

Angola: From politics of disorder to politics of democratisation?

Steve Kibble (2006-04-20)

On Wednesday, Angolan President Jose Eduardo dos Santos declared that his country would go to the polls before the end of 2008. Elections, not held since 1992, have been constantly delayed in the country, leading human rights activists to accuse the government of clinging to power. Steve Kibble analyses the complex nature of the Angolan state, concluding that: "Despite rhetoric on increased transparency, accountability and democratisation little has yet been accomplished to overcome the gap between ruler and ruled."

Angola became independent from the Portuguese in 1975 after a costly and long running liberation war with three antagonistic independence movements based on different ethno-linguistic, ideological constituencies. In its almost fourth year of peace there is no immediate reason why war should resume. This follows 27 years of nearly continuous civil war between Uniao Nacional para a Independencia total de Angola (UNITA) rebels under their dictatorial leader Jonas Savimbi, and the governing Movimento Popular de Libertacao de Angola (MPLA). The former were US and apartheid South Africa-backed, with a rhetoric of representing the poor 'real' rural Africans of the interior. The governing party was based on the coastal elite which has large urban and mestizo elements, with a commitment to nationalism, socialism, and anti-imperialism in a conflict overlaid by the Cold War.

In 1991 the Stalinist state with an inefficient command economy changed to a supposed multiparty democratic state and market economy. Few freedoms were realised although free and fair elections were won by the government in 1992 - the 'excuse' for UNITA to renew the war. The state remained heavily centralised with the president able to control extra-budgetary revenues for his own accumulation and clientilist purposes. It has massive oil production, revenues and potential. Much of the infrastructure, agriculture and rudimentary health services were destroyed by war with millions of landmines being laid - with knock-on effects on agriculture, transport as well as people's lives.

War also meant excess mortality of one million deaths - roughly a tenth of Angola's population, displacement and urbanisation with about half of all Angolans, perhaps seven million people, living in cities and towns. The agrarian system collapsed as did the health and education services - only 37 percent of primary-aged children were enrolled in school whilst most of the health budget goes to hospital-based curative services, including elite spending in South Africa and Portugal.

Peace broke out in April 2002 when Savimbi was killed, leaving the MPLA-controlled government undisputed victor, but espousing reconciliation (Although reconciliation here largely means (six) blanket amnesties, no truth commissions and inviting selected opposition elements into the elite) - for which civil society can claim some credit. The country in theory faces a triple transition from war to peace, from devastation to reconstruction, and from a state/elite patronage system to a transparent market economy. The first two are better advanced including a greater commitment to infrastructural (re)construction. Many in civil society express concerns over delays in and government commitment to reform. Inflation has been brought down although no major structural reform has occurred. In particular there is unlikely to be a challenge to the key nature of the bazaar economy (Cadongo) in trade and services controlled upstream by commercial tycoons and army officers able to accumulate resources by using special powers, granted them by senior politicians, to import goods (Angola is ranked 133 out of 145 countries on Transparency International's corruption index. Between 1997 and 2001, \$8.45 billion of public money was unaccounted for (an average of 23% of GDP)- IMF.).

Transition or Steady State?

There is an assumption that Angola is in transition and that its current dysfunctionality will change. Conversely we can see the 'politics of disorder' as a functional 'steady state' for the Angolan elite. It holds a number of cards, despite dependence on conditionalities such as high oil prices and ability to attract concessional oil-backed loans such as from Standard Bank and \$2billion from the Chinese Eximbank in 2005 (As part of the loan agreement, the Chinese are repairing infrastructure but in an opaque non-competitive deal with only 30% of the work going to local (elite-linked) firms.).

Africa's second largest producer is one of its fastest growing economies with some of its poorest people (Revista Energia', a publication that monitors the country's energy sector, puts yearly government oil revenues at between US \$4 billion and \$5 billion). In 2005 oil production was 1.3 million barrels a day set to increase to two million by 2008. Much of this estimated \$6.88 billion revenue goes to a small number of wealthy Angolans with little reaching citizens (Nearly all of Angola's production is offshore and for every million invested in the industry, only \$100,000 is spent onshore.). The government budgeted for 16% growth although the IMF paper projected annual growth at 18% a year over 2005-2007 [1].

The country had a UNDP Human Development Index of 0.445 - making it 160 of 177. There was neither formal agreement with the International Monetary Fund (IMF) in 2005 or the much-heralded donors' conference. Donors appeared reluctant to commit to a poor country with a rich elite in relation to a conference or humanitarian appeals.

Angola is also the 4th or 5th largest diamond producer - like oil, an enclave sector with little regulation or accountability, where forced labour, ill-treatment and disappearances were common. Production was expected to raise around \$900 million despite continued smuggling (Despite expulsions of 127,000 foreign nationals involved in the illegal diamond trade between April 2004 and February 2005 - accompanied by allegations of brutality).

Like many oil-producing countries. Angola sees the paradox between exploitation of oil, gas and minerals and high rates of poverty indicators of child malnutrition, low health care spending, low school enrolment rates and poor adult literacy (and war). Over one million Angolan people remained dependent on food aid, and one child died every three minutes of preventable causes - 480 per day.

The effect of oil wealth ('Dutch disease') is to cause economic contraction and inflation through high local prices, expensive exchange rates and depressed levels of manufacturing in other sectors plus lack of national accountability, especially with increased world demand, tightening supply and in 2005 continued high prices. The underlying problem is the 'resource curse' of oil-based economic enclaves with greater external than internal linkages, meaning a lack of reciprocity between domestic rulers and ruled in all spheres - 'a state without citizens' or certainly state-citizen reciprocity [2]. The industry employs only 10,000, although accounting for 90% of exports and 80% of tax revenues. Necessary economic diversification is complicated because it is uncertain the elite wants diversification given its control over import and export and reluctance to allow an unfettered free market.

There have been changes. Transparency has improved in revenue if not expenditure through publication of an oil diagnostic undertaken by outside consultants KPMG and moves towards declaration of signature bonus payments. Although allegations of corruption persist, with high-ranking government officials implicated in private business deals related to their public office, there were successful prosecutions of senior officials in 2003-2004. In July 2004 Angola signed up to the African Union's Peer Review Mechanism - although it is far from meeting its conditions.

Angola then faces the task of moving from a state of non-war to a 'Civil / Social Peace'. But despite GDP growth, a current account surplus, and the lowest inflation rate ever [3], transition would have

to be from a fragmented national economy with a history of financial embezzlement and misappropriation of funds, a lack of international confidence and donor coordination, poor administrative capacity, a large child population at risk from disease, and largely weak opposition and civil society. If a genuine transition it would mean ending corruption, tackling poverty, allowing the development of a genuinely independent private sector, creating an open and transparent tendering process, transforming the political system into a pluralist democracy. Civil society also calls for action on disarming the armed civilian Angolans (an estimated one third of the population but not a government priority), clearing (the unknown numbers of) landmines, and addressing the exclusion of the poor and marginalised, especially women. A widely owned electoral process would legitimise the institutions of government, debatedly without it since 1996, and lead to a constitution guaranteeing citizens' rights.

But there are a number of reasons why the government can ignore these problems whilst maintaining its own stability and security. Renewal of war is highly unlikely whereas continued high oil prices and fields for development and oil-backed loans look set to continue. The latter are not as cheap as multilateral funding, but are more government controllable. Continued Middle East instability combined with US (disputed) hegemony over the Gulf of Guinea/ the 'American Lake' means that Washington is looking to increased African oil, expecting it to provide 25% of its supplies. The increasing market share for Angolan oil going to the USA and other states means national and international security considerations precede transparency or human rights questions.

Angola is a strong security state under few internal or regional threats. Cooption, division and occasional repression work well to negate any possible internal threats. The Angolan elite remain largely immune to what international pressure there is for good governance - directed more towards questions of transparency, and a secure climate for foreign investment (FDI) rather than democracy and poverty alleviation. The West wants to engage with a booming economy, keen to compete with China's lion's share of contracts for infrastructural (re)construction.

The continuing geo-petroleo-strategic interest of the USA in the Gulf of Guinea and Angola in particular as alternative sources of supply to the Middle East was shown in continued good relations. The country gained a growing share of the US market (although oil exports to China overtook those to the USA) and the latter continues as Angola's chief trading partner, political patron and major aid donor and gives it on rather inconsistent grounds preferential African Growth and Opportunity Act (AGOA) treatment. Relations improved with Bern after the resolution of 'Falcongate [4]' whereby the Swiss released \$17m for humanitarian purposes of frozen Angolan funds [5].

This lack of international pressure is against the background of declining world oil production now over the 'Bell curve'. Regionally, excluding Zimbabwe and (parts of) the Democratic Republic of the Congo (DRC), the region has been stabilised - in part by previous Angolan interventions to destroy UNITA bases. Angola is able to use the rhetoric of sovereignty and anti-imperialism which resonates well in the southern African region, despite the more partial AU view of sovereignty as opposed to the absolutist OAU version.

Luanda alleges negotiations are taking place on ending the Cabindan separatist conflict - distinct from though entangled with the civil war. Cabinda enclave from where oil wealth derives has separatist factions fighting for independence. Cabindan human rights organisation Mpalabanda Cabinda Civic Association (MACC) says although it received a document from the government in February 2006 on 'greater autonomy' for the enclave, it has heard little since of any negotiations. If Cabinda can be stabilised, Angola's rulers can open up human rights a little especially in the coastal region/ Luanda without endangering control.

Additionally, rather than seeing forthcoming elections whenever they are as an opportunity, the

population being only too aware of what happened in 1992, seems as much fearful or apathetic.

The governing MPLA can pay off and play off other parties [6]. Whilst there are factions, the president runs a parallel state and seems in control as with his reversal of not standing as its presidential candidate. Through government reshuffles he negates existing and potential opponents such as the chief of external intelligence agency General Fernando Miala (who paid the price for becoming too popular).

UNITA formally reconciled its three factions after 2002, but leader Isaias Samakuva is under threat for operating a patronage system and expelling possible leadership challengers. Other parties seem more concerned with 'getting their snouts in the trough' rather than representing distinct interests and policies.

Political disorder and its uses

Angola is an example of the use of 'disorder as a political instrument' where non-transparency, non-accountable authority, and a weak legal framework provide dynamics for elite accumulation. Historically there has been a 'Bermuda triangle' of resource flows between Presidency, Sonangol and the national bank, bypassing formal organs such as the Ministry of Finance (although the latter is gaining greater control). As well as vast corruption in the past detailed by many reports including from the IMF, Global Witness and Human Rights Watch etc, practices continue as shown in the reports from Brazil alleging illegal financial dealings linking the Angola Minister of Finance, and the Governor of the Central Bank [7].

Sogge notes that the domestic Angolan political economy "cannot be separated from the external constituencies, chiefly the global oil and banking industries, and strongly favourable diplomatic and military currents driven by Western (especially US) strategic interests." [8] In this sense Angola's problems of domestic governance "are at the same time problems of global governance" in which the constrained forms of global citizenship "practised by institutions offshore set limits to citizenship for ordinary Angolans onshore".

Elections - paths to democracy or ensuring the right result?

Elections have been promised and not held since the end of the war in 2002. The parliamentary and presidential elections announced unconvincingly in 2005 for September 2006 and 2007 respectively are now postponed until there are infrastructural improvements - for which the government would gain electoral advantage and increased control over the process.

Civil society - small, autonomous but with some resistance

A third of Angola's population live in atomised musseques (shantytowns), with little spontaneous collective action to solve common problems. Despite little alternative leadership and vision, there have recently been protests over forced removals in some neighbourhoods in Luanda, leading to the arrest of SOS-Habitat coordinator Luis Araujo and others. Change due to citizen pressure has been limited by the absence of public systems and institutions - part of the general disorder that has served elites well for many years. There has been civil society questioning the continuation of José Eduardo dos Santos as President, transparency and corruption in government, the land law and the new constitution, the DDR process, police and military impunity, freedom of expression and political action, and Cabinda.

International activism has raised issues and set agendas in corporate behaviour such as the 'Publish What You Pay' campaign on transparency of payments by oil companies.

There has been talk of freeing up government control of the media and willingness to address the low rate of HIV/AIDS and associated vulnerabilities despite difficulties in access to rural areas.

Despite low population density land is scarce, with an estimated four million people relying on subsistence agriculture for survival as the only source of family income. Land tenure and use are flashpoints for disputes with large-scale population return to rural areas. In the ideological shifts of the early 1990s, a huge privatisation programme saw an elite land grab at the expense of small peasants. There is potential for conflict between customary law and state land law with the former discriminating against women.

Although the 2005 land reform law allowed communities to access and legally register their land - leading to hopes of greater security for and improvement in Angola's agricultural production - it is doubted it will eliminate conflict.

Women - the burdens of war become those of peace

Women suffered enormously during the war both through the direct effects of violent conflict and the indirect effect of poverty on families and communities. 80% of IDPs were women and children, suffering high levels of mortality, malnutrition, illiteracy, poverty and HIV/AIDS and lack of access to health, information, education and water - and decision-making. Current government crack downs on informal commercial activity increase poverty levels amongst poor urban women with a knock on effect on domestic violence against women.

Enter the IMF - or not?

Angola has applied for an IMF programme to restructure its debt [9], but not for new loans given the 'tiny amounts' compared to Chinese and other loans. A syndicate of European banks led by French bank Calyon are organising a \$2.25 billion [10] oil-backed loan to Sonangol to refinance existing debt and \$800 million in new money for undisclosed use, with the Chinese buying the oil. Finance Minister Jose Pedro de Morais said endless failed talks with the IMF were due to its not having an accumulated knowledge of Angolan economics - interpreted locally as being unwilling to understand elite needs.

Conclusion

The ruling MPLA has for many years with justification been able to blame the war for its repressive and unaccountable policies. Subsequently it has been able to point to the need to move from a war economy and polity into transition. But we do not have to believe the rhetoric over transition and its difficulties if we consider Angola as is in a 'steady state' with economic and political policies marked heavily by the structures established by war and from command economy and state. It is able to use its oil wealth for elite accumulation and for overcoming resistance to its rule. Clientilism has largely replaced more repressive measures. As its oil wealth and ultra deep oil exploration possibilities increase it is increasingly able to ride out any international disquiet over its policies - accessing available if expensive oil-backed loans and able to put resources where it wishes. There are some constraints in the present and future - such as wanting to present itself as not so corrupt to attract FDI, a desire to deal with its debts and its dependence on the maintenance of high oil prices - but not sufficiently to disturb the equanimity of the elite and its accumulation strategy. Any opposition can be marginalised, bought off or in the last resort got rid off.

Despite rhetoric on increased transparency, accountability and democratisation little has yet been accomplished to overcome the gap between ruler and ruled. Apart from some NGOs it seems there is little help they can expect in terms of support or pressure from the international community. As well

as the increased autonomy for the elite with high oil prices and vulnerable supply, there are significant shifts in international and regional alliances in the face of the 'Chinese threat' and the war against terror.

* Dr. Steve Kibble is Advocacy Coordinator for Africa/Yemen, Progressio

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* Please send comments to editor@pambazuka.org

References:

[1] IMF, 2005, Staff Report for the 2004 Article IV Consultation, IMF Country Report No. 05/228, Washington DC: IMF July.

[2] Thanks to David Sogge (personal communication) for this insight.

[3] In January 2006, the National Statistics Institute estimated it as averaging 18.5% over the year whilst the EIU country report thought 23.4% more likely (EIU Angola Country Report December 2005 p.11).

[4] French businessman Pierre Falcone was suspected of embezzling funds flowing from the restructuring of Angola's debt to Russia.

[5] although \$37 million held in a Luxemburg-based bank account owned by a Panama-based company called Camparal, which belongs to Dos Santos allegedly vanished into tax havens

[6] Over 150 political parties continued to exist, many with identical platforms, undemocratic internal practices and with little parliamentary initiative, coalitions between opposition forces or promulgation of alternative policies or monitoring of government policies. A recent law on political parties allows government funding of parties not represented in the National Assembly during the election period (Diário da República 1.7.05).

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[8] Sogge personal communication.

[9] With estimated external debts of \$10 billion Angola wants IMF approval of its would-be home-grown programme through a Policy Support Instrument (PSI) to tackle its \$1.5 - \$1.8 billion Paris Club debt and provide a seal of approval for creditors wanting assurances before discussing debt rescheduling.

[10] According to Global Witness, although the French press says over \$3 billion.