

Capital Contradictions and Social Change in Cabo Delgado: the “Montepuez Ruby Mining” Experience

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In Africa, capital exports for mining have been associated for over a century with high profit rates and development hubs (mining cities, skilled emigration, higher average wages, etc.).¹ In the current phase of capital accumulation, the second term is missing, and Africa's *special mining territories* are depressed areas or, worse still, regions in social collapse, of which the eastern region of the DR Congo is a well-known example.

The mining boom in the northern district of Mozambique, Cabo Delgado, is quite recent: natural gas and precious stones were discovered just over a decade ago. Still, it provides insight into the recent evolution because more than a dozen multinationals are now based there. Although the information available on their activities and impact is becoming unequal, it is possible to put forward some hypotheses about the relationship between foreign capital, political power and social change.

The following sections seek to analyse the impact of one of these mining multinationals: a holding group listed on the South African stock exchange, which has also geared its trajectory according to its investments in Cabo Delgado. The aim is not to produce a monograph on Gemfields or a history of recent events in Cabo Delgado, but simply to see how the two have influenced each other.

1. Mining capital in the financial era: from the stock-market to Montepuez (2007-2023)

The accumulation of capital implies its devaluation – its devaluation as productive capital. This contradiction is easily explained. To increase the profit rate, productive capital must produce at decreasing unit costs, i.e., by saving social labour. As innovations spread, all fractions of capital (which buy inputs from each other) benefit from

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1 As Arghiri put it, it was not the export of capital that impeded development, but rather its interruption and the reflux of profits (Arghiri, 1985).

productivity gains. Increased productivity means lowering the value of the existing capital goods and so, if no other variables interfere, fractions of capital tend to be freed up (Santos, 2024). This will certainly be the case if demand for the commodities it produces does not increase in proportion to the devaluation of its respective productive capital. Capital accumulation is currently developing very fast this contradiction between the rate and the mass of profit. At a macro social scale, the average rate of profit tends to be higher² and it becomes cheaper to produce surplus value³. The rate of surplus value increases because, in addition to real wages representing less and less social labour time, their share in added value tends to decrease as unemployment rate rises. But in this way the decline in demand (excluding capitalists' consumer goods) can go along with the "extraordinary growth" of the profit rate. In France, for instance, a rising trend of the profit rate is on the way since 1983 (with a peak of 32 % in 1992) while the rate of investments has continued to decline (Plihon, 2003: 17-19).

With higher profit rates but with less prospects of increasing the scale of production, capital evacuates productive branches and turns to finance. The American market shows how the so-called financialisation process evolves: since the mid-1980s, the net amount of share issues by non-financial companies tends to be negative. This means that instead of the financial markets injecting capital into companies, it is the companies themselves that finance the stock market (Lazonick; Shin, 2020: 41). Moreover they take on debt for this purpose: although between 1987 and 1996 the self-financing rates were equal to or greater than 100 %, their debt ratio represented 1.26 times its added value in 1994 (Halary, 2003: 77-80). The effects are plain to see: the US stock market capitalisation, which represented 56 % of US GDP in January 1990, stands around 200 % in January 2025⁴.

A greater weight of volatile shareholders flowing to and from the stock markets impacted, as expected, the distribution of profits⁵. But contrary to what an abundant literature insists on saying (Hudson, 2021), it was not the *financialisation* of capital that increased the rate of exploitation, but rather the opposite. It is because less capital is needed to exploit the remaining labour force that there is now a mass of free capital available for financial uses, which presses for a greater distribution of profits. Besides, financial capital is simply the starting pole of any productive capitalist activity. As investment flows circulate freely around the world, a single capital market (bonds, equities, currencies, futures, etc.) has emerged, and debt securitisation allows all types of capital to remain liquid, regardless of the magnitude of the fixed assets they help to put in place. As such it has driven industrial growth in many "emerging economies": in the last four decades foreign investment rose from 5 to 20 % of the world GNP (Husson, 2010).

2 It seems established that over the last four decades there is a trend for a rising rate of profit. Its interpretative framework has not been consensual. For some, who assume that the profit rate is the result of fluctuations with no definable trend, the results confirms that such a rise simply does not collide with the labour theory of value (Husson, 1996; 2010). For others, the rising trend is the only expected one under the framework of the same labour theory (Santos, 2024).

3 In the labour theory of value, the rate of surplus-value relates value paid to workers as wages (variable capital, v) to the non-paid labour time transferred to capital as surplus-value (s). The rate of surplus value is s/v .

4 Data using the Wilshire 5000 ratio, which divides the total market capitalization of US equity securities with available prices by the GDP. [Online]. Available at: <https://www.longtermtrends.net/market-cap-to-gdp-the-buffett-indicator/>.

5 The share of dividends in the gross profits of US non-financial corporations alone rose from 22.6 % in 1977 to 36.8 % in 1997. This increase also reflects not just the increase of profits but also an unequal distribution of profits in favour of the shareholders (Hallary, 2002: 82).

This process has led to a qualitative change with regard to capital holders. Disintermediation (the elimination of bank credit for most of capital transactions) led the management of a large portion of the mass of profit shifting to the “non-bank banks”: the so-called institutional investors. In 1997, in the US, these new capital holders, such as funds (pension or mutual, investment and endowment), private and insurance companies, represented 16 trillion dollars (Jeffers, 2003: 94). In 2025, “institutional” ownership of U.S. stocks represents 76 % of the market (Lewellen, 2018). The next section starts with one such venture capital, the Pallinghurst Resources (Guernesey) Limited.

1.1. Financial capital back on earth: from PRL to GGL (2007-2017)

Pallinghurst Resources Limited (PRL), an investment holding company, was incorporated in 2007 and listed in the Johannesburg Stock Exchange (JSE) one year later. More than 93 % of its shared capital (initially 1,695 US\$) came from non banking entities. The bulk was held by private fortunes: the aggregate comprising “nominees and trusts”, “individuals”⁶ and private companies represented 51.6 %⁷. Other “institutional” investors (insurance and investment companies) held 29.3 % and banking capital less than 7 % of the share capital (PR, 2008: 45). To increase the leverage effect, decrease risks and widen its scope of assets, the Company assembled a consortium (collectively, the ‘Pallinghurst Co-Investors’, PI), mainly composed of private equity funds⁸, which trusted PRL management to invest.

PRL and PI started by targeting *brownfield* opportunities, which its managers defined as the purchase of participations in “underperforming assets, businesses that lack direction, are poorly managed, stranded or distressed”. It focused particularly on mining capital: “businesses that hold mines, smelters, refineries and processing plants” (PR, 2008: 2).

As PRL incorporated and assembled its consortium the economic climate favoured this kind of investment. The prices of cereal and metal prices had been on the rise following growth in emerging countries in the preceding years (more than 4 % in 2005-06). During the year of 2007 the subprime crisis in the US stock market instability accentuated the drift of financial capital towards commodities (Rebière, Lebon: 2024: 44). Industrial minerals and reserves of value such as precious stones⁹ or platinum were of course over valued (platinum had reached a peak of \$2,208 per ounce in March 2008) but when the sharp drop in prices and profits came in 2008, PRL and PI capital was already tied to mining assets¹⁰. Their major *brownfield* investment was

6 The family of the chairman of the South African food distribution group Shoprite Holdings Limited., Dr . Christo Wiese, remained the main PRL private shareholder. When PRL bought Gemfields (2017), the “Directors and management” still held 14,5 % of the shares despite the fact that the nominal capital had increased eightfold.

7 More than half of these (29 %) were considered “Non-public shareholders”.

8 In 2011, there were seven PI investors: AMC capital, and EMG, both equity funds specialised in energy resources; Smedvig, another equity fund; Algemeine Pensionen Groep (APG), one of the Europe’s largest pension funds; Temasek , a Singapore-based investment company; Investec Bank Limited, a banking group; Posco, the largest steel producer in South Korea.

9 “During 2007, Pallinghurst identified the coloured gemstone industry as a unique investment opportunity.” (PRL, 2011: 22).

10 PRL survived (“the casualty rate has been high”) but as the management reported, “its share price and those of the listed companies in its portfolio have also fallen dramatically” (PRL, 2008: 5).

the London-listed Gemfields PLC¹¹ (52 % of its net investments in the years 2013-17) but the company had also stakes in platinum¹², manganese and iron ore mining companies¹³ (PRL, 2008: 6).

Table 01 – PRL and PI – Net Funds Invested (USD\$ million)

Year	Gemstone/ Fabergé	Platinum Group Metals	Steel Making Materials	Total net investments
2010	119	120	7	246
2011	137	103	13	253
2012	144	184	38	366
2013	166	123	29	318

Source: PRL, Annual Reports, 2010-2013.

The company had a medium-term (10 years) profitability plan¹⁴ but the decade following its mining investments did not meet expectations. With “crises in the banking sector, sovereign debt default and downgrade in the credit ratings of many countries”, commodity prices remained low. In 2016 “the dollar price of platinum has sagged to not much above its low of the past decade, and is trading at a record discount to the price of gold.” The recovery of profits after the “turbulent events of 2008” was short.

After the peak year of 2010, “few could have predicted the turbulence of 2011” (PRL, 2011: 8; 2015: 5; 2016: 4) and probably the recession that followed. In spite of that, PRL managed to achieve some “strong financial performances”: considering that the mass of profit which was registered in the PRL balance sheets was a residual of financial discounts¹⁵, its average rate of profit for the period 2010-17 was 12.4 %.

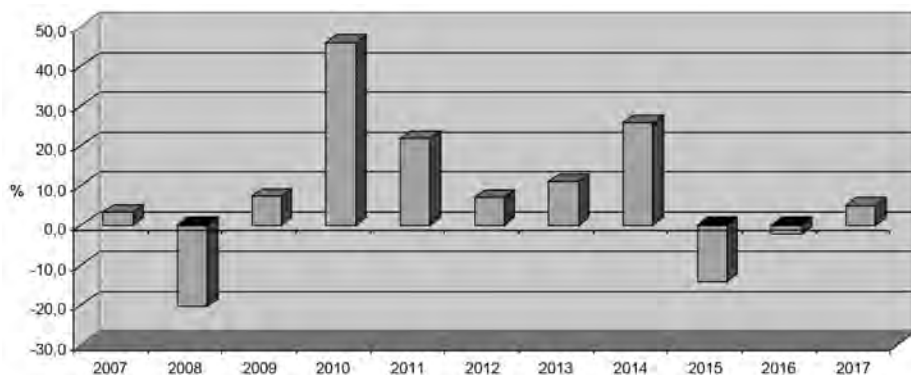
11 In October 2007, PI had acquired a controlling interest in the Kagem emerald mine (Zambia) via Rox Limited, a financial vehicle. In June 2008, the shareholders of Gemfields approved a takeover by Rox Limited. The deal involved the Kagem mine plus some exploration licences in Madagascar and a licence to use the label Fabergé (the fashion firm owned since 1989 by Unilever). The assets were sold to Gemfields against a share of approximately 55 % for the PI group (PRL, 2008: 7). In 2010, PI controlled already over 63 % of Gemfields.

12 PI invested in several mines in the Bushveld Igneous Complex of South Africa, organizing the Platinum Group Metals (PRL, 2008: 3-4).

13 In manganese mining PI participated (49,9 %) in a joint venture with Ntsimbintle, a group with manganese exploration rights within the Kalahari Basin of South Africa. In iron ore mining, PRL invested US\$10 million Central Yilgarn of Western Australia and its joint venture partner was Red Rock Resources plc.

14 These were the expectations: “we told all prospective shareholders that, for the first round of capital, we should allow for a ten year realisation period. Simply put, during the first five years we would plough the fields, sow the grain and attend to the green shoots” (PRL, 2011: 9). As mining capital, the PI consortium had to behave more like a “retain-and-reinvest” corporation rather than as “downsize and distribute” financial capital (Lazonick & Shin, 2020: 9-10).

15 PRL used a cash flow model with a 20 % discount rate, an assessment of estimated future emerald price increase at 10 % and an assessment of the estimated future operating costs adjusted for inflation at 5 %.

Ilustração 01 – PRL rate of profit (according to consolidated balance sheet) – 2007-2017¹⁶

Source: PRL, *Annual Reports*.

The company had assets capable of doing better, although this would require a reconfiguration of its capital formula. By the time the company was first falling into the red (-20.4 % of equity in 2008), PRL management warned shareholders about the risks inherent in returning financial capital to a productive sector. The main one was that “investments are still mostly at an early stage of implementation”, which meant that the turnover of fixed capital and the profit rate of the mining industry might not reach the expected profitability of a cash flow model. There were additional risks implicit in the rotation of mining capital: dependence on unlisted investments (some of them in several countries and jurisdictions); commodities such as industrial metals or gemstones subject to large fluctuations (among them, “rough and polished emeralds are less predictable than those of other commodities”); labour and environmental conflicts, etc. (PRL, 2009: 9). After a decade, it was also plain that the costs of establishing a dominant position in the gemstone industry and at the same time holding large fixed assets in other mining sectors were depriving capital of the ‘expected’ return. The stock market forced PRL to divest itself of assets: as the management put it, despite “the significant progress made in each investment, complexities in our structure prevented value from being fully reflected in PRL’s share price.” (PRL, 2017: 6). The reason why the company kept the gemstone industry as its core business and decided to cut back on the other activities lies in the evolution of capital accumulation in recent decades. The factors that led to the world growing mass of financial

¹⁶ PRL management evaluated assets and charged income statements accordingly to what they estimated to be the *fair value* of the investments. They claimed that its “accounting policy was under the *International Accounting Standard* (“IAS”) 39 *Financial Instruments: Recognition and Measurement*” (PRL, 2009: 3). This allowed in 2009 for instance, that based “on the projections, and sensitivity analysis conducted on these projections,” its Kagem mining asset would be written down to zero. Since the purpose of this section is to explain the decisions made by PRL’s management, it is appropriate to register its profitability as defined by the market and the company’s own value maximisation criteria. In the following ones, as the goal is to measure the real rates of profit and surplus value, the accountings will be deducted of the “fair value” assessments and charges.

capital (increasing productivity without a corresponding increase in extensive reproduction of capital) also led to an increase in the propensity for unproductive consumption. The demand for luxury goods, especially precious stones, which also act as a 'natural' store of value in inflationary contexts, has seen double-digit growth in recent years. The world market for emeralds, rubies and sapphires, for example, grew by 23 % annually between 2009 and 2018.

For PRL, the opportunity was in that although the use of coloured gemstones in the jewellery and fashion was rising, the coloured gemstone industry was considered to be fragmented and undercapitalised¹⁷. When it entered the stone market in 2007, the company's goal was to turn "a small, loss-making producer of emeralds" (that is, Gemfields before the purchase) into a "De Beers¹⁸ for Coloured Gemstones" (PRL, 2009: 7; 2014: 4).

However, PRL had now to face its main contradiction: as mining capital (aiming to reach a De Beers-level of cartel profits) it should have control of the gemstone supply and demand mechanisms, which meant it had to reinvest in order to keep horizontal and vertical consolidation¹⁹; as financial capital it should maximize the distribution of surplus value as financial gains, which meant reducing reinvestment and non-current assets. The apparent solution was the "inevitable" acquisition of Gemfields²⁰ (PRL, 2017: 6) and to drop all the remaining assets. In 2017 the Group bought all Gemfields shares²¹ and completed its transition from private equity to a mining company²²: it changed its name to Gemfields Group Limited (GGL)²³ and kept its primary listing in the JSE. In 2021, the Wiese family group, initially the largest shareholder, sold its stake to a South African holding company, Assore, which currently controls 26.64 % of the shares. The transaction did not change the company's shareholding structure: in 2023, 71 % of the shares were still held by six private companies and pension funds (GGL, 2021: 64; 2023: 207).

- 17 "Demand for coloured gemstones by the jewellery and fashion sectors was increasing despite a lack of large, reliable suppliers able to consistently deliver adequate quantities of gemstones" (PRL, 2011: 22).
- 18 De Beers is the South African-British Corporation established in 1888 to control the diamond trade of South Africa and later the world diamond cartel. In 1929 it came under control of the Anglo-American Corporation.
- 19 On horizontal consolidation (the purchase of mining assets to control the supply of gemstones), see section 1.2. With regard to vertical expansion, the Group main expense was the 2008 Gemfields agreement to implement a 15-year licence to use the Fabergé brand (a luxury brand) in the marketing of coloured gemstones (excluding diamonds). PRL entered in the capital raising of Fabergé with \$15.1 million (PRL, 2008: 5) and Gemfields acquired Fabergé completely in 2013.
- 20 "PRL could only influence Gemfields' operational performance upon taking Board control of Gemfields, which occurred on 28 July 2017. PRL was only able to measure Gemfields' performance prior to this date on the fair value basis, that is, its listed share price. Upon taking Board control of Gemfields, PRL's performance measurement of Gemfields changed to operational metrics." (Gemfields, 2018: 121).
- 21 In May 2017, PRL bought the remaining 62.1 % stake in Gemfields plc from the group Oasis (an investment fund), Faberge Conduit Ltd., Christo Wiese and other shareholders for approximately £130 million. (Market-Screener, 2017). On August 2017 PRL already controlled 96.99 % of the entire issued share and completed it by compulsory acquisition (PRL, 2018: 121).
- 22 GGL started with no majority shareholder, although the interests of the former PRL group constituted by far the core of control (41.9 % of the shares for the aggregate "Directors and management", "NGPMR (Cayman) LP", "Investec Pallinghurst (Cayman) LP" and "Gemfields Group Limited" (PRL, 2018: 54).
- 23 PRL was supposed to have "an initial life span of ten years, which was due to expire on 14 September 2017. On 26 June 2017, shareholders of GGL voted in favour of the restructuring of the Company and the acquisition of Gemfields plc, now called Gemfields Ltd ("Gemfields")." Under the new name the company's life was extended by 50 years. The Gemfields acquisition became effective 1 August 2017." (Gemfields, 2018: 55-56).

1.2. Gemfields, “De Beers for Coloured Gemstones”

Under GGL management, the efforts to decrease in former Gemfields non-current assets occurred at two levels: a reduction in the group’s stake in non-gemstone mining and a concentration of gemstone operations in the areas of immediate profitability.

The divestment in ferrous metals had been ongoing since 2010. Between that year and 2013, the PI group’s control over Jupiter mines had fallen from 85 to 69 %. In 2019, the remaining holding in Jupiter was sold to AMCI Euro Holdings B.V (PRL, 2020: 130). The platinum assets were far more important (6.5 % of Sedibelo Resources Limited, formerly S. Platinum Mines) but being considered “as non-core”, GCL was determined to dispose of “in an orderly manner when an acceptable opportunity might present itself” (GGL, 2018: 7). A selling process started in 2020 but in 2023 this unlisted investment was still in the balance sheet of GGL, although impacted by impairment charges which devaluated it from USD 32 to 4 million (GGL, 2023: 166). In 2024, the company was also seeking a buyer for Fabergé “to boost its coffers and let it focus on its core mining business” (Rappaport Magazine, 2025). Divestment in the gemstone fields meant acting as a “pure-play”, African precious coloured gemstone producer, and therefore it was not hard to select cuts, as well. (PRL, 2018: 6). The following table explains the geography of the cuts by giving the composition of GGL’s gross profit by operating platform.

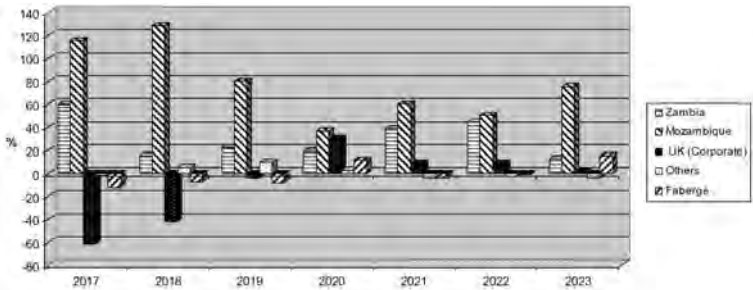
Table 02 – GGL – EBITDA* on Operational Platforms (‘000,000 USD)

Year	Zambia	Mozambique	UK (Corporate)	Others	Fabergé
2017	18.2	35.1	-18.7	-0.4	-3.7
2018	9.8	82.2	-26.7	3.4	-4.6
2019	18.5	66.7	-3.4	8.2	-6.5
2020	-5.8	-11.0	-9.0	-0.8	-3.4
2021	50.3	77.8	11.8	-5.1	-4.9
2022	73.4	82.9	14.4	-3.5	-1.5
2023	12.9	77.0	1.1	-4.3	-3.7

Source: PRL, GGL, Annual Reports.

*Earnings Before Interest, Taxes, Depreciation, and Amortization. Source: PRL, GGL, *Annual Reports*.

Ilustração 02 – GGL- EBITDA by Platforms (%) - 2017-2023



GGL's segmented analysis shows that not only does most of its revenue come from operations in Zambia and Mozambique, but more importantly, over 88 % of its gross profit since 2017 has been generated by these two platforms (except in the COVID-year of 2020). As the management put it in 2017, Zambia and Mozambique are "the foundation upon which we intend to build the future of the Company".

In Zambia, PI Group's initial asset was Kagem, "the largest emerald mine in the world", 75 % owned by Gemfields²⁴. Between 2007 and 2023, production at Kagem grew at an annual rate of 7 %, i.e., from approximately 10 to 30 million carats. In 2018, the mine already accounted for about 25 % of the world emerald production (PRL, 2018: 26). The increase in quantities produced is not in itself an indicator of profitability but at Kagem production costs were being decreased²⁵ and on the other side of the value chain, selling prices were being cartel-framed. Price control was essential in the gemstones market because without it, "the values decline dramatically as quality decreases": prices could go from "US\$500 per carat for very high quality material, of which very little is produced, through US\$0,01 per carat for low quality material, which is produced in large volume" (PRL, 2010: 26). To set the profit margins it aimed and as "there was previously no universal grading system for coloured gemstones", Gemfields imposed its own system of stone classification²⁶.

In accordance with it and again replicating De Beers, the firm also set its own selling scheme: a "developed higher grade auctions" for superior quality material and "lower grade auctions" for the remaining second class material (PRL, 2011: 23). In just 13 auctions for high-quality emeralds held between 2009 and 2017, Gemfields made USD 315 million, having managed to raise the average price per carat from 4.4 USD in 2009 to a record 70.7 (at the 2016 auction in Lusaka).

In June 2011, Gemfields announced "the acquisition of 75 % of a potentially world class ruby deposit in Montepuez district of the Cabo Delgado province, Mozambique". The mining and exploration rights covered approximately 34 000 hectares and were "believed to be one of the largest ruby concessions in private hands in the world" (PRL, 2011: 9; 25). However, in order "to emulate the De Beers diamond industry model in the fragmented coloured-gemstone industry", Gemfields had also turned to other gemstone investments. In 2008 the company had bought "the entire issued share capital of Oriental Mining", a company exploiting a mix of stones in Madagascar (Gemfields, 2011: 5). In 2014, there were investments in the sapphire field in Sri Lanka and the following year the company acquired "controlling interests in two emerald projects" in Colombia. Also in 2015, it got a "75 % interest in an emerald exploration licence in Southern Ethiopia through Web Gemstone Mining". (PRL, 2014: 4; 2015: 17; 2016: 11). These cartel-building costs undercut Gemfields rate of profit²⁷, which averaged 7.3 % for the period 2007-15.

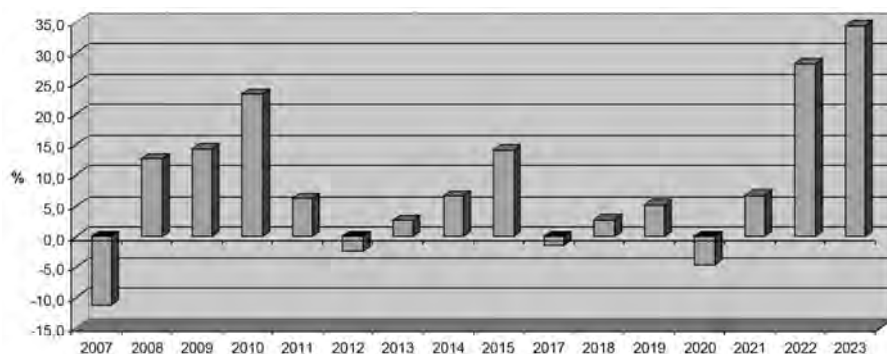
24 The Kagem mine, in the Zambian Copperbelt, was operating for 24 year when it was purchased by PI. The Group also owned Kariba in Southern Zambia, which considered to be "the largest amethyst mine in the world". The Zambian Government holds the remaining 25 % in both Kagem and Kariba. (PRL, 2010: 24).

25 In 2010 Gemfields was developing at Kagem "a trial underground mining project": an inclined shaft and tunnel system allowed "to follow the ore zone in a "surgical" fashion, without the need to strip and move all the of the surrounding barren rock" (PRL, 2010: 26).

26 "The system classifies stones within a spectrum of more than 100 grades" (PRL, 2011: 23).

27 When using discounted cash flow, as GGL's balance sheet does, the effect of undercutting on profits renders all "retained earnings" between 2008 and 2023 negative as a result of impairment charges. The profit mass considered here in order to evaluate the profit rate excludes the effect of impairments.

Ilustração 03 – Gemfields* Rate of Profit - 2007-2023



Source: Gemfields: PRL, GGL, Annual Reports.

*Gemfields includes Gemfields PLC and GGL. Source: Gemfields; PRL, GGL, *Annual Reports*.

With increasing debt levels and share prices falling, PRL took over, as seen above. That same year, the operations in Colombia and Sri Lanka were “terminated” and “significant cost reductions across the organisation continue” (PRL, 2017: 6). From 2017 to 2023, the aggregate non-current assets on GGL’s balance sheet decreased by approximately 30 %²⁸. For the period 2017-23, the downward trend in the profit rate was reversed, with the average rising to 10.2 %. It should be noted that this average includes the impact of the COVID-19 years and that in the following ones (2022-23) rates of profit around 30 % made already possible to ‘return capital to shareholders’ (i.e., buy-back shares and distribution of dividends).

1.3. Montepuez Ruby Mining (MRM)

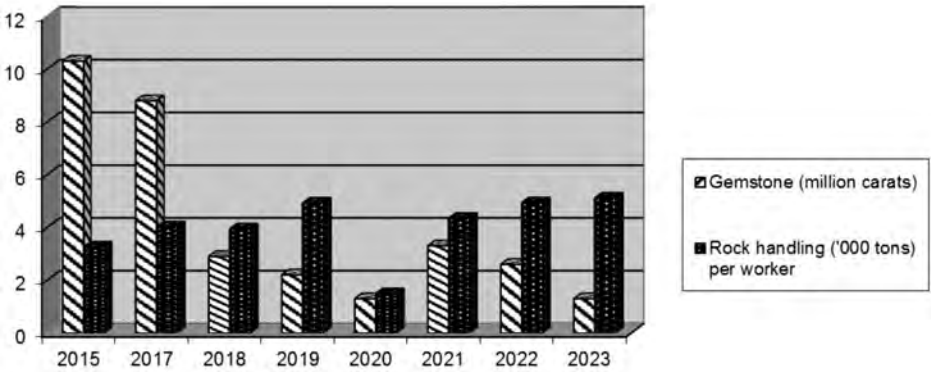
Except for the COVID year of 2022, GGL gross profits from Montepuez always exceeded those of Zambia by more than 1.5 times (record of 8.4 in 2018).

The process of acquiring what would become Gemfields’ largest source of revenue, and subsequently GGL’s, began in 2011. In keeping with its strategic objective of achieving the coloured gemstone cartel, Gemfields acquired its ruby deposit in Montepuez in 2012 for US\$2.5 million. Bulk sampling with results (110,000 carats) started in 2012 (PRL, 2012: 17). On February of that year mining licenses valid for 25 years were issued in the name of Montepuez Ruby Mining (MRM), incorporated in 2013 (Gemfields, 2012: 9). The purchase was in line with the persistent rise in ruby prices, which had not been interrupted by the recession since 2008: a 47 % increase between January 2006 and January 2013. The upward trend was superior to diamonds which during the same period just rose 32 %. The Group’s cartel strategy was, of course, not just to take advantage of a boom but to transform it into a permanent *rent*. Mozambique’s rubies had lower production costs for equivalent qualities than those of the dominant producer at the time (Myanmar), but

²⁸ In contrast, Gemfields’ previous management had increased the same non-current assets by 25 % in the five years between 2011 and 2015.

only cartelised control would enable a ‘reliable and consistent ruby supply to the expanding market’, that is at cartel prices (Gemfields, 2013: 7; 2014: 13). Gemfields policies previously set for Kagem emeralds were replicated in the ruby market. On the control of the supply side, production in Montepuez was directed towards “premium rubies”. In order to assure cartel profits per carat even if this meant reducing the volume extracted, the main mining area shifted from the initial Maninge Nice block to Mugloto²⁹, more likely to “premium-rubies” findings (Gemfields, 2014: 27). In 2023, Gemfields controlled about 50 % of the world ruby production. Cartel profit policy is shown by comparing annual growth in carat supply and mining productivity (using the amount of rock handling per worker as an indicator): between 2015 and 2023, the annual rate of MRM ruby outputs fell sharply (-22.8), while productivity continued to increase (5,8).

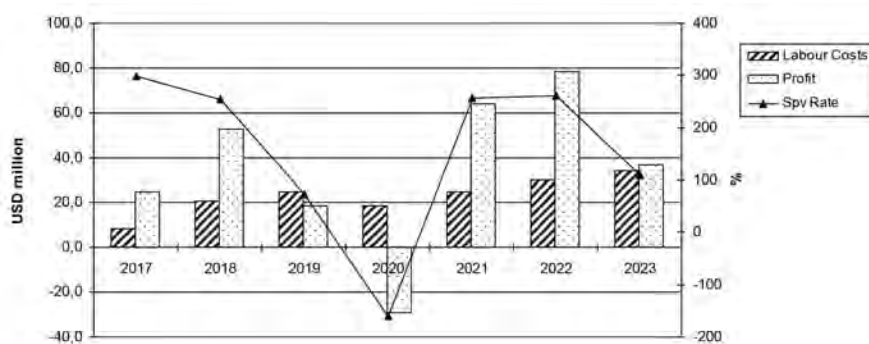
Ilustração 04 – MRM: Gemstone Production and Rock Handling per Worker*- 2015-2023



Source: Gemfields: PRL, GGL, Annual Reports.
Rock Handling = Ore + Waste Rock. Source: Gemfields; PRL, GGL, Annual Reports.

To control demand, a ruby classification system (‘which separates each gem into almost a thousand categories’) and specific auctions (for higher, lower and mixed qualities) have been in place since 2014. Already in that year, “the trade has witnessed a 30 % increase in the price of Mozambican ruby” (Gemfields, 2014: 13; 29). With the market controlled on both sides, prices and revenues began to break records. From 2014 to 2023, the company sold at least USD 964 million, practically doubling in the auctions of 2023 (USD 151.4 millions) the total sales revenues of the first one in 2014 (USD 76,9 millions). Control of the gemstone market ensured that GGL’s profit margin depended much more on prices than on production costs. Aggregate data from the Kagem-Montepuez platforms between 2017 and 2023 show how the surplus value (see footnote 3) appropriated by the firm has no significant correlation with its labour costs.

29 In 2015, around 74 % of the total rock excavated was focused on the Mugloto block, and only 23 % on the Maninge Nice block” (Gemfields, 2015: 32).

Ilustração 05 – Kagem/MRM: Labour Costs, Profit* and Surplus Value Rate - 2017-2023

Source: Gemfields: PRL, GGL, Annual Reports.

*Net Profit (after taxes, interest and depreciation). Source: PRL, GGL Annual Reports.

The dependence on cartel prices explains, for example, how in the critical year of the pandemic (2020) MRM managed to suspend mining operations without a corresponding reduction in wage costs (reduced by only 25 %)³⁰, and thanks to just four months of operations, still maintain a relative containment of the negative results³¹. Conversely, a reduction in cartel profits can have devastating effects on activity, as seen in early 2025 with the six-month complete shutdown of GGL's activities in Kagem³².

While there is little doubt about the impact of Montepuez on GGL's profitability, the following points attempt to trace the reverse effect, i.e., that of its subsidiary MRM on the Montepuez / Cabo Delgado region.

2. GGL policies: Montepuez Ruby Mining and its Environment

Despite the tendency towards the devaluation of productive capital (which allows for the increasing mass of financial capital worldwide), the fixed costs of setting up mining operations can be high. They can be even higher when mining capital, usually invested in regions with poor infrastructure and far from centres where skilled labour can be recruited, does not benefit from prior public spending on basic infrastructure and has to build it itself. Afterwards, some of these infrastructures ultimately reduce costs through import substitution. However, cost reduction induced by upstream and downstream investments to exploit local resources (cheaper staff locally trained, cheaper locally produced foodstuffs, lower security budgets due to controlled social environment) implies increasing capital immobilisation, i.e., a trend contrary to stock market valuation requirements. Gemfields' difficulties in achieving profit rates compatible with the discount rates (see 1.2) are illustrative in this regard.

30 The main operations at MRM were suspended on 22 April 2020 and remained suspended until March 2021.

31 "As a result of running the mine for just four months in 2020, MRM's production figures for the year were severely impacted. However, we take some comfort from the 1.3 million carats of ruby and corundum that were recovered during 2020 (versus 2.2 million carats in 2019) (GGL, 2020: 8).

32 The suspension is due in part to a competitor "flooding the market", that is the rising emerald producer Grizzly Mining (Rappaport Magazine, 2025).

GGL stands now in a more favourable position because by relying just on Kagem (which was a *brownfield* investment) and Montepuez, it can save on fixed assets. The mining fields of Southern Africa, which have been in operation for over a century (unlike virgin areas such as the Gemfields *greenfields* ventures of Colombia, Madagascar, Ethiopia, etc.), already benefit from a network of investments that reduce the capital intensity of latecomers³³. But for GGL, as for Gemfields before, the contradiction between maximising surplus value production and its distribution, currently common to all listed corporations and which we can name contradiction 1, is not the only one. There is a secondary contradiction, centred on the conditions that maximise the surplus value produced, i.e., that transform output into prices. To achieve cartel-level profits, its strategy for selling gemstones depends on a long-term range of investments. GGL can only increase sales at the prices it sets if it controls the main gemstone suppliers, which may entail high costs for storing precious stones and reduced profits due to mergers or price wars with non-aligned competitors. A De-Beers sort of cartel also implies heavy marketing costs in order to certify the stones through advertising campaigns aligned with the requirements of “transparency or traceability”. “Ethical” advertising by mining corporations has been as important as, if not more important than, the other intangible assets such as the Fabergé brand³⁴. However, unlike diamond or precious metal companies, which had already made progress in framing what is now called “ethical” outputs³⁵, a similar gemstone trade was “still some way off” in the early years of PRL. Only by controlling the upstream and downstream business, Gemfields (and later GGL) could claim to be “uniquely placed to champion the development of standards because, as both a miner and supplier of cut and polished stones, we have experience of almost the entire supply chain” (PRL, 2017: 57). The issue of “ethics” (including the “ethical” environment of production, from ecology³⁶ to labour and human rights³⁷, etc.) has been at the core of firm’s strategy³⁸. For GGL, the conditions for producing surplus value (i.e., in the GGL accounting items, “Mining and production costs”) are as important as those for realising it (“Selling and Marketing costs”).

2.1. Investments in Labour Environment

If expenditure tends to decrease in mining operations, the same can be said about the positive impact of MRM on demand and labour income.

The labour market in the region where MRM purchased its concession is, as one might

33 As regards the contribution of public capital for mining profits in Southern Africa, see Marchand: 1996: 349-375. Mozambique has 142 km of railroad per capita that is 23 times more than the African average (WorldData, 2025).

34 The promotion of diamonds with advertisement campaigns had been successfully pioneered by the Anglo-American cartel since the 1950’s.

35 Diamonds trade had already the Kimberley Process Certification Scheme (2003) to stop “conflict diamonds”. Precious metals (gold, tungsten, tantalum, etc.) produced in similar “conflict” circumstances were being targeted by the Dodd-Frank Act (USA) of 2010 and a year later by the OECD Due Diligence Guidance (2011).

36 It included the “Zero Carbon Project” in Zambia, with which Gemfields expected “to neutralise the effect of emissions and to date over 100,000 trees have been planted”, “sustainable local community projects, etc.” (PRL, 2011: 25).

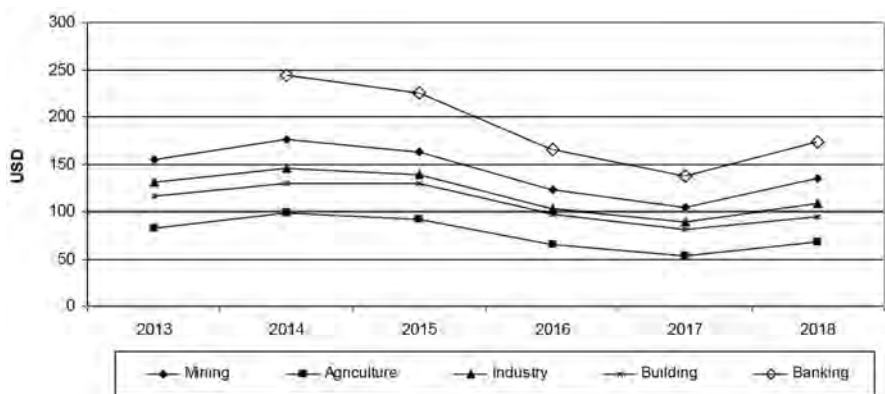
37 A total of 15 “material issues” were considered priorities for the company (Gemstone): anti-bribery policies, collective bargaining, forced labour, etc. As we shall see, the significant point related to “Artisanal mining” is included. (Gemfields, 2016: 56).

38 Gemfields works with the Responsible Jewellery Council (“RUC”) and the World Jewellery Confederation (“CIBJO”) “to develop coloured gemstone, supply chain and sourcing sustainability standards.” (PRL, 2017: 57).

expect from an underdeveloped region of an underdeveloped country, characterised by an increasing available work force. Although the peasantry continues to constitute the vast majority of the Cabo Delgado population (76 % “rural” in 2023), it has continued to grow at above 3 % since 2007. Considering the underemployment in traditional agriculture and the absence of significant migratory movements in the region, the increase in unemployment (annual growth of around 6 % from 2013 to 2022) is an expected result, even with the reservations raised by the different statistical criteria³⁹.

Consequently, despite the recent arrival of multinationals, the level of nominal of wages in Mozambique but especially in Cabo Delgado is very low. In 2018, the minimum monthly wage in mining, one of the highest, was set in Mozambique at USD 135; the lowest, in fishing, was set at USD 66. For most of these minimum wages there had been a downward trend, which for the period 2013-18 ranged from -2,7 in mining to -8,2 in banking (Mozambique News, 2018: 3)⁴⁰.

Ilustração 06 – Cabo Delgado: Minimum Monthly Wages



Source: Mozambique News, 2018: 2.

Currently (2025), nominal monthly wages at MRM range from 203 to 125 USD (13,000 to 8,000 MZN)⁴¹. But for MRM as well for mining companies operating in similar environments, direct wages are relatively unimportant. To have a productive workforce available, deferred costs (health, occupational safety, and training) usually count much more than nominal wages. The decrease of indirect costs through the imple-

39 The official statistics of Cabo Delgado have been published irregularly by the *Anuário Estatístico*. Data on the labour force and unemployment are recorded using different criteria in various publications, resulting in uncertainty for overlapping years. The rate of 6 % is a common result for several totals (INE, *Anuário Estatístico*, 2017-2023).

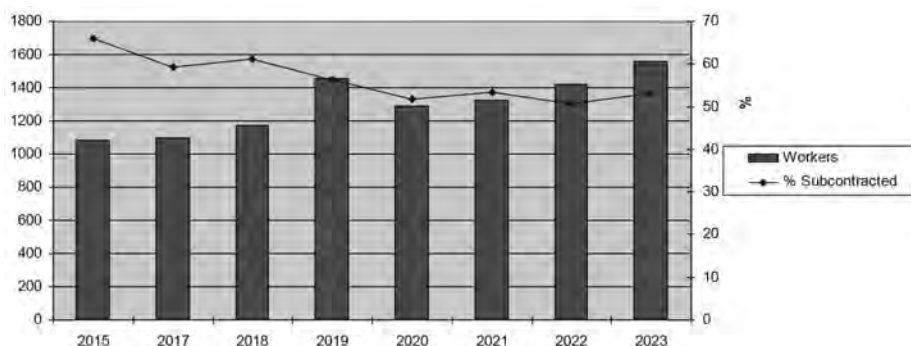
40 From 2014 to 2023, the downward trend of wages continued: annual rate estimated at -5 %. The real wage downward trend is far greater because of inflation (from 10 % in 2022 to 3,4 % in 2024 – World Bank, 2025). In 2023, the minimum wage in the mining sector at USD remained at USD 162 (Castel-Branco, 2024: 34).

41 Oral information (I-MRM, 2025). The average MTC/USD exchange rate for the period from January to March 2025 was used for the conversion. Data from Investing.com (2025).

mentation of new social equipment also benefits from positive publicity⁴² and it does not require an expensive programme.

The main factor in company's labour cost savings is its reliance on local recruitment (the sub-contracted workers), which still accounts for more than half of the workforce.

Ilustração 07 – MRM Workforce



Source: Gemfields; PRL, GGL, *Annual Reports*.

As for most of the mining companies in Africa, MRM surplus value rate benefits from the fact that the costs of the locally recruited workforce can be largely “outsourced” to traditional society (Santos, 2016: 58). Sub-contracted workers just need to receive small allowances for transport and food, far away of what is spent with workers hired from outside Montepuez⁴³.

This explains why the investment in social equipments can be relatively small. For instance, Namanhumbir residential camp, known as MRM Village, was initially provided just a set of 28 houses. It included “a newly upgraded gymnasium, recreational facilities and various outdoor sports facilities” but for expatriated staff only (GGL, 2019: 38).

In 2023, a new clinic was inaugurated and “29 thousand mobile clinic consultations were carried out”, covering 10 surrounding villages, although the community medical coverage tends to decline with regard to medication (I-MRM, 2025). In 2025, one of the strike movement's claims was the accusation that the company had failed to fulfil its promise to implement a ‘health plan’ (Trabalhadores da MRM, 2025).

Safety training was regularly implemented but the increasing trend of the “near-miss

42 Such as: “Our employees' welfare is of paramount importance to us. We make every effort to ensure that our workplaces are safe and secure. We pay fair and competitive wages. We supply safety equipment and, where relevant, transport. We aim to offer other benefits to our employees such as clean, comfortable onsite accommodation, food and health care. We do not exploit our employees. We do not, for instance, employ children in our mines, by which we mean anyone under the age of 18.” (Gemfields, 2013: 26).

43 The allowances to sub-contracted workers are also far away from what the workers need to keep up with inflation costs: in early 2025, the monthly food allowance per capita is still at 900 MZN (14 USD) while a 25 kg bag of rice costs 1,250 MZN. Sub contractors receive a monthly transport allowance of 1,500 MZN (USD 23) per worker (I-MRM, 2025).

reporting”⁴⁴ might be related to the deterioration of mandatory mining uniforms and equipment that each miner is required replace twice a year with a specific subsidy that is now clearly insufficient⁴⁵.

While the mechanisation of mining tasks allowed for cost savings if operated by local personnel with lower technical qualifications, training local staff remained priority for mining companies in Africa⁴⁶. MRM initially trained his workforce “by Caterpillar personnel on operation and maintenance of Heavy Earth Moving Machinery” but quickly developed other educational skills for middle management (workshops for “Interactive Communications”, “Great Manager Training”, etc. (Gemfields, 2016: 33). In 2019, MRM inaugurated a vocational training centre (“VTC”) “to help provide people with basic skills and qualifications in preparation for the anticipated employment boom in the northern Mozambique province of Cabo Delgado” (GGL, 2018: 60). In 2023, the VTC was already in its third training cycle in areas such as electricity, plumbing, civil painting, etc., and began integrating graduates: 28 machine operators “passed their theory exams and will progress for practical experience with MRM” (GGL, 2023: 86). Training and employment at MRM also claims to comply with politically correct gender requirements: in VTC courses, women represent 19 % of graduates and in 2023, 6 % of the total workforce (GGL, 2023: 84; 86). However, the increase in the technical composition of capital⁴⁷ does not favour the recruitment of semi-skilled local worker. As for skilled work Montepuez has not much to offer⁴⁸, the percentage of locally subcontracted workers tends to decrease. That is why, for instance, none of these VTC graduates are usually permanently hired, as it was the case for this 28 machine operators (I-MRM, 2025). Some of these training courses have also been outsourced, making them even more cost-effective⁴⁹.

Moreover, independently of the rise in labour composition of capital, the impact of these policies is conditioned by the small size of the workforce. In 2023, MRM had just over 1,500 employees, half of whom are currently from outside the province. The total workforce of the company represents a little over 0,6 % of the active male population of Montepuez district (INE, 2023: 15).

Still, the working population employed by companies such as MRM is the result of an ecosystem which capital must be able to control. Low levels of absenteeism and conflict or higher productivity cannot be achieved without the company also impacting the communities from which its workers come. MRM policies as regards this kind of upward expenditure, comes under its Health, Safety and Environment (HSE) policies. Once

44 MRM registered a total of 110 IANM (“Incidents, Accidents and Near Misses”) in 2018, 768 in 2019 and 812 in 2020 (COVID year). In 2023, there was one fatal casualty (GGL, 2023: 48).

45 MRM pays a yearly allowance of 1,000 for mining equipment. The current cost of a full mining uniform, including boots, helmet and gloves is 5,000 MZN (I-MRM, 2025).

46 This was one of the main reasons why Anglo-American and part of South-African big business was in favour of reforms in the apartheid regime (Pallister, Stewart & Lepper, 1987: 66).

47 The organic composition of capital, insofar as it reflects its technical composition, relates the value of the means of production (equipments, other fixed assets, raw materials) to the amount of labour required to operate them. If c stands for the value of the means of production, the organic composition of capital is $c / (v + s)$. For s and v , see footnote 3.

48 Apart from electricians, carpenters and masons. Oral information, I-MSC, 2025. For security reasons, the identity of the informant will not be disclosed.

49 Kagem in Zambia and MRM has “MOUs with local universities to enable career progression into Gemfields operations for suitably trained host country nationals.” In Mozambique, MRM has also established a strong relationship with Field Ready, a UK-based organisation, with whom MRM designs employability programmes for Mozambican nationals.” (GGL, 2023: 84-85).

again, an additional factor for developing it is that, even more than deferred labour costs, the company's expenditure on African communities are assets for 'ethical' advertising." For MRM, "Corporate Social Responsibility" (CSR) initiatives, i.e., "our philosophy of creating a sustainable community development programme" is supposed to include:

- basic education, with four primary schools "- in fact, one was rehabilitated, one extended and two newly built", including teacher's accommodation (PRL, 2017: 35; 55);
- health services, with MRM's mobile clinics having carried out "over 234,000 consultations covering ten villages since 2017 and frequent awareness campaigns on HIV, malaria, typhoid, cholera and Covid-19" (just in 2023, a total of 104, GGL, 2023: 49; 84)⁵⁰;
- water and sewage networks, with repairs or opening of boreholes and "500 improved latrines for 1,000 families around Namanhumbir" (GGL, 2023: 87)
- food safety, with MRM employing a "dedicated community relations manager" to oversee "conservation farming", the purchase of 2 tractors, chicken-farming co-operatives and the development of "financial literacy training" project (GGL, 2020: 67)
- and nature conservation, with expenditure in "post-mining environmental rehabilitation" (13,000 square metres in 2017); replanting of saplings over backfilled land (PRL, 2017: 3 5; GGL, 2021: 19) and even "financial support for the Niassa Reserve's Carnivore Project"⁵¹.

The company's reports do not disclose the costs of these projects but there are indications that the MRM has not tied up much capital in any of them. In 2013, Gemfields informed to have just spent "in excess of US\$100,000 on community-based projects". In the following year the management explained that "larger and longer-term projects have been put on hold until such time that a more holistic and strategic view can be taken." (Gemfields, 2013: 23; 2014: 35). Only after 2020, due to the pandemic and refugee flows in, have camp costs increased to around \$6 million (again for the aggregate of Zambia, Mozambique and Madagascar)⁵². In 2021 the company created a "charity" Gemfields Foundation but both MRM and the Foundation remain committed to developing programmes based on low-cost consumables: donation of 150 bicycles, purchase of fertilisers and manure, 4,000 solar lamps, etc. (GGL, 2020: 68-69; 2021: 6). As one local officer put it: *Nós esperavamos mais*⁵³ (I-MSC, 2025).

50 During the pandemic, as expected, MRM mobilised resources to minimise the damage. Tailors from Namanhumbir "were mobilised to produce cloth COVID-19 masks for MRM (using material supplied by MRM)". Kits of personal protective equipment were also distributed for health technician (GGL, 2020: 69).

51 In reporting this donation, GGL's management reminded its shareholders that the donation to the reserve followed the discovery of "of an exceptional matching pair of rubies totalling 45 carats named the 'Eyes of the Dragon'" (Gemfields, 2015: 41).

52 In the segmental analysis of the reports, the item 'camp costs', which is most likely to relate to this type of expenditure, shows that, for the aggregate of operations in Zambia and Mozambique up to the post-COVID years, the annual total remained below USD 4 million. This total does not include expenses related to resettlement Plans, which are mandatory costs associated with the expansion of mining areas and are discussed in section 4.

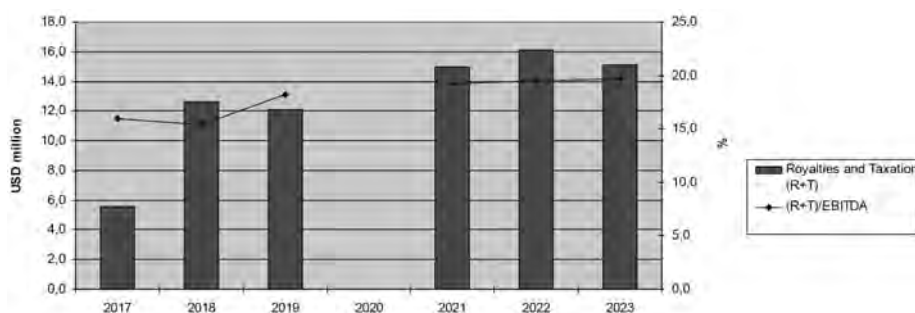
53 "We expected more".

2.2. MRM Fiscal Impact

If mining companies are currently allocating a smaller share of their mining costs to managing the ecosystem of their operations in Southern Africa, it was shown above that is because national governments have taken on some of these tasks. As such, the costs of this outsourcing should have increased, i.e., a larger share of the mining company's added value would have been transferred through taxation, but this is not the case. The international mobility of capital, which has enabled multinational companies to conceal their real profits (via transfer pricing, overloading profits with parent company debts, cash-flow for profit accounting, political pressure to reduce taxable income, etc.) and the weakness of underdeveloped states facing an increasing public debt have completely altered the balance of power between corporations and national governments. Zambia, for instance, started to charge after 1969 a tax aggregate of around 73 % to its 51 % state controlled copper corporation ZCCM. By then, the aggregate Zambian tax rate could reach 78 %⁵⁴. Fifty years later, Gemfields was paying a much lower income tax and just "6 % on all emerald sales in Zambia (including intercompany transfers)" (GGL, 2019: 47).

In Mozambique, the tax burden is higher than in Zambia (10 % on sales in 2019) but the evolution has been similar. Although Mozambican tax legislation⁵⁵ continues to set the tax rate on profits at 32 %, MRM paid only half that percentage on its gross profits in 2017. Since then there has been an increasing trend on the taxation of EBITDA (20 % in 2023).

Ilustração o8 – MRM - Taxation on gross profits (EBITDA)



Source: PRL, GGL, *Annual Reports*.

The transfer of MRM revenues to Mozambique is higher than the taxation of MRM profits. In addition to the foreign exchange that the GGL international auctions bring to the Bank of Mozambique, there is also the transfer of profits to Gemfields' associate, the Mozambican Mwiriti Limited, which holds a 25 % stake at MRM. Just in loans, to be recovered from dividends later to be paid by MRM, Mwiriti received USD 19,6 million in

⁵⁴ This average fiscal burden of Zambian Consolidated Copper Mines (ZCCM) resulted from a 51 % Mineral Tax plus the Income Tax (Marchand, 1996: 381-382).

⁵⁵ RdM, Lei N.º 9/2008.

the period 2021-23 (GGL, 2021: 159; 2022: 173; 2023: 170). Adding the State's tax revenue and that of Mwriti (by default), MRM has transferred at least 96 million dollars to the Mozambican ruling class since 2017.

For Cabo Delgado's Provincial budget, MRM has been for years the largest contributor. If the total fiscal amount paid by MRM between 2021 and 2023 was transferred to Cabo Delgado it would still stand between 10 and 20 % of the Province total revenue (INE, 2023: 55). But unlike the negative impacts of mining operations, which are concentrated in the concession areas, the companies' tax revenues are distributed throughout the central state. Until 2022, the percentage of mining taxation to be transferred to the regions of the concessions remained exclusively within the competence of the State budget (RdM, Lei n.º 20/2014, article 20). A subsequent amendment set the fiscal mining revenue (excluding royalties) to the 'provincias, distritos e comunidades' at 10 %⁵⁶. The amount that actually reaches the districts and communities is usually less than 3 %, if the law is complied with⁵⁷. But whether or not the government complies with the budget law, the variable amount that goes to the Montepuez/Namanhumbir area is in the tens of thousands of dollars. It is therefore not quantitatively significant enough to bring about qualitative changes in social indicators of the province.

These indicators have shown no improvement, to say the least. According to official statistics, daily GDP per capita remained unchanged in 2023 compared to 2019 (7.8 USD), but there is a serious deterioration in living standards. Considering food crops, traditional agriculture continues its downward trend in the last decade: in 2016-2023, the negative annual growth in production per hectare is for maize (-18 %), sorghum (-4 %) and cassava (-37 %). The same trend can be seen in traditional export crops: cotton (-17.7 %) and cashew nuts (-24.5 %)⁵⁸. Neither public health indicators⁵⁹ nor educational⁶⁰ ones show signs of advance.

For MRM, the insufficient return of tax revenues to the region is viewed with concern: "As the largest taxpayer in Cabo Delgado for many years, we would welcome more of our tax revenue making its way to communities living in and around the ruby region." (GCL, 2022: 17).

3. MRM conflicts

The MRM's veiled criticism of the central government is justified by the intensification of conflict in the region, including in Montepuez. Industrial conflicts are expected in antagonistic production relations but in the case of mining in underdeveloped countries there are additional factors. Given the current technical composition of mining capital (which tends to reduce the number of local jobs) and considering the disorganisation brought about by mining operations to the ecosystem (insufficiently compensated population transfers, pollution, etc.), the social cost to the region generally exceeds the benefits (higher wages, infrastructure works, etc.). Conflicts tend to increase with the scale of operations and, for MRM's parent company, GGL, the mere existence of conflicts resulting from its

56 Provinces, Districts and communities. RdM, Lei n.º 15/2022, article 1.

57 In the 2018 State Budget, the government set the tax rate for MRM communities at 2.75 %, but around 1 million míticais (15,100 USD) may not have been transferred (A Verdade, 2020).

58 Fishing output (around 30,5 thousand tonnes) also remains stagnated (INE, 2020: 38-40; 2023: 40-41).

59 The number of hospital beds per thousand inhabitants, which increased in 2020 due to the pandemic (8), fell again and stood at 5.8 in 2023. Between the same dates, the total number of doctors in service increased, but the ratio of inhabitants per nurse, who provides most of the immediate care, increased. (INE, 2023: 28).

60 Between 2019 and 2023, in primary education, the pupil-teacher ratio rose from 68 to 70 (INE, 2023: 20).

activities undermines, as seen above, the cartel's "ethical stones" strategy. It is therefore essential to minimise them and above all to remove them from the spotlight as much as possible. As MRM operates in a peripheral area of an African country and counts among its stakeholders part of the bourgeoisie linked to the state apparatus⁶¹ it can rely on the governmental media of Mozambique and hope for limited risks on its international image. However, this filter coverage may not be enough when assessing the scale of the impacts (MRM has to deal not only with labour relations within the firm facilities but also with regional disruptions within a mining concession covering hundreds of square kilometres) and the increasing leaks in media control.

3.1. Industrial conflict at MRM

In Mozambique, proletarianisation with formal jobs affects only 12 % of the working population. In the mining sector, the high organic composition of capital makes jobs even scarcer: despite accounting for 90 % of the exports, 75 % of investment and 50 % of GDP, it represents only 7 % of formal employment (Castel Branco, 2024: 22). Considering the convergence of interests between foreign capital and the state, both Mozambican labour legislation since 2007 and its implementation have favoured the precariousness of mining work⁶², which leads to the increase of the rate of surplus value in the sector. At MRM, subcontracted workers continue to be subject to six-day working week, discrimination in working conditions and, frequently, dismissal without compensation. In the document setting out the demands of the February 2025 movement, five out of eight grounds for complaint relate to discrimination (Trabalhadores da MRM, 2025; I-MRM, 2025). The total number of subcontracted workers has grown with the expansion of the operations, although the increase in the technical composition of capital tends to reduce their percentage: after representing two-thirds of the workforce, they currently make up just over half (see 2.1). Whilst workers, especially the subcontracted ones, usually react with frequent complaints, work slowdowns and possibly petty theft⁶³, collective conflicts have been rare. Combined with the bargaining power that comes from the precarious nature of its workers' employment ("contratos a prazo certo"), MRM has been able to rely on a government-controlled union framework to counter labour unrest⁶⁴. As the GGL put it, at MRM "67 % of the direct employees are unionised and no legal industrial action was taken, though there was one period of withdrawn labour when new union management did not follow any legally required steps" (GGL, 2023: 85). The management referred to the March 2023 movement: a full scale strike, which seems to have taken

61 Mwriti is a corporation owned by Raimundo Pachinuapa, a Frelimo ex-military now on its Political Commission, and his business partner Asghar Fakhraleali. Pachinuapa is said to own also about 7 % of the mining concessions in Cabo Delgado (Global Initiative, 2021). In 2019, at MRM, Pachinuapa's son Raime was director of corporate affairs and the company was "chaired by Samora Machel Jr", a son of the former Mozambican president (Club of Mozambique, 2019).

62 The law facilitates the identification between fixed-term contracts and subcontracting, which allows MRM to have a workforce available for periods of less than two years, but renewable twice. RdM, Lei N.º 23/2007, Articles 40 and 42.

63 According to MRM, local workers "reclamam muito, roubam muito" ("they complain and steal too much"). (I-MSC, 2025).

64 At MRM, the union is SINTICIM (Sindicato Nacional dos Trabalhadores da Construção Civil, Madeiras e Minas), affiliated with OTM-CS (Organização do Trabalho de Moçambique – Central Sindical). Although the OTM, founded in 1976, has been regaining class momentum in recent years, it is generally associated with government control and has experienced a significant decline in unionisation rates (25 % between 2013 and 2023). For a detailed overview on OTM, Castel-Branco, 2024.

MRM by surprise. It took the firm a short time, however, to have it under control, both on the ground and in the media⁶⁵.

In February 2025, another major industrial conflict occurred. Following the filing of 50 disciplinary proceedings that would lead to dismissal, contracted and subcontracted workers began a protest movement that culminated in another general strike. This time, complaints have risen to a new level and, apart the ones insisting on work conditions, are now also directed at the control of floor management: the workers asked for the dismissal of some company supervisors, who embody what they consider to be the arbitrariness of MRM's⁶⁶. Once again with the support of the police and military forces to put pressure on the workers during the movement, the company has so far managed not to respond to its demands.

**Ilustração 09 – MRM strike of February 2025 - Negotiations
(framed by the Mozambican Army) between Miners and Staff**



Source: I-MRM, 2025.

More importantly for MRM, the February strike was simply kept away from Mozambique's governmental media⁶⁷. Nevertheless, the successive failure of direct negotiations, which accelerates the discrediting of the 'official' union⁶⁸, has increased the level of militancy among workers. As it tends to drag union delegates along and bring together contract and subcontracted workforce, as seen in February 2025, industrial conflicts are expected to intensify in the near future.

65 AIM, the official news agency, reported it mainly quoting the press release note of MRM, which stressed that the workers "prevented colleagues who did not join the strike from working, which led the company to take security measures to protect the camp, through the Mozambican Police" and that "wildcat strikes only benefit the illegal miners operating in the area, since the protection mechanism of the project was effectively diverted to the management of the stoppage". (AIM, 2023).

66 For the full text of document with the worker's claims in February 2025, see Annex 1.

67 No news about the February 2025 strike in AIM or in the Maputo *Jornal de Notícias*, which in contrast, has published several reports on the incursions of artisanal mining.

68 Similar processes are occurring in other industrial conflicts in Mozambique (Castel-Branco, 2024: 29-30).

3.2. Community conflicts with MRM

3.2.1. Peasantry

The MRM 340 square-kilometre concession included five peasant communities of Namahumbir, located on or near the main pits. In 2014 MRM decided “to involuntarily resettle communities” under a Resettlement Action Plan (“RAP”). Management subsequently decided that “only one, Nthoro, located in the most viable mineralised area, would need to be resettled” (GGL, 2018: 60). A year later, the company was still “at the stage of identifying possible relocation sites with the local government having spent the last year carrying out local census and data collection” (GGL, 2018: 35). The expectation was that the final plan would be approved by the end of 2015 but it was just in August 2017 that the Resettlement Action Plan (“RAP”) was ratified by the central government. Meanwhile MRM had “105 lots cleared and the masonry of 35 houses completed” (GGL, 2018: 34). In December 2020 105 houses “had been completed and the overall project was more than 80 % complete”, with beneficiaries already moving into their new homes (GGL, 2020: 35). The inauguration ceremony for the *Aldeia PAR* (RAP village) did not take place until August 2022, possibly due to delays in infrastructure works, which were still ongoing at the time⁶⁹.

Purchase policies, delays which may have been related to the schedule of MRM cash flows⁷⁰, and underestimation of the disruption caused by resettlement ended up causing much more problems than expected. The company paid farmers of the area where the RAP village was to be established a uniform price of 12,000 MTC (approximately 188 USD) for each *machamba* (cultivated field to be handed to the resettled people), without consideration for area or fertility. As the process took more than five years to complete and the households in Nthoro (Namutxo) had grown in the meantime, scarce arable land led to conflicts between farmers. Those who had sold the land now demanded an update to the price, and the newcomers did not have enough land for their households (I-MSC, 2025). In 2021, “despite sabotage carried out”, MRM was asked by the Montepuez administration “to bear the cost of replacement agricultural farmland for the encroachers” in order to vacate the RAP village⁷¹.

There were additional reasons for peasants to complain. Needless to say that GGL management assured that the resettlement process would not only comply “with national law, but also adhered to international best practice”⁷². But Nthoro resettled people viewed it otherwise and their complaints were part of the 2018 important

69 Such as “the drainage Phase II along the roads inside the RAP Village, construction of the water tank towers and the development of the cemetery site” (GGL, 2022: 48).

70 According to the Provincial director of Mineral Resources and Energy, geologist Ramiro Nguiraze, MRM did not want to cash the RAP before it entered in its breakeven point: “The initial investment has an 80 % risk margin and the first few years are for the company to establish itself. It is not easy to take on a high expense such as resettlement without at least having recovered the money from the investment, which is financed by banks.” (Revista Tempo, 2017).

71 MRM reports to have resettled 110 out of 155 encroachers with “new agricultural farmland” and “agricultural kits composed of seeds, pesticides and fertilizers” (GGL, 2021: 35). This may not have prevented that some of newcomers from Nthoro still had to buy land to the former farmers (I-MSC, 2025).

72 I.e., “including Performance Standard 5 (Land Acquisition and Involuntary Resettlement) of the International Finance Corporation’s Performance Standards on Environmental and Social Sustainability, as well as the principles of Free, Prior and Informed Consent.” (GGL, 2018: 60).

judicial process against Gemfields⁷³. Other peasants from the villages of Mpene and Nseue, also forced to move, testified to a Pemba NGO that much before the transfer (which they never negotiated), their way of life was already being violated on a daily basis by the company's security forces and that they had been deprived of resources and cultural heritage (fruit trees, fishing, graveyards, etc.) without proper compensation (AMA, 2015).

Anyway, in 2018, the consequences of the RAP seemed controlled as regards its cost, which was covered by a GGL provision of US\$1.7 million (GGL, 2018: 32-33). The same can not be said about the bad publicity resulting from the international process, although not much was mentioned as regards the RAP, both in Mozambican official media as internationally⁷⁴. Besides, costs would go up because RAP conflicts remain unsettled, either in court⁷⁵ or on the ground. In 2023 at the Wikhupuri (the RAP village), resettled peasants were not still self-sufficient as regards food production, with MRM hiring an "external entity" to implement "a Livelihoods Restoration Programme through day-to-day assistance". Meanwhile "encroachers" continued "disturbing some resettled villages" (GGL, 2023: 49). In 2024 another collective confrontation occurred: "MRM-built vocational training center in the nearby of Wikupuri was looted and vandalized" and what "the perpetrators stole from the center was farming equipment that was supposed to go to 800 local farmers" (Rapaport Magazine, 2025). Costs of the RAP have so far risen to more than USD 10 million (GGL, 2022: 83).

3.2.2. Artisanal Mining

GGL's main community conflict is with illegal mining. One of the reasons is that artisanal mining expectations were already frustrated before MRM was organised. It was local people and later informal prospectors, not Gemfields that discovered the ruby fields of Montepuez⁷⁶. It did not help them much: Mozambican mining law allows for artisanal mining but requires the establishment of a legal entity 'that can prove it has the technical and financial capacity' to carry out the operations (RdM, Lei n.º 20/2014, art.º 45, 1). Unable to meet these requirements, the miners had no option but to sell their certificates⁷⁷ to Mwiriti Limitada (I-MSc, 2025), that used them to obtain the mining licence and with it to purchase its stake in MRM. A similar process seems to have occurred in relation to Mwiriti's other 25 % interests in joint ventures with GGL⁷⁸.

It would be always difficult to keep a population in which two-thirds live below the poverty line⁷⁹ and in a region with 'a long tradition of artisanal gemstone mining' out of the MRM concession (Hanlon, 2019). The parent company realized immediately that given

73 There were 95 claims for the "repeated burning of Namucho-Ntoro" (Mozambique News & Clippings, 2018). For an account of the violence's during the Nthoro resettlement in Mozambican independent media, see *Revista Tempo*, 2017; Hanlon, 2019.

74 Even in 2023, there are few international reports with details about the RAP. See for instance, *Africa Monitor Intelligence* (2023).

75 On June 2021 Pemba Judicial Court filed the claim by 39 villagers that alleged "that they had been unfairly excluded from the resettlement process of the Nthoro Community (Club Mozambique, 2022).

76 "O garimpeiro é o melhor prospector em Montepuez; a companhia não descobre nada" (the informal prospector is the best geologist in Montepuez; the company discovers nothing.' I-MSc, 2025).

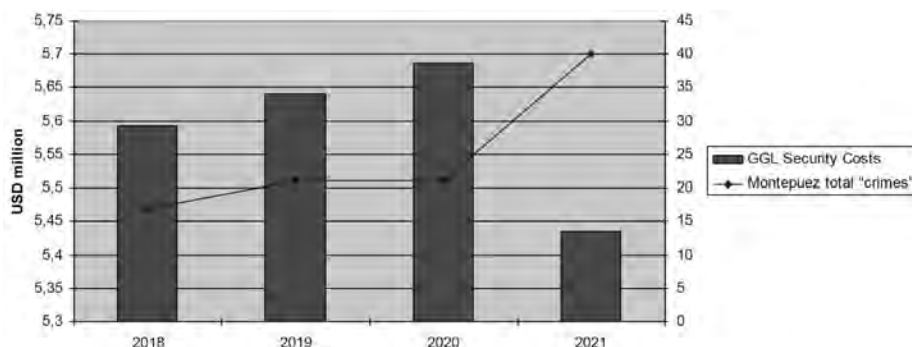
77 The certificates (certificados) are valid for 10 years but they can only be converted into a mining licence 'provided that the legally established requirements are met' (RdM, Lei n.º 20/2014, art.º 45; 48).

78 Megaruma Mining Limitada, Eastern Ruby Mining Limitad, Eastern Mining and Campos de Joia, for rubies and Nairoto Resources Limitada for gold.

79 The national average for the period 2014-2019 is 62,8 % but the percentage is hardly lower in Cabo Delgado after the recent natural and political disruptions (World Bank, 2025).

“the size and nature of the Montepuez ruby licence, illegal mining activity and theft” would remain “key challenges” (PRL, 2012: 18). It was not only the size but the easiness of the exploitation: “the relative proximity” of the gemstones to the surface and access to rainwater to wash ore during the rainy season. One of the smaller MRM contradictions is precisely that what makes it earn differential rents (its low mining operating costs) also implies increasing expenditure on “security”. In the period 2012–23 its accounting heading “Security costs”, which includes also the Zambian operations where the situation was “yet not fully resolved”, recorded annual growth of 19 %. At MRM it was spent on “architectural” and surveillance technology⁸⁰ but mainly on operational recruitment. MRM started by hiring “guarding services, quick reaction teams, and an intervention team which includes Mozambican police” (Gemfields, 2013: 17).

Ilustração 10 – GGL Security Costs and Crimes Reported by the Cabo Delgado Police



Source: GGL, *Annual Reports*; INE, 2022: 35.

Regardless of the randomness of these statistics⁸¹, there does not appear to be an inverse correlation between ‘security’ spending and a decrease in ‘crime’ in Montepuez, as GML would hope for.

After the escalation of violence of the years 2012–14, the Mozambican government replaced the intervention team (FIR) by a special police force to protect the concession⁸². But for Gemfields, a qualitative change of the worst kind for its cartel strategy had already occurred: an international legal case. It could hardly have been otherwise, given the scale of the repression exercised by the MRM/State security forces tandem and the growing capacity of the independent Mozambican media⁸³. In 2017, the law firm Leigh Day was

80 Such as “barriers, locks and lighting systems” and “CCTV systems, the installation of high power remote-operated PTZ (pan-tilt-zoom) cameras with infrared night capability and the erection of repeater masts for improved communication within the mine site” (Gemfields, 2012: 4; 2013: 17).

81 No strict correlation can be inferred because GGL security costs include Kagem in Zambia.

82 Between December 2013 and 2014: “average of one assault per day, fifteen fatal shootings and six murders committed in broad daylight”. Since April 2015, the Mozambican government has replaced the FIR with the “Natural Resources and Environment Protection Police”, “a unit composed of 35 members stationed in Namanhumbir to protect the concession and the surrounding areas.” (A Verdade, 2016).

83 A Mozambican journalist, Eustacio Valoi, prompted Al Jazeera to make a documentary and, the following year, several articles appeared in the international press (Mozambique News, 2019).

already working on a case, with 273 complaints, including 18 murders, 200 assaults and the already mention 95 instances of destruction of homes and property during the RAP process. For Gemfields, “the claim appears to recycle media coverage from 2015 and 2016” but when the case reached the London High Court, the firm’s strategy was to minimise the noise by paying whatever it took to do so. The firm “agreed, on a no-admission-of-liability basis, on a settlement of all claims brought by Leigh Day in relation to the alleged abuses”⁸⁴. It is significant how easily GGL agreed to sacrifice profits for the year in favour of its pro-cartel marketing strategy: in that year, largely due to compensation and legal costs, the production costs of carat increased by 30 %: from 8.96 to 11.58 USD⁸⁵.

The Leigh case showed GGL the risks of relying solely on repression, even with state collusion⁸⁶, and led it to new policies in order to cushion community conflicts. One of those policies was in fact mandatory because under the London agreement, GGL should set up an “independent Operational Grievance Mechanism (OGM)”. It took a while, however, to get it off the ground and the pilot phase just began in late 2020. (Leigh, 2022; GGL, 2020: 36). Prior to this, the company had already attempted minor conciliation and “engagement” measures, without much success⁸⁷. Two main factors hamper these public relations efforts.

One is MRM’s unwillingness to increase the scale of its funding to communities. For instance, after the London trial GGL announced it “has also created a new agricultural development and training fund of at least GBP500,000 in order to provide long-term sustainable benefits, including skills training to foster economic activity and employment for the Ntoro/Namucho community” (GGL, 2019: 40). There are no indications in subsequent reports until 2023 that this fund has begun to be applied. MRM also attempted to resolve pre-2018 community conflicts to the extent possible: in 2023 it offered a sort of “OGM 2.0” to close “the existing claims between 1 January 2012 and 31 December 2018. As the company proposes to do it “by way of a collective, *mostly non-financial*, remediation plan”, the chances of success seem low (GGL, 2023: 87).

The second problem with reconciliation policies lies in MRM refusal, to date, to purchase stones from artisanal mining or to assist them in working outside their licensed area. The company organized an “Artisanal and Small-scale Mining Feasibility Study” but with not known change of policies as regards transactions (GGL, 2023: 86). As expected, this fostered the diversion of trade from small-scale illegal mining to gemstone smuggling networks. As GGL acknowledges, currently “many artisanal miners hailed from faraway towns and villages, including Nampula, some 400 kilometres by road

84 “The settlement figure is GBP 5.8 million (US\$7.4 million), comprising the sum to be distributed to the claimants by Leigh Day and their legal expenses.” (GGL, 2018: 34).

85 “Gemfields maintains that it is not liable for the alleged abuses set out in the claims, but has taken the view that the agreed settlement best balances the interests of the various stakeholders and avoids tainting MRM’s relationship with sections of the local community by engaging in protracted and expensive litigation against the claimants” (GGL, 2018:3 5). More importantly, “Leigh Day will not bring, or support, any future claims in relation to MRM where they arise prior to the date of the settlement agreement” (GGL, 2019: 35).

86 The collusion between the Mozambican state and foreign capital in matters of repression is becoming increasingly visible. In March 2025, the Mozambican Attorney General’s Office “began investigating allegations of murders, kidnappings and rapes of civilians committed by members of the Defence and Security Forces (FDS) protecting the facilities of French multinational TotalEnergies in Afungi, Cabo Delgado province” (Carta de Moçambique, 2025).

87 In 2015, MRM had organized “meetings with local stakeholders, illegal miners and traders, religious and youth leaders and other community members”; in 2019, it was organizing every Sunday sport initiatives “to combat the exploitation of children for illegal mining ” (Gemfields, 2015: 41; 2019: 67).

from Montepuez, and were typically bound in debt to mostly foreign gemstone traders working in illegal smuggling syndicates.” (GGL, 2019: 88)⁸⁸.

The result is that illegal mining has been on the rise since 2019 (GGL, 2019: 8), the number of victims keep rising⁸⁹ and conflicts tend to escalate to collective confrontations. In February 2020, approximately 800 artisanal miners openly entered the concession, “vastly outnumbering the MRM security personnel and Mozambican police”. According to MRM, “undercutting the outer edge of the mining pit” led to “several ground collapse incidents” and 11 deaths (GGL, 2019: 38)⁹⁰. In 2021, “an attack by illegal miners on a mine supervisor” also made one death (GGL, 2021: 34). The 2023 company report signalled “a significant increase” of illegal mining activity (GGL, 2023: 48). Lastly, in December 2024, “200 illegal ruby miners stormed the residential village next to the mine” and “attempted to invade the ruby deposit that Gemfields controls”. According to the State news agency, “more than 300 kilos of precious stones” were stolen⁹¹.

For GGL management, while acknowledging that its human rights policy is not the same as it was in 2012, the essence of the approach remains the same. It includes “humanitarian support to the illegal miners themselves in the event of collapses” and “deal with the military, make sure, to the extent that we’re able to do so, that they have disciplined the individual, ban those individuals from coming back onto our license”. GGL still insists on “*where we have the time*, to actually provide voluntary principles on security and human-rights training to both the police and the military who are in that area” (Rappaport Magazine, 2025, non-original italics).

Conclusions

Maximising surplus value production and then maximising profit distribution implies reducing reinvestment, which the devaluation of productive capital increasingly allows. Profit distribution can also be enhanced if combined with cartel prices. In the last decade, GGL has tried to take advantage of both possibilities (sections 2 and 3). However, the contradiction between a MSV⁹² orientation (profit distribution) and the organization of a steady cartel (profit reinvestment) is becoming increasingly evident. To facilitate understanding of the GGL dynamics, the main contradiction may be subdivided into two: one that shows that the downsizing of reinvestment also implies downsizing the mass of future profits; a second one that shows that a gemstone cartel implies rising costs.

Contradiction 1 lies in the fact that by reducing its mining assets, GGL is foregoing potential market opportunities (such as a recovery in platinum or manganese prices) and weakening its position in gemstone production. In 2017, the company began divesting stakes in companies other than the former Gemfields. This policy had also the effect of

88 Tanzanian, Chinese and even Congolese gemstone traders are currently based in Montepuez (I-MSc, 2025).

89 According to GGL sources, “at least 92 miners have died on its premises in collapses of the illegally dug pits” (Rapaport Magazine, 2025).

90 The 2018 incursion showed how GGL can use its media power, in this case to promote a victimising narrative at national level. GGL “invited members of the Mozambican press and media to visit MRM and its surrounding villages to provide first-hand coverage of the activity” (GGL, 2018: 38-39).

91 The joint interests between the company and the state were stressed: “This is a severe blow to the Mozambican state, since MRM has been a reliable taxpayer, channelling income from its regular ruby auctions to the Mozambican exchequer” (AIM, 2024).

92 “Maximizing Share Value” policy (Lazonik & Shin, 2020).

increasing the risks associated with investment contraction (only in gemstones, then only in Zambia and Mozambique, in 2025 only in Mozambique). Since geographical concentration is simply induced by cost minimisation, GGL faces now a wave of unrest induced by its low-cost labour and community conflicts. In Zambia, but especially in Mozambique as seen in section 4, social movements against GGL are on the rise: workers' movements, peasant's hostility, open warfare with illegal mining.

The secondary contradiction lies in the cost-benefice ratio of organising a cartel in the gemstone industry. To achieve the equivalent of a De Beers' oligopoly during its heyday, GGL must ensure control of both supply and demand of gemstones. Controlling supply implies costs significantly higher than those initially projected by PRL. Gemstones market keeps expanding but if the growth of competitors cannot be halted, as it seems now in emeralds with Grizzly Mining⁹³ and possibly afterwards in rubies with Gemrock International, it will be inevitable either to share cartel profits or spend heavily to buy stakes in them. The alternative is a price war, as it seems to be currently happening with emeralds⁹⁴. A successful cartel can bring additional profit-sharing factors, as it enhances governments to increase the tax burden on a company that is known to depend solely on one or two operating platforms.⁹⁵ More importantly, a cartel strategy also implies not giving up on the ethical advertising campaign. But GGL can only obtain this type of certification by preventing (or hiding) conflicts, i.e., by redistributing a much larger share of profits to mining regions than contradiction 1 allows.⁹⁶

Recent developments show that GGL is rushing headlong into these contradictions and letting go the cartel scheme for now. Its management says it will continue to minimise costs, regardless of the social consequences, and to concentrate investment in Mozambique⁹⁷, regardless of the risks. Given that GGL's capital accumulation strategy is replicated by other multinationals operating in the region⁹⁸ and in the country, it is no surprise to see that the social unrest in Montepuez is being replicated at district and national levels. Since 2017, the most visible manifestation of social disruption has been the jihadist insurgency which by 2023 had already displaced more than 1 million people in the district.

93 Grizzly Mining was incorporated in 1997 by the Senegalese businessman Abdoulaye Ndiaye and owns at least 9 emerald mines in Zambia. It is now replicating GGL in production and sales: it delivers around 50 million carats yearly (in 2023 GGL produced only 33) and since 2019 it organizes international auctions in Dubai, which are now biannual. [Online]. Available at: <https://grizzlyemeralds.com/>.

94 About the emerald supply, GGL complains of competition that is, "flooding the market" with lower-priced goods". Ruby prices keep breaking records, for now (Rapaport Magazine, 2025).

95 In 2019 the Zambian Government introduced a new 15 % export tax on precious gemstones and metals which together with the existing 6 % mineral royalty levied on gemstones, increased Kagem's total tax on revenues to 21 %. (GGL, 2018: 7). The Zambian emerald sector lobby reverted it but could not prevent its comeback in 2025, when the combined taxation of the emeralds reached again 21 % plus a 30 % income tax (Rapaport Magazine, 2025). A cartel price in this conditions would erase any possible differential rents in Zambian emeralds for GGL.

96 As Gemrock International, another GGL competitor also established in Cabo Delgado, puts it: "The current reality is: there is no independent certification scheme available globally. No third-party institution anywhere around the world would build or offer an independent certification scheme" (Gemrock, 2025).

97 In 2025 "GGL announced plans to halt all nonessential capital expenditures at its ruby-development assets in Mozambique, including Eastern Ruby Mining. In addition to ceasing operations at Megaruma, it has shut down Nairoto Resources" (Rapaport Magazine, 2025).

98 In 2021, just in the district of Cabo Delgado there were at least 11 multinational companies operating in the natural gas sector: 3 European (TotalEnergies, ENI and GALP), 1 USA (ExxonMobil) and 7 Asian (ONGC, BPRL, BREM, CNPC, PTTEP, Mitsui and KOGAS) (Cardoso, 21). There were at least three in mining (in addition to GGL and Gemrock in precious stones, Syrah Resources in graphite). For construction and logistics related to these projects, there are several other European and American multinationals.

There is broad consensus⁹⁹ that the youth mobilisation recruited by arose from “local communities’ resentment of elites’ appropriation of the economic benefits of northern Mozambique’s natural resources, including ruby fields and natural gas reserves” (Henlon, quoted at Global Initiative, 2021). For some, since the government “seems unable to create livelihoods and jobs”, “miners and gas companies must become development agencies and farmers to stem the discontent they are creating” (Mozambique News, 2019). The sections above have attempted to explain why the contradictions that currently prevail in capital accumulation are incompatible with this *developmentalist* view. However, the fact that no fundamental change in the redistribution of profits between multinationals and local communities is to be expected in the short term does not mean that companies are not facing right now the consequences of an increasingly hostile environment. Because of the insurgency, gas projects, with the exception of ENI, were halted in 2021. In the case of gemstone mining, the attack on Gemrock’s facilities in October 2022 led GGL to begin the evacuation process at Namanhumbir, which the arrival of government forces made unnecessary so far. Still, during the following year, the operations at Nairoto were suspended. (GGL, 2022: 47; 57). For GGL, whose mining fields are very close to the affected areas, the main impact seems for now the increase in illegal mining brought about by the thousands of displaced people and the consequent rise in security costs¹⁰⁰. The civil disobedience protests that followed the 2024 election, which led to further shutdowns of multinational companies, shows that social unrest can intensify even further.

For the moment, GGL position remains: “it seems the political unrest has eased off somewhat, and we hope that will continue to be the case as the new government settles in” (Rapaport Magazine, 2025).

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99 Even among scholars linked to official and unofficial institutions with interests in Mozambique. For some examples, see Seabra, 2021; Cardoso, 2021.

100 That is, over 700,000 people, “taking refuge in areas near MRM and who pose an added threat to the operations, due to the risk that they could join the illegal miners”. GGL police (PSD) has since then “successfully incorporated drones on site to monitor artisanal mining and assist patrol teams in locating such activities” (GGL, 2021: 33-34). So far, there is no evidence of connection between the increase in refugees and illegal mining (I-MSC, 2025).

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Annex 1

À:

Direção da Empresa Montepuez Ruby Mining – Namanhumbir

Assunto: Violações Graves de Direitos Laborais e Direitos Humanos

Exmo. Senhor Director,

Nós, trabalhadores da Montepuez Ruby Mining, vimos por meio desta carta apresentar uma reclamação formal acerca de graves violações dos nossos direitos laborais, normas internacionais de trabalho e princípios básicos de dignidade humana. O ambiente laboral, marcado por práticas discriminatórias e condições degradantes, coloca em causa os compromissos assumidos por Moçambique ao ratificar convenções internacionais da Organização Internacional do Trabalho (OIT) e tratados de direitos humanos.

Abaixo destacamos os principais problemas enfrentados pelos trabalhadores:

1. Falta de Plano de Saúde — Negligência em Saúde e Segurança no Trabalho

A promessa de implementação de um plano de saúde nunca foi cumprida, deixando os trabalhadores vulneráveis e sem assistência médica adequada. Esta situação viola a **Convenção n.º 155 da OIT**, que estabelece a necessidade de garantir ambientes de trabalho seguros e acesso à saúde ocupacional;

2. Discriminação nos Direitos dos Trabalhadores

Há uma clara distinção entre trabalhadores privilegiados e não privilegiados. Os benefícios são concedidos apenas a um pequeno grupo, enquanto a maioria enfrenta condições laborais precárias. Esta prática viola a **Convenção n.º 111 da OIT**, que proíbe a discriminação no emprego e na profissão;

3. Discriminação Racial e Tribal

Os trabalhadores expatriados e colaboradores provenientes do Sul do país recebem salários elevados e melhores condições de vida. Em contrapartida, os trabalhadores locais enfrentam discriminação salarial e condições indignas, mesmo exercendo funções semelhantes. Esta prática configura uma violação directa da **Convenção Internacional sobre a Eliminação de Todas as Formas de Discriminação Racial (ONU)** e contraria os princípios fundamentais da **Declaração Universal dos Direitos Humanos (artigo 2.º)**;

4. Condições Deploráveis de Trabalho e Alimentação Desumana

As condições de trabalho são precárias e indignas de uma empresa de renome internacional. Além disso, há uma segregação alarmante no fornecimento de alimentos dentro da empresa:

- Existem **duas cozinhas separadas**: uma para os trabalhadores locais e outra para os trabalhadores privilegiados;
- Na cozinha dos trabalhadores locais, os alimentos fornecidos são extremamente limitados e de má qualidade, frequentemente consistindo apenas em **arroz, feijão e carapau podre, sem sabor e impróprio para consumo**;

- Já na cozinha destinada aos privilegiados, são oferecidas refeições variadas e de qualidade, com carnes frescas, vegetais e alimentos diversificados.

Este tratamento desigual é um atentado à dignidade dos trabalhadores locais e contraria os princípios de **igualdade e não discriminação** previstos em tratados internacionais e na **Declaração Universal dos Direitos Humanos (artigo 25.º)**, que garante a todos o direito a uma alimentação adequada e condições dignas de vida;

5. Expulsão Arbitrária de Trabalhadores

Constata-se a prática sistemática de expulsar trabalhadores sem justa causa e sem provas razoáveis, especialmente aqueles que não possuem “padrinhos” dentro da empresa. Esta conduta configura uma clara violação da **Convenção n.º 158 da OIT**, que determina a necessidade de motivos válidos e justificação transparente para demissões;

6. Testes de Drogas Discriminatórios

Os testes de drogas são aplicados de forma discriminatória, com sanções severas apenas para os trabalhadores moçambicanos, enquanto expatriados e privilegiados são poupados. Esta prática fere o princípio da igualdade consagrado nas normas internacionais de trabalho e no **artigo 7.º da Declaração Universal dos Direitos Humanos**, que estabelece o direito à proteção contra discriminação;

7. Processos Disciplinares Abusivos

A empresa mantém uma média de **50 processos disciplinares** em curso, evidenciando uma política opressiva e abusiva contra os trabalhadores;

8. Gestão Incompetente e Imoral

Os problemas identificados são fruto de uma gestão incapaz e insensível às questões laborais, liderada por pessoas sem formação adequada em recursos humanos e administração de empresas.

Os seguintes gestores são diretamente responsáveis pela deterioração das condições laborais:

- **Fortado Macamo**
- **Oscar Mussane**
- **Saul Muchino**

Estes gestores comportam-se como “patrões intocáveis”, expulsam trabalhadores sem justa causa, não indemnizam devidamente, e favorecem membros das suas “quadrilhas”. Mesmo quando associados a actos graves, como roubo, os seus protegidos recebem indemnizações generosas.

9. Exigências dos Trabalhadores

Diante das graves violações mencionadas, exigimos:

- a) Demissão imediata de Fortado Macamo, Oscar e Saul Muchine**, responsáveis pela má gestão e violação dos direitos dos trabalhadores;

- b) Implementação urgente de um plano de saúde eficiente** e abrangente para todos os trabalhadores, em conformidade com as normas internacionais de saúde ocupacional;
- c) Reintegração imediata dos trabalhadores expulsos sem justa causa** e indemnização por danos morais e materiais;
- d) Inspeção rigorosa do sistema de recursos humanos**, incluindo a identificação e eliminação de trabalhadores fantasmas;
- e) Melhoria urgente das condições de alimentação**, garantindo a todos os trabalhadores acesso a refeições equilibradas, seguras e de qualidade;
- f) Cessação das práticas discriminatórias**, com a garantia de igualdade salarial e de condições laborais para todos os trabalhadores, independentemente da sua origem;
- g) Revisão das políticas disciplinares**, com implementação de mecanismos justos e transparentes para avaliação de infrações.

10. Consequências em Caso de Inação

Se até 48 horas não se resolverem as nossas exigências e não forem cumpridas, informamos que:

- **Paralisaremos todas as atividades laborais** e só retomaremos o trabalho quando os **gestores mencionados forem demitidos** e as nossas reivindicações forem atendidas;
- Notificaremos as autoridades competentes, incluindo o **Ministério do Trabalho**, e organizações internacionais como a **Organização Internacional do Trabalho (OIT)**;
- Divulgaremos esta situação junto a **organizações de defesa de direitos humanos** e à **imprensa nacional e internacional**;
- Queremos justiça, respeito e a conformidade da empresa com as normas internacionais de trabalho e direitos humanos.

Atenciosamente,

Montepuez, 18 de Fevereiro de 2025

Trabalhadores da MRM, Ascendig, Terenciano, Norberto e Flomara
Em anexo, abaixo assinado