing and Processing in the Union of South Africa'. *Economic Geography*, Vol. 35, No 4, (Oct. 1959): 361

⁶² Leroy Vail & Landeg White. *Capitalism and colonialism*, 374

⁶³ Fernando Graça. 'A Companhia', 25

⁶⁴ David António. 'A produção', 21-22

plantations as a strategy adopted by the Portuguese colonial state to prevent the formation of an African agrarian proletariat.⁶⁵ Other scholars view the seasonal labour as a strategy adopted by the companies to reduce the costs of production,⁶⁶ but the different demands of labour during the sugar cane productive process are probably the best explanation. For example, from May to late November (or early December) – the period of sugar cane harvest – there is a peak in the labour demands, in contrast with the remaining months.

Recruiting the required number of workers and assuring that once recruited they would serve until the end of the labour agreements were the most important problems faced by the sugar plantations. The labour shortages resulted from a combination of factors, including the competition placed by better-paid jobs in the urban areas, the emigration to neighboring colonies (mainly South Africa and Southern Rhodesia) and the internal contradictions of the Portuguese colonialism.⁶⁷ The sugar plantations were also affected by absenteeism and desertions. During the 1950s, for example, the absenteeism in the SSE-Marromeu plantations was estimated at 45-55%. It is important to note that this phenomenon was extensive to other plantations. During the same period, the absenteeism in the sisal plantations of Nampula province, for example, was estimated at 60%.⁶⁸

To respond to the negative impacts of the labour shortages and absenteeism, the sugar companies adopted several strategies. Curiously, the subdivision of the plantations in small plots and their allocation to out growers was excluded. The sources are silent on this particular aspect, but it is likely that the exclusion of out growing was linked to the colonial policy of the first half of the 20th century, which favored the direct exploitation of the natural resources and manpower of the colonies rather than the public investment

⁶⁵ Helen Dolny. 'The challenge of agriculture'. Saul, John. [ed], *A difficult road the transition to socialism in Mozambique*. New York: Monthly Review Press, 1985, 220

⁶⁶ Marc Wuyts. 'Sul do Save: estabilização e transformação de força de trabalho' *Estudos Moçambicanos*, 3(1981), 40

⁶⁷ David Hedges & Aurélio Rocha. 'A reestruturação', 95-97; David Hedges & Arlindo Chilundo. 'A contestação', 213. For example, the labour laws exempted from the compulsory labour the 'natives' who paid their taxes throughout self-employment. Moreover, the introduction of compulsory cotton growing in 1926 worsened the labour shortages in the plantations, as all 'capable' individuals inhabiting a cotton concession had to grow this crop.

⁶⁸ Bridget O'Laughlin. 'Proletarianisation, agency and changing rural livelihoods: forced labor and resistance in colonial Mozambique'. *Journal of Southern Africa Studies*, Vol. 28, No 3 (Sept.), 2002, 519

in the settlement of Portuguese citizens in Africa.⁶⁹ The first strategy, allowed by the labour laws, was the turn to minors as well as to women. It is important to note that the labour laws imposed restrictions in the number as well as in the kind of work they could be given. On the employment of minors, the 1930 *Regulamento do Trabalho dos Indígenas* (Native Labour Code), for example, prescribed that they should only be recruited under the consent of their parents.⁷⁰ The recruitment of minors was particularly adopted by the Companhia do Buzi. Below, I will provide some examples of this practice in the company. The recruitment of women was particularly adopted by the SAI. The above mentioned 1930 labour code stipulated that they shouldn't be recruited to distant places without the accompaniment of male relatives (father, husband or adult brother).⁷¹ According to Manghezi, the employment of women was the response to the long term shortage of male workers, as the result of their emigration to South Africa or to the capital of the colony, where there were better paid jobs.⁷² The company started to recruit women in 1940 and during the following decade extended the recruitment to girls. The women as well as the girls weren't only recruited in the neighborhood of the plantations but also in distant areas including Gaza and Inhambane provinces.⁷³ The second strategy was the creation of barriers to emigration from the plantations neighboring areas. The SSE and the Companhia do Buzi, for example, took advantage of the 28th July, 1926 Law 11 994 to turn their plantations surrounding areas into cotton concessions.⁷⁴ The law stipulated that African peasants residing in an area selected to become a cotton concession had to compulsorily grow this crop on their own plots and sell the yields to the concessionary company. In 1940, the first year of the Companhia do Buzi's concession, there were 2 964 African peasants growing cotton for the company.⁷⁵ By turning the plantations neighboring areas into cotton concessions the companies expected

⁶⁹David Hedges & Aurélio Rocha, 'O reforço', 41

⁷⁰ *Regulamento do Trabalho dos Indígenas da Colónia de Moçambique, Regulamento do Trabalho dos Indígenas da Colónia de Moçambique*. Aprovado por Portaria nº 1:180 de 4 de Setembro de 1930. Lourenço Marques: Imprensa Nacional, 1930, artigo 92

⁷¹ *Regulamento*, artigo 91, número 2

⁷² Alpheus Manghezi. 'A mulher e o trabalho'. *Estudos Moçambicanos*, 3 (1981), 52

⁷³ Id.53

⁷⁴ Fernando Graça. 'A Companhia' 39; Leroy Vail & Landeg White. 'Tawani machambero', 246-247. The SSE's area comprised the lower Zambezia area and the Companhia do Buzi's comprised parts of the Buzi district.

⁷⁵ Fernando Graça. 'A Companhia', 40

to create their own labour reserves. It is important to note that neither using minors and women nor the creation of cotton concessions prevented the labour shortages.

The labour laws approved by the colonial state from the late 19th century to the 1950s imposed compulsory labour to the ‘uncivilised’ Africans who weren’t integrated in the colonial economic system.⁷⁶ The same laws prohibited compulsory recruitment by private enterprises, giving a monopoly to the state. Thus, to get access to such workers, the companies had to observe a series of bureaucratic procedures. First, they had to have a recruiting officer, who would be in charge of looking for workers; then, the companies had to submit two applications to the governor of the province where they intended to recruit – one on behalf of the recruiting officer and the other on behalf of the company itself. Both applications had to indicate the areas where the recruiting officer intended to recruit. Meanwhile, due to the division of labour markets, the agricultural companies excluded the urban areas from the applications and/or areas considered as labour reserves for other activities. The companies had to pay a tax during the submission of the applications.⁷⁷ Once a license was obtained, the recruiting officer had to contact the local authorities who gathered all available unemployed men and directed them to him. Sometimes, the recruiting officers had to bribe the local authorities, presenting them with clothing, wine and other gifts.⁷⁸ Frequently, the recruitment involved violence against the workers and it was carried out with the help of *cipaios*⁷⁹ (African policemen).

According to the labour laws, the companies had also to provide good accommodation, nourishment, medical assistance and free transportation for the workers recruited in

⁷⁶The 1899 Código do Trabalho, the 1911 Código de Trabalho Indígena, the 1914 Regulamento Geral de Trabalho dos Indígenas das Colónias Portuguesas and the 1930 Regulamento de Trabalho dos Indígenas da Colónia de Moçambique. These codes were applied in the areas under the direct control of the Portuguese colonial state.

⁷⁷See for example AHM-FGDB. Caixa 645. Processo B/14/2, 1943-1959. Requerimentos da Companhia Colonial do Buzi ao Governo de Manica e Sofala pedindo a renovação de licenças de recrutamento de mão-de-obra, 1945-1949

⁷⁸INA/CEPAGRI. ‘A produção’, 20

⁷⁹Malyn Newitt and Corrado Tornimbeni. ‘Transnational Networks and Internal Divisions in Central Mozambique. An Historical Perspective from the Colonial Period (Réseaux transnationaux et divisions internes dans le centre du Mozambique. Perspective historique de la période coloniale)’ *Cahiers d’Études Africaines*, Vol. 48, Cahier 192 (2008), 717

distant areas.⁸⁰ The companies had divergent interpretations of those norms and the conditions provided to the African workers varied from a company to another. According to Newitt & Tornimbeni, during the 1940s the Companhia do Buzi was accused of several infractions of the labour laws. The breaches included poor food, excessive hours, bad working conditions and ill-treatment. In contrast, it is noticed that the SSE provided good conditions.⁸¹

To ensure the availability of African labour in the rural areas, the colonial state issued a set of laws directed to prevent the urbanization of Africans and/or their migration to other areas. Those laws included the *Estatuto do Indigenato* (Native Statute) and the *Regulamento dos Serviçais Indígenas* (Urban Labour Codes).⁸²

The colonial state also prohibited the creation of trade unions composed by ‘uncivilised’ Africans and denied them the right to strike. Thus, with exception to the 1954 strike in the SAI plantations, there is no record of systematic African labour unrest in the sugar plantations despite the harsh work conditions and the low wages.⁸³ It is important to note that during the second postwar the colonial state’s attitude towards the companies changed.

2.3. The Companhia do Buzi, the African labour and the colonial state prior to the 1960s

As mentioned above, at the moment of the establishment of the Companhia do Buzi the Manica e Sofala Territory was under the administration of the Mozambique Chartered Company. Thus, in this territory the recruitment and supply of African labour to the companies were regulated by specific legislation, which had, however, the same essence as the legislation applied in the areas under direct control of the Portuguese colonial state.

⁸⁰ *Regulamento*, articles 209, 210, 214, 215 and 222

⁸¹ Malyn Newitt & Corrado Tornimbeni. ‘Transnational’, 720-721

⁸² For example, the 1918 Portaria no 208 and the 1944 *Regulamento dos Serviçais Indígenas*; Malyn Newitt & Corrado Tornimbeni. ‘Transnational’, 717-718.

⁸³ David Hedges & Arlindo Chilundo. ‘A contestação’, 214-215

In fact, the labour laws approved by the Mozambique Chartered Company systematically imposed forced labour on the ‘uncivilised’ Africans and gave monopoly power to recruit and supply African labour to that company.⁸⁴ The Mozambique Chartered Company also sought to prevent the emigration of Africans and ensure the existence of permanent African labour throughout the creation of *reservas indígenas* (native reserves) across the territory. In the Buzi district, the first reserves were created in December 1920 in Bumba.⁸⁵ With the end of the concession of the Mozambique Chartered Company (1942) the recruitment and supply of African labourers in Manica e Sofala became regulated by the above mentioned 1930 *Regulamento do Trabalho Indígena*.

The Companhia do Buzi had reserved 5000ha for sugar plantations, but it was only during the 1950s that the company was able to exploit the whole of the area. As a result, the company’s agricultural labour demands rose from an average number of 2000 to 5500 workers *per annum*. The Buzi district was the main source of labour and had enough manpower to fulfill the company’s needs. But, as portrayed on **Map 3**.and in table 2.1 below, the company had to turn to other regions of Mozambique to get labourers.

Table 2.1.: The homelands of the African labourers employed by the Companhia do Buzi in 1956

Region	Province	District	No of workers
Northern Mozambique	Nampula	Nampula	907
Central Mozambique	Tete	Mutarara	417
		Maravia	258
		Angonia	687
	Manica e Sofala	Buzi	1965
		Chibabava	82
		Barue	77
		Mossurize	227
Total			4600

[Source: AHM–FNI. Caixa 1126. Processo B/24/4/1, 1952-1957 ‘Administração da Circunscrição do Buzi: Relatório respeitante às entidades patronais desta área administrativa que empregaram mão-de-obra indígena durante o ano de 1956’, 31/12/56, 5]

⁸⁴ Miguel da Cruz. ‘Manica e Sofala e a Companhia de Moçambique’. Carlos Serra. (Dir). *História de Moçambique...*, 335-336. Those laws were the *Regulamento Geral do Trabalho Indígena no Território da Companhia de Moçambique*, *Regulamento para o fornecimento de Indígenas a particulares no Território da Companhia de Moçambique* and the *Regulamento para o Recrutamento de Indígenas de Manica e Sofala*, all issued in 1907

⁸⁵ Bárbara Direito. ‘Políticas’, 275-276

Many explanations were drawn for this situation. According to a 1958 report written by the administrative inspector Manuel Metello, the shortage of labour in the area was caused by the combination of several factors, including clandestine emigration to Southern Rhodesia, compulsory cotton and rice growing and rural exodus to Beira. The inspector estimated that in 1958 the district had 15 000 potential workers but 11 000 were unavailable due to the above mentioned factors.⁸⁶ The acting administrator of Buzi during the same period was more emphatic in his explanation for the shortage of African agricultural labour in the district. According to his 1960 annual report,

‘[...] The shortage of African labour in this district [...] is a consequence of the competition placed by the industrial activities developed in Beira. Beira is a neighboring town of Buzi and is attractive to the natives. Everybody knows that the natives hate agricultural work [...].’⁸⁷

To certain extent, the administrator’s words are contradictory. Moreover, on the following pages of the same report he argues that the agricultural companies including the Companhia do Buzi should improve the social conditions provided to the African labourers in order to prevent shortages and/or desertions.⁸⁸ The administrator’s assertion expresses the dominant idea amongst the colonial society on the Buzi inhabitants’ attitude towards labour in the Companhia do Buzi’s plantations. In fact, a letter written to the local native affairs curator twelve years earlier by the head of the Companhia do Buzi indicates that

‘[...] the 96 natives recruited in Buzi that we have enrolled as agricultural workers in this letter, are in fact foremen, guards or semi-skilled workers. There are no natives from Buzi working with hoes in the sugar plantations [...].’⁸⁹

⁸⁶ AHM-FAC. Caixa 1476. Manuel Metello. Relatório da Inspeção Ordinária à Circunscrição do Buzi. 16 de Abril de 1958: 92

⁸⁷ AHM-FGDB. Caixa 661. Processo B/15, 1951-1961 [Trabalho Indígena em geral] ‘Relatório da Agência da Curadoria dos Indígenas da Circunscrição do Buzi, 31 de Dezembro de 1960: 7

⁸⁸ AHM-FGDB. Caixa 661. Processo B/15, 1951-1961 [Trabalho Indígena em geral] ‘Relatório da Agência’, 7

⁸⁹ AHM-FACB. Caixa 122. Processo B/9, 1948. ‘Ofício da Companhia Colonial do Buzi ao Administrador da Companhia do Buzi’, 2 de Maio de 1948

Independently of the interpretations given by the colonial authorities, like the other sugar companies, the Companhia do Buzi was affected by labour shortages and desertions. In 1948, for example, the Companhia needed 3700 agricultural workers, but it only was possible to recruit 1437.⁹⁰ The situation continued during the following decade. In 1952, for example, the company's shortage of agricultural labour was estimated at 3000 workers.⁹¹ In parallel, the desertions and absenteeism increased as testified by several reports written by the company. A report written on 17th November, 1954, for example, states that between 19th January, 1952 and 24th August, 1954, 132 workers recruited in Mutarara district (Tete province) deserted.⁹² Another report, written on 4th August, 1954 refers to the widespread absenteeism amongst workers recruited in Chibabava. The report refers to cases of workers who neglected their duties in 30 days out of 90 days of contract.⁹³

These shortages and desertions impacted on the Companhia do Buzi's annual yields. For example, the company's 1936 annual report explained that it was impossible to cultivate the planned area due to the shortage of African agricultural labour.⁹⁴ A 1942 report on the company also observed that the 1938 annual production dropped in comparison to the previous year due to the shortage of labour.⁹⁵ My archival research has not thus far located the amounts annually spent by the Companhia do Buzi to cover the expenses of the whole recruitment process and there is no information on the financial losses caused by absenteeism and desertions. But given that the company paid for the whole recruitment process and that the deserters were rarely captured it is likely that the losses were high.

⁹⁰ AHM-FACB. Caixa 122. Processo B/9, 1948. 'Ofício da Companhia'

⁹¹ AHM-FNI. Caixa 670. Processo 'Recrutamento para serviço próprio, [...] 1944-1961. CCB – Declaração, 29/05/53

⁹² AHM-FACB. Caixa 152. Processo B/15/2, 1954 (I) Relação nominal de trabalhadores oriundos de Mutarara evadidos entre 19 de Janeiro de 1952 e 24 de Agosto de 1954, 17 de Novembro de 1954

⁹³ AHM-FACB. Caixa 152. Processo B/15/2, 1954 (I) Relação nominal de trabalhadores de Chibabava que faltaram constantemente ao serviço, 4 de Agosto de 1954

⁹⁴ AHM-SE. Companhia Colonial do Buzi. *Relatório e contas da gerência de 1936*. Lisboa: Centro Tipográfico Colonial, 1937, 4

⁹⁵ Fernando Graça. 'A Companhia' 24

To overcome the negative impacts of the labour shortages, the Companhia do Buzi turned to minors. Usually, they were employed in the least strenuous activities such as collecting the remaining sugar cane left during the harvest.⁹⁶ From July to September 1912, for example, the company employed an average number of 157 minors per month. This number corresponded to 15.5% of the total labour employed during the same period.⁹⁷ The minors weren't only recruited in the Buzi district but also in distant areas including Tete province. In relation to the employment of minors it is also important to mention that it continued until the end of the colonial rule. The labour laws firmly prohibited the employment of aged individuals,⁹⁸ but there are records that the Companhia do Buzi turned to them. In 1943 or 1944, for example, the company recruited 8 old men from Mutarara district (Tete province).⁹⁹ My archival research didn't reveal the extent of this practice.

African agricultural workers were recruited in two main forms. One was compulsory and was euphemistically called *contrato com intervenção de autoridade* (State-mediated agreement). This system was normally applied to individuals recruited outside the Buzi district due to the difficulties of finding volunteer workers locally. The other system was voluntary labour and was usually the route followed by the Buzi district inhabitants. The *contratos com intervenção da autoridade* tended to be longer, lasting from six to twelve months, while the agreements with voluntary labourers were shorter, sometimes having a daily basis.¹⁰⁰ The table 2.1 above and several archival sources suggest that the company relied on forced labour. The prevalence of forced labour is likely the most important cause of the high rates of desertions and absenteeism.

The information on the way workers recruited in distant areas were transported to the workplace is limited. According to INA/CEPAGRI report, the individuals recruited in

⁹⁶ INA/CEPAGRI. 'A produção', 20

⁹⁷ AHM-FCM Relatórios. Caixa 111. 'Relatório da Repartição do Trabalho Indígena, 3º trimestre (Julho-Setembro) de 1912'; 11

⁹⁸ *Regulamento*, artigo 91. The prohibition had initiated during the administration of the Mozambique Chartered Company.

⁹⁹ AHM-FGDB. Caixa 666. Processo B/15/2, 1944-1957. 'Companhia Colonial do Buzi: Relação de serviços velhos pertencentes ao contrato 9/45, Mutarara, que terminaram o contrato', 25 de Junho de 1944

¹⁰⁰ INA/CEPAGRI. 'A produção'. 18 *et seq*

Southern and Northern Mozambique were transported by ships until Beira, where they were temporarily accommodated in a company's *acampamento* (compound). Later, they were transported to the Buzi district, again in ships. Once in Buzi, they were taken to the company office to 'sign' the labour agreements. Then they were housed in the compounds.¹⁰¹ By 1954 the Companhia do Buzi had 16 compounds, built of brick, zinc or local materials. Their capacity ranged from 70 to 600 individuals.¹⁰² The labour laws stipulated that besides accommodation, the company had to provide clothing and food for the workers. During the 1940s and the 1950s, the clothing consisted of two shorts, two shirts and one blanket; the food consisted of fish, beans and maize flour.¹⁰³

In general, the relationship between the Companhia do Buzi and the colonial state was cordial, particularly during the period prior to the 1950s. For example, during the visit paid by the Portuguese Minister of Colonies Doctor Armindo Monteiro accompanied by the Governor-General of Mozambique, General José Cabral in 1932, the company was praised because of the 'employment of dozens of Portuguese citizens and thousands of 'natives' and, overall, because of the 'commitment in the social and economic development of the Buzi district'.¹⁰⁴ A decade later, the administrative inspector Abel Moutinho also praised the company because of its 'real Portuguese origin'.¹⁰⁵ In 1944, the company's mill was given special permission to operate on two 12 hours shifts.¹⁰⁶ During the 1950s, however, the relationship changed, when a new generation of colonial officers sharply criticized the Companhia's attitude towards the African workers. For example, on 21st November, 1951 the Buzi district 'native affairs' curator threatened to cancel the Companhia's recruiting license if the later failed to improve the quality of the

¹⁰¹ INA/CEPAGRI. 'A produção', 19

¹⁰² AHM-FNI. Caixa 1126. Processo B/24/4/1, 1952-1957 'Administração da Circunscrição do Buzi: Relatório respeitante às entidades patronais desta área administrativa que empregaram mão-de-obra indígena durante o ano de 1954', 15 de Janeiro de 1955, 7-8

¹⁰³ AHM-FNI. Caixa 1126. Processo B/24/4/1, 1952-1957 'Administração', 6

¹⁰⁴ AHM-SE. Companhia Colonial do Buzi: Gerência de 1932: 6; Armindo Monteiro. 'Visita, em Manica e Sofala, à Companhia do Buzi'. *Boletim da Agência Geral das Colónias*. - Ano VIII, nº 90 (Dez), 1932, 294-295

¹⁰⁵ David Hedges & Aurélio Rocha; 'A reestruturação', 86

¹⁰⁶ AHM-FNI. Caixa 719. Diogo da Câmara Reis. 'Informação nº 166/B/15 da Direcção dos Serviços e Negócios Indígenas. Assunto: Horário de dois turnos de 12 horas na Companhia do Buzi', 18 de Julho de 1960. The remaining mills operated on three 8 hours shifts.

Guara-Guara compound houses within two weeks.¹⁰⁷ Nine days later, the curator repeated the threat, now due to the poor quality of water supplied to the African workers housed in another compound. In response, the Companhia do Buzi admitted that the water had poor quality but rejected the allegations on the poor quality of the houses.¹⁰⁸ In 1957 the administrative inspector António Almeida e Cunha criticized the company because of the poor quality of the clothing provided to the African workers. He recalled that the company had been previously warned about this issue and recommended the imposition of penalties.¹⁰⁹ Later, in 1960, the inspector Diogo da Câmara Reis, criticized the above mentioned special regime conceded to the Companhia do Buzi mill. He also blamed the special regime for the low production of sugar registered by the company during the 1950s.¹¹⁰ The change of some colonial officers' attitude towards the company didn't, however, mean that the colonial state had retreated from its role of labour supplier. In fact, despite the critiques and pressures, the *contratos com intervenção de autoridade* continued until the beginnings of the 1960s.

2.4. The Companhia do Buzi's out growing system prior to the 1960s

There is some confusion about the early history of the Companhia do Buzi's out growing scheme. In fact, according to some literature, the scheme was introduced in 1927 during the directorate of the Engineer Trigo de Moraes. According to the same literature, the company subsidized the activity of the out growers throughout the payment of the wages of their workers and provision of technical assistance. The literature also points out that by 1930 there were 322ha under sugar cane cultivated by out growers and that during the

¹⁰⁷ AHM-FNI. Caixa 694. Processo B/15, 1954-1962. 'Ofício de António Marques, Agente do Curador dos Indígenas e Administrador da Circunscrição do Buzi, ao Director da Companhia Colonial do Buzi, 21 de Novembro de 1951'

¹⁰⁸ AHM-FNI. Caixa 694. Processo B/15, 1954-1962. 'Ofício de António Marques, Agente do Curador dos Indígenas e Administrador da Circunscrição do Buzi, ao Director da Companhia Colonial do Buzi, 30 de Novembro de 1951'; AHM-FNI. Caixa 694. Processo B/15, 1954-1962. 'Exposição da Companhia Colonial do Buzi ao Governador do Distrito de Manica e Sofala, 3 de Dezembro de 1951'

¹⁰⁹ AHM-FNI. Caixa 1126. Processo B/24/4/1, 1952-1957. 'Administração da Circunscrição do Buzi: Relatório respeitante às entidades patronais desta área administrativa que empregaram mão-de-obra indígena durante o ano de 1957', 31 de Dezembro de 1957

¹¹⁰ AHM-FNI. Caixa 719. Diogo da Câmara Reis. 'Informação'

1930s the company paid 5 shillings per ton of cane delivered by the out growers. Finally, the literature explains that during the 1940s the out growers became responsible for the payment of the wages of their workers.¹¹¹ Other literature suggests a different beginning of the scheme. In fact, according to a letter written on 25th July, 1927, Guilherme de Arriaga (one of the founders of the Companhia do Buzi) states his dissatisfaction with the company's direct involvement in the cultivation of tobacco, ricinus and maize and recommends its transfer to out growers who would be recruited amongst the Portuguese employees.¹¹² Moreover, the company's 1933 annual report doesn't refer to sugar cane out growers but only to the existence of 22 Portuguese settlements in the concession. Those settlements occupied 6000ha.¹¹³ Other annual reports written during the 1930s (for example, 1932 and 1936) also don't mention the out growers. This silence is also evident in an account on the Companhia written in 1942 as well as in the reports written by administrative inspectors who visited the Buzi district during the 1940s.¹¹⁴

There are also contradictory statements about the ownership of the land cultivated by the out growers. According to INA/CEPAGRI report, the land belonged to the Companhia do Buzi, but reports written by administrative inspectors suggest that before 1963 all the out growers produced on their own plots.¹¹⁵

The first reference to the sugar cane out growers dates to 1955. This reference is available in a report written by the Buzi district *administrador*. Nothing is, however, said neither

¹¹¹ William Clarence-Smith. 'O proteccionismo', 178; ACB. Josséfa Mandava & Vita Muzimpua. 'Companhia do Buzi: complexo agro-industrial: análise da situação da empresa. Buzi, 1987, 7; INA/CEPAGRI. 'A produção' 25; Fernando Florêncio. 'Processos', 93

¹¹²Guilherme de Arriaga. *A situação da Companhia Colonial do Buzi em 1928*. Lisboa: Tipografia do Comércio, 1928, 27

¹¹³ AHM-SE. Companhia Colonial do Buzi. *Relatório e contas da gerência de 1933*. Lisboa: Centro Tipográfico Colonial, 1934, 6

¹¹⁴ For example, AHM-ISANI. Caixa 40. João Mesquita. Relatório das inspeções ordinárias ao Concelho da Beira, Circunscrições de Sofala, Buzi e Chimoio e Posto do Dondo, do Distrito da Beira, Província de Manica e Sofala. 1947, page 160 states that in 1947 there were only three European commercial farmers in the Buzi district. One of them was the future out grower José Clemente da Silva.

¹¹⁵ AHM-FAC. Caixa 1476. Manuel Metelo. Relatório', 63; AHM-ISANI. Caixa 47. António AS Borges. Relatório da inspeção ao Concelho do Buzi, 10 de Setembro de 1969: 56

about the circumstances of their recruitment nor about the incomes they had.¹¹⁶ The above mentioned report written by the inspector Manuel Metelo reinforces the idea that the scheme emerged in the mid-1950s. The table 2.2 below portrays the out growers' production during the initial years of the scheme.

Table. 2.2. The out growers production during the 1950s (in tons)

Year	Out growers	Individual Production	Total production
1955	José Clemente da Silva	1 836	5 201
	João Clemente da Silva	3 365	
1956	José Clemente da Silva	11 898	23 691
	João Clemente da Silva	10 354	
	António da Silva Gonçalves	1 209	
	José da Graça Maria	239	

[Source: AHM-FAC. Caixa 1476. Manuel Metelo. 'Relatório', 64]

Apparently, the recruitment of out growers was an altruistic measure taken by the Companhia do Buzi to benefit local Portuguese farmers as nothing is said about the advantages for the company. According to the inspector Manuel Metelo,

‘[...] The adoption of an out growing scheme by the Companhia do Buzi [...] has benefited the local Portuguese farmers, whose activity was experiencing a crisis. Due to the measure taken by the Companhia do Buzi [...] the farmers are becoming prosperous [...]’¹¹⁷

The out growers production during the 1950s was insignificant and covered a small part of the Companhia do Buzi's demands. The 5 201 tons produced by them in 1955, for example, corresponded to mere 4% of the cane milled in the Companhia do Buzi's mill

¹¹⁶ AHM-FNI. Caixa 1126. Processo B/24/4/1, 1952-1957. 'Administração da Circunscrição do Buzi: Relatório respeitante às entidades patronais desta área administrativa que empregaram mão-de-obra indígena durante o ano de 1955', 31 de Dezembro de 1955

¹¹⁷ AHM-FAC. Caixa 1476. Manuel Metelo. 'Relatório', 64-65

during that year. During the following year their contribution rose to 14%. Four years later, the out growers production reached the 79 000 tons.¹¹⁸

In general, the first out growers were farmers who had long term experience in commercial farming. Thus, the out growing was an extension of their activities. In fact, excepting José da Graça Maria, who apparently wasn't a farmer before 1956, all of the out growers mentioned in the table above were experienced farmers. António da Silva Gonçalves was a maize producer, while the brothers José and João Clemente da Silva were maize, banana and potatoes growers. At least during this period they associated the cultivation of sugar cane with the cultivation of the above mentioned crops.¹¹⁹ Apart of José da Graça Maria, two new out growers – the Sociedade Agrícola Brandão Soares and the Sociedade Agrícola do Buzi – joined sugar cane cultivation in 1956. Both companies had been founded in the same year and only cultivated sugar cane.¹²⁰ My archival research didn't however locate their yields. In 1957 José Clemente da Silva was renamed Sociedade Agrícola do Zindoga.¹²¹

The archival research suggests that during this period the out growing activity was characterized by two key aspects. The first was heavy regulation. For example, to renew the concessions, the out growers had to show a receipt issued by the Companhia do Buzi to the local authorities containing the amount paid for the cane.¹²² The second was the divergence of the size of the out growers' plots. In 1958, for example, the Sociedade Agrícola Brandão Soares sugar plantations had only 170 ha, while João Clemente da Silva had 800.¹²³

¹¹⁸AHM-FAC. Caixa 1476. Manuel Metelo. 'Relatório', 64; 'Principais produtos', 8

¹¹⁹AHM-FAC. Caixa 1476. Manuel Metelo. Relatório', 64

¹²⁰AHM-FNI. Caixa 1126. Processo B/24/4/1, 1952-1957. 'Administração da Circunscrição do Buzi: Relatório respeitante às entidades patronais desta área administrativa que empregaram mão-de-obra indígena durante o ano de 1956', 31 de Dezembro de 1956. Both were joint-stock companies.

¹²¹AHM-FNI. Caixa 1126. Processo B/24/4/1, 1952-1957. 'Administração da Circunscrição do Buzi: Relatório respeitante às entidades patronais desta área administrativa que empregaram mão-de-obra indígena durante o ano de 1957', 31 de Dezembro de 1957

¹²²AHM-FACB. Caixa 212. Processo D/1/2/ 1958. 'Ofício do Chefe da Repartição Distrital de Agricultura de Manica e Soafala ao Administrador da Circunscrição do Buzi', 26 de Maio de 1958

¹²³AHM-FACB. Caixa 212. Processo D/1/2/ 1958. Repartição Distrital de Agricultura de Manica e Soafala – Manifesto de produção de agricultores europeus, 1 de Julho de 1958; AHM-FACB. Caixa 212. Processo

As mentioned above, there are no details on the circumstances of the recruitment of the first group of out growers. It is also unclear why the Companhia didn't turn to African peasants, like in the cotton concessionary system. There is, however, an important aspect to be observed. At the time of the introduction of the out growing scheme, the chairman of the Companhia do Buzi was Miguel de Paiva Couceiro. He was a strong supporter of the involvement of Portuguese settlers in the production and supply of sugar cane to the sugar industry. He had been appointed to the post in 1953 and left in 1959.¹²⁴ Later he became one of the founders of the Açucareira de Moçambique.

The emergence of the Companhia do Buzi out growing scheme was accompanied by the outbreak of new land struggles in the Buzi district. According to the administrative inspector Manuel Metello,

‘As a result of the Companhia do Buzi initiative [...] applications for concessions increased in such a way that presently there is no more available land for sugar cane growing in the district due to the fact that it had been already granted to the company or belongs to the natives [...]. During my visit, many natives complained of the European farmers, who they accuse of intending to expropriate their lands [...].’¹²⁵

The inspector report is inconclusive about the zones and the number of individuals involved in the dispossession. Unfortunately, my archival research didn't locate additional primary sources referent to this particular topic.

D/1/2/ 1958. Repartição Distrital de Agricultura de Manica e Soafala – Manifesto de produção de agricultores europeus, 3 de Julho de 1958

¹²⁴ http://pt.wikipedia.org/wiki/Miguel_António_do_Carmo_de_Noronha_de_Paiva_Couceiro, accessed on 21st August, 2014

¹²⁵ AHM-FAC. Caixa 1476. Manuel Metello. ‘Relatório’, 63

Conclusion

During the first half of the 20th century, the Mozambican sugar plantations suffered from three structural problems, namely the reliance on seasonal, unskilled and low motivated African agricultural labour, the incapacity to overcome such reliance and the consequent low production.

Apart of the lack of financial means to introduce more efficient systems of production and supply of sugar cane, the continuous reliance on African labour was determined by the existence of an alliance between the plantations and the colonial state. This alliance turned the colonial state into a labour supplier.

The establishment of the sugar industry ignored the existence of local communities. Indeed, the companies' plans and reports are silent on them. As a result, it is difficult to trace the history of land dispossession in the sugar regions during the first half of the 20th century from the existing literature.

Chapter III: THE RISE OF THE COMPANHIA DO BUZI AND THE AÇUCAREIRA DE MOÇAMBIQUE OUT GROWING SCHEMES AND ITS IMPACTS, 1960s-1974

Introduction

In Mozambique, the 1960s and the early 1970s were characterized by deep changes in the colonial policy. The changes included the ban of laws that during the previous decades had ensured the compulsory integration of the African population in the colonial economy as labour or as cash crops growers. Along with these changes came the arrival of thousands of Portuguese settlers.

The aim of this chapter is to analyze the impacts of the transfer of sugar cane cultivation to out growers by the Companhia do Buzi and the Açucareira de Moçambique. It will explain why the companies transferred sugar cane cultivation only to Portuguese and ‘civilised’ African out growers and to what extent the transfer resolved the problems that had led the companies to adopt such scheme. Lastly, the chapter will discuss the impacts of the expansion of the areas under out growers on the local communities’ access to land.

3. 1. Socioeconomic and political background of the early 1960s

3.1.1. The industrialization of urban areas and the rural exodus

A new era in the socioeconomic history of Mozambique opened in the late 1950s when as a result of a shift in the Portuguese colonial policy the major cities of the colony (former Lourenço Marques, Beira and Nampula) experienced an industrial boom and thousands of Africans residing in rural areas moved to them. According to Schaedel, they were drawn by the higher wages paid in industry and their urbanization was facilitated by the lifting of influx control in 1961. He also points that between 1960 and 1973 the African

population of Lourenço Marques rose from 122 460 to 347 754 inhabitants; in Beira, the second largest town in Mozambique, the number of Africans rose from 34 000 to 91 000 between 1960 and 1970. In the other cities the pattern was similar. Overall, in 1960 there were 228 000 Africans living in urban areas (3.5% of the total African population). Ten years later, they were 607 000 (7.4% of the total African population).¹²⁶

The rural exodus aggravated the shortage of African workers in the plantations.¹²⁷ The shortage of African workers, in conjunction with the disengagement of the colonial state from its role as labour supplier (see section 3.1.2 below), forced the agricultural companies to adopt strategies. The tea plantations of Zambezia province, for example, started to distribute blankets, clothes, crockery, food, cigarettes, etc among local population in order to attract workers.¹²⁸ The Mecuco Sisal Plantation, located in Nampula province, also improved the social conditions provided to the workers by, for example, paying higher wages than stipulated by law, offering bonus, paid holidays, primary education for its workers' children, entertainment and other incentives.¹²⁹ Some cotton companies in Manica e Sofala and Nampula provinces explored mechanical harvesting.¹³⁰

3.1.2. The shift in labour laws

In 1962 the labour laws directed to Africans shifted when through the April 27 Decree-Law no 44309/44310 the colonial state introduced the *Código do Trabalho Rural* (Rural Labour Code). The new code confirmed the 1961 ban of compulsory labour in private enterprises prescribed in the previous codes and prohibited the involvement of colonial officers in recruitment and supply of African workers for the private companies. The

¹²⁶ Martin Schaedel. 'Eingeborenen-arbeit', 3 *et seq*

¹²⁷ Judith Head. 'O desenvolvimento', 8

¹²⁸ Michael Cross. 'O capitalismo', 152

¹²⁹ António Mendes Belchior. 'Mecuco: uma plantação deficitária de mão-de-obra'. Comunicação apresentada na XXIV Assembleia Técnica da Associação dos Produtores de Sisal do Estado de Moçambique, Lourenço Marques, 27 e 28 de Novembro de 1972: 188-189

¹³⁰ António Pinto Neto. 'A colheita mecânica do algodão'. Comunicação apresentada na XXIV Assembleia Técnica da Associação dos Produtores de Sisal do Estado de Moçambique, Lourenço Marques, 27 e 28 de Novembro de 1972: 148-152

1962 Code also prescribed improvements in the social conditions of the workers to be introduced by the companies. The improvements included clothing, housing and better nourishment. The restrictions on the employment of minors were also reinforced.¹³¹

Some scholars have argued that the Rural Labour Code was merely the Portuguese colonial state's response to the internal and external anti-colonial movement and that compulsory labour continued until the end of colonial rule.¹³² The Portuguese historian José Capela in particular, criticizes the racist character of the Code and explains that it contains some ambiguous rules that in combination with the illiteracy of the bulk of the African population allowed compulsory labour to continue.¹³³ Independently of the ambiguities of the law, it is a fact that the Code prohibited the participation of colonial officers in the recruitment of Africans and increased the costs of labour for the companies.

Another element of the new labour policy was the setting of compulsory minimum wages. Those wages were periodically increased, as happened in 1961, 1964, 1966 and 1971.¹³⁴ Although such increases were low, they were enough to place strain on the budgets of the agricultural companies including the sugar companies.

3.1.3. The replacement of African peasants by Portuguese settlers as the main cash crop producers

In May 1961 the colonial state banned forced cotton growing.¹³⁵ Three months later, the JEAC was dissolved and replaced by the *Instituto do Algodão de Moçambique* (IAM -

¹³¹ *Código do Trabalho Rural*. Decreto nº 44 309 e 44 310 de 27 de Abril de 1962. articles 3 and 151

¹³² See, for example, José Capela. *O Imposto de Palhota e a introdução do modo de produção capitalista nas colónias; as ideias coloniais de Marcelo Caetano; legislação do trabalho nas colónias nos anos 60*, Porto: Afrontamento, 1977; Marc Wuyts. 'Economia política', 22, Judith Head. 'O desenvolvimento', 8

¹³³ José Capela. *O Imposto de Palhota*, 269 *et seq*

¹³⁴ BO, I Série, nº 4, 1961 'Despacho do Governador-Geral de 26 de Janeiro de 1961; António Rita-Ferreira. 'Evolução', 114; 'Fixados salários mínimos dos trabalhadores rurais' *Notícias da Beira*, 26 de Março de 1971: 1, 2

¹³⁵ BO, I Série, nº 21, 1961. Decreto 43 637 de 2 de Maio

Mozambique Cotton Institute). Unlike its predecessor, the IAM had as its principal mission the provision of technical and financial assistance to the cultivators.¹³⁶

The shift in the cotton policy didn't, however, benefit the African population, as the technical and financial assistance were directed to the Portuguese settlers who had been arriving in Mozambique as part of the 1953-1958 and 1959-1964 *Planos de Fomento* (Development Plans). Other settlers arrived to serve in the Portuguese army during the colonial war (1964-1974). As result of this discriminatory policy of support, in 1961 the Portuguese settlers became the main producers of rice. In the case of cotton, the shift in favour of the settlers took place in 1971.¹³⁷

The establishment of settlements was made possible by the 27th March, 1945 Law 34 464 which authorized the Colonial Office to spend public funds to intensify the settlement of Portuguese citizens in Angola and Mozambique and by the 10th March 1951 Law 38 200 which created a special fund directed to support the migration of settlers to Africa.¹³⁸ The 1945 and 1951 laws represented a rupture with the policy of the 1930s, which was opposed to the use of public funds to support the settlement of Portuguese citizens in Africa and defended the direct exploitation of the colonies throughout the imposition of compulsory labour and forced cropping to the African population.¹³⁹ The major settlement was established in the Limpopo Valley in Gaza Province (Southern Mozambique) in 1954. Other settlements were established during the following years along the Sábiè River (Maputo province, Southern Mozambique), Révuè river (Manica Province, Central Mozambique), Zambezi River (northern Sofala province, Central Mozambique) and in the highlands of Cabo Delgado e Niassa provinces (Northern Mozambique).¹⁴⁰ The

¹³⁶ David Hedges. 'A modernização', 6

¹³⁷ Id., 13

¹³⁸ BO, n.º 21, I Série, 1945. Decreto-Lei n.º 34 464 de 27 de Março; BO, n.º 16, I Série, 1951. Decreto-Lei n.º 38 200 de 10 de Março

¹³⁹ David Hedges & Aurélio Rocha. 'O reforço', 41

¹⁴⁰ David Hedges & Aurélio Rocha. 'Moçambique durante o apogeu do colonialismo português, 1945-1961: a economia e a estrutura social'. Hedges, D. (Coord). *História de Moçambique: Moçambique no apogeu do colonialismo, 1930-1961*. 2ed. Maputo: Livraria Universitária, 1999, Vol. II 1999: 165-167. For more details on the settlements established in Manica province see Das Neves, J. M. Economy, society and labour migration in Central Mozambique, 1930-c. 1965: a case study of Manica Province. 1998. Thesis, University of London, School of Oriental and African Studies, 1998, Chapter 5; on the settlement located in

settlers were mainly involved in agricultural production. According to the proponents of the settlement policy, the settlers shouldn't employ African labour but had to rely exclusively on family labour.¹⁴¹

In many areas, the establishment and/or expansion of Portuguese settlements were accompanied by the eviction of thousands of African peasants to marginal lands. The construction of the Limpopo settlement, for example, led to the expulsion of 2000 Mozambican families. Usually, the African families were expelled without compensation. Consequently, the evictions led to the outbreak of land struggles. The settlements where there were land struggles include those on the Limpopo and Sábiè.¹⁴² The concept land struggles means discontent amongst the victims of the dispossession.¹⁴³ It is important to note that in order to reduce the criticism of the settlements, the colonial state allowed the inclusion of some 'civilised' Africans in some of them. In the Limpopo settlement for example, Africans were approximately 1/3 of the total population during the early 1970s.¹⁴⁴

3.1.4. The debate over the use of out growers

Coincidental with the shift in the African policy a debate over the use of out growers to supply the sugar industry emerged amongst Portuguese nationalists and supporters of colonialism. They argued that instead of the unskilled, inefficient and unmotivated African workers, the sugar companies should transfer sugar cane cultivation to Portuguese settlers who should be provided with financial and technical assistance. They argued that the transfer would simultaneously eliminate the long term shortage of African labour and extend the areas inhabited by Portuguese citizens to the Mozambican countryside. They also agreed that such out growers shouldn't employ African workers

the Zambezi basin see Maduela José. 2002. O colonato de Magagade e o sistema de cultivo de algodão, 1966-1975. Maputo. 2002. Dissertação, Licenciatura, Universidade Eduardo Mondlane, 2002

¹⁴¹ David Hedges & Aurélio Rocha. 'Moçambique durante', 167

¹⁴² Kenneth Hermele. *Land struggles*; 38; Eléusio Filipe. 'O colonato do Sábiè' 44 *et seq*

¹⁴³ Kenneth Hermele. *Land struggles*, 43; Bárbara Direito. 'Políticas', 145

¹⁴⁴ Kenneth Hermele. *Land struggles*, 41

but had to rely only on family labour.¹⁴⁵ The supporters of out growing included the journalist João do Amparo Baptista and the politician and ‘sugarocrat’ Miguel de Paiva Couceiro. João do Amparo Baptista was particularly critical of the performance of the African workers. According to him,

[...] The native workers, when employed by somebody else, don’t yield the expected income. Independently of the reasons behind this situation (hatred of agricultural work or other problems) a fact is that the use of African labour in the plantations is no longer profitable. I say that it is no longer profitable because the labour law contains rules that make the native workers costly. In Mozambique, the native workers have several privileges including medical assistance, food and clothing [...]

Despite those privileges, it is becoming increasingly difficult to employ natives in areas far from their homes. When they realize that it is better to have self-employment, they avoid looking for job in distant areas. As they don’t understand the advantages of the privileges, it is obvious that they will refuse to work for somebody else. It is also obvious that their productivity will be low. Thus, the recruitment of native labour in Mozambique is becoming an increasingly difficult problem.¹⁴⁶

On the advantages of the use of out growers, João do Amparo Baptista argued that besides the ‘portugalization’ of the countryside, it would reduce the operating costs of the mills and ensure the redistribution of the income yielded by the sugar industry amongst more Portuguese citizens.¹⁴⁷

¹⁴⁵ Miguel de Paiva Couceiro, ‘O açúcar na portugalização de Moçambique’. *Diário de Moçambique*, 13 de Maio de 1961, 3, 4; João do Amparo Baptista. *Moçambique: província*, 269 et seq; João do Amparo Baptista. *Moçambique perante o problema açucareiro nacional*. Vila Nova de Famalicão: Centro Gráfico, 1964; Miguel de Paiva Couceiro. ‘A cultura da cana e o povoamento’. *Diário de Moçambique*, 11 de Fevereiro de 1965, 6

¹⁴⁶ João do Amparo Baptista. *Moçambique: província*, 272-274

¹⁴⁷ João do Amparo Baptista. *Moçambique perante*, 28-32

3.1.5. The new prices of sugar and the investment boom

Besides the above mentioned industrialization of the urban areas, the early 1960s were also marked by an increasing interest in the sugar sector. In fact, between 1963 and 1965 five plans for the creation of sugar companies were submitted to the colonial authorities. The plans included the *Sociedade Açucareira de Moçambique* (best known as Açucareira de Moçambique) in Sofala province, the *Marracuene Agrícola Açucareira* (Maragra) in Maputo province, the *Mozambique Development Corporation* in the Zambezi valley, *Danilo Pereira*, in Sofala province and *António Abrantes de Oliveira*, in Inhambane province.¹⁴⁸ But only the Açucareira de Moçambique and Maragra plans eventually resulted in the constitution of sugar companies. Like the Açucareira de Moçambique, Maragra was initially designed to operate only as an industrial unit, relying on sugar cane supplied by out growers, but the plan failed due to the lack of interest amongst local Portuguese farmers. Consequently, when the company started to operate during the late 1960s, it was responsible of both cultivation and milling.¹⁴⁹

The sudden interest of the investors in sugar was motivated by the rise of the price of colonial sugar in the Portuguese market. Approved in May 1964,¹⁵⁰ the increase had been demanded by the ‘sugarocrats’ since the beginning of the decade.¹⁵¹ The increase was part of a strategy drawn by the colonial state to attract new investors and motivate the existing sugar companies to increase production in order to make the Portuguese empire self-sufficient in sugar. The strategy included using public funds to sponsor research.¹⁵²

¹⁴⁸Moçambique será num futuro próximo um dos grandes na produção de açúcar em Africa a concretizarem-se os três projectos em curso de instalação’. *Economia de Moçambique*, nº 1, Vol. II (Jan.), 1965: 12; David António. ‘O açúcar’ 12

¹⁴⁹Fernando Jorge Cardoso. *Gestão e desenvolvimento rural: Moçambique no contexto da África subsahariana*. Lisboa: Fim de Século, 1993; 252

¹⁵⁰BO, I Série, nº 19, 1964. Decreto-Lei nº 45 691 de 9 de Maio

¹⁵¹See, for example, ‘As empresas açucareiras vão pedir ao Governo a revisão do preço de venda do açúcar’, *Diário de Moçambique*, 3 de Julho de 1963, 3. In this press report, the Companhia do Buzi explains that the prices of sugar were low in such a way that the sugar companies couldn’t invest in the expansion of the production.

¹⁵²David António. ‘O açúcar’ 13

3.2. The expansion of the Companhia do Buzi's out growing scheme

3.2.1. The aggravation of labour shortages

The 1960s began with the aggravation of the long term shortage of African agricultural labour that affected and conditioned the Companhia do Buzi activities. It is important to recall that as a result of the enlargement of the area under sugar cane carried out during the late 1950s the labour demands of the company had increased and it was becoming increasingly difficult to get the necessary number of workers. In 1960, for example, the shortage of workers was estimated at 1000.¹⁵³

The labour shortage continued in 1961 and 1962. According to the company's 1961 annual report, despite the bonuses and other incentives for African agricultural workers, 30% of them systematically neglected their duties. Partly as a result, the company was implementing a program of mechanization directed to reduce the reliance on labour.¹⁵⁴ The report doesn't give details of the program, but it was unsuccessful as the 1962 annual report once again blames the absenteeism and desertions of African workers for the low yields of sugar cane. To confirm this allegation, the report explains that during the year, 1 123 out of 4 864 workers deserted. The report also stresses the difficulties of getting labour from the Buzi district. In fact, according to the report, *'Despite the wage increase and the improvement of the social conditions we are implementing, the population of Buzi isn't motivated to work in the mill nor in the plantations.'*¹⁵⁵ There aren't, however external sources on the alleged improvements in the social conditions of the workers.

The failure to fully mechanize the production of sugar as well as to attract African agricultural labour led the company to turn to an innovative system of sugar cane production and supply. The system was the transfer of sugar cane cultivation to out growers.

¹⁵³ AHM – FNI. Caixa 670. Processo 'Recrutamento para serviço próprio [...] 1944-1961. Companhia Colonial do Buzi – Declaração, 27 de Novembro de 1961

¹⁵⁴ 'A Companhia do Buzi obteve em 1961 um lucro líquido de 15 340 contos' *Diário de Moçambique*, 19 de Junho de 1962, 4

¹⁵⁵ 'As empresas açucareiras', 3

3.2.2. The transfer of sugar cane cultivation to out growers: a contribution to the ‘portugalization’ of Mozambique or a response to the shortage of labour?

By 1963 the Companhia do Buzi was cooperating with 10 out growers. All of them produced sugar cane on their own plots. In that year, the company launched a propagandistic campaign amongst its employees and local farmers convincing them to join sugar cane cultivation. As a result, three years later their number had tripled. The company granted plots from its own concession to its employees.¹⁵⁶ The table below shows the tripling of the out growers’ number between 1963 and 1966.

Table 3.1. The evolution of the number of the Companhia do Buzi’s out growers, 1963-1966

Year	Evolution of the number of out growers		Total
	With own plots	With plots allocated by the Companhia do Buzi	
1963	10	-	10
1964	14	6	20
1965	16	14	30
1966	17	15	32

[Source: AHM. ISANI. Caixa 47. António AS Borges. ‘Relatório’, 55]

The 32 out growers – all of them Portuguese - had different profiles: twenty-six were individual farmers, five had shareholders and one was a Catholic mission (see Appendix I). Some had long term experience as commercial farmers, while others had no experience.

The company reports available in the Mozambique National Archives are silent on the debate held amongst the directors on the large-scale transfer of sugar cane cultivation to the out growers. But given that the company was already sharing the duties of sugar cane cultivation with out growers and that at the time there was a generalized enthusiasm on the potential advantages of the out growing scheme, it is likely that the transfer was

¹⁵⁶AHM-ISANI. Caixa 47. António AS Borges. ‘Relatório’, 55. The 1966 Companhia’s annual report suggests, however, that all of the 22 new out growers joined sugar cultivation in 1966.

consensual. The reports are also silent on the exclusion of African out growers, despite the fact that there were some ‘civilised’ African farmers in the Buzi district.

The contracts between the Companhia do Buzi and the out growers set out to guide their relationship, but two aspects are particularly important, as subsequently they became the source of conflicts and legal disputes. The first was the obligation given to the company of buying and milling all the sugar cane produced by the out growers and the second was the annual rent of 200 *Escudos* that the out growers who didn’t have own plots had to pay to the company.¹⁵⁷

The plots had different dimensions. The size of the plots granted by the company ranged from 100 to 350ha,¹⁵⁸ while the independent out growers had larger plots.¹⁵⁹ Despite the tripling of the number of out growers, the Companhia do Buzi continued to be involved in sugar cane cultivation, but the area under its direct cultivation dropped from 5 500 to 1880ha, while the area under the out growers rose from nearly 2000 to 5380 ha.¹⁶⁰

3.3. The Açucareira de Moçambique: a sugar company without plantations

The Açucareira de Moçambique was established in 1960 in the context of the enthusiasm generated by the increase in the prices of colonial sugar in Portugal approved by the 1952

¹⁵⁷AHM-FGDB. Caixa 661. Processo B/15, 1951-1961 [Trabalho Indígena em geral] ‘Relatório da Agência da Curadoria dos Indígenas da Circunscrição do Buzi, 31 de Dezembro de 1961: 2-7; AHM. ISANI. Caixa 47. António AS Borges. ‘Relatório’, 60. The collecting of the annual tax was firmly criticized by some colonial officers including the inspector António Borges, who considered it illegal. The inspector argued that with the end of the contract of the Mozambique Chartered Company in 1942, the Companhia do Buzi had lost the statute of sub-concessionary company and wasn’t allowed to hire land anymore.

¹⁵⁸AHM. FACB. Caixa 225. Processo D/9, 1967 ‘Fomento e Colonização’. Administração do Concelho do Buzi: Relação das concessões existentes nesta área com indicação do estado de aproveitamento’, 22 de Março de 1967: 2-4. See Appendix II

¹⁵⁹The archival research didn’t locate the extension of each plot. Even so, some examples demonstrate that the out growers with proper land had larger farms. The first examples were given in chapter II. According to a correspondence held in 1967 between the head of the Department of Agriculture and the administrador of Buzi, the extension of the concession of the SA do Buzi was estimated at 1257.70ha. AHM. FACB. Caixa 227. Processo D/9/3, 1966-1967. ‘Nota dos Serviços de Agricultura de Manica e Sofala ao Administrador do Concelho do Buzi, 27 de Abril de 1967

¹⁶⁰ AHM-SE. Companhia do Buzi, SARL. *Gerência de 1966*, Lisboa: Empresa Tipográfica Casa Portuguesa, 1967, 3

I Regime Açucareiro. The selected area was the lowland of the Púngoè river, in Mafambisse, a zone belonging to the Dondo district, 45km West of Beira the capital of the Manica e Sofala province. On 18th February 1961, the Governor-General of Mozambique authorized the creation of the company.¹⁶¹

On 27th April, 1966, the 53 shareholders of the Açucareira de Moçambique – all of them Portuguese citizens - signed the public deed of the company in Beira. The funds to build the infrastructures and pay other initial expenses were negotiated and conceded by the French firm *Compagnie pour L'Études et la Développement des Echanges Commercieux* (COMPADEC) and by Portuguese and South African banks and totaled 500 000 000 *Escudos*.¹⁶² Other French firms – *Presenté-Roulier* associated with the *Centre D'Études Recherches et Informations Sucrières* (CIFES) – were contracted to provide technical assistance during the construction of the mill and the remaining initial activities. By 1969 the company had spent 285 000 000 *Escudos* in the construction of several infrastructures, including the mill, a railway, roads, drains, watering systems, ploughing, the settlement of the first group of out growers, etc.¹⁶³

The planting of sugar cane started in 1966 in an area estimated at 882 ha. 60 ha were directly cultivated by the Açucareira de Moçambique, 22ha by a company called *Sociedade Agro-Pecuária e Industrial de Muda* and the remaining 800ha by nine individual out growers.¹⁶⁴ Later, the plots directly cultivated by the Açucareira de Moçambique were expanded and turned into experimental stations and the company became fully dependant on supplies delivered by out growers.

By 1969 the company had recruited 79 out growers; three years later their number had almost doubled. The table below portrays the development of the number of out growers between 1969 and 1974.

¹⁶¹ João do Amparo Baptista. *Moçambique perante*, 13

¹⁶² INA/CEPAGRI. 'A produção', 8

¹⁶³ AHM-ISANI. Caixa 47. António AS Borges. 'Relatório', 63

¹⁶⁴ Nuno Bernardes. 'A doçura da abastança nas terras baixas do Púngoè'. *Notícias*, 01 de Julho de 1967, 2

Table 3.2. The evolution of the number of the AM's out growers, 1969-1974¹⁶⁵

Year	Number
1969	79
1970	109
1971	117
1972	152
1973	152
1974	152

The company initiated full production of sugar in 1970. Initially, there was a disagreement between the founders of the Açucareira de Moçambique and the colonial authorities on the out growers position. For the founders, the out growers should act as independent planters, with property rights on the plots. They would be linked to the company by a contract establishing the terms and conditions of production and supplying of sugar cane. The colonial authorities, however, argued that the out growers should act only as mills' employees. They would get property rights on the land only after the payment of all the debts to the mills.¹⁶⁶ In the end, the scheme proposed by the Açucareira de Moçambique founders prevailed.

There were three categories of out growers. The first consisted of out growers who were fully subsidized by the company. As part of the contract, they received a credit that included a ploughed plot, a tractor and other agricultural implements, watering implements, a loan and a house; in 1969 there were 28 out growers in this category. The second category comprised out growers who were partially subsidized. The subsidies included agricultural implements and sugar cane seed; in 1969 they were 42. The last

¹⁶⁵ AHM-FSCI. Caixa 515. Recortes do jornal *Notícias da Beira* (Relatório e Contas da Açucareira de Moçambique referente ao exercício de 1969), 11 de Maio de 1970; AHM-SE. Açucareira de Moçambique: *Gerência de 1970*. Beira, Abril de 1971, 3; AHM-SE. Açucareira de Moçambique. *Gerência de 1971*. Beira, Abril 1972, 2; Luís David. 'Açúcar: liberalizar, sim! Mas, como?' *Tempo*, 4 de Agosto de 1974, 48. Cf with the CCCD 1973 annual report, which enrolls only the production of 115 out growers. Their names can be seen in Appendix III.

¹⁶⁶ João do Amparo Baptista. *Moçambique perante*, 17

group was independent farmers. They were recruited amongst local farmers. In 1969 they were 9.¹⁶⁷

The out growers had the right to free technical assistance provided by one agronomist and several other agricultural technicians allocated by the Açucareira de Moçambique. An out grower who wanted to have an agronomist working exclusively for him had to pay on his own. In 1973 the wage of an agronomist was estimated in 6000 *Escudos*.¹⁶⁸

The Açucareira de Moçambique's concession was divided in 13 zones, namely Lezírias, Expansão-Oeste, Bloco-10, Riachos, Mutua, Bloco-12, Dingue-Dingue, Bloco-14, Muda, Expansão Este, Expansão-Sul, Expansão Far West, Bloco-9 and Bloco-7 (See Appendix III). These zones were occupied by the fully and the partially subsidized out growers.¹⁶⁹ Besides these zones, the sugar cane was also cultivated in Muda and Tica, two areas located outside the concession and cultivated by independent out growers. There were also three experimental stations cultivated by the company which occupied a total area of 200ha.¹⁷⁰

In 1970 the area under sugar cane totaled 6600ha.¹⁷¹ By the end of the following year, the area had expanded to 8600ha¹⁷² and by the end of the colonial period had grown to 10 800 ha.¹⁷³ The extension of the plots allocated by the company ranged from 50 to 100 ha.¹⁷⁴ To prevent over production, the company imposed a rigorous system of individual quotas.¹⁷⁵

As in the Companhia do Buzi, the Açucareira de Moçambique out growers had different profiles. Amongst them there were experienced farmers and individuals without

¹⁶⁷ AHM-ISANI. Caixa 47. António AS Borges. 'Relatório', 64; AHM-FSCI. Caixa 515. 'Recortes'

¹⁶⁸ 'Mafambisse: o milagre económico e social de Moçambique'. *Tempo*, 14 de Janeiro de 1973: 45, 47

¹⁶⁹ AAM-Fernando Ramalho. Cooperativa dos Canavieiros do Concelho do Dondo. Relatório da campanha de 1973, 4-7

¹⁷⁰ AHM-FSCI. Caixa 515. 'Recortes'

¹⁷¹ AHM - SE. Açucareira de Moçambique: *Gerência de 1970*, 6

¹⁷² AHM - SE. Açucareira de Moçambique: *Gerência de 1971*. 3

¹⁷³ INA/CEPAGRI. A produção', 11. The 10800ha included the area under the independent growers.

¹⁷⁴ 'Açúcar nem sempre doce: Açucareira diz de sua justiça'. *Tempo*, 24 de Julho de 1974: 48

¹⁷⁵ Miguel de Paiva Couceiro. 'Crise de crescimento na economia canavieira'. *Diário de Moçambique*, 13 de Outubro de 1966: 3

experience in commercial farming (ex-photographers, ex-journalists and individuals who had no previous occupation).¹⁷⁶ There were, however, three important differences. The first was the inclusion of Africans. The Açucareira de Moçambique's out growers included two Africans, namely José Passe Zindoga and Alberto Maura Cuzua. Their plots were located in Lezírias. José Passe Zindoga was a 'civilized' African farmer prior to the constitution of the Açucareira de Moçambique. He was a rice grower in Buzi.¹⁷⁷ Alberto Maura Cuzua had been a photographer in Beira and Buzi. Both belonged to the group of the fully subsidized out growers and had joined sugar cane cultivation in 1969.¹⁷⁸ According to a document issued by the Açucareira de Moçambique, the roll of goods allocated to José Passe Zindoga included a house built of brick, a car (Jeep), watering implements, a tractor, 12 hoes, 6 shovels, 4 pickaxes and 12 scythes.¹⁷⁹ His individual quota was fixed at 3000 tons of sugar cane.¹⁸⁰ The second difference was the inclusion of women. In the Açucareira de Moçambique there was a female out grower called Aida Dias¹⁸¹ whose marital status is unclear but apparently she couldn't sign the contract as the scheme was based on a male dominated model. The third difference was the inclusion, amongst the Açucareira de Moçambique out growers, of top ranking company officers, including members of the board of directors and shareholders. The examples include Dom António de Noronha and engineers Camilo Rodrigues and Costa Ribeiro.¹⁸²

All of the out growers were members of the *Cooperativa dos Canavieiros do Concelho do Dondo* (CCCD), a corporative association founded in 1970. To join the cooperative, they had to pay an initial contribution of 5000 *Escudos*. Later, they had to pay a monthly contribution of 25 *Escudos*. Part of the returns provided by the out growing activity had to be handed to the CCCD. As members of the CCCD the out growers had the right to free medical assistance. The cooperative had also twenty trucks available for hire by the

¹⁷⁶ 'Mafambisse', 52-54

¹⁷⁷ AAM-Fernando Ramalho. *Cooperativa dos Canavieiros do Concelho do Dondo*. 'Relatório', 4; Filimone José Passe, interview, Mafambisse, 25th April, 2014

¹⁷⁸ Filimone José Passe, interview, Mafambisse, 25th April, 2014; 'Mafambisse' 52

¹⁷⁹ Filimone José Passe family archive. 'Açucareira de Moçambique: relação dos bens existentes alocados ao Senhor José Passe Zindoga', 31 de Janeiro de 1974(?)

¹⁸⁰ Filimone José Passe family archive. 'Carta da Açucareira de Moçambique ao Senhor José Passe Zindoga', 18 de Novembro de 1969

¹⁸¹ AAM-Fernando Ramalho. *Cooperativa dos Canavieiros do Concelho do Dondo*. 'Relatório'. 6

¹⁸² Id., 6

out growers.¹⁸³ The evidence suggests that the CCCD was an instrument of control designed by the Açucareira de Moçambique to keep the out growers under strict surveillance. In fact, some seats of the cooperative general assembly and directorate were occupied by the shareholders of the Açucareira de Moçambique.¹⁸⁴ The cooperatives as well as the *grêmios* and other corporative organizations were part of the systems of control developed by the colonial state. The commercial farmers of Manica e Sofala province were members of the *Grémio de Lavoura do Planalto de Manica e Sofala*. In southern Mozambique, the cattle breeders were gathered into the *Cooperativa dos Criadores de Gado do Sul do Save*.

3.4. The impact of the expansion of the out growing system

3.4.1. Impact on the sugar companies

The impact of the transfer of sugar cane cultivation to out growers on the sugar companies will be analyzed in terms of their labour supply, their operating costs and levels of plantation production.

3.4.1.1. Agricultural labour supply

The transfer of sugar cane cultivation to out growers eliminated the long term shortage of African labour. In the Companhia do Buzi, in particular, the impact of the transfer was immediate. According to the company's 1963, 1964, 1965 and 1966 annual reports, the company became free of the long term shortage of labour. The 1963 annual report not only announces the end of labour shortages, but also highlights the influx and the assiduousness of the Buzi workers. In the beginning of the year, they were 49% of the

¹⁸³ 'Mafambisse' 45

¹⁸⁴ AHM-FSCI. Caixa 515. Processo 'Açúcar'. 'A Cooperativa dos Canavieiros do Concelho do Dondo elegeram ontem os seus corpos gerentes'. – recortes do jornal *Notícias*.

total labour employed by the company; by the end, they corresponded to 62%. The total workforce rose from 3744 in the beginning of the year to 3 826 by the end.¹⁸⁵ According to the 1964 annual report, *[...] the problem of labour is experiencing a positive evolution*. Such ‘positive evolution’ had enabled the company to temporarily close its Tete and Nampula provinces recruiting offices.¹⁸⁶ The 1965 annual report states that excepting the last days of the year, there were no labour shortages.¹⁸⁷ Similar satisfaction with the availability of labour is evident in the company 1966 and 1970 annual reports.¹⁸⁸ According to those reports, the change of the Buzi district inhabitant’s attitude towards the labour in the Companhia was motivated by the implementation of the 1962 Rural Labour Code, but administrative pressure cannot be excluded. In 1970 the company reported the reduction of labour to 1534 workers.¹⁸⁹

The situation was similar in the Açucareira de Moçambique. Indeed, this company didn’t experience agricultural labour shortages, as it always operated as an industrial unit. According to the company’s 1970 annual report, *[...] For us and for the out growers, there are no problems with labour supply [...] Unlike other regions, we have been able to refuse the volunteers who sought employment in our company [...]*¹⁹⁰ The same optimism is evident in the company’s 1971 annual report.¹⁹¹

It is difficult to explain the Açucareira out growers’ ability to get so much labour, especially regarding the fact that Dondo district was sparsely populated and that in 1971 they employed in conjunction approximately 7000 workers.¹⁹² Probably the out growers solved the problem by turning their workers into a permanent labour force or by turning

¹⁸⁵ ‘A Companhia do Buzi obteve em 1963 um lucro líquido de 8574 contos’. *Diário de Moçambique*, 2 de Julho de 1964, 7

¹⁸⁶ AHM-SE. Companhia do Buzi: *Gerência de 1964* Empresa Tipográfica Casa Portuguesa, 1965, 2

¹⁸⁷ ‘A Companhia do Buzi estima em cem mil toneladas o aumento da produção de cana na campanha açucareira anterior’, *Diário de Moçambique*, 1 de Junho de 1966, 1

¹⁸⁸ AHM-SE. Companhia do Buzi: *Gerência de 1966*, 3; AHM-SE. Companhia do Buzi: *Gerência de 1970* Empresa Tipográfica Casa Portuguesa, 1971, 3

¹⁸⁹ AHM-FACB. Caixa 110. Processo B/2/3, 1969-1974. ‘Comunicação aos Serviços de inspecção do ITPAS nos termos do artigo 20º do Decreto 43 637 de 2.5.61, 17 de Novembro de 1970

¹⁹⁰ AHM. SE. Açucareira de Moçambique: *Gerência de 1970*, 6

¹⁹¹ AHM. SE. Açucareira de Moçambique: *Gerência de 1971*, 3

¹⁹² AHM-ISANI. Caixa 51. João Granjo Pires. Relatório da inspecção ordinária ao concelho do Dondo de 2 de Fevereiro a 6 de Março de 1967; 38. AHM-SE. Açucareira de Moçambique: *Gerência de 1971*, 3

to the neighboring districts. Documents written by the out growers suggest that some of them recruited their labour force in the Buzi district.¹⁹³

The end of the labour shortage is associated to the reduction of the operating costs of the companies, as demonstrated below.

3.4.1.2. Operating costs of the companies

Understanding the impact of the transfer of sugar cane cultivation to out growers on the mills' budgets is a unprofitable task, as I didn't get access to the companies' archives. Moreover, when referring to the costs of labour, the companies' annual reports don't distinguish African from European workers. Even so, the transfer seems to have reduced the companies' operating costs. The table below shows the evolution of the Companhia do Buzi net profits between 1963 and 1967.

Table 3.3. The evolution of the Companhia do Buzi's profits, 1963-1967 (in *Escudos*)

Year	Amount
1963	15 788 670,50
1964	15 569 670,00
1965	18 702 502,50
1966	19 715 617,50
1967	17 057 682,50
Total	86 612 175,00

[Source: AHM-ISANI. Caixa 47. António AS Borges. 'Relatório', 58]

In the case of the Açucareira de Moçambique, the situation was slightly different, as the bulk of the out growers were subsidized by the company and the contracts prescribed that they had to amortize the debts within 4-5 years. The time determined for the final amortization coincided with the end of colonial rule. In 1970 and 1971, for example, the Açucareira de Moçambique spent 93 260 000 *Escudos* on the settlement of out growers.

¹⁹³ AHM-FACB. Caixa 110. Processo B/2/3, 1971. 'Exposição da Sociedade Agrícola do Púngoè à Administração do Concelho do Buzi', 13 de Novembro de 1970

The expenses included ploughing, watering, electrification, jeeps, tractors and agricultural implements, houses and drains.¹⁹⁴ Thus, in contrast with the Companhia do Buzi, whose profits were increasing as a result of the transfer, at the time of the 1974 coup in Portugal, the Açucareira de Moçambique was still involved in financial and technical assistance to the out growers.

3.4.1.3. Plantations production and productivity

In the Companhia do Buzi, the immediate consequence of the transfer of sugar cane cultivation to the out growers was an increase in the quantity of sugar cane delivered to the company's mill. The table below portrays the development of sugar cane production between 1961 and 1971.

Table 3.4.: Annual yields of sugar cane, Companhia do Buzi vs out growers, 1961-1971 (in tons)

Year	Total	CB's plantations	Out Growers	% of out growers production
1961	277 006	192 320	84 686	30.6
1962	270 806	173 891	96 915	35.8
1963	280 628	190 845	89 783	31.9
1964	208 912	120 939	87 973	42.1
1965	225 727	125 219	100 508	44.5
1966	325 497	101 218	224 279	68.9
1967	370 898	120 226	250 672	67.5
1968	255 576	75 957	179 619	62.7
1969	302 035	95 105	205 930	68.7
1970	299 573	90 905	208 668	69.7
1971	305 569	93 466	212 103	69.4

[Adapted from *Diário de Moçambique*, 19/06&2, 3/07/63, 2/07/64; Florêncio (1994) Companhia do Buzi, 1964, 1966 and 1970 annual reports;]

¹⁹⁴ AHM-SE. AM. *Gerência de 1970*, 5; AHM-SE. AM. *Gerência de 1971*, 3

The table shows that the transfer not only turned the out growers into the main suppliers but also increased the total production of sugar cane.

But it is important to note that the out growers plots weren't more productive than the Companhia do Buzi's. During the early 1940s the average production of the Companhia's plantations was 50-55 tons/ha.¹⁹⁵ In the 1967/8 harvest, the average production dropped to 47.8 tons/ha.¹⁹⁶ In the first half of the 1970s the average production of the company rose to 57 tons/ha.¹⁹⁷ The low productivity resulted from the out growers failure to introduce new technologies and/or methods of sugar cane cultivation capable of reducing the negative impacts of droughts or floods on their plantations. As a result, their activities were frequently affected by climatic adversities. For example, the Companhia do Buzi's 1964 and 1970 annual reports point out that the stagnation of production that affected its own plantations as well as the out growers plots resulted from the severe droughts that affected the Buzi district in those years.¹⁹⁸ A 1971 press report also predicts that the out growers yields were likely to be low if the drought continued until the end of the year.¹⁹⁹

In the Açucareira de Moçambique, the analysis of the impact of the use of out growers on the plantations is complex, as the company didn't have its own plots. Moreover, the out growers had to observe a system of individual quotas. The table below portrays the development of sugar production between 1970 and 1974.

Table 3.5.: Annual yields of sugar cane, Açucareira de Moçambique, 1970-1974

Year	Quantity (in Tons)
1970	349 312
1971	476 541
1972	566 081
1973	668 633
1974	757 617

[Source: INA/CEPAGRI. 'A produção', 12]

¹⁹⁵ Fernando Graça. 'A Companhia', 11

¹⁹⁶ 'A produção', 50

¹⁹⁷ INA/CEPAGRI. Dados agrícolas, 1970-1999. [Maputo]; [2001?], 1

¹⁹⁸ AHM-SE. Companhia do Buzi: *Gerência de 1964*, 5; AHM-SE. Companhia do Buzi: *Gerência de 1970*, 5

¹⁹⁹ Arlindo Bandeira. 'A maior seca de sempre'. *Tempo*, 2 de Maio de 1971, 12

The increase of production was influenced by the recruitment of new out growers. According to the company's 1971 annual report,

‘This year, our production was inferior to the 60 000 tons we had planned due to the fact that the saccharine content was inferior to the 1970 campaign {...} In order to prevent the repetition of similar situations in the future and use the full capacity of the mill – estimated in 100-110 000 tons – we allocated additional 2800 ha to 35 new out growers in the *Bloco 9* [...]’²⁰⁰

The Açucareira de Moçambique's plantations were more productive than the Companhia do Buzi's. From 1970 to 1974 the average production of the Açucareira de Moçambique out growers' plantations was estimated at 77 tons/ha. According to inspector António Borges, this situation resulted from the investments carried out by the Açucareira to improve the productivity of land.²⁰¹ But this average production wasn't the highest in the colony. During the same period, the average production of the SSE-Marromeu plantations, for example, was estimated at 93 tons/ha.²⁰²

In summary, despite the low productivity and other problems demonstrated by the out growers' plantations, the transfer nonetheless resulted in an increase in sugar production.

3.4.2. Impact on the local communities

Understanding the impact of the expansion of the out growing schemes on the local communities' access to land requires the analysis of the out growers' profiles. It is important to recall that the out growers were divided in two main groups: the first comprised individuals who cultivated plots granted by the companies and the second was composed by individuals cultivating their own plots. My attention will be concentrated on the second group, as their involvement in the out growing activity involved the

²⁰⁰ AHM. SE. Açucareira de Moçambique. *Gerência de 1971*, 3

²⁰¹ AHM-ISANI. Caixa 47. António AS Borges. ‘Relatório’, 63

²⁰² INA/CEPAGRI. ‘Dados’, 2

submission of applications to the colonial authorities requesting land outside the companies' concessions.

The colonial literature on the situation of both the Companhia do Buzi and the Açucareira de Moçambique during the 1960s tends to ignore the existence of African tenants on the companies concessions and/or vicinities. The literature on the Açucareira de Moçambique in particular, not only considers the lowlands of the Púngoè river as 'inhospitable', 'wild' and 'empty' but also considers the investments carried out by the company as the first attempts to 'civilize' the area,²⁰³ but oral sources referred to forced removals of African population from the *Bloco 9*.²⁰⁴

The documents produced by the Companhia do Buzi during the 1960s are also silent on the impact of the expansion of the out growing scheme on the local communities' rights to the land.²⁰⁵ However, the evidence suggests that the expansion of the areas under the out growers was accompanied by forced removals of African tenants. According to a correspondence between the *administrador* of Buzi and the Manica e Sofala head of civil administration,

'The rural area of the Buzi district comprises two distinct strips of land: one has excellent potential for agriculture and the other has a good cattle breeding potential [...]. The *regedorias* (zones inhabited by Africans in rural areas) located in the zones with excellent agricultural potential, especially along the rivers Buzi, Révuè, Lucite and Mussamba valleys, are overcrowded due to the occupation of the land by the Companhia do Buzi and by the commercial farmers.'²⁰⁶

The scramble for land and the dispossession of Africans weren't new in the Buzi district. My fieldwork suggested that local people are incapable of distinguishing the company

²⁰³ João do Amparo Baptista. *Moçambique perante*, 12 *et seq*; Nuno Bernardes. 'A doçura', 2,5; 'O doce milagre do vale do Púngoè'. *Notícias*, 23 de Agosto de 1969, 22; 'A Açucareira de Moçambique no final da sua primeira campanha como frutos da vontade férrea dos homens e do precioso apoio do Ministro do Ultramar e do Banco Nacional Ultramarino'. *Notícias*, 18 de Novembro de 1970, 24; 'Mafambisse', 43

²⁰⁴ Filimone José Passe, interview, Mafambisse, 25th April, 2014.

²⁰⁵ For example, the company's 1966 annual report only refers to the signature with 22 new out growers. It either refers to the fact that some of them were cultivating their own plots.

²⁰⁶ AHM – FACB. Caixa 225. Processo D/11, 1970-1972. 'Ofício do Administrador do Buzi ao Chefe dos Serviços Distritais de Administração Civil de Manica e Sofala', 21 de Março de 1972, 1

from the out growers. Several interviewees said that *'we have been expelled by the Companhia do Buzi from our machambas [plots].'*²⁰⁷ But my fieldwork in both the Dondo and Buzi districts was inconclusive on the number of the victims of those dispossession processes.

3.5. The bitter taste of sugar: the conflicts between the out growers and the mills

As mentioned above, many out growers had joined sugar cane cultivation expecting rapidly to become prosperous commercial farmers. However, the experience confounded the expectations and as consequence a discontent emerged amongst them. The discontent was aggravated by the sugar companies' refusal to attend to their complaints and by the colonial government's reluctance to get involved in the dispute. The colonial state reluctance in the case of sugar differs from its attitude in the case of cotton. In fact, against the protests of the cotton concessionary companies, the colonial state had raised the prices of raw cotton to be paid to the cultivators in 1962.²⁰⁸

The main cause of the conflict was the low price paid by the mills for the sugar cane produced by the out growers and, more importantly, the mechanism used to set it. In the case of the Companhia do Buzi, the conflict broke out in 1966 and continued until the end of the colonial rule. The 1966 conflict resulted not from the price of sugar cane but from the company's incapacity to observe the terms of the agreements signed with the out growers. In fact, due to the low capacity of the mill, the company failed to buy 1/3 of the 224 279 tons of sugar cane produced by the out growers in that year. The company's failure resulted in the out growers suffering heavy losses.²⁰⁹ The mill's capacity was expanded and in 1968 the roles inverted when the Companhia do Buzi had to buy 20 000

²⁰⁷ Anita Simango, interview, Nyarongwe, 9th May, 2014; Alberto Kubarwa, interview, Buzi, 9th May, 2014; Fernando António, interview, Bândua, 10th May, 2014

²⁰⁸ David Hedges. 'A modernização', 7

²⁰⁹ 'Começaram já a lavar-se terras com cana por colher'. *Diário de Moçambique*, 3 de Outubro de 1966, 3. The mill had been conceived to mill only 2640 tons of sugar cane per day.

tons of sugar cane in the Açucareira de Moçambique to compensate the low quantity of sugar cane delivered by the out growers.²¹⁰

The following episodes were related to the price of sugar cane. But, to understand this conflict, it is important to understand the mechanism used to set the price. According to the administrative inspector António Borges who visited the Companhia do Buzi in 1969,

‘The basic principle used to set the price of sugar cane is that 100 tons of cane must produce 1 ton of sugar. The sugar cane produced by both the Companhia and the out growers is weekly or bi-weekly taken to the lab to determine its saccharine content. If the saccharine content of the cane delivered by the out growers is superior to the Companhia’s cane, they are awarded. if it is inferior, they are penalized. The lab where the saccharine content is determined belongs to the Companhia [...]

Another factor that prejudices the out growers is that, contrary to what I would consider as normal, their responsibilities don’t end with the delivery of the sugar cane to the mill. The Companhia determines the amount to pay to the out growers according to the total amount it receives with the sale of sugar to Portugal. Thus, the penalties related to the poor quality of sugar and/or the losses during the transportation from Buzi to Lisbon are deducted in the amount to be paid to the out growers.[...]’²¹¹

According to the inspector, a consequence of this mechanism was the accumulation of losses by the out growers. In fact, due to the regular penalties, the average amount received by them dropped constantly from 1964 to 1967, as the saccharine content of the out growers’ cane had been constantly inferior to the Companhia’s.²¹² The table below shows the evolution of the out growers’ losses during the above mentioned period.

²¹⁰ ‘Vinte mil toneladas de cana sacarina compradas pela Companhia do Buzi à Açucareira de Moçambique’. *Diário de Moçambique*, 10 de Julho de 1968, 3

²¹¹ AHM. ISANI. Caixa 47. António AS Borges. ‘Relatório’, 57

²¹² Id., 57

**Table 3.6.: Financial losses of the Companhia do Buzi's out growers, 1964-1967
(in Escudos)**

Campaign	Amount that the CB should pay	Amount paid by the CB	Diference
1964/1965	21 010 224.80	18 699 597.70	2 310 627.10
1965/1966	46 841 637.70	35 701 113.20	10 140 524.50
1966/1967	52 353 606.70	36 047 308.50	16 306 398.20
1967/1968	33 458 027.30	26 993 178.50	6 464 895.50
Total			35 222 398.60

[Source: AHM- ISANI. Caixa 47. António AS Borges. 'Relatório', 59]

Confronted with this situation, all the out growers excepting João Clemente da Silva sent a letter to the Companhia's board of directors on 23rd August, 1969 demanding the end of the penalties imposed on the price of their sugar cane.²¹³ My research has not thus far located the Companhia do Buzi's response to the letter, but apparently nothing changed.²¹⁴

The effects of the Companhia do Buzi's pricing policy were worsened by another problem that characterized the out growing activity – the continuous reliance on African labour. In fact, contrary to the model conceived of by the proponents of the out growing scheme, the out growers relied on African labour. This labour wasn't only recruited in Buzi but also in distant places. For example, the out growers João Clemente da Silva, Sociedade Agrícola do Zindoga and Sociedade Agrícola do Buzi, who respectively had 160, 160 and 50 workers, recruited some of their workers in Mutarara district, Tete province, more than 500 km distant from Buzi.²¹⁵ Thus, they had to be housed in the out growers' compounds and benefit from all legal dispositions applied to individuals recruited in distant places. Moreover, some agricultural machinery (tractors, etc) was becoming more expensive and unaffordable for the majority of the out growers.²¹⁶ The reliance on African workers was also a problem in the settlements established during the 1950s. In the Sábiè settlement, for example, the settlers recruited workers in the

²¹³ AHM-FSCI. Caixa 508. 'Exposição dos canavieiros à Companhia do Buzi', 23 de Agosto de 1969

²¹⁴ 'Comercialização de cana-de-açúcar estudada por produtores da Beira'. *Notícias*, 8 de Maio de 1975, 2. They said that between 1968 and 1973 the company paid 180 Escudos/ton.

²¹⁵ AHM-FGDB. Caixa 661. Processo B/15, 1951-1961 [Trabalho Indígena em geral] 'Relatório da Agência da Curadoria dos Indígenas da Circunscrição do Buzi, 31 de Dezembro de 1961

²¹⁶ Calane da Silva. 'Os milhões que o açúcar não dá'. 31 de Julho de 1974, 43

neighboring Gaza and Inhambane provinces. Their number ranged from 20 to 100 per farm.²¹⁷

In the Açucareira de Moçambique the conflict between the mill and the planters also resulted from the poor incomes provided by the out growing activity. The subsidized out growers in particular, complained of the combination between the low prices of sugar cane and the increasingly high prices of production factors which resulted in they becoming incapable of paying their debts.²¹⁸ In 1973, the Açucareira de Moçambique paid 180 *Escudos* per ton of sugar cane and unlike the Companhia do Buzi, the price was set independently of the saccharine content. But this price had been set in 1970 and wasn't updated until the end of the colonial rule. As the costs of production were increasing, the out growers experienced difficulties. According to the 1973 CCCD annual report, for example, a total area of 216.20 ha was abandoned when some out growers realized that the costs would be higher than the profits.²¹⁹ Earlier, in May of the same year, 10 out growers had sent a letter to the Governor-General of Mozambique soliciting his arbitration. In the letter, they alleged that the Açucareira de Moçambique had deceived them with false expectations of quick prosperity that had led some of them to spend money on the out growing activity. They also argued that instead of profits, they were accumulating heavy losses as they spent 1/5 of the amount they received in electricity, 1/3 in interest, 140 to 200 000 *Escudos* in land expenses, loan refunds, unknown debts fuel and hiring of trucks. They also denounced that their movements to Beira had to be consented by the local administrator. No response came from the governor.²²⁰

In July 1974, that is, after the coup in Portugal, two out growers – Armando Ribeiro and Nelson dos Santos Cruz – gave an interview to *Tempo* magazine in which they denounced the 'injustices' carried out by the Açucareira and the Governor-General's

²¹⁷ Eléusio Filipe. 'Colonato', 55

²¹⁸ Calane da Silva. 'Os milhões', 42-43; Luís David. 'Açúcar: nem sempre doce', *Tempo*, 14 de Julho de 1974, 51-52

²¹⁹ AAM-Fernando Ramalho. 'Cooperativa dos Agricultores do Concelho do Dondo. Relatório', 10

²²⁰ Luís David. 'Açúcar: nem', 50-54'; 'Administração nunca respondeu a questões postas há dois anos'. *Notícias da Beira*, 6 de Agosto de 1978, 2

indifference.²²¹ In the response, also via the press, the Açucareira de Moçambique rejected all allegations and stated that it was impossible to pay more for the sugar cane due to the combined problem of the increase in the costs of production and the stagnation of the prices of sugar in Portugal.²²² Again no response came from the Governor-General.

It is important to note that due to the censorship and to the political power of the 'sugarorats' (see below) only after the 1974 coup the conflict was taken to the press. Prior to the coup, the press tended to publish flattering notes on the out growing schemes and/or on the mills. An article published in the *Boletim da Câmara de Comércio de Lourenço Marques* in 1970 praises the Companhia do Buzi and the Açucareira de Moçambique because of their 'contribution to the settlement of Portuguese citizens in Mozambique' and urges the colonial authorities to act in conjunction with the companies in order to accelerate the establishment of more settlements.²²³ In January 1973, the above mentioned *Tempo* magazine published a fifteen pages press report entitled '*Mafambisse: Mozambique's economic and social miracle*' in which it praised the Açucareira de Moçambique for its 'role in the development of Mozambique'. This press report includes interviews with some out growers. They said that everything was going well and that sugar cane cultivation made them prosperous farmers.²²⁴ The out growers of the Companhia do Buzi also took advantage of the political atmosphere created by the 1974 coup to take their complaint to the press. One of them contacted the newspaper *Notícias da Beira* on 25th July to denounce the fact that contrary to an agreement that had been signed three weeks earlier, which raised the price of sugar cane to 350 *Escudos/ton*, the company was still paying 180.²²⁵

The outbreak of the conflict between the mill and the out growers coincided with the outbreak of a generalized criticism to the Portuguese colonial sugar policy. In fact, in contrast to expectations, the 1966 *II Regime Açucareiro* not only had determined the

²²¹ Luís David. 'Açúcar: nem', 52

²²² 'Açúcar nem sempre doce: Açucareira diz', 48, 52

²²³: 'A produção', 50

²²⁴ 'Mafambisse' 41-56. The critiques to the Açucareira de Moçambique include the press report 'Os milhões que o açúcar não dá', published in the 31th July edition of the same magazine.

²²⁵ 'Companhia do Buzi não paga cana ao preço prometido'. *Notícias da Beira*, 26 de Julho de 1974, 2 c

continuation of the prices set in 1964 but also had given to the central government the monopoly to alter the prices of sugar and determined that the changes were independent of the will of the companies. The 1966 *Regime* had also established penalties on the companies which failed to fulfill the export quotas to Portugal or tried to export to non-Portuguese markets.²²⁶ Later, in 1970, the colonial state prohibited the export of colonial refined sugar to Portugal.²²⁷

The critiques of the Portuguese sugar policy were advanced not only by the ‘sugarocrats’ but also by Portuguese politicians and academics resident in Mozambique. They took advantage of the relaxation in censorship introduced during the last years of the colonial rule to publish articles in the local press criticizing the pricing policy, the prohibition of the export of refined sugar to Portugal and demanding the liberalization of the sugar market. They blamed the low prices paid in Portugal for the lack of investments in the development of new sugar companies and the failure to expand the existing mills.²²⁸ In relation to the prohibition on the export of refined sugar they argued that it would have disastrous effects as some companies (such as SSE and Maragra) had refineries that would have to be deactivated.²²⁹ The liberalization of the sugar market was also demanded by some out growers. In a letter published in the newspaper *Notícias da Beira* in October 1973, the Companhia do Buzi out grower Vasco Brandão Soares criticized the colonial sugar policy and considered the stagnation of prices in Portugal as the main cause for the difficulties experienced in out growing system in Mozambique.²³⁰

In 1972 some out growers in both companies started to diversify their activities in order to deal with their increasingly difficult situation. They started to grow rice, cotton,

²²⁶BO, I Série, nº 50, 1966. Decreto-Lei nº 47 337 de 24 de Novembro

²²⁷BO, I Série, nº 62, 1970. Decreto-Lei nº 354 de 5 de Agosto

²²⁸ ‘Reflexões sobre a importação metropolitana de açúcar’. *Economia de Moçambique*, nº 7, Vol. IX (Jul.), 1972: 4-5; Raul de Almeida. ‘O futuro amargo do açúcar’. *Economia de Moçambique*, nº 12, Vol. X (Dez.), 1973: 9-10; ‘Da necessidade da revisão da política açucareira nacional’. *Economia de Moçambique*, nº 10, Vol. X (Out.), 1973; 11-12; ‘A necessária revisão do regime açucareiro nacional’. *Economia de Moçambique*, nº 2, Vol. XI (Fev.), 1974: 14-18

²²⁹AHM-FSCI. Caixa 515. Matos, António Maria de. ‘Quando o açúcar amarga’. Carta enviada aos Serviços de Economia da Metrópole, 2 de Setembro de 1970

²³⁰ ‘Liberalização do mercado do açúcar: sugestão de um canavieiro’. *Notícias da Beira*, 8 de Outubro de 1973, 3

oleaginous and other crops or to breed cattle.²³¹ Even so, they didn't abandon sugar cane cultivation. The explanation for this tenacity was probably the debts they owed to the companies.

There are few available sources on the reaction of the out grower system supporters to the conflict between the out growers and the mills. The only available reaction came from Miguel de Paiva Couceiro and was issued in the aftermath of the Companhia do Buzi's failure to buy the entire crop produced by the out growers in 1966. He argues that the company's failure was unacceptable and recommends the introduction of a quota system to prevent similar situations in the future.²³²

The mills' refusal to accept the out growers' demands demonstrates the contradictions within the colonial society and was part of a wider conflict opposing small to big capital. In fact, both the Companhia do Buzi and the Açucareira de Moçambique had powerful individuals amongst their board of directors or shareholders. Those individuals had ties with key figures of the *Estado Novo* regime in Portugal. For example, amongst the members of the board of directors of the Açucareira de Moçambique were Miguel de Paiva Couceiro and Engineer Jorge Jardim. The first had been the governor of Diu, a territory of so called Portuguese India (1948-1951) and the head of the *Curadoria dos Negócios Indígenas* in Johannesburg (1951-1953).²³³ Jorge Jardim had been a State Secretary of Agriculture in Portugal before migrating to Mozambique where he became the owner of several enterprises and the 'local representative' of António de Oliveira Salazar and Marcello Caetano, the two prime ministers who ruled Portugal during the *Estado Novo* dictatorship.²³⁴

²³¹ 'Liberalização'; 3

²³² Couceiro, Miguel de Paiva. 'Crise de crescimento na economia canavieira'. *Diário de Moçambique*, 13 de Outubro de 1966, 3

²³³ http://pt.wikipedia.org/wiki/Miguel_António_do_Carmo_de_Noronha_de_Paiva_Couceiro, accessed on 21st August, 2014.

²³⁴ For more details on Jorge Jardim biography see Antunes, José Freire. *Jorge Jardim Agente Secreto*. Lisboa: Bertrand Editora, 1996

Conclusion

The large-scale transfer of sugar cane cultivation to out growers carried out by the Companhia do Buzi, in particular, was the company's response to the long term shortage of African labour. The shortage was worsened by the 1961 ban of forced labour and influx control. In the case of the Açucareira de Moçambique, the adoption of an out growing system was a preventive measure, as the Dondo district was sparsely inhabited. Political and ideological considerations were also behind the transfer, as amongst the companies' shareholders there were Portuguese nationalists and supporters of colonialism.

The transfer solved the problems that had motivated the companies to adopt the scheme, but rapidly became a source of conflicts, not only with the communities who suffered dispossession but also and importantly, with the out growers.

Chapter IV: THE COLLAPSE OF THE OUT GROWING SCHEMES, 1974-1982

Introduction

The end of colonial rule was followed by deep and rapid socioeconomic and political changes in Mozambique. The changes resulted not only from the collapse of the colonial structures but also from the socioeconomic policies introduced by FRELIMO. Imbued with socialist ideals, FRELIMO introduced policies designed to simultaneously stimulate the collectivization of the production and to narrow the space for private enterprise.

The main objective of this chapter is to analyze the fall of the Companhia do Buzi's and the Açucareira de Moçambique's out growing schemes and the impact on plantation performance and operating costs of the companies.

4.1. The 1974 military coup in Portugal and the exodus of settlers from Mozambique

On 25th April, 1974 a group of Portuguese military officers associated with the *Movimento das Forças Armadas* (MFA – Armed Forces Movement) overthrew the colonial-fascist regime led by Professor Marcello Caetano in Lisbon. Amongst their political goals were the end of the colonial wars and the granting of independence to Portugal's colonies. Thus, shortly after their seizure of power, they initiated negotiations with the nationalist movements in order to discuss the terms of the transition to independence.

In Mozambique, the negotiations with FRELIMO started in June and culminated with the signature of the Lusaka Accords on 7th September 1974. The Lusaka Accords provided the basis for the proclamation of Mozambique independence on 25th June 1975. A transitional government composed by elements nominated by both the Portuguese government and FRELIMO was established to implement the transference of power. The

transitional government was endowed with both legislative and executive powers²³⁵ and came into power on 20th September, 1974.

Shortly after the coup, Portuguese settlers and other foreigners deserted from Mozambique. Their exodus reinforced a tendency evident since 1970. According to Wield, from an initial number of 250 000 settlers in 1970, 40 000 left between 1971 and 1973. From the coup to the proclamation of independence, at least another 100 000 fled and the majority of the remaining 110 000 left during the following twelve months.²³⁶ Thus, by mid-1976, there were no more than 10 000 ex-settlers in Mozambique.²³⁷ Divergent explanations have been offered for the exodus. According to Isaacmann, the exodus '*was the result of deep-rooted anxieties reinforced by unfounded rumors of retribution*'.²³⁸ In other words, according to Isaacmann their flight was a self-inflicted process. In contrast, the former colonial officer António Rita-Ferreira argues that the exodus was a result of the social and political events that followed the April coup and the rhetoric and policies adopted by FRELIMO after the proclamation of independence. He argues that the African labour unrest, the looting of settlers' properties and the politico-racial violence during the period between the coup and the empowerment of the transitional government as well as the post-colonial nationalizations (land, education, health, housing and others) and the anti-capitalist rhetoric adopted by FRELIMO leadership were the main causes of the exodus.²³⁹

The April coup was also followed by African labour unrest. The main demand of the workers was higher wages, but other demands including better labour conditions were sometimes included. In southern Mozambique, the affected enterprises included Texlom, Tempográfica and the Maputo Railway and Port Company. In Texlom, a textile factory

²³⁵ *Diário do Governo*, I Série, No 210, 9 de Setembro de 1974 'Acordo entre o Estado Português e a Frente de Libertação de Moçambique celebrado em Lusaka em 7 de Setembro de 1974', articles 2, 3 and 5

²³⁶ David Wield. 'Mozambique', 85

²³⁷ Bertil Egero. *Moçambique*, 37

²³⁸ Allen Isaacman. "Transforming", 19

²³⁹ António Rita-Ferreira. 'Moçambique post-25 de Abril: causas do êxodo da população de origem europeia e asiática'. *Moçambique, cultura e história de um país: Actas da V Semana de cultura africana, 17-22 de Novembro de 1988*. Coimbra: Instituto de Antropologia da Universidade de Coimbra, 1988, 125 *et seq*

located in Matola, the labour unrest began two weeks after the coup. The first step was the creation of a commission composed by African workers which placed several demands including higher wages and the end of racism. The negotiations with the managers were inconclusive and in July the workers went on a one day strike to force a favorable agreement.²⁴⁰ In the Tempográfica, the owner of the *Tempo* magazine, the workshop workers went on strike on 30th May. Besides higher wages, their demands included medical insurance, reduction of working hours and safety in the workplace.²⁴¹ In the Maputo railway and port company there were several strikes. One of the strikes was carried out on 29th July by the quay workers. Another strike started on 7th August and involved 4000 workers involved in the repair of the railway. In both cases the workers demanded higher wages and the reduction of working hours.²⁴² In central Mozambique, the list of the enterprises affected by labour unrest included the Trans Zambezia Railway (TZR), Textáfrica and Empresa Moçambicana de Malhas (EMMA). In the three companies the strikes involved 3000 workers and were carried out in May. In Textáfrica and EMMA, two textile companies located in Chimoio (capital of Manica province), the list of demands included wage increases, the dismissal of the nurse of the companies' hospital (he was accused of racism), the provision of housing and subsidies.²⁴³

The exodus of Portuguese settlers and other foreigners was accompanied by a rapid decline of production and a dramatic increase in unemployment.²⁴⁴ The crisis was worsened by the sabotage and/or destruction of machinery as well as the destruction of repair manuals carried out by the settlers before the departure. In the agricultural sector in particular, many settlers burned their fields and destroyed the equipment and trucks before they left.²⁴⁵ Besides these acts of destruction, the fleeing settlers transferred

²⁴⁰ Bertil Egero. *Moçambique*, 73

²⁴¹ 'Greve do pessoal da Tempográfica'. *Tempo*, 2 de Junho de 1974, 2-3

²⁴² 'Trabalhadores do cais na capital fazem resistência passiva'. *Notícias da Beira*, 30 de Julho de 1974, 1; 'Quatro mil ferroviários entraram em greve'. *Notícias da Beira*, 8 de Agosto de 1974, 1

²⁴³ 'Três mil trabalhadores Africanos paralisam Textáfrica e EMMA'. *Notícias da Beira*, 14 de Maio de 1974, 1; 'Greve total de Inhaminga a Vila Nova da Fronteira'. *Notícias da Beira*, 16 de Maio de 1974, 8

²⁴⁴ Marc Wuyts. 'Sul do Save', 38

²⁴⁵ Allen Isaacman. 'Transforming', 19; Joseph Hanlon. *Mozambique*. 198

currency and other goods to foreign countries. Estimates suggest, for example, that 25 000 vehicles were taken from Mozambique between 1973 and 1977.²⁴⁶

To halt the resulting economic collapse, the transitional government adopted a set of palliative measures, including the 13th February, 1975 Law 16, the ‘intervention law’. This law authorized the government to take over those abandoned enterprises or where ‘economic sabotage’ was suspected. The law also established the criteria to define such situations. An enterprise would be considered ‘abandoned’ if it remained inactive for three consecutive months. ‘Economic sabotage’ included the threat of massive workers dismissal, interruption or reduction of production, destruction of machinery, disinvestment or abandonment.²⁴⁷ As mentioned above, normally the ‘interventions’ consisted of the state takeover of the enterprises, but there were some exceptions. Sometimes, instead of direct intervention, the government dismissed the foreign managers and replaced them with ‘administrative commissions’ composed by Mozambican workers and allocated funds to ensure the continuation of the enterprise. In these situations, the enterprises continued legally as private, but were put under direct control of the Ministry of Industry and Trade.²⁴⁸ Also as part of the strategy to ensure a less traumatic transition and to mobilize people to adhere to FRELIMO policy, the transitional government and later the FRELIMO regime sponsored the creation of *Grupos Dinamizadores* (GD – ‘dynamising groups’) in both residential areas and workplaces. The composition of the *Grupos Dinamizadores* ranged from 8 to 10 members.²⁴⁹ Their activity was wrapped up in controversy, especially in the workplace, as frequently they acted as political commissars and pressured the government to take over enterprises. Later, in 1978, the workplace *Grupos Dinamizadores* were dissolved and replaced by the *Conselhos de Produção* (production councils). The *Conselhos* were directly subordinate to FRELIMO and had to observe rigid discipline.²⁵⁰

²⁴⁶ Barry Munslow. ‘State intervention’, 209; Bertil Egero. *Moçambique*, 75

²⁴⁷ Marie Anne Pitcher. ‘Sobreviver à transição: o legado das antigas empresas coloniais em oçambique’. *Análise social*. Vol. 38, No. 168 (2003), 795

²⁴⁸ Id., 795

²⁴⁹ David Wield. ‘Mozambique’, 88-89

²⁵⁰ Dan O’Meara. ‘The collapse of Mozambican socialism’ *Transformation*, 14 (1991), 90

4.2. Mozambique independence and the new agrarian policy

On 25th June, 1975 Mozambique achieved independence under the leadership of FRELIMO. Simultaneous to the proclamation of independence, a new constitutional charter was approved. The new constitution transferred the ownership of the land to the state and proclaimed agriculture as the ‘basis of national economic development’ and industry as the ‘dynamizing factor’.²⁵¹

There is a consensus amongst scholars that the new agrarian policy was initially pushed by practical considerations. Those considerations included the need to halt the collapse of agriculture that was about to take place as the result of the Portuguese settlers’ exodus.²⁵² Later, ideological reasons, namely, the construction of a ‘socialist’ mode of economic organization seem to have been the main motivations for the new policy. A particularly important moment in the development of this new approach was the Third FRELIMO Party Congress held in February 1977. In this congress FRELIMO defined itself as a Marxist-Leninist Vanguard Party. The congress issued Economic and Social Directives recommending a strong state involvement in the direction, planning and control of the economy.²⁵³

Basically, the early post-colonial agrarian policy prescribed a strong state intervention in agriculture. A central objective of the new policy was to increase the levels of production and enable the country to achieve self-sufficiency in food. The patterns of the state intervention included the establishment of state farms and the encouragement of peasants to create cooperatives. A third element of the policy was the establishment of *aldeias comunais* (communal villages), where peasants were relocated.²⁵⁴ Frequently the relocation involved compulsion, as few people moved freely into the villages.²⁵⁵ The communal villages were usually established in the neighborhood of the state farms. Thus,

²⁵¹ Constituição da República Popular de Moçambique, artigo 8

²⁵² David Wield. ‘Mozambique’, 86; Joseph Hanlon. *Mozambique*, 73; Barry Munslow. ‘State intervention’, 211; Harry West & Gregory Myers. ‘A piece of land’, 31

²⁵³ PARTIDO FRELIMO. *Directivas Económicas e Sociais*. Maputo: DTI, 1977, 22

²⁵⁴ PARTIDO FRELIMO. *Directivas*, 22, 27, 29, 33-34

²⁵⁵ Bertil Egero. *Moçambique*, 94

besides the easy provision of basic social services (education, health, water and shops) to their inhabitants, they were also expected to supply the state farms with labour.²⁵⁶ In Buzi district the first communal villages were established in Grudja and Bândua in 1975. Other villages were established during the following years: Estaquinha and Chissinguana in 1976 and Guara-Guara in 1977.²⁵⁷ All those villages are located in the vicinity of the Companhia do Buzi plantations. I have no information on the Dondo district, but regarding the harsh environmental conditions of the Açucareira de Moçambique plantations surrounding areas, it is likely that no communal villages were established in the company's vicinity. This policy of creating state farms, agricultural cooperatives and communal villages was called the 'socialization of the countryside'.

The state farms were expected to work as models of a technologically advanced agriculture. Thus, they were provided with public funds, modern agricultural implements and skilled workers.²⁵⁸ According to West & Myers, the establishment of state farms started in 1976. By the beginning of the 1980s there were 100-110 state farms across the Mozambican territory which area totaled 600 000 ha.²⁵⁹ Apparently no state farms composed of nationalized settler farms were established in Dondo and Buzi districts.²⁶⁰ The emphasis on the establishment of state farms, reiterated during the 1977 Congress, led to the expenditure of 50 million pounds on the import of 3000 tractors and 300 combine harvesters between 1977 and 1981. As a result, by 1980 the state farms were the main producers of food and export crops, supplanting the private and family sectors.²⁶¹ Cooperatives also benefited from financial and technical support provided by the Ministry of Agriculture.²⁶² According to Hanlon, in 1977 there were 180 cooperatives across Mozambique. Their membership was estimated at 25000 individuals. The author observes however that the peasants felt little enthusiasm towards the cooperatives. As a result, in 1981 the number of cooperatives had doubled but the membership had not and

²⁵⁶ Id., 94

²⁵⁷ Fernando Florêncio. 'Processos', 160, 162

²⁵⁸ Samora Machel. *O Partido*, 124-127; Harry West & Gregory Myers. 'A piece of land', 31

²⁵⁹ Harry West & Gregory Myers. 'A piece of land', 31

²⁶⁰ Id., 32

²⁶¹ Joseph Hanlon. *Mozambique*, 100

²⁶² Anna Wardmann. 'The cooperative movement', 299, 302

was estimated at 37000.²⁶³ Like the state farms, the cooperatives were usually established on plots abandoned by Portuguese settlers. Another similarity between the state farms and the cooperatives was their emphasis in the production of food crops, which were intended to supply the urban areas.²⁶⁴

The new agrarian policy deliberately ignored the private and family sectors, that is, no public support (technical or financial) was directed to them. It is important to point out that private and family farming weren't prohibited or restricted. In relation to the private sector, in particular, the 1977 Economic and Social Directives recommended its inclusion in the national production plans.²⁶⁵ The denial of both technical and financial support to those sectors was only intended to encourage their integration in the 'socialist' sector (the cooperatives and state farms).²⁶⁶

The activities of both the state farms and the cooperatives were supervised by the Ministry of Agriculture, which imposed production plans on them. Usually the plans were unrealistic, as they imposed quantities that the state farms and the cooperatives were unable to fulfill. Moreover, the plans emphasized quantity over quality. To force the state farms managers to work hard, laws were approved imposing penalties on those who failed to fulfill the production plans.²⁶⁷

The implementation of the new agrarian policy involved changes in labour policy. The contract labour system which was, according to O'Laughlin, viewed by FRELIMO as a form of forced labour was abolished.²⁶⁸ The abolition was wrapped up in controversy, as frequently the state farms failed to provide the conditions capable of attracting volunteer workers or to introduce crops capable of keeping the workers in permanent activity.

²⁶³ Joseph Hanlon. *Mozambique*, 103

²⁶⁴ David Wield. 'Mozambique', 94-95; Anna Wardmann. 'The cooperative movement', 299

²⁶⁵ PARTIDO FRELIMO. *Directivas*, 35

²⁶⁶ Marina Ottaway. "Mozambique", 215

²⁶⁷ Anna Wardmann. 'The cooperative movement', 302; Bertil Egero. *Moçambique*, 120

²⁶⁸ Bridget O'Laughlin. 'Through', 21

Moreover, the emphasis on the mechanization of production reduced the labour demands of the state farms.²⁶⁹

The wide process of transformation provided the background against which the sugar industry experienced changes that influenced the collapse of the Companhia do Buzi's and the Açucareira de Moçambique's out growing schemes.

4.3. The sugar industry in post-colonial Mozambique, 1974-1982

4.3.1. The crisis of the transitional period, 1974-1975

The sugar industry was also affected by the problems that affected the other sectors of economic activity during the period between the 1974 coup and the proclamation of Mozambique independence in June, 1975. Those problems included the exodus of skilled workers, African labour unrest, shortages of agricultural and industrial implements and the consequent decline of production.

To understand the significance and the impact of the exodus of skilled workers, it is important to recall that during the colonial period more than 90% of the skilled and semi-skilled workers employed in the sugar industry were foreigners (Portuguese, British, South African and Franco-Mauritians) or 'civilized' black Mozambicans.²⁷⁰ They were in charge of the most complex and technically demanding activities of sugar production. The exodus was particularly evident in Maragra and in SAI. Maragra had 43 skilled workers on the eve of the 1974 coup. All of them as well as the members of the board of directors left shortly after the coup.²⁷¹ SAI had 221 skilled workers. They also left shortly after the coup.²⁷² The SAI was also suddenly affected by difficulties in recruiting

²⁶⁹ Bertil Egero. *Moçambique*, 96; Bridget O'Laughlin. 'Through', 21

²⁷⁰ INA/CEPAGR. 'A produção', 30-31

²⁷¹ 'Moçambique-Portugal: ruptura nas conversações'. *Tempo*, 15 de Abril de 1979, 21

²⁷² David António. 'A produção'. 48

agricultural workers in Inhambane province.²⁷³ Probably due to the fear of reprisals, the company's 1974 annual report is silent on those events.²⁷⁴

African labour unrest affected particularly SSE and Maragra. In May 1974, SSE workers carried out peaceful demonstrations in the company offices in Luabo and Marromeu, demanding wage increases. The company agreed to pay higher wages, but the unrest continued during the following months. According to a company manager, in the new phase of unrest, the workers deliberately failed to complete their daily tasks and frequently abandoned their posts without notice.²⁷⁵ In Maragra, the first strike took place in June 1974 and was carried out by 4000 unskilled agricultural workers. As in SSE, their main demand was a wage increase. They demanded a 50% increase in salaries and a 20% increase in the daily wages of the seasonal workers involved in the sugar cane harvest.²⁷⁶ This strike was the first of a series of strikes and other forms of labour unrest that affected the company until 1977.²⁷⁷

The shortage of agricultural and industrial implements affected all companies and was a direct consequence of the economic crisis that affected Mozambique in the aftermath of the April coup. The crisis made the importation of new implements and/or accessories very difficult as the links with the traditional suppliers were suddenly interrupted and the country was short of foreign currency. Thus, the companies were forced to operate with a shortage of implements. Combined with the above mentioned factors, especially the exodus of skilled workers, the shortage of machinery led to the decline in production. From 1973 to 1975 the total production of sugar dropped from 298 501 to 231 735 tons.²⁷⁸

Neither the new Portuguese authorities nor the transitional government carried out special measures to reverse the situation. There were, however, some important shifts in the

²⁷³ Id., 48

²⁷⁴ 'Sociedade Agrícola do Incomati. Relatório e contas da gerência de 1974'. *Notícias*, 29 de Julho de 1975, 4

²⁷⁵ Leroy Vail & Landeg White. *Colonialism and capitalism*, 390

²⁷⁶ Amarchand Ribeiro. 'A sobrevivência' 19

²⁷⁷ Fernando Cardoso. *Gestão e desenvolvimento*, .254

²⁷⁸ INA/CEPAGRI. 'A produção', 12

sugar policy which were intended to put an end to the previous sugar policy. The most important of these shifts was the liberalization of the colonial sugar trade on 29th June, 1974. The new law granted to the colonial sugar companies the right to export to non-Portuguese markets but imposed some conditions, including the fulfilment of the Portuguese market needs. The law also urged the governments of the colonies to adopt measures to protect the out growers.²⁷⁹ The liberalization of the sugar market was reiterated by a new law issued by the transitional government on 21st September, 1974.²⁸⁰

4.3.2: The sugar industry in the eve of state intervention, 1975-1977/8

In the sugar industry, the period that runs from the proclamation of independence to the state takeover of the sector was characterized by the continuation of the decline in production and by the attempts carried out by the companies to comply to the new labour policy. The table below portrays the decline in production.

Table 4.1.: Mozambique: decline of sugar production, 1975-1977 (in tons)

Year	Sugar cane	Sugar
1975	2 297 829	231 735
1976	2 079 556	216 065
1977	1 617 435	156 732

[Source: INA/CEPAGRI. 'A produção', 12-13]

According to press reports published in the state controlled media in 1975 and 1976, the decline in production was a consequence of the combined effects of the desertion by the skilled workers and deliberate acts of 'economic sabotage' carried out by the companies'

²⁷⁹ BO, I Série, nº 156. 1974. Decreto-Lei 305/74 de 6 de Julho, articles 2, 3 and 4

²⁸⁰ 'Sociedade Agrícola', 4

managers.²⁸¹ This ‘economic sabotage’ would later be used by the government to justify the takeover of the sugar sector.

The shift in the labour policy consisted of the abolition of the contract system and the consequent transformation of the seasonal workers into permanent ones. Also as part of the new labour policy, the companies were forced to confine recruitment to its region. The transformation of seasonal labour into a permanent one led the companies to design strategies to keep the workers permanently active. Those strategies included the introduction of new crops and/or the diversification of activities. The SSE and the SAI, for example, introduced cattle breeding and the cultivation of cereals.²⁸²

4.3.3. The state takeover and the reorganization of the sugar industry, 1977-1982

FRELIMO considered the continuous decline in production as a direct consequence of the acts of ‘economic sabotage’ carried out by the foreign managers and used the powers granted by the ‘intervention law’ to take over the sugar sector. Thus, in 1977 and 1978 the state took over four out of the existing five sugar companies. They first took over Maragra on 23rd February, 1977. The remaining companies were all taken in 1978: SSE on 10th August, Açucareira de Moçambique in October and Companhia do Buzi on 20th November.²⁸³ State intervention included the dismissal of the acting boards of directors and their replacement by FRELIMO loyalists. It is not clear why SAI was exempted from state intervention, as the company was also affected by the problems that affected the remaining sugar companies. It is likely that pragmatism prevented the state takeover of the company. Pragmatism was also decisive in preventing the state takeover of several companies including the *Banco Standard Totta de Moçambique* (BSTM), a bank controlled by South African capital, and the *Grupo Madal*, an agricultural company

²⁸¹ ‘Maragra: crise de produção’. *Tempo*, 19 de Outubro de 1975, 60-62; ‘Produção açucareira de Moçambique atravessa crise de desenvolvimento’ *Notícias*, 12 de Março de 1976, 3

²⁸² INA/CEPAGRI; ‘A produção’, 19, 29

²⁸³ INA/CEPAGRI; ‘A produção’, 10

dominated by Norwegian capital.²⁸⁴ Even so, the SAI was forced to adopt the policies introduced by FRELIMO in the sugar sector.

Shortly after the takeover, the Mozambican government signed technical assistance agreements and negotiated loans with some countries on behalf of the sugar companies. The most important partners were Cuba and the United Kingdom. The agreement signed with Cuba resulted in Cuban experts visiting Mozambique to reorganize the productive methods employed by the companies and to train Mozambican workers in their version of modern techniques of sugar production. Some Mozambican workers were also sent to Cuba for training.²⁸⁵ The United Kingdom granted a 15 million pound loan in 1982 for the rehabilitation of all companies.²⁸⁶ The Mozambican government also negotiated the return of the Portuguese skilled workers. In this context, an agreement called *Acordo Geral de Cooperação* (General Agreement of Cooperation) was signed with Portugal in 1977. This agreement wasn't fully implemented due to political disputes between the counterparts.²⁸⁷

At the time of state takeover, three sugar companies (SAI, SSE-Luabo and the Companhia do Buzi) were supplied with a stream roller produced by the metallurgical company CIFEL.²⁸⁸ This accessory prevented the frequent paralysations of production that affected the mills during the previous years and enabled a short-lived recovery of sugar production.²⁸⁹

In the aftermath of state intervention, the sugar sector was restructured in order to ensure the workers' participation in the management, to improve their welfare and turn sugar into an affordable commodity. Thus, a '*Reunião Geral dos Trabalhadores*' (General Assembly of the Workers) was created in all of the companies. The *Reunião Geral*

²⁸⁴ Marie Anne Pitcher. 'Sobreviver', 796-798

²⁸⁵ Bartolomeu Tomé. 'Emulação socialista nas açucareiras: a recuperação'. *Tempo*, 29 de Outubro de 1978, 30; INA/CEPAGRI; 'A produção' 31; Amarchand Ribeiro. 'A sobrevivência' - chronology

²⁸⁶ INA/CEPAGRI; 'A produção', 31

²⁸⁷ 'Moçambique-Portugal', 21

²⁸⁸ 'Fabricado primeiro rolo para moinhos de cana-de-açúcar'. *Notícias da Beira*, 5 de Setembro de 1978, 1, 6

²⁸⁹ INA/CEPAGRI. 'A produção', 13. The total production rose to 189 698 tons in 1978 and 211 777 tons in 1979. For the cases of the Companhia do Buzi and the Açucareira de Moçambique, see Table 4.2.

consisted of a set of separate meetings of agricultural and industrial workers where they discussed their problems.²⁹⁰ To improve the workers' welfare and stimulate them to work harder, the government introduced the *emulação socialista*, which consisted of gifts and prizes given to the best workers.²⁹¹

To turn sugar into an affordable commodity the government set the prices disregarding the cost of production. According to INA/CEPAGRI, by 1980, the cost of production of a kilogram of sugar was estimated at 11,00 *Meticais*, while the price to the consumer was fixed in 5,00 *Meticais*. The low prices used in the internal market were initially compensated by the export to preferential markets, but due to the decline in production, it became increasingly difficult to get surplus to export to those markets.²⁹²

To coordinate the activities of the sugar companies in this new phase, the government established the *Instituto Nacional do Açúcar* (National Institute of Sugar) on 10th December, 1978. The Institute was established in the aftermath of the FRELIMO III Congress which had recommended the establishment of state departments directed to supervise the activities of the most important sectors of economic activity. The Institute was under the tutorship of the Ministry of Industry and Energy and its mission included the supervision of the sugar companies, the definition of annual yields of sugar to be produced by each company, the purchase of agricultural and industrial implements and the introduction of new methods of sugar cane cultivation and milling.²⁹³

Above I have shown how the collapse of the colonial state and FRELIMO policies changed the Mozambican sugar industry. Below, I will analyze the situation of the Companhia do Buzi and the Açucareira de Moçambique between the April coup and the collapse of the out growing schemes.

²⁹⁰ David António. 'A produção', 54

²⁹¹ Bartolomeu Tomé. 'Emulação', 32-33

²⁹² INA/CEPAGRI. 'A produção', 33-34

²⁹³ Id., 40 *et seq.* Later the tutorship over the INA was transferred to the Ministry of Agriculture.

4.4. The Companhia do Buzi and the Açucareira de Moçambique, 1974-1982

4.4. 1. The Companhia do Buzi and the Açucareira de Moçambique during the transitional period, 1974-1975

The Companhia do Buzi and the Açucareira de Moçambique were also affected by the problems that characterized the transitional period. Those problems included desertion by skilled workers, African labour unrest, political interference, the beginning of out growers' withdrawal and decline in production. My fieldwork was inconclusive on the details of the desertion by skilled workers.

African labour unrest was particularly evident in the Companhia do Buzi. Documents issued by the company point out to increasing workers' demands for better social conditions. According to a letter sent by the company directorate to the local head of the Social Welfare Institute in September 1974, the seasonal workers sought to take advantage of the political situation created by the April coup to demand their inclusion in the group of the workers who had the right to get loans in the company shop. This had been retained by the permanent workers. The directorate ends the letter saying that the demands were accompanied by accusations of segregation and racism against the European workers and managers.²⁹⁴ The Açucareira de Moçambique remained free of labour unrest,²⁹⁵ but suffered political interference from local and top ranking FRELIMO officers. According to the company's 1974 annual report,

‘[...] We have been frequently visited by several [Mozambican] entities as well as by foreign delegations. All of them have praised us. Recently, we received a Bulgarian delegation visit. After checking our infrastructures, the head of the delegation had a dialogue with our managers in which he said that the company is already integrated in the FRELIMO ideology and that it is a precursor of socialism in Mozambique.’²⁹⁶

The beginning of the out growers withdrawal and the decline in the production of both sugar cane and sugar will be analyzed in the sections 4.5 and 4.6 below.

²⁹⁴ AHM-FACB. Caixa 110. Processo B/2/3, 1969-1974. ‘Ofício da Companhia do Buzi ao Subdelegado no Buzi do Instituto do Trabalho, Previdência e Acção Social, 18 de Setembro de 1974

²⁹⁵ The company 1974 annual report is silent on this particularly aspect.

²⁹⁶ AHM. SE. Açucareira de Moçambique. *Gerência de 1974*. Beira, Março de 1975, 5

4.4.2. The Companhia do Buzi and the Açucareira de Moçambique on the eve of state intervention, 1975-1978

The three years between the proclamation of independence and the state takeover were marked by five processes, which were the continuation of the out growers withdrawal (sections 4.5), an ongoing decline in production (section 4.6), regular labour unrest, the FRELIMO regime attempts to control the companies' daily activities and the introduction of measures to ensure that the companies complied with new labour and social policies.

Regular labour unrest was evident in the Companhia do Buzi, but instead of strikes and demonstrations, the workers sought to take advantage of the visits by local government and/or FRELIMO officers to place their demands. For example, in July 1975, during the visit paid by the Sofala province governor, Mr Cangela de Mendonça, the workers complained about the differences in wages between individuals with the same qualifications and tasks as well as about the poor quality of food and accommodation provided in the company compounds.²⁹⁷ Apparently, the company did nothing to satisfy the workers' demands, as in January, 1976 they took advantage of a visit paid by a local FRELIMO officer to again demand wage increases.²⁹⁸ This was apparently the last worker action in the context of their struggle for higher wages and better social conditions, as neither oral sources nor the press reports published during the following months refer to further labour unrest.²⁹⁹

The FRELIMO regime attempts to control the companies' activities were evident in the establishment of party representations (the *células do partido*) as well as in the frequent visits by local and top ranking party officers. The Açucareira de Moçambique was visited by the minister of Agriculture, Mr Joaquim de Carvalho, in September, 1975. In May and August 1976, the Companhia do Buzi was respectively visited by the Minister of Labour, General Mariano Matsinhe, and by the new provincial governor, General Tomé Eduardo.

²⁹⁷ 'Governador da Beira esteve no Buzi' *Notícias*, 21 de Julho de 1975: 1, 5

²⁹⁸ 'Trabalho político na indústria açucareira'. *Notícias*, 30 de Janeiro de 1976: 3

²⁹⁹ 'Governador Tomé Eduardo visita distrito do Buzi' *Notícias da Beira*, 4 de Agosto de 1976, 3; 'Açucareira do Buzi diversifica produção'. *Tempo*, 12 de Fevereiro de 1978: 10; 'Planificação e diversificação da produção têm um grande exemplo na Açucareira do Buzi'. *Notícias*, 03 de Fevereiro de 1978: 3; Fabião Mpejane, former Companhia do Buzi worker, interview, Buzi, 9th May 2014

During the visits, they usually held separate meetings with the FRELIMO party representatives, the workers and the managers. On those meetings, in particular with the managers, they frequently imposed new working methods.³⁰⁰ Other forms of FRELIMO interference were the dismissal of the members of the companies' boards of directors and the holding of political meetings in the companies' facilities. For example, in November 1975 the government dismissed *in absentia* two members of the Açucareira de Moçambique board of directors, namely José Augusto Silva and António Nogueira Pereira. They were accused of desertion (both had fled to Portugal) and fraud.³⁰¹ Political meetings were particularly intense in the Companhia do Buzi. On 29th January 1976, for example, the head of the *Departamento de Informação e Propaganda* (Department of Information and Propaganda) of the Buzi district Dynamizing Group paid a visit to the company to speak on FRELIMO ideology with the workers.³⁰²

The measures introduced to ensure the companies' complacency with the new labour and social policies included the restriction of the recruitment areas and the introduction of new crops. In this context, the Companhia do Buzi closed the Tete and Nampula provinces recruitment offices and turned to the plantations neighboring areas. The recruitment in those areas was sponsored by the local FRELIMO leadership. The company started also to recruit women and child labour was abolished.³⁰³ To keep the workers permanently active, the company initiated the cultivation of cotton and sunflowers in 1975.³⁰⁴ The sudden availability of agricultural labour in Buzi district was made possible by the return of former migrants who had lost their jobs in the urban areas in the aftermath of the settlers' exodus. To face the lack of skilled workers, the company organized short-term courses for Mozambican workers which were directed to mill workers, locksmiths and electricians.³⁰⁵ In the Açucareira de Moçambique, where the out growers already had a permanent workforce, the shift in the labour policy didn't lead to

³⁰⁰ 'Ministro da Agricultura visita Mafambisse', *Notícias da Beira*, 27 de Setembro de 1975, 5; 'Ministro do Trabalho no distrito do Buzi'. *Notícias da Beira*, 29 de Maio de 1976, 3; 'Governador Tomé Eduardo', 3

³⁰¹ 'Governo suspende funções a dois membros da administração'. *Notícias da Beira*, 29 de Novembro de 1975, 3

³⁰² 'Trabalho político', 3

³⁰³ Fernando Florêncio. 'Processos', 163-164

³⁰⁴ 'Planificação', 3

³⁰⁵ 'Açucareira do Buzi', 10

important changes in the situation of the agricultural workers. Here, the main problem was the increase in unemployment, as the Açucareira de Moçambique did nothing to replace the fleeing out growers.³⁰⁶

4.4.3. The State intervention and its aftermath

As mentioned above, Açucareira de Moçambique and Companhia do Buzi were put under government control in 1978. According to INA/CEPAGRI, in the case of the Açucareira de Moçambique no decree stipulating the state takeover of this company was issued.³⁰⁷ Even so, FRELIMO loyalists were appointed to manage the company. Amongst them was Jacob Nhambirre, a Veteran of the National Liberation Struggle.³⁰⁸ In the case of the Companhia do Buzi, the Portuguese director António Malaquias de Lemos was dismissed and arrested and also replaced by a Veteran of the National Liberation Struggle, Mr. José Paulo N'Chumali. The dismissal included the members of the company's board of directors resident in Portugal, where the company had its headquarters.³⁰⁹ The accusations against António Malaquias de Lemos included

‘[...] disrespect to the workers, to the [FRELIMO] Party and State staff and to the foreign technicians (who eventually abandoned the company) and not meeting production plans, purchase of vehicles and other essential implements, the disregard of the working methods stipulated by the government [...] and the lack of attention to the plots abandoned by the out growers [...]’.³¹⁰

Those accusations are surprising, especially if we take into consideration the contents of some press reports published in the state-controlled media on the eve of the state takeover. Such press reports suggest that everything was going well within the company. In fact, in a press report published in the newspaper *Notícias da Beira* in August 1976, it

³⁰⁶ Filimone José Passe, interview, Mafambisse, 25th April, 2014

³⁰⁷ INA/CEPAGRI. ‘A produção’, 30

³⁰⁸ ‘Açucareira de Moçambique ultrapassa meta estabelecida’. *Notícias da Beira*, 19 de Novembro de 1978, 3

³⁰⁹ ‘Companhia do Buzi, SARL intervencionada pelo Governo’. *Notícias da Beira*, 24 de Novembro de 1978, 1

³¹⁰ ACB. Josséfa Mandava & Vita Muzimpua. ‘A Companhia do Buzi’ 8

is said that the Companhia do Buzi had achieved high rates of production in spite of the lack of implements and shortage of skilled workers.³¹¹ In another press report published in the newspaper *Notícias* in October 1977, the board of directors of the company was praised because of the construction of new houses for the workers. The report mentions also that the company had achieved high rates of production and productivity.³¹² In February, 1978, another press report published in the *Notícias* indicates that the company was a model of planning and diversification of production.³¹³ Finally, a fourth press report published in March, 1978 in the magazine *Tempo* points that despite the difficulties, the company had increased production and organized special courses directed to improve the workers' skills.³¹⁴

The intervention was announced to the workers by a delegation composed of three members of the Sofala province government. On the same occasion the foreign workers were told that they wouldn't be expelled. The press is silent on the way the intervention was announced to the out growers.³¹⁵ Indeed, there is a tendency in the press published in 1977 and 1978 to ignore the out growers of both companies.

According to Zonjo, after the state intervention the Companhia do Buzi reoccupied the plots abandoned by the out growers,³¹⁶ but other sources refer to a reduction in the company's harvested area between 1978 and 1979. According to a 1999 INA/CEPAGRI report, the Companhia do Buzi's harvested area dropped from 5900 ha in 1978 to 3900 ha in 1979 and this tendency continued in the following years.³¹⁷

In the aftermath of the state intervention, the Companhia do Buzi began the cultivation of rice, maize and fruit-trees (citruses).³¹⁸ New agricultural implements were bought in the following years. In 1980, for example, the company bought 40 tractors and 30 shaft-

³¹¹ 'Governador Tomé Eduardo', 3

³¹² 'Melhores condições de vida para operários da Açucareira do Buzi'. *Notícias*, 18 de Outubro de 1977: 3

³¹³ 'Planificação', 3

³¹⁴ 'Açucareira do Buzi', 10

³¹⁵ 'Companhia do Buzi, SARL intervencionada', 2

³¹⁶ Johane Zonjo. 'Acesso', 37

³¹⁷ INA/CEPAGRI. 'Dados', 1

³¹⁸ 'Açucareira do Buzi vai produzir 100 hectares de milho'. *Diário de Moçambique*, 26 de Outubro, 1982, 2

pumps, but due to misuse and lack of technicians, the bulk of those implements soon became unusable. According to Mandava & Muzimpua, by 1982 for example, 37 tractors out of 80 were unusable.³¹⁹

Also in the aftermath of state intervention, the companies' activities were put under strict FRELIMO control. For example, the annual meetings held to analyze the companies' performance were attended not only by the managers and workers but also by local FRELIMO officers.³²⁰

4.5. The collapse of the out growing schemes, 1974-1982

4.5.1. The evolution of the economic feasibility of out growing activity, 1974-1982

As mentioned in chapter III, at the time of the 1974 coup the out growers were struggling to improve their economic situation.

During the transitional period, they continued their struggle to get their complaints attended to by the new authorities and/or by the companies. Their struggle was partially successful. As mentioned in section 4.3.1, the Portuguese provisional government issued a law in June 1974 urging the colonial governments to approve protective measures for them. In the aftermath of this law, the prices of sugar cane were raised. As mentioned in chapter III, in the case of the Companhia do Buzi, the price of sugar cane was raised from 180 to 350 *Escudos* per ton. However, according to an interview given by an out grower to the newspaper *Notícias da Beira*, until late July the company was still paying 180 *Escudos/ton*.³²¹ According to the Açucareira de Moçambique 1974 annual report, this

³¹⁹ ACB. Josséfá Mandava & Vita Muzimpua. 'A Companhia do Buzi', annexes CB 1 and CB 8

³²⁰ 'Análise aos trabalhos da AM e fim da campanha na CB'. *Notícias da Beira*, 19 de Dezembro de 1978,

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³²¹ 'Companhia do Buzi não paga'

company also increased the prices of sugar cane paid to the out growers.³²² The report doesn't mention the new amount, but it is likely that it was also fixed at 350 *Escudos*/ton.

Probably due to the combined effects of the increase in the costs of production and the disruption of the colonial economic structure during the transitional period, the new prices of sugar cane weren't enough to improve the out growers economic situation. Thus, on 7th May, 1975, 30 out growers of both companies (26 from the Companhia do Buzi and the remaining from the Açucareira de Moçambique) met in Beira to discuss the proposal of a new price of sugar cane to be submitted to the transitional government for approval. It is not clear why the Açucareira de Moçambique's out growers boycotted the meeting, as the invitations were sent to all the out growers. The meeting was led by the Companhia do Buzi out grower Vasco Brandão Soares who had been in Lourenço Marques during the previous week for contacts with the Ministry of Economic Coordination. Prior to the discussion on the new price it was decided to exclude the mills from the debate. The exclusion was justified by the fear of resistance by the mills. In the end, the out growers agreed that instead of the 350 *Escudos*/ ton of sugar cane, the mills should pay at least 490. They argued that their proposal of 490 *Escudos* was due to the increase in the price of sugar approved by the Portuguese government during the previous year. They also issued a petition to the transitional government applying for the adoption of protective measures.³²³

The abolition of the contract system and the desertion of agronomists and mechanics in the early post-colonial period undermined the economic viability of out growing activity, as the out growers were simultaneously confronted with the decline in production and increase in the costs of production. The abolition of the contract system was particularly corrosive to the Companhia do Buzi out growers, as they relied on seasonal labour. According to Manuel João, former worker of the Sociedade Agrícola do Matire, the out growers were compelled to turn the seasonal workers into permanent ones

³²² AHM. SE. Açucareira de Moçambique. *Gerência de 1974*, 2

³²³ 'Comercialização de cana estudada por produtores na Beira'. *Notícias*, 8 de Maio de 1975, 2; 'Proposta a enviar ao Governo reúne trinta pequenos canavieiros'. *Notícias da Beira*, 8 de Maio de 1975, 3

in 1976.³²⁴ Consequently, their budgets were overburdened and many of them became incapable of paying the wages of their workers.³²⁵ Some out growers tried to overcome the situation by continuing the diversification initiated during the early 1970s, but the low prices of some crops (for example, cotton) made this solution unfeasible. As in other sectors of economy, the desertion of agronomists, mechanics and other skilled workers affected the out growers' productive capacity and worsened their economic difficulties. According to Manuel João, by 1979 some out growers had more than 50% of their tractors unusable due to damages which resulted in a sharp decline in production.³²⁶

In the Açucareira de Moçambique the economic feasibility of the out growing activity was also affected by the breakdown of the bulk of the trucks and tractors under the management of the CCCD. As in the Companhia do Buzi and other companies, the breakdown was a consequence of the desertion of the Portuguese mechanics and prevented the transportation of sugar cane from the fields to the mill and in some cases led to the loss of production or to delays in the delivering of sugar cane. Consequently, the Açucareira de Moçambique out growers became incapable of paying the wages of their workers. According to Filimone José Passe, the difficulties were particularly resented by the out growers who were fully subsidized by the company, as they had no means to adopt alternative solutions.³²⁷

After the state takeover of the companies, the economic feasibility of the out growing activity continued to decline, as the new boards of directors decided to strictly carry out the struggle against the bourgeoisie and assure the implementation of the 'socialist' ideals in the sugar sector. In this context, the prices of sugar cane were kept unchanged and the companies failed to pay in time.³²⁸

³²⁴ Manuel João, interview, Buzi, 12th May, 2014

³²⁵ André Mussoro, interview, Buzi, 11th May, 2014

³²⁶ Manuel João, interview, Buzi, 12th May, 2014

³²⁷ Filimone José Passe, interview, Mafambisse, 25th April, 2014

³²⁸ André Mussoro, interview, Buzi, 11th May, 2014

4.5.2. The out growers and FRELIMO regime: a contentious relationship, 1975-1982

The FRELIMO leadership frequently stated that the Portuguese citizens and other foreigners who wanted to stay in Mozambique were welcome but they had to conform to the law and warned them that they wouldn't be given special privileges.³²⁹ Imbued by this ideal and by the agrarian policy of the late 1970s-early 1980s, FRELIMO did nothing to support the out growers. According to Filimone José Passe, *'The local authorities deliberately ignored the needs of the out growers. My father and other out growers tried to call the attention of the Dondo district administrador to the problems they were facing, but no response came from him.'*³³⁰

The statement above is confirmed by the press reports on the visits paid by government and/or FRELIMO officers to the companies. The reports suggest that the out growers were deliberately ignored and/or their concerns were not addressed by the visitors. For example, during the above mentioned visit paid to the Açucareira de Moçambique by the Minister of Agriculture in September 1975, the head of the CCCD reported several problems including the abandonment of plots due to financial problems but no special protective measure was adopted by the Minister.³³¹

Gradually, FRELIMO's indifference towards the out growers turned into a quasi-hostility. For example, in May 1976, the Companhia do Buzi's out growers were compelled by the Buzi district *administrador* to sponsor the repair of a 30kilometres road in the district, in conjunction with the company and other local businessmen. The amount to be paid was determined according to the out growers' annual incomes and the distance between their plantations and the mill. The criterion was the proportionality, that is, those who had earned more money had to pay more for the repair than who had earned less;

³²⁹ 'Independência não é para expulsar os Portugueses'. *Notícias da Beira*, 20 de Maio de 1974, 1; 'Homens de boa vontade têm lugar em Moçambique'. *Notícias da Beira*, 30 de Julho de 1974, 1-2; 'Moçambique-Portugal...', 22

³³⁰ Filimone José Passe, interview, Mafambisse, 25th April, 2014

³³¹ 'Governador da Beira.', 1,5; 'Ministro da Agricultura', 5

those who had plantations far from the mill had to pay more than who were located near the mill.³³²

After state intervention, the relationship between the companies' boards of directors and the out growers became more contentious. According to André Mussoro, some members of the new Companhia do Buzi's board of directors frequently criticized the continuation of the out growing scheme. They argued that it was no longer pertinent and that the expenditure spent in the payment for sugar cane should be used to purchase more agricultural implements for the company.³³³

4.5.3. A chronology of the out growers' withdrawal

The path of the out growers' withdrawal diverged between the companies. The evidence suggests that the bulk of the Companhia do Buzi's out growers were still on the ground on the eve of the proclamation of Mozambique independence. According to the press report on the 8th May 1975 out growers meeting, all of the Companhia do Buzi out growers were still on the ground. In the Açucareira de Moçambique the situation was different. By May 1975 at least 44 out growers gave up.³³⁴ It is not clear why the bulk of Companhia do Buzi out growers didn't desert immediately after the coup, but according to an out grower interviewed by the state-controlled newspaper *Notícias da Beira* in May 1976, their decision was motivated by the investments they had done in the activity.³³⁵

In the Açucareira de Moçambique, the collapse of the out growing scheme was quick. In January 1976 the out growers who were still on the ground were notified by the company board of directors to opt between the commitment to the activity and surrendering their land. To justify the notification, the board of directors evoked the abandonment without notice of several plots.³³⁶ The notification had to be answered within five days and the

³³² 'Reparação de estrada em administração directa'. *Notícias da Beira*, 5 de Maio de 1976, 3

³³³ André Mussoro, interview, Buzi, 11th May, 2014

³³⁴ 'Proposta', 3

³³⁵ 'Reparação', 3

³³⁶ Filimone José Passe family archive. 'Carta da Açucareira'

recipients were warned that in case of silence they would be automatically considered as absentees and their plots would be taken by the company.³³⁷ According to Filimone José Passe, the majority of the out growers stated their will to continue, but two years later all were told to abandon the activity.³³⁸ It is unclear why the board of directors took such a decision, but the continuous decline in production is likely the best explanation.

The collapse of the Companhia do Buzi's out growing scheme followed a different pattern. Here, at least 70% of the out growers were still on the ground by May 1976.³³⁹ In 1980, that is, two years after the state takeover, there were still 15 out growers on the ground.³⁴⁰ This number was approximately equivalent to 50% of the number of the 1960s, the period of the apogee of the out growing scheme. It is difficult to explain why the Companhia do Buzi out growing scheme was capable of surviving until the early 1980s, as the sources point out that out growers were under pressure and I was unable to locate any out grower during my fieldwork. It is also difficult to explain why the post-intervention Companhia do Buzi board of directors didn't expel the out growers, as their production was no longer important. The final collapse of the scheme took place in 1982, when the last group of out growers gave up. Coincident with the desertion of the last group of out growers, Buzi district suffered the first military attacks carried out by the rebel movement Mozambique National Resistance (RENAMO).³⁴¹

There is no detailed information on the process of the out growers withdrawal. Some sources point out that in the case of the Companhia do Buzi the withdrawal was preceded by the destruction of agricultural implements.³⁴²

³³⁷ Filimone José Passe family archive. 'Carta da Açucareira de Moçambique ao Senhor José Passe Zindoga', 30 de Janeiro de 1976

³³⁸ Filimone José Passe, interview, Mafambisse, 25th April, 2014

³³⁹ 'Reparação', 3

³⁴⁰ ACB. Jossefa Mandava & Vita Muzimpua. 'Companhia do Buzi'. 8

³⁴¹ Id., 14

³⁴² Ibid., 14

4.6. The impacts of the out growers' withdrawal on the mills

4.6.1. Impact on sugar cane production

The early post-colonial period was characterized by a progressive decline in sugar cane production in both companies. The table below portrays the decline in sugar cane production between 1974 and 1982.

Table 4.2.: Evolution of sugar cane production, Companhia do Buzi and Açucareira de Moçambique, 1974-1982 (in tons)

Year	Companhia do Buzi	Açucareira de Moçambique
1974	318 163	757 617
1975	234 414	550 856
1976	241 035	492290
1977	191 311	433 885
1978	250 439	578 885
1979	191 890	437428
1980	151 170	418 928
1981	157 554	397 322
1982	110 080	323 574

[Source: INA/CEPAGRI. 'Dados', 1-2]

What is the link between the out growers' withdrawal and the decline in sugar cane production? It would be simplistic to blame the out growers' withdrawal for the decline in sugar cane production. As mentioned above, the Mozambican independence process was accompanied by the sudden disruption of the colonial economic structure as well as by the desertion by the skilled workers. The 1974-1977 labour unrest in the Companhia do Buzi can't also be excluded as a potential cause of the decline in production.

Another problem that makes it difficult to evaluate the impact of the out growers' withdrawal is caused by the sources. The available documents on the post-colonial period are silent on the out growing schemes.³⁴³ Even so, it can't be denied that the out growers' withdrawal played a key role in the decline in production. According to Mandava & Muzimpua,

³⁴³INA/CEPAGRI. 'A produção'; INA/CEPAGRI. 'Dados'; AAM-Direcção de Agricultura. 'Dados'.

[Since the proclamation of independence], the Companhia do Buzi has been affected by a decline in production. (...) One of the causes of such decline is the out growers' withdrawal. (...) The company failed to keep the abandoned plots working partly because it had been structured to work more as a mill than as an agricultural company (...).³⁴⁴

It is likely that the Açucareira de Moçambique out growers' withdrawal had a similar impact. Even so, the state-controlled media sought to draw a different explanation for the decline in production. According to a November 1978 press report on this company, the production decline due to the combined effects of the shortage of tyres and lime in the Mozambican market. The shortage of tyres led to the immobilization of tractors and trucks and to difficulties in the transportation of sugar cane from the fields to the mill; the shortage of lime conditioned the production of white sugar.³⁴⁵

4.6.2. Operating costs of the companies

In discussing the financial impacts of the out growers' withdrawal on the mills, it is important to recall two aspects. The first is related to the sugar policy. As mentioned above, during the early post-colonial period the government approved a sugar policy intended to turn sugar into an affordable commodity. The materialization of this policy included the imposition of low prices of sugar, which were lower than the production costs. The second was the creation of a permanent labour force and the recruitment of additional workers. According to a Companhia do Buzi staff department report, between 1979 and 1982 the company employed 7500 workers per month.³⁴⁶ The Açucareira de Moçambique had 7000 workers in 1978.³⁴⁷

Sadly, I was unable to establish the balance between the expenses and the earnings of the companies during this period. Some sources refer however to increasing operating costs

³⁴⁴ ACB. Josséfa Mandava & Vita Muzimpua. 'Companhia do Buzi', 13-14

³⁴⁵ 'Açucareira de Mafambisse', 3

³⁴⁶ ACB. Companhia do Buzi. Direcção dos Recursos Humanos – Evolução da força de trabalho, 1979-1992. 14 de Abril de 2003

³⁴⁷ 'Açucareira de Mafambisse', 3

and to the disastrous financial situation of the companies. According to a report on the Companhia do Buzi,

[...] one of the aspects that has characterized the company during the post-colonial period is the increase of the operating costs. This phenomenon has been created by the out growers' withdrawal. As everyone knows, during the late colonial period, they covered more than 60% of the mill's needs in sugar cane. With their withdrawal, the company had to takeover their plots and their workers to ensure the continuation of sugar cane production. This operation led to the indebtedness of the company, as the occupation of the abandoned plots and the investments carried out by the company didn't yield the planned incomes [...].³⁴⁸

It is likely that the situation described above applied to the Açucareira de Moçambique. According to an INA/CEPAGRI report, by 1989 the sugar companies owed a total amount of 28 570 million *Meticais* to the Bank of Mozambique. The Companhia do Buzi and the Açucareira de Moçambique owed 4 064 and 7 344 million respectively.³⁴⁹

Conclusion

The independence of Mozambique changed the conditions and part of the presuppositions that had motivated the Companhia do Buzi and the Açucareira de Moçambique to adopt out growing schemes. A natural consequence of those changes was the collapse of the out growing schemes.

The end of colonial rule wasn't, however, the only cause of the collapse of the out growing schemes. The new social and economic policies as well as the anti-capitalist rhetoric and attitude adopted by FRELIMO also played key roles in demotivating the out growers.

The decline in both cane and sugar yields that accompanied the out growers' withdrawal, was a result of the combination of complex events. The events included the disruption of

³⁴⁸ ACB. Jossefa Mandava & Vita Muzimpua. 'Companhia do Buzi', 19

³⁴⁹ INA/CEPAGRI. 'A produção', 34

the commercial networks, the exodus of the skilled workers and the lack of some crucial agricultural implements.

Chapter V: CONCLUSIONS

In this study, I have examined the political economy of Mozambique in the period of transition from colonialism to ‘socialism’, from the 1960s to the early 1980s. I have done this through a case study of the sugar industry, particularly the Companhia do Buzi and the Açucareira de Moçambique. I chose the companies due to their collaboration with out growers – a relationship which illuminates the changing dynamics of the period.

Understanding the reasons behind the wide-scale transfer of sugar cane cultivation to out growers involves the understanding of the social and economic changes that Mozambique experienced during the late colonial period. There were deep social and economic changes that resulted from a set of reforms introduced by the colonial state since the early 1960s. Those changes included the ban of compulsory labour and the alleviation of influx control. They led to an African rural exodus and to the aggravation of the shortage of African agricultural labour. The agricultural companies made a range of responses to the shortage of labour, including the improvement of social conditions provided to the unskilled workers and the mechanization of production. Thus, the transfer of sugar cane cultivation to out growers must be seen in the context of the strategies intended to face the shortage of labour. It also involves the analysis of the situation of the sugar industry. At the outset of the period there was a widespread optimism on the future of the sugar sector which motivated the ‘sugarocrats’ to recruit out growers in order to increase the production and take advantage of the rise in the price of sugar. It also encouraged Portuguese citizens to join sugar cane cultivation. Their expectation was that they would become prosperous commercial farmers.

Despite the innovative character of the out growing scheme, it didn’t result in the modernization of sugar cane cultivation in the Companhia do Buzi’s and Açucareira de Moçambique’s estates. In fact, contrary to the model conceived by the proponents of the scheme, which assumed the use of family labour equipped with modern agricultural implements, the out growers relied on African labour. A key consequence of the continuous reliance on African labour and the failure to modernize sugar cane cultivation

by the out growers was the transfer of the labour problems to them and the persistence of low productivity in the out growers' plots.

The out growing schemes yielded opposite outcomes for the participant groups. For the companies, the transfer of sugar cane cultivation to out growers not only resolved the long term shortage of African agricultural labour but also enabled them to increase the profits, as it was accompanied by the reduction in the operating costs and by the increase in production. For the out growers their involvement in sugar cane production in most cases led not to prosperity, but to indebtedness and frustration. The frustration was worsened by the colonial authorities' reluctance to get involved in the dispute that developed. The refusal was likely a result of the political power of the 'sugarocrats' and reflected the internal divisions in the Portuguese colonial society. Another fact that illustrates the divisions was the inclusion of African as out growers. In fact, the scheme had originally been conceived in part as a way to establish areas of Portuguese settlement in the sugar regions, but practical realities including the anti-colonial struggle forced the 'sugarocrats' to integrate Africans.

The collapse of the out growing schemes during the early post-colonial period resulted from the combined effects of the increasing lack of economic feasibility of the activity and the new authorities' hostility towards them, as they were viewed as 'exploiters' and 'bourgeoisies'. In fact, the sudden disruption of the colonial structures that followed the 1974 coup in Portugal and the violence of the 'socialist' revolution introduced by FRELIMO in 1975 changed the conditions of the market so deeply that no alternative was left to the out growers but to abandon the production.

The out growing schemes collapsed against a background of economic crisis and reorganization of the sugar sector. The economic crisis provoked shortage of both agricultural and industrial implements and conditioned the activities of both the mills and the out growers; the reorganization of the sugar sector included the setting of prices that disregarded the costs of production and led the companies to indebtedness. Given this range of challenges, it is difficult to evaluate to what extent the out growers' withdrawal

impacted on the mills. It can't, however, be denied that the collapse of the out growing schemes worsened the economic situation of the mills, which once more had to deal directly with the costs of agricultural production.

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