Angola

Prospects for Peace and Prosperity

*Neuma Grobbelaar, Greg Mills
and Elizabeth Sidiropoulos*

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Executive Summary

The peace process begun in March 2002, and which was seemingly the consequence of the death in combat of the leader of UNITA, Dr Jonas Savimbi, was primarily the result of the MPLA's military success in its last offensive in December 2001 and its scorched earth policy, which compounded UNITA's weaknesses.

Savimbi's death, however, acted as a catalyst and probably sped up the subsequent developments, which included a virtually immediate ceasefire between the ruling MPLA and rebel UNITA movement in Angola and the resumption of a peace process that stalled for the best part of a decade.

These new, positive developments in Angola also coincide with the apparent culmination of the rash of conflicts that sprung up across Africa in the late 1990s, expressed as a so-called 'arc of crisis' from Sudan in the east to Angola and Sierra Leone in the west. No single conflict best characterised this destabilising upsurge than that in the Congo, drawing in six nations and around a dozen different protagonists in what was termed 'Africa's First World War'.

Angola has long been a military power in Southern Africa, its martial abilities backed up by a willingness to utilise force within and outside of its own borders. It has the potential to match this capacity in the economic realm. It is the second-largest oil producer in Africa. The current production of 900,000 barrels-per-day will double by 2007, to a level that Nigeria produces today, though Angola has only one-tenth of Nigeria's population. Oil comprises 42% of GDP, 80% of government earnings, and 90% of export earnings. Angola is also the fourth-largest producer of diamonds world-wide, with an estimated annual income of US$700-800 million, a figure which could rise with the envisaged ending of the marketing monopoly held by the Ascorp corporation.

War and bad government has meant, however, that little of this wealth has reached Angola's 13 million people. While defence expenditure has consumed over 41% of central government expenditure in 1999, compared with 24.6% in 1992, around US$1 billion of US$4 billion in annual government spending is unaccounted for.

Yet two-thirds of Angola's population lives in abject poverty on less than US$1 a day, and an estimated four million reside in refugee settlements inside Angola with a further 450,000 in refugee camps outside its borders. Angola, the state, is limited to a few urban centres and its infrastructure has been destroyed almost in its entirety. The scorched earth policy pursued by the MPLA over the last 24 months to eliminate UNITA's military assets and support, and ultimately, the leadership, has left vast regions of Angola and its communities desolated. This has led to unchecked migration to coastal and urban areas.

Once self-sufficient, today Angola has to import 50% of its food requirements and the manufacturing sector has largely ceased to exist. While 60% of the population now resides in urban areas, many of them survive by trading imported goods in the informal sector.

This *SAIIA Report* assesses the potential for peace and prosperity in Angola within the context of the New Partnership for Africa's Development (NEPAD). It concludes that a number of areas require sustained, urgent attention, notably:

- Demobilisation and reintegration of UNITA troops, which is linked to the management of the humanitarian situation.
- Political, constitutional and judicial reform and consultation.
- Expediting the elections scheduled for 2004. Both UNITA and the MPLA face a daunting transformation task from military to politically-based parties.
- Economic reform, greater transparency and reprioritising government expenditure towards social service delivery.

These issues raise questions for the role of the international community, including:

- **Bretton Woods Institutions**: The role of the international financial institutions has been limited despite a number of reforms that have been undertaken within the framework of an IMF programme, such as the auditing of the central bank's accounts for the first time in 2000. The slow pace of reform has been attributed to a lack of political will on the part of the government.
- **United Nations**: Despite efforts to expand its role, the United Nations has been sidelined, partly a result of (government) perceptions of a pro-UNITA bias, its failure to adequately monitor demobilisation during the Lusaka peace process, and the fact that the present peace is a result of a decisive military victory by the FAA over UNITA.
- **Regional Partners**: The end of the Angolan civil war is of enormous significance for sub-Saharan Africa. The 41-year old conflict not only embroiled its eastern and southern neighbours, Zambia and Namibia, it spilled over into the DRC and resulted in an unconstitutional regime-change in the Republic of Congo (ROC). Yet despite its past military intervention and its growing regional stature in terms of assuming the chair of the Southern African Development Community (SADC) on 26 September 2002, the Angolan regime has managed to remain strangely apart from organised regional political and economic relationships. There has been no significant rapprochement with more reformist regional governments and Angola's traditional partners have resided firmly within the ranks of the SADC old guard, namely Namibia's Sam Nujoma and Zimbabwe's Robert Mugabe.
- **South Africa**: There is significant potential in improving Pretoria-Luanda ties. For Pretoria, Luanda is perhaps the only regional power that could bring President Mugabe under control. It has displayed a willingness to engage regionally (and to utilise its military prowess), not least in the Congo. For South Africa-based business, closer ties between Pretoria and Luanda could assist in providing the regulatory cover currently missing from the Angolan business environment. In this way, given the relative economic delinkage and independence of Angola from the SADC region, there is more to be gained by Pretoria than Luanda from an improvement in bilateral relations. There are political obstacles that will have to be overcome

before such a regional partnership can eventuate. For one, Pretoria will need to make positive, public overtures to Luanda's leadership, in doing so placating what many Angolans perceive as an ungrateful attitude on the part of the ANC for the years of sanctuary and military assistance Luanda provided.

- **Oil Sector**: The significance of the Angolan oil sector and the role of the multinationals will be critical in the future economic and political development path of the country. Business practices by most oil multinationals have not assisted in improving transparency or accountability in government expenditure. Stricter enforcement of corporate governance principles and practices is essential if economic activity by multinationals is to contribute positively towards the development of the country, instead of sustaining the existing negative sequence of corruption and patronage.

- **Humanitarian Organisations**: Humanitarian organisations tread a difficult path. They are not only confronted by the dire humanitarian situation on the ground, but have to deal with a huge shortfall in funding which is fed by the perception among donors that the Angolan government is not doing enough to address the grave humanitarian needs of its citizens and that official corruption is so pervasive that relief aid that is channelled through government departments does not reach those for whom it is intended. This could prove to be a critical factor in Angola's future, as the humanitarian crisis may well worsen, thus heightening the risk of indefinite instability. However, it is incumbent on humanitarian organisations to move beyond their strictly circumscribed 'humanitarian' role and to develop active partners within Angolan civil society that could assist in rebuilding the shattered fabric of society and the economy. This has to happen despite official sensitivity towards human rights education, an independent media or an open discussion on the ills of the current state apparatus and peace activism. It is the only way to ensure that Angola as a society can move beyond its current crisis mode to sustainable development and peace.

- **Civil Society**: Regional and international civil society organisations can play an enormous role in contributing to conditions of sustainable peace. Interaction between Angolan civil society and similar groupings outside the country would have a positive impact on the unfolding transition, in terms of lessons learned from other states undergoing change.

- **Troika and Others**: The Troika countries (US, Portugal and Russia) have no further specific role defined within the framework of the peace agreement and at most enjoy observer status. Yet they could play a critical role in determining government policy on a range of issues. The US is Angola's biggest trading partner, taking approximately 40% of its oil exports in 2000 of Angola's oil production. Given the nature of Angola's economy, its government statistics are not totally accurate.[2] Angola currently supplies an estimated 10% of US oil imports. Angolan bilateral debt is dominated by Russia, which has maintained its primary position as the country's most significant arms supplier. Oil will be the main factor that will influence US and Russian policy-making, as has been borne out by US and Russian policies since 1996. Portugal's relationship with Luanda is both ambiguous and complex: on the one hand, there is a need to confront Angolan perceptions of Lisbon's historical role and its colonial responsibility. On the other, relations between the MPLA and UNITA elites and Portugal remain close and cordial, with familial, financial and emotional bonds. Of the other, non-Troika states, Brazil, France, Spain, Israel and Norway, for different reasons, all play a significant role especially through the development of oil and other commercial interests. However, apart from Norway, their political will to positively influence the socio-political environment is apparently limited.

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[2] We have tried wherever possible to ensure consistency and accuracy.

Introduction and Timeline

Many Battle Fronts

Angola needs a transitional period in which all these tremendous tasks of getting the country back to normal can be addressed by as many people as possible.

Rafael Marques, Open Society Foundation[3]

Now that the war is over, we must rebuild the country on a much fairer basis. We must rebuild the infrastructure, especially the roads. There must be an equitable redistribution of Angola's resources. This must be a redistribution of funds on a just basis, so that the whole country will benefit from the country's revenues. UNITA is absolutely capable of offering Angola a credible alternative. We are going to be in the opposition for the meantime, a constructive opposition. We must never, ever go to war again. Never again such a war in our country. That's that.

General Paulo Lukamba 'Gato', UNITA interim leader, July 2002

Four decades of continuous conflict has left Angola, a country with the potential to surpass the economic output of the region's main powerhouse, South Africa, in ruins. Angola's four decades of war engulfed the entire country, impacting on the lives of every citizen. Only a few have benefited from its diamond and oil riches while its considerable agricultural potential has been substantially degraded.

The Angolan conflict has reflected the classic parameters of 20th century conflict. It began in 1961 as a war of independence from the colonial power, Portugal. Following a messy independence transition, this transmuted along the lines of a Cold War proxy war, with support for the *União Nacional para Independência Total de Angola* (UNITA) from the United States and South Africa; and for the *Movimento Popular de Libertação de Angola* (MPLA) from the Soviet Union, German Democratic Republic and Cuba. Since the collapse of communism, Angola's conflict has increasingly resembled the characteristics of a resource war, arguably less to do with ideological and political grievance than personal ambition and simple greed. Yet every phase of the conflict was imbued by nationalist and ethnic considerations, as well as a keenly perceived policy of political and economic 'exclusion' by the Luanda-based elite of the hinterland groups and communities. Outright conflict only ended when the logistical supply lines of the one party to the conflict (UNITA) had been destabilised to such an extent that a decisive victory by the other party (MPLA) was inevitable.

Jonas Savimbi's death on 22 February 2002 provided the deciding factor that ended the conflict. It resulted in the signing of a truce between the surviving military leaders of UNITA and the MPLA government on 4 April 2002 in Luanda. The pace of political change and military demobilisation has been breathtaking. By July 2002, the process of quartering UNITA soldiers and their families had officially been concluded, with more than 80,000 soldiers (35,000 more than initially expected) and around 260,000 family members involved.

Yet it has become clear that the silencing of the guns is not enough to ensure lasting peace. Huge challenges lie ahead and the lessons from past failed attempts at peace require thorough analysis to avoid past pitfalls in the present peace process.

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[3] Interview, Luanda, 27 June 2002.

Angola: Countdown from War to Peace

Date	Event
1951	Angola becomes a Portuguese 'overseas province'.
1956	MPLA formed.
4 February 1961	Symbolic starting date of anti-colonial struggle.
1962	*Frente Nacional de Libertacao* (FNLA) formed.
1966	UNITA formed.
April 1974	*Coup d'etat* in Lisbon.
January 1975	Transitional government established with representatives of Portuguese government, FNLA, UNITA and MPLA. Fighting erupts between Angolans factions.
11 November 1975	Portugal proclaims Angola independent, transferring sovereignty to the Angolan people. MPLA proclaims the People's Republic of Angola under Dr Agostinho Neto. FNLA/UNITA proclaim the Democratic People's Republic of Angola in a coalition.
March 1976	South African forces withdraw; MPLA secures rule with assistance of Cuban forces.
May 1977	Abortive coup led by Nino Alves results in widespread purges.
September 1979	Neto dies, replaced by José Eduardo dos Santos.
1980-92	SA military assistance to UNITA.
1986-90	Flow of US military aid to UNITA.
August 1988	Ceasefire declared between SA and Angola.
December 1988	New York Accords signed, linking SA and Cuban withdrawals to Namibian independence. UN establishes the UN Angola Verification Mission (UNAVEM) to oversee the phased Cuban withdrawal, completed by 1991.
June 1989	Mobutu Sese Seko convenes peace conference at Gbadolite. Ceasefire between MPLA and UNITA comes into effect on 24 June, but interpreted differently by the two sides, and by August UNITA announces a resumption of hostilities.
March 1991	Legislation permitting the formation of political parties passed.
May 1991	Peace agreement concluded in Estoril, providing for a ceasefire monitored by UNITA, MPLA, the Troika and the UN from 15 May, the creation of a joint UNITA/MPLA army of 50,000, the return of exiles, and the staging of elections by 1992.
September 1991	Savimbi returns to Luanda to set up his headquarters.
April 1992	UNITA registration as a political party confirmed by the Supreme Court.
27 September 1992	UNITA and the government *Forcas Armadas Popularese de Libertacao de Angola* (FAPLA) disbanded and formed into a new national army, *Forcas Armadas de Angola* (FAA).
29-30 September 1992	Presidential and legislative elections held. Savimbi and UNITA dispute the results which gave the MPLA a majority in the legislative elections, but neither Savimbi nor Dos Santos a majority in the presidential contest, setting the stage for a second-round run-off.
17 October 1992	Clashes in Luanda and Huambo between UNITA and MPLA supporters following the official announcement of the election result, which the UN had declares free and fair. By the end of the month, hostilities spread throughout Angola.

26 November 1992	New National Assembly inaugurated without the 70 elected UNITA deputies in attendance.
May 1993	Angolan government recognised by US.
September 1993	UN embargo on arms and petroleum flows to UNITA.
Late-1993 through November 1994	Peace talks held in Lusaka. Agreement reached on the creation of a national peace force of 26,700 members (with UNITA providing 5,500), a process of national reconciliation, the allocation of 170 government posts to UNITA officials, and on the demobilisation and confinement of UNITA troops.
20 November 1994	Peace agreement signed in Lusaka, but fighting continues, notably in Huambo and Bie Province.
February 1995	UNAVEM II superseded by UNAVEM III.
May 1995	Savimbi and Dos Santos meet in Luanda. The UNITA leader pledges his full support to his MPLA rival recognising his status as president.
July 1995	Two vice-presidential posts created, one of which was to be offered to Savimbi conditional on the disbanding of UNITA forces.
March 1996	Dos Santos formally invites Savimbi to take up vice-presidency following talks in Gabon.
January 1997	UNITA deputies elected in 1992 join the National Assembly.
May 1997	Angola recognises the new DRC government of Laurent Kabila.
June 1997	UNAVEM III replaced by scaled-down UN Observer Mission in Angola (MONUA).
28 August 1997	UN unanimously adopts new sanctions against UNITA following its failure to adhere to Lusaka provisions and repeated ceasefire violations.
31 October 1997	UN implements new sanctions against UNITA, including a ban on international travel and the closure of UNITA offices abroad.
June 1998	Fighting spreads to 14 of 18 provinces,
August 1998	FAA troops deployed to support Laurent Kabila in the DRC.
2 September 1998	Formation of UNITA-Renovada (UNITA-R).
June 1999	UN Fowler Sanctions Report released, citing *inter alia* the presidents of Togo and Burkina Faso for sanctions-busting.
22 February 2002	Savimbi killed.
4 April 2002	Commencement of ceasefire and demobilisation, disarmament and reintegration process.
26 September 2002	SADC summit in Luanda. Angola to assume chair of SADC.

Conflict analysis theory suggests that a number of factors determine the likelihood of a peaceful resolution of conflict, including self-interest, the relationship of various actors, military and political capacities, the role of external powers, leadership, timing, methodology, individual peace agendas and peace incentives.[4] The dynamics of the conflict, long-term trends, triggers for increased violence, capacities for managing conflict and likely future conflict scenarios in turn determine the nature and the chances of longer-term success of the conflict-resolution process.[5]

Within the Angolan context, the likelihood of continued peace and development thus relates to the role to be played by a wide range of actors: the MPLA, UNITA and other political parties; civil

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[4] UK Department for International Development (DFID), *Conducting Conflict Assessments: Guidance Notes*, January 2002, p.10.

[5] See for example *ibid.*, p.10. See also Mills G and T Hughes, *From Angola to Zimbabwe: Conflict Resolution and Governance in Africa.* SAIIA Report Number 22. Johannesburg: South African Institute of International Affairs with the Japan Institute of International Affairs, 2002.

society and church groups; local and international business interests; external political actors including the United Nations (UN), the Troika (US, Russia and Portugal), South Africa, France, Spain, Norway and Brazil; international financial institutions including the International Monetary Fund (IMF) and the World Bank; and the regional associations of the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA). Various short, medium and longer-term challenges lie ahead. The evolving relationship between the government as the *de facto* victors of the war and UNITA will influence the peace process as much as the relationship between the government and its donor and oil partners. Indeed, the capacity of the government to fulfil its responsibilities during the process of demilitarisation, to engage domestic and international actors in supporting the reconstruction of Angola's economy and to establish its authority over the whole territory of Angola to ensure full service-delivery and participation in any future elections, are critical for the success of the peace process.

With this in mind, this ***SAIIA Report*** is structured in five sections, examining:
- First, the current socio-economic environment.
- Second, the security situation.
- Third, the political milieu.
- Fourth, the external regional and non-African context.
- In conclusion, the report provides a number of short-term scenarios and summarises the challenges facing Angola.

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Section One

Humanitarian Disaster to Socio-Economic Order?

The country is now petrol and nothing else. It exports oil and imports everything else it needs.

Damião Franklin, Archbishop of Luanda[6]

It is one of the great ironies of Angola that a country so richly endowed with mineral wealth (it is the second-largest oil producer after Nigeria on the African continent and the fourth-largest diamond producer in the world) and with immense agricultural potential, is ranked the world's 13th most underdeveloped country.[7] A clear indication of the paradox that Angola's wealth and its protracted conflict have created, can be discerned from the contrast in the decline in GNP per capita between 1960 and 1997, while oil production and revenue has steadily risen over the same period.[8]

More than four million (33%) of Angola's population are today displaced and 450,000 are refugees in the DRC, Namibia and Zambia. Nine million of its 13 million people live on less than a dollar a day. These conditions are not only the result of 40 years of almost continuous war, but have been exacerbated by gross mismanagement of the economy and endemic corruption. Non-oil and diamond revenue is practically non-existent, and local government is almost entirely destroyed.

Angola: Facts and Figures

	1996	*1999*	*2000*
Population (millions)	11.7	12.8	13.1
Population growth annual %	3.1	2.9	2.9
GDP US $ billions	7.5	6.2	8.8
GDP growth US$ annual %	10.0	3.4	2.1
GNI per capita US$	270.0	240.0	290.0
Inflation annual %	5,461.8	560.2	402.0
Total exports US$ millions	-	5,157	7,802
Total imports US$ millions	-	3,109	3,430
Trade in goods/share of GDP	95.0	134.3	127.5
Foreign direct investment Net inflows US$	181 million	2.5 billion	1.7 billion
Present value of debt US$	-	-	9.7 billion
Total debt service % of exports (goods & services)	18.2	18.7	15.1
Aid per capita US$	40.5	30.4	23.3

The cost of war lies at the heart of this situation. For example, the Angolan government is today, in spite of its riches, heavily indebted, with an estimated debt burden of US$11 billion, most of which has been accumulated since 1990 to service the MPLA's war effort with its debt service ratio increasing from 3.2% of GDP in 1990 to 13.6% in 2000.[9] The financial burden of sustained conflict has been compounded by its organisational, personnel and institutional costs: Angola's economic

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[6] Discussion, Luanda, 5 September 2002.

[7] See the United Nations Development Programme (UNDP), *UN Human Development Report 2002*. New York: UNDP with Oxford University Press (OUP), 2002.

[8] Hodges T, *Angola: From Afro-Stalinism to Petro-Diamond Capitalism.* Oxford: James Currey and Indiana University Press, 2001, p.2.

[9] UNDP Human Development Report*, op. cit.*

situation reflects also the impact of inefficient governance and lack of fiscal discipline combined with a lack of public (civil service) capacity.

The lack of attention to service delivery is reflected in the history of government expenditure.[10] While the armed forces and police received 30% of government spending in 1994, increasing to 41% in 1999[11] and around 50% by 2002, the share of all social welfare sectors (health, education, housing, social security and welfare) had fallen to 9.4%. Health received only 2.8% of government expenditure in 1999 – reflecting the military predilection of the government over critical socio-economic priorities.[12]

Angola: Government expenditure by function 1995-99 (as % of GDP)[13]

	1995	*1996*	*1997*	*1998*	*1999*
General public services	11.0	7.6	9.9	7.7	8.5
Defence & public order	18.0	19.2	22.4	11.4	21.7
Of which unrecorded	28.0	15.1	10.2	5.8	0.0
Peace process	0.3	0.4	0.3	0.0	0.1
Social spending	8.0	5.4	7.5	4.9	4.9
Of which: education	2.9	2.5	2.8	2.6	2.5
Health	3.3	1.6	1.8	1.4	1.5
Economic affairs & services	3.8	4.7	10.5	5.6	5.4
Interest (commitment basis)	10.8	11.5	5.6	6.9	5.7
Other (recorded but unclassified)	5.4	8.6	-0.3	5.3	6.5
Total expenditure & net lending	57.3	57.5	56.0	41.7	52.9

Peace thus brings not only the hope but also the moral imperative that the government will give far more attention to the critical shortcomings in its social service delivery policies.

The scale of Angola's humanitarian crisis cannot be adequately described in words alone. The graphic plight of people scavenging for food on the *Roque Santeiro* or in the garbage troughs of Luanda contrasts with the latest-model four-wheel-drives, Volvos and BMWs driving past. In statistical terms – the accuracy of which are subject to debate given both the socio-economic conditions and the size of the informal economy – the vast majority of Angolans live in appalling conditions with an official poverty rate of 67%.[14] In 1990, 18% of Angola's population had access to sanitation facilities in comparison with only 16% in the period between 1993 and 1997.[15] Less than 40% of the population has access to safe water and life expectancy is only 45 years. Maternal and infant mortality rates are among the worst in the world and Angola has the dubious distinction of the world's second highest infant mortality rate at 172 per 1,000 live births.[16] More than half of the population is undernourished and over 50% of children are stunted. Angola has more than 300,000 orphans. Experts view HIV/Aids as a 'time-bomb' waiting to happen, and malaria, measles and diarrhoea are rife. Only 1.3 million of those classified as internally displaced persons (IDPs) were, by mid-2002, receiving assistance from aid agencies and overall aid extends to only 10-15%

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[10] *Ibid.*

[11] See *ibid.*, p.210.

[12] UN Integrated Regional Information Network (IRIN), 31 May 2002.

[13] International Monetary Fund (IMF), *Angola: Recent Economic Developments*. IMF Staff Country Report 00/111, August 2000, p.43.

[14] *Ibid.*

[15] World Bank, *African Development Indicators 2001*. Washington DC: World Bank, 2001, p.316.

[16] UNDP Human Development Report, *op. cit.*

of the country. The importance of basic service provision in the overcrowded urban areas is all the more significant as statistics suggest that in 1996 42% of Angolans lived in cities.[17]

Socio-economic indicators: 1999

Life expectancy at birth	45 years
Adult literacy rate	42%
Population not using improved water sources	62%
Underweight children under age 5	42%
Undernourished people	43%
Urban population	33.5%
Population under age 15	48.1%
Population aged 65 and above	2.9%
Total fertility rate (1995-2000)	7.2 children per woman
Population with access to essential drugs	20%
Physicians per 100,000 people (1990-99)	8

Access to education is limited. Angola's education budget comprised 2.5% of GDP, *versus* defence expenditure of 21.7% in 1999 (which was estimated to have increased to around 50% by 2002). An estimated 80% of Angola's schools have been destroyed or abandoned since 1998. Those that still function are under-staffed and under-resourced. The low birth registration legacy in Angola effectively limits access to education, health facilities and employment.[18] The UN has reported that 750,000 children aged 0-14 have lost one or both parents, only one-third of infants get their required vaccinations and half of all Angolan children do not attend school.[19] The importance of education for the future prospects of Angola is underlined by the fact that nearly 60% of the population is under 15 years of age. The ratio of troops to primary school teachers is 2.5 to one and there are 7.5 troops per 1,000 people, compared with two per 1,000 in Mozambique, 0.7 in Nigeria and 3.5 in South Africa.[20]

These social statistics highlight not only the urgent need to redirect government expenditure to address some of the challenges in rehabilitating basic services and infrastructure, but also the huge human resource deficit. Although there has been some movement away from the past state-centralised economy, this has had very little impact on the opportunities for citizens to engage in profitable income-generating activities.

Before independence in 1975, Angola's economy was thriving. It was nearly self-sufficient in agriculture and its manufacturing sector was growing. Today the oil sector accounts for more than 40% of Angola's GDP, it is the largest contributor to state revenue (between 70-90% from 1994-1999), and represents 85-92% of all Angolan exports. The main petroleum wells are offshore along the northern coastline of Angola and in the provinces of Cabinda and Zaire (Soyo) in the north. Cabinda is Angola's most strategic region and accounts for more than 60% of the country's over 900,000 barrels per day oil production.[21] The oil industry employs only an estimated 2% of Angola's population and is essentially an offshore, enclave economy.

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[17] Hodges, *op. cit.*, p.23.

[18] McGregor J, *Angola's Children: Bearing the greatest cost of war*. Pretoria: Institute for Security Studies (unpublished report), 21 May 2002.

[19] *UN IRIN*, 31 May 2002.

[20] Hodges, *op. cit.*, p.64.

[21] 'Cabinda separatists call for an end to hostilities', *UN IRIN*, 21 August 2002.

Exports from Angola: 1995-99 (US$ millions)[22]

	1995	*1996*	*1997*	*1998*	*1999*
Crude oil	3,425	4,724	4,506	3,018	4,609
Refined petroleum products	78	105	101	62	75
Gas	18	26	22	11	10
Diamonds	168	267	348	432	629
Coffee	5.8	4.5	4.6	3.3	5.0
Other	27	43	25	17	15
Total	3,723	5,169	5,007	3,543	5,344

The potential in this sector is huge. Four of Angola's deepwater areas – Blocks 14, 15, 16 and 17 – are predicted to have at least ten billion barrels of oil in recoverable reserves.[23] An estimated US$18 billion in additional oil investment is expected by 2004. Ironically official development assistance (ODA) aid flows amounted to US$306.7 million in 2000, or US$23.30 per capita and 3.5% of GDP, up from 2.6% ten years earlier. Net foreign direct investment flows – predominantly in the oil sector – amounted to 19.2% of GDP in 2000, up from –3.3% in 1990. [24]

Angola's oil production by operator: 1999[25]

	Chevron	*Elf*	*Texaco*	*Totalfina*	*Ranger*	*Sonangol*	*Agip*	*TOTAL*
Barrels/day	475,000	175,000	85,000	16,000	9,000	4,900	1,000	765,900
% of total	62.0	22.9	11.1	2.1	1.2	0.6	0.1	100

Though almost all the other industries have been destroyed by the war and only an estimated 3% of arable land is presently under cultivation, the potential of the agricultural sector and the fishing and timber industries is enormous. In 1974 Angola was the third largest coffee producer in the world, with 220,000 tonnes. Estimates place the cost of recovering coffee production at some US$230 million, according to the director of the National Coffee Institute, Manuel Dias. In 2002 the National Coffee Institute, which owns nearly 2,500 farms and 500,000 hectares of land, produced 2,000 tonnes of coffee.[26]

Angola has a coastline of 1,650 km and is rich in fish resources. It is also rich in iron, manganese, copper, phosphate, granite, marble and rare minerals. Diamonds are the second-largest earner in Angola behind oil. Angola currently produces an estimated 2.5 million carats of diamonds, worth between US$700-800 million, approximately 12% of world production, though some of this production might be channelled through Namibia currently. Angola could, with the right conditions of security, double production over the next five years to become the world's third-largest producer behind Botswana and Russia. Currently the Angolan diamond business is monopolised by Ascorp, a joint venture between the Leviev Group, Omega of Antwerp and Sodiam. Sodiam is, in turn, a wholly owned subsidiary of the State Diamond Agency Endiama, who has subcontracted monopoly diamond purchasing and exporting rights to Ascorp.

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[22] IMF, *Angola: Recent Economic Developments*, August 2000, *op. cit.*, p.41.
[23] See *http://www.angola.org/fasfacts/economic.html*.
[24] Human Development Report 2002, *op. cit.*, p.205.
[25] Frynas, JG and G Wood, 'Oil and war in Angola', *Review of African Political Economy*, 90, 28, 2001, p.591.
[26] See 'USD 200 million required for coffee production relaunch', Angola Press Agency, 9 September 2002. Available on *http://allafrica.com/stories/200209100637.html*

The reported ending of the sole marketing and purchasing rights currently held by Ascorp coupled with the successful conclusion of the outstanding court case involving a claim by De Beers against the Angolan state, would, in the opinion of industry experts, 'straighten out the Angolan diamond market'. However, there are key vested institutional interests in retaining the current relationship, which has its origins in the leveraging of Angola's US$6 billion debt to the Soviet Union (mainly for arms) reportedly bought by diamond-linked interests led by the Israeli-based arms dealer Arkady Gaydamak for US$800 million.[27]

In a positive development for the elimination of trade in conflict diamonds, 11 SADC mining ministers announced in August 2002, that SADC diamond-producing countries were ready for international diamond certification in terms of the Kimberley Process.[28]

Despite the serious institutional constraints to growth, the small size of Angola's manufacturing sector – representing only 3.5% of its GDP, compared to 10.7% in Zambia or 36.9% in Swaziland – is a clear sign of the country's economic potential.[29] Although steps are being taken with the assistance of the British company, Crown Agents, to reduce the constraints on trade and investment imposed by complicated and costly customs procedures, there are other negative factors hindering business development, namely a lack of security and the cost of doing business. One Angolan business and investment seminar held in South Africa in July 2002 highlighted that the cost of doing business in any part of Angola outside Luanda is directly influenced by the absence of a supportive infrastructure and the fact that fuel, water, food and equipment have to be flown into the rest of Angola.[30] The poor state of airstrips in Angola and the high cost of chartering aircraft into the interior all add to the costs. Unsurprisingly, the private security industry is flourishing in Angola.[31]

Structure of the Angolan Economy (% of GDP)

	1990	*1999*	*2000*
Agriculture	18	6.2	6
Industry	41	72.4	76
Manufacturing	5.0	3.2	3
Services	41	21.4	18
Household consumption	36	24.1	17
General government consumption	34	46.5	39
Imports of goods & services	21	94.9	74

The greatest cost to business, however, is not from direct threats posed to security of personnel, but rather the indirect threats to investment in the absence of the rule of law and an unclear investor and regulatory framework and environment. Businesspeople are often reliant on wide networks of 'contacts' to safeguard their interests, networks which are expensive to create and retain. Doing business in Angola is thus today an expensive undertaking, not just in terms of the high costs of transport, skilled employees, local accommodation and food, but in terms of the identification of the means and conduits to enable this to take place. Corruption is endemic, and so-called 'facilitation payments' are a commonly accepted way of doing business.

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[27] See, for example, 'Whose Peace Anyway?', *Africa Confidential*, 43, 12, 14 June 2002; 'Russian Roulette', *Africa Confidential*, 43, 2, 5 January 2002.
[28] 'SADC Grants Diamond Certification Go-Ahead', *Business Day*, 5 August 2002.
[29] SADC, *Official SADC Trade, Industry and Investment Review 2002*. Gaborone: Southern African Marketing Co. with SADC, 2002, p.43.
[30] Angola Business Opportunities Conference, Johannesburg, 25 July 2002.
[31] Frynas and Wood, *op. cit.*, p.597.

Similarly, while the poor state of the infrastructure is an impediment to business operations, it is indicative of the potential for construction and related business. Areas where reconstruction and development are urgently required include telecommunications, transport, power and manufacturing. The business community in Angola is characterised by its small size and its close links to prominent government officials who have benefited from the liberalisation of the economy.

However, unless in-depth, structural reforms of the Angolan economy combined with a clear shift in government priorities and expenditure take place there will be no significant change in the living conditions of the majority of Angolans. The development of a vibrant private sector could change the balance of this equation. A critical challenge is, in this regard, the need to induct the informal sector into the formal, private sector economy in which the bulk of Angolans survive. Just 50,000 Angolans are estimated to work in the formal, public and private economy. The path of the economic developments is, however, intimately linked to the continued success of the peace process, the involvement and commitment of UNITA to the political dispensation, the willingness of the MPLA to bring UNITA into the political process rather than seek to marginalise it as the vanquished party, and the roll-out of the disarmament, demobilisation and reintegration (DDR) strategy for former UNITA combatants.

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Section Two

Demobilisation and Demilitarisation

The Memorandum of Understanding (MOU) signed between the Angolan government and UNITA forces on 4 April 2002 heralding the cessation of military engagement focuses mainly on the modalities for the demobilisation of UNITA combatants. This adheres to the provisions of the Lusaka Protocol signed on 15 November 1994, which remains the only legal and political instrument for the resolution of the Angolan conflict. The MOU stipulates that UNITA soldiers and their families are expected to regroup in specifically designated quartering areas and relinquish their arms. Vocational training would be provided to ex-combatants and a limited number of 5,000 would be integrated into the Angolan security forces 'in accordance with existing structural vacancies'. This implies that the vast majority of ex-UNITA combatants soldiers will have to find their own means of subsistence in Angola's ravaged economy.

The MOU contains a detailed timetable, which outlines the various stages of demobilisation. Deviations from the timetable occurred early in the process, as the quartering process took longer than expected due to the large numbers arriving in the designated areas.[32]

Timetable for Angolan Ceasefire Agreement Implementation

Timeframe	Action
4 April 2002	**Commencement of process**
+48 days	Quartering, disarming and conclusion of demilitarisation of UNITA military forces, as well as quartering, disarming and repatriation of foreign military forces in the areas of the national territory under control of UNITA.
+79 days	Integration of generals and senior officers, captains and subordinates from UNITA into FAA and into national police in accordance with existing vacancies.
+80 days	Demobilisation of personnel of UNITA and disbanding of military force.
+262 days	Vocational re-insertion of demobilised personnel of UNITA into national life.

Oversight responsibility for the DDR process is under the supervision of a Joint Military Commission (JMC) comprising the Angolan government, UNITA, the UN, and the Troika (Russia, Portugal and the US). There is a lack of consensus around the operation of the JMC, and in particular around the role of the UN in chairing the body. The UN has come under government criticism, ascribed to the unwelcome criticism by UN-affiliated aid agencies of the government's scorched earth policy to defeat UNITA, the blame that it still harbours towards the UN for its 'perceived' UNITA-bias, UN failures to secure peace during past peace efforts and the fact that the MOU is not a UN-brokered peace agreement. Thus the management of the quartering areas is in theory the responsibility of the FAA and UN participation is limited within this framework to support and assist FAA, a far cry from their monitoring and verification role outlined in the Lusaka Protocol.[33] Once the demobilisation process has been completed, the JMC will be disbanded, and responsibility for those remaining in the quartering areas will pass to the government's newly-established Commission for the Social and Productive Reintegration of the Demobilised and

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[32] The MOU originally made provision for 50,000 troops and a total of 300,000 family members, which has grown to 80,000 troops and about 250,000 family members.

[33] The UNSC approved the establishment of a UN Mission in Angola (UNMA) for a period of six months until 15 February 2003 to assist with the Angolan government in 'the protection and promotion of human rights and in the building of institutions to consolidate peace and enhance the rule of law.' See 'Annan pledges continued UN support', *UN IRIN*, 26 August 2002.

Displaced.[34] It is uncertain whether the Commission would have the ability or access to resources to train and reintegrate such a large number of people.

The inclusion of the general amnesty in the MOU gives immunity to all former UNITA and FAA combatants from prosecution for crimes committed during the conflict. The general amnesty could assist the difficult process of reconciliation, despite the objections raised by civil society and other observers that the many amnesty bills that have been passed at the beginning of each peace process have simply served to exacerbate the culture of impunity that is so widespread in Angola.[35]

The MOU also makes provision to deploy UNITA soldiers in a National Reconstruction Service and Populations Resettlement Programme. Sensitivities exist in this regard. Yet the deployment of UNITA soldiers as 'unpaid', cheap labour to rebuild infrastructure could lead to large-scale resentment – entrenching politically loaded perceptions of a *de facto* defeated army.

The MOU also calls for the finalisation of the implementation of the Lusaka Protocol that outlines a programme of national reconciliation in Angola. The Protocol includes a commitment to a free media which allowed UNITA in the past to broadcast from its own radio station (the now-defunct VORGAN), to return UNITA properties, to support the private sector, and to protect UNITA's political role in various government institutions–ranging from the National Assembly to local government structures. The return of UNITA property is potentially contentious – especially with regard to the diamond mines it controlled in the Lundas. The Lusaka Protocol also stipulates the completion of the electoral process begun in 1992, which includes the staging of presidential elections. UN-monitored reform of the national police force and the integration of UNITA personnel within its ranks are also included in the Protocol. This process was tentatively started in 1994, with 5,500 posts allocated for UNITA members.

The quartering process officially concluded on 2 August 2002, when UNITA forces were officially disbanded. At the ceremony, the deputy chief of staff of the Angolan army, General Geraldo Sachipendo 'Nunda', announced the commissioning and integration of 18 UNITA generals into the army. Resettlement began on the same day. However, the Angolan government and humanitarian agencies were caught off-guard by the sheer numbers and the desperate physical condition of UNITA soldiers and their families. The extent of starvation and disease among people living in previously UNITA-controlled areas is a clear sign that the Angolan government's scorched earth policy achieved the desired results. Unfortunately it also underlines the only true motivation for peace: starvation and exhaustion. This poses great challenges for the near future.

In June 2002, the World Food Programme (WPF) reported that food was already getting scarce in Angola and that without further assistance the camps would be out of food by September 2002.[36] Anecdotes regarding the direness of the food situation abound. There have been reports of looters raiding for provisions.[37] The failure to provide adequately for demobilised soldiers and their families, both in the short- and long-term, could derail the peace process and have a negative impact on political stability in the country.

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[34] See 'ANGOLA: Focus on demobilisation delays', *UN IRIN*, 29 July 2002.
[35] Hodges, *op. cit.*, p.74.
[36] 'Angola: Food supplies dwindling', *UN IRIN,* 26 June 2002.
[37] Discussion, 12 July 2002.

The World Bank reported in 1993 that during the quartering process in 1992, combatants in some quartering areas were 'close to starvation'.[38] As a consequence, their incentive to participate in the quartering process and to adhere to the requirements of the Lusaka protocol 'rapidly disappeared'. The situation today is reminiscent of the failures of 1992, but with important differences in terms of the ability of UNITA to wage war and access internal and external support.

One of the main causes for a return to all-out war in 1992 was the deliberate stockpiling of weapons by UNITA. Only 26,698 light weapons, some grenade launchers, light and heavy mortars, artillery pieces and pistols had been handed over to FAA by the end of June 2002.[39] There are suspicions that many of the weapons handed over are old and unserviceable, with the greater part of UNITA's arsenal unaccounted for and carefully stowed in case the political process derails. Yet UNITA officials do not foresee a return to fighting given UNITA's exhausted state and limited military options. It does, however, make a case for the continuation of sanctions against UNITA, especially those relating to arms, in the short to medium term.

About 1.5 million people were prioritised for resettlement before September 2002, including all the UNITA soldiers and their families, a timeframe that is unrealistic. The means and ability of UNITA soldiers and family members to sustain themselves remains a critical element of stability over the short term. One possible outcome is that the quartering areas could develop into 'UNITA enclaves' or ghettos, with little hope for the reintegration and reconciliation of UNITA ex-combatants and their families.[40] There are also fears that UNITA could develop its physical power base by remaining in the quartering areas.

An expected 35,000 FAA troops are to be demobilised. The dire economic situation, coupled with the obstacles for an immediate return of families to agricultural activity (mainly due to the presence of landmines and lack of basic agricultural resources), do not, however, suggest that reintegration into civilian life will be a simple and seamless process. An appeal for basic necessities such as seeds and essential agricultural tools for ex-soldiers was launched in July 2002.[41]

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[38] Tanner F, 'Consensual versus Coercive Disarmament' in United Nations Institute for Disarmament Research (UNIDIR), *Disarmament and Conflict Resolution Project: Managing arms in peace process – the issues*. New York and Geneva: UNIDIR, 1996, p.189.

[39] *Ibid.*, p.2.
[40] Interview with NGO representative, Luanda, 28 June 2002.
[41] *Angola Peace Monitor*, 10, VIII, 3 July 2002. Available on
http://www.actsa.org/Angola/apm/apm0810.htm

Section Three

Angola's Political Transformation:
Between a Stratocracy, Autocracy, Parties and Civil Society?

Of all of the manifestations of power, restraint impresses men the most.
Thucydides

Both UNITA and the MPLA face considerable restructuring challenges following the end of the conflict. UNITA has to unify its various factions and transform itself from a military movement into a political party. The MPLA has to face up to the challenge that the end of the conflict necessitates a policy and leadership change within the party. Other social movements and parties have to find their niche, either as political parties or as part of civil society. [42]

Indeed, the political challenge within Angola will probably come more from the old ethnic divide between the Europeanised urban population (many of whom do not understand the national languages), and the African and rural populations (who claim to be the true indigenous Angolans and where Portuguese is hardly spoken). The post-war UNITA will capitalise on this.

UNITA

In the light of the above, there are three core challenges facing UNITA in the post-Savimbi normalisation phase:

- First, the need to unify the organisation, to reorganise and to modernise. This includes the merging with UNITA-*Renovada*, the development of a transitional strategic plan for the party, the hosting of the Ninth Ordinary (National) Congress, and the election of a new leader. The latter is likely to be contested by a number of individuals, including Abel Chivukuvuku (the former UNITA parliamentary leader), Isaias Samakuva (the former leader of the 1992 Joint Political-Military Council, and former UK representative), the interim leader (as co-ordinator of the management committee), General Paulo Lukambo 'Gato' (the former UNITA Secretary-General and foreign representative in Paris), and Jorge Valentim, currently a government minister and interim head of UNITA-*Renovada* since Eugenio Manuvakola stepped down in mid-2002.
- Second, the normalisation of its international relations and business links within Angola. This includes the relaxation of international sanctions, the recovery of funds, and the regaining of mineral rights held by its proxy company SGM, including those in Kwango Valley, Luareca, Mussendo and Mupupa.
- Third, the development of UNITA as a national political party, extending its power-base beyond the Ovimbundu, chiefly through reaching out to the Bakongo.

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[42] Today, Angola has more than 130 political parties, a result of an official policy by the Angolan government to finance the establishment of political parties. Only a few of these parties would pass the stringent test at the ballot box and most exist only in name. However, this policy was overhauled in 1997 when the law governing the establishment of political parties was revised. A moratorium has been introduced on the registration of new organisations. Unfortunately, this hampers the establishment and organisation of legitimate civil society organisations. See International Foundation for Election Systems (IFES), *Angola Pre-Election Assessment Report*. Washington DC: International Republican Institute & National Democratic Institute, March 2002, pp.4, 12.

UNITA's current reorganisation is focused in three areas. Commissions have been established to, first, rewrite party statutes and re-examine its 'philosophy'; second, to 'rewrite UNITA's programmes for government'; and third, 'to prepare for the UNITA Congress' in March 2003.[43]

To an extent the leadership struggle will depend on what happens within the MPLA, and in particular, whether President Dos Santos decides to stand for re-election. If he does run, UNITA will most likely be headed up by either 'Gato' or Samakuva, with Chivukuvuku waiting his chance for the next elections, probably in 2009.

MPLA

Like UNITA, there are similarly three main challenges facing the MPLA:

- First, a decision on who will replace President Dos Santos as leader should he choose to step down.
- Second, improvement in the socio-economic environment which otherwise could cost the party at the polls.
- Third, building a strong support base outside of Luanda and the Kimbundu ethnic group.

The MPLA has a very well-functioning apparatus, both financially and organisationally. This has allowed it to look after all those who have served it. This, in turn, has ensured a degree of unity and loyalty within its ranks. However, with the disappearance of the enemy, UNITA, differences and dissent may well emerge, thus challenging the structure of the party. Therefore, (and particularly because UNITA still has a weak institutional structure), Angola's internal dynamics over the next few years will be determined primarily by developments within the MPLA.

The main issue within the MPLA is the future of its president, José Eduardo dos Santos. His political future is the subject of much speculation after his public commitment in 2001 to step down and not stand as presidential candidate in the next elections. Yet there is a firm belief that he is not ready to step down especially as the MPLA is currently the only party with the organisational capacity to fully participate in elections and seems to be the only party that would be in this position in two years' time.[44] It is therefore considered highly likely that the MPLA would remain in government after 2004. If this were the case, the make-up of the future MPLA leadership would be extremely important in determining Angola's future and its economic reforms and government policies would require close scrutiny. Thus the main question is not necessarily who would be running the country in the years to come, but rather how the post-conflict MPLA government will address the problems facing Angola and engage with other political actors in the process of reform.

The potential restructuring and realignment of the leadership within both parties augur well for the political dispensation in Angola as it presents the first opportunity in ten years to actively campaign for new leadership since Angola's post-colonial history.[45] However, it remains an open question to which extent a 'new' leadership in both parties will augur the beginning of a greater liberalisation of the political realm or whether it would only serve to safeguard the interests of the outgoing elite.

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[43] Discussion, UNITA official, Angola, 7 September 2002.
[44] Interview, Luanda, 28 June 2002.
[45] IFES, *op. cit.*, p.3.

Civil Society and the Church

While the churches – particularly the Catholic Church[46] – have been an established part of Angolan social life, the emergence of organised non-governmental organisations (NGOs) in Angola is a relatively recent occurrence. It was only after the MPLA Central Committee abandoned the one-party system in June 1990 and the failure of the 1992 elections and peace process that this element of civil society began to emerge as another actor in the Angolan political arena so long dominated by UNITA and the MPLA. The participation of well-known political party activists, also formerly from the MPLA, has added to the legitimacy of these organisations.[47]

A decade later civil society faces a unique range of new challenges following the death of Savimbi and the cessation of official hostilities. Despite being caught off guard by the speed of developments, it is critical that civil society plays a meaningful role in the debate about the future institutions that will determine the nature of the Angolan state. With elections due in 2004 and constitutional reform already under way, civil society has to insist on the principle of inclusivity and consultation.

While some NGOs have an overtly political character (and thus are distrusted by government), the churches maintain a focus on the humanitarian situation, and have much greater access – as they enjoyed even during the worst of times – to the countryside. The Archbishop of Luanda, Damiao Franklin, views the need for 'social justice' and the fight against poverty as the principal challenge facing the church and country alike, with the need to consolidate democracy so that 'the leader does not feel the country is his private property' ranking only third behind a focus on improving education opportunities 'so as to provide some basis for life'.[48]

Yet it remains imperative for other representatives from civil society to extend their activities beyond the borders of Luanda. Most of these organisations are Luanda-based, whereas the greatest need for civic education programmes is in the rural areas.

The Political Challenges

The role that a restructured UNITA, other political parties and civil society organisations will play in pressurising the MPLA to engage in a more inclusive debate and manner is crucial for the immediate future. There are various critical areas that require attention. The establishment of the rule of law; the reinforcement of judicial institutions; a national, comprehensive campaign for disarmament; and the restoration of faith in the state's ability to protect and respond to the needs of its citizens are important areas which require civil society and opposition party input and involvement.

The steering of political and constitutional reform in Angola is, however, firmly in the hands of the MPLA. A 44-member Constitutional Commission, elected by the National Assembly according to the proportional support of each party in parliament was established in 1998 under the Lusaka Protocol to draft the constitution. The Commission is chaired by a president nominated by the majority party and supported by four vice-presidents representing the four majority parties in

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[46] An estimated 50-60% of Angolans are Catholic.

[47] These people include ex-premier Marcolino Moco, the former secretary-general of the MPLA Lopo de Nascimento, and MPLA dissident Vicente Pinto de Andrade.

[48] Discussion, Luanda, 5 September 2002.

Parliament. The MPLA has 25 members; UNITA has 14 members; and the PRS (Social Renovation Party), FNLA (National Front for the Liberation of Angola), PLD (Democratic Liberal Party), AD-Coligação and PAJOCA (Workers and Peasants Party) have one member each.[49] Decisions about the constitution are arrived at through consensus and in the absence of consensus by a simple majority of 51%. This has the effect that decisions by the ruling party can be steamrolled through the commission without any regard for minority positions. This makes a mockery of an inclusive approach directed at achieving national reconciliation. The Constitutional Commission has speeded up its work since the death of Savimbi and the MPLA is a great deal less accommodating towards the positions of UNITA and other parties on constitutional reform since its defeat.

According to the head of the Parliamentary Constitutional Commission the only remaining points of contention are two-fold, provincial autonomy and the nature of the presidential system.[50]

- Fears of possible secession by provinces such as Cabinda are among the concerns that will determine the degree of power to be devolved to provincial administrations by Angola's traditionally centralised national government and whether provincial governors will be directly elected under a future dispensation. The Cabinda issue is highly relevant, as the secessionists were not party to the peace agreement that was signed in 1991. The oil wealth of the province – described as a 'sort of tropical mini-Kuwait'[51] – is such that it would be one of the richest countries in the developing world in per capita terms if it were allowed to secede. However, the crushing of UNITA may also have sounded the death knell of the secessionists, as any attempt to oppose the Angolan government would be quashed by the might of possibly the most powerful and best-equipped army in Southern Africa.
- Differences over the presidential system relate to the nature of prime ministerial powers, the manner of appointment (elected or nominated) and whether the prime minister or the president would head the government.[52] The current concentration of power in the president's hands creates concern over the extent of power that any future president of Angola would yield under its future Constitution.[53] This is aggravated by the limited powers of the members of the National Assembly who cannot table legislation – a power currently only held by the executive.

It is clear from the above that the issue of power-sharing is critical within the Angolan context.[54] It is interesting to note that whereas the MPLA government regards the Lusaka Protocol as the only basis for discussions, UNITA has consistently rejected the Lusaka Protocol until very recently as the basis for constitutional reform. The fact is that both the Bicesse and Lusaka Protocols have been more geared towards accommodating the main protagonists in the conflict in a trade-off of public positions within government structures, than providing a more inclusive and equitable framework

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[49] See the official website of the Constitutional Commission at *http://www.comissao-constitucional.gv.ao.*
[50] Interview, Luanda, 28 June 2002.
[51] Hodges, *op. cit.*, p.137.
[52] Interview, Luanda, 25 June 2002.
[53] For more on the powers of the Presidency in Angola, see Hodges, *op. cit.*
[54] One of the failures of the Bicesse Accords of 1991 was a lack of a power-sharing mechanism, implying a 'winner takes all' outcome, as Hodges suggests 'raising the stakes for both sides'. Cilliers and Dietrich argue a further justification for ensuring that some form of power-sharing exists in any transition from war to peace and prosperity, namely, that democratic political change associated with peace would be 'unattractive' to those who have benefited from the war unless they were offered tangible benefits in the transition. Under the current constitutional framework future elections would not necessarily result in more representative political institutions, but may well entrench past practices, consolidating the 'exclusivity' of certain parties in the political framework. See Hodges, *op. cit.,* p.14 and Cilliers J and C Dietrich, *Angola's War Economy: The Role of Oil and Diamonds*. Pretoria: Institute for Security Studies, 2000.

for accommodating the various political beliefs and groups in Angola. Under the Protocol six ambassadorships, four ministries, seven deputy minister portfolios, three governorships and 75 town council administrator posts were reserved for UNITA.[55] UNITA's capitulation on the Lusaka Protocol is a clear indication of the extent to which the MPLA government is determining the terms of the future of Angola.

There is a sentiment that senior members of UNITA will be 'bought off' to participate in the mooted 2004 elections as UNITA but within a Government of National Unity (GNU). Here South Africa's own domestic experience may be instructive, though it is uncertain what this will deliver to Angola's people apart from elite satisfaction and a veneer of stability.

The debate about institutional reform also affects the judiciary. There is a general lack of faith in the skeletal judicial system, which is compounded by the lack of human resources in the legal profession. Angola has only 656 registered lawyers, implying that some provinces do not have a single practising lawyer.[56] The criminal justice system has also been adversely affected by the war and obtaining redress for crimes committed is practically impossible, contributing to a climate of impunity and lawlessness. The police have also allegedly been involved in widespread criminal activity.[57] Yet the propensity towards crime is not just due to the state of the judicial system or the fact that the police force has not fulfilled its traditional role – it has been aggravated by the level of militarisation of civilians in Angola. In 1991-92, weapons were widely distributed by the government to help crush UNITA in the so-called battle for Luanda. Hardly any figures exist regarding the exact number of weapons in civilian possession, while the incidence of banditry can be expected to increase if the humanitarian situation worsens. This situation can only be detrimental to efforts to re-establish the rule of law.

Before the elections scheduled for 2004 can take place, the following steps will have to occur:

- The transformation of both UNITA and the MPLA from stratocracies to political parties;
- The rehabilitation of essential infrastructure to facilitate conducting free and fair elections;
- The conducting of a nation-wide census;
- The registration of voters (in a country where very few have any identifying documentation and only 5%-10% of births are registered);[58]
- The passing of electoral laws regulating national and local government;
- The finalisation of the constitution; and
- The putting in place of necessary electoral and support infrastructure.

The scale of these challenges is exacerbated by the paucity of local government structures, making it very difficult to efficiently implement policy measures beyond the outskirts of Luanda. And, as one foreign diplomat has noted, 'there is barely a functioning state within the borders of Luanda'.[59]

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[55] 'Annan pledges continued UN support', *UN IRIN*, 26 August 2002. UNITA and the MPLA had apparently set a 45-day deadline to implement the Lusaka agreement.
[56] Interview, Luanda, 27 June 2002.
[57] Hodges, *op. cit.,* p.75.
[58] The Angolan government is presently involved in an aggressive UN-sponsored free registration campaign for Angolans 17 years old and younger. This campaign does not include adults for political reasons. The newly introduced computer-based national identity cards cost 50 kwanzas per card (up from two kwanzas per card) and are issues at the rate of 4,000 cards per day in Luanda. The authors of the *Angola Pre-Election Report* note that it will take up to a year to register a million voters at this rate in Luanda alone. See IFES, *op. cit.*, pp.10 –11.
[59] Interview, Luanda, 26 June 2002.

External observers suggest that Luanda is the only place where free and fair elections would be possible,[60] as only Luanda would allow for full participation and unfettered campaigning of the various political parties. Although the main reason offered is the limited infrastructure in the rest of the country, it is also a consequence of the dispossession, disbursement and inaccessibility of the Angolan population. Another aspect hampering freedom of movement and political expression in rural Angola is the fact that where the Angolan state administration is firmly entrenched, administrators place additional constraints on the freedom of movement of the population. There are some instances where people who travel are forced to carry '*guias de marcha*'.[61]

The distinction between state and party is also opaque in rural areas and a pre-election report conducted by the Consortium for Elections and Political Process Strengthening in March 2002 notes that 'the conduct of basic government activities by theoretically impartial public servants are portrayed as an example of benevolence of the MPLA'. MPLA officials for example took credit for the provision of food and the erection of shelter in IDP camps that was clearly the result of assistance provided by the international community and humanitarian organisations.[62]

Yet the consequences of limited or flawed elections in the rest of the country could have grave political consequences as it represents the domicile of the vast majority of demobilised UNITA soldiers and their families, as well as IDPs and rural inhabitants that have been continuously isolated in the past as a result of the war.

Elections are envisaged by 2004. Yet much has to be done to ensure that elections proceed in a fair manner and that they lead to a consolidation of peace and more responsive and responsible government. The role of the international community is critical, both in providing essential technical and logistical support in the run-up to the elections, and in exercising political pressure to ensure that the election process becomes a building block of peace and not its stumbling block as in 1992.

The following critical areas require international support:

- Donors should provide institutional support to civil society organisations to allow them to play a more direct role in civic education – especially in the rural areas outside Luanda – in election monitoring and influencing the constitutional debate about the political future of Angola.
- Donors should exercise political pressure on the Angolan government to ensure the equitable registration of political parties and civil society organisations, their equitable participation in the constitutional debate; the liberalisation of the media to ensure free and fair campaigning across the country; the free movement of parties and citizens to mobilise around and debate issues of national interest; and urgent access by all Angolan to registration and identification documentation (especially in the IDP camps) to enable them to participate in the elections.
- Donors should play a supportive role in providing constitutional support and legal expertise to all political parties and especially the government (as in the case of the South African political transition) to ensure that the constitutional process delivers a more just future for all Angolans.

It is important to look at longer-term prospects for political reform. The role of disillusioned MPLA and UNITA reformists in a post-2004/2009 Angolan government will be a significant indicator of a

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[60] Interview, Pretoria, 12 July 2002.
[61] IFES, *op. cit.*, p.5
[62] *Ibid*.

true realignment of Angolan politics. The current context and framework of political and constitutional reform will be instrumental in determining whether Angolan society can develop in a more democratic society following its immediate post-conflict government.

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Section Four

Angola and the External Context

We believe Angola now has a good opportunity of restoring real peace and bringing about an economic recovery.

Callisto Madavo, World Bank Vice-President for Africa, September 2002[63]

Angola's limited participation in regional organisations in the past two decades raises questions about Luanda's views towards SADC particularly on the eve, at the time of writing, of its accession to the chair of the regional body. Its future regional role is significant in view of the past impact of the Angolan conflict on the region, the active military part that it has played in regional conflicts, and the potential of its regional economic and political contribution.

The two most notable regional organisations in sub-Saharan Africa of which Angola is a member, are SADC[64] and COMESA.[65] Yet Luanda's past involvement in both organisations has been limited. The fact that it was at war, for example, excused it from the obligations to free trade under the SADC trade protocol, as well as its SADC membership contributions. Angola's upcoming chairmanship of SADC in September 2002 raises questions about the direction that it will give to the organisation and whether the end of the Angolan conflict will lead to greater economic interdependence and cohesion.

In both COMESA and, until its recent organisational reforms, SADC, Angola was responsible for the energy sector[66] as its potential contribution in this area was deemed most advantageous. However, its limited trade links with neighbouring countries and its very profitable oil trade across the North Atlantic implies that Luanda is not likely to turn its attention to its cash-strapped neighbours.[67] Diplomats based in Luanda remain sceptical about a meaningful Angolan role in SADC.[68] However, there is considerable potential for both the region and, especially, South Africa in a more positive and collegiate working relationship with Luanda in SADC.

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[63] *The Star*, 13 September 2002.

[64] The Southern African Development Community (SADC) consists of 14 member states, i.e. Angola, Botswana, Democratic Republic of Congo (DRC), Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.

[65] Members of COMESA include Angola, Burundi, Comoros, Djibouti, DRC, Egypt, Eritrea, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, Somalia, Sudan, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. Mozambique and Lesotho suspended their membership in January 1997 and December 1996 respectively. Tanzania, regarded as an important link in COMESA in East Africa, announced its decision to pull out of the body in 1999. This decision was reportedly made on the basis that membership is not beneficial to the country in terms of lost revenue from declining tariffs and the harmful effects of liberalisation on Tanzanian industry. See 'Odd man out', *Business in Africa*, October 1999. Egypt and Djibouti have both joined recently. South Africa and Botswana have never joined.

[66] SADC, *op. cit.*; and Mwase N, & R Mary, *Co-ordination and Rationalisation of Sub-regional Integration Institutions in Eastern and Southern Africa*. Lusaka: Regional Integration Research Network, November 2001, p.21.

[67] The Washington Embassy proudly boasts in its trade and investment guide that Angola's GDP percent change was higher than the sub-Saharan average between 1998 and 2001. Embassy of the Republic of Angola, *Trade and Investment Guide* available on *www.angola.org*.

[68] Interview, Luanda, 28 June 2002.

Angola's so-called 'Lusophone linkages' have been blamed for the limited interest it shows in relations with its neighbours. It has considerable trade links with countries across the Atlantic, namely Brazil, Portugal and the US, and there is considerable interest by, in particular, Brazilian and Portuguese firms in the non-oil sector. Around three-quarters of Angola's oil exports are purchased by the US.[69] A trade and investment guide published by the Angolan Embassy in Washington lists the US, Portugal, China, France and South Africa as Angola's main trading partners in that order.[70] According to SADC, Angola's main export destinations are the US, South Korea, Belgium-Luxembourg and China, while imports originate mainly from South Korea, Portugal, the US, South Africa, France and the United Kingdom.[71] Angola's main trading partners in the rest of Africa are Namibia, Zimbabwe and Kenya, although trade with the latter is negligible.

Main Trading Partners [72] (US$ m)

	1995	*1996*	*1997*	*1998*	*1999*
Exports (fob) to:					
US	2,173	2,991	3,180	2,227	2,337
South Korea	-	-	-	97	588
Belgium-Luxembourg	173	254	300	317	482
China	124	254	645	140	324
Taiwan	85	315	140	287	280
Germany	232	163	…	60	95
France	80	153	190	102	89
Spain	108	214	95	28	43
Imports (fob) from:					
South Korea	-	-	-	20	334
Portugal	316	486	510	451	325
US	286	326	327	390	278
South Africa	97	194	349	238	208
France	422	190	138	129	167
United Kingdom	40	88	154	76	118
Spain	34	112	203	108	95
Brazil	23	38	90	132	71

This section examines the likely role of the international community in Angola and *vice versa*.

COMESA

According to COMESA statistics, Angola's share of all intra-COMESA food imports is 8%, and its share of manufactured goods imports is 4%. Angola does not feature in the COMESA statistics on

[69] Interview, COMESA, Lusaka, 11 June 2002.
[70] Embassy of the Republic of Angola, *Trade and Investment Guide* available on *http://www.angola.org*.
[71] SADC, *op. cit.*, p.122.
[72] *Ibid*.

intra-COMESA fuels exports and imports shares at all. In 1999, Angola exported only 0.04% of all its exports to COMESA countries.[73]

COMESA officials are hopeful that Angola could make a substantial contribution to regional trade in a number of sectors.[74] Yet there seems to be very little incentive for the country to engage the region as an economic partner, although the high cost of its current imports from Portugal and Brazil could raise the competitiveness of regional products. However, the low manufacturing base in COMESA states and the poor condition of the regional railway and road routes do not bode well for a huge upsurge in regional trade in the short- to medium-term future. Most regional transport networks also generally circumvent Angola, a result of the 40-year conflict.[75] The rehabilitation of the regional transport nodes and routes in Southern Africa would require substantial foreign and local investment and it could take some time before becoming operational. However, it also represents a key business opportunity.

SADC

Angola's share of intra-SADC trade is negligible. Its aggregate imports from SADC total US$1,97 million in comparison with US$83,8 million from the US.[76] SADC's evolving political and security role in the region since 1996 provides an additional dimension to the organisation beyond its traditional trade and investment focus.[77] The Angolan conflict has been a standing matter on the SADC summit agenda since its inception in 1992.

The 1992 SADC Treaty provides for the development of collective defence policies. The SADC Organ for Politics, Defence and Security (OPDS) was created in 1996 to ensure policy and practical congruence on regional intervention, peacekeeping, conflict resolution and to eventually establish a mutual defence pact. However, the intervention of Angola, Namibia and Zimbabwe in the DRC in 1998 under the guise of a SADC initiative not only highlighted the lack of consultation within SADC, but more importantly, it emphasised the lack of clarity regarding decision-making powers within the OPDS.

It is clear that Luanda's intervention in the DRC under the guise of a SADC intervention was to secure its own interests by isolating UNITA and severing regional logistical supply lines to the organisation. The DRC saga emphasised how willing SADC member states were to forfeit regional peace and security principles in favour of national financial and security benefits.[78] However, it was only after this 'intervention', that SADC was galvanised into action. For the 'SADC' intervention in the DRC came without any formal mandate or endorsement from the other members of the 14-

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[73] Figures taken from COMESA External Trade Statistics Bulletin, *Patterns in COMESA Trade*, December 2001.

[74] COMESA, *Angola: Options and opportunities given the dynamics of emerging regional integration developments in Eastern and Southern Africa.* Unpublished paper, 2001.

[75] Sowman, Jorgensen, Steveni and Zungu, *The role of regional transport infrastructure in a free trade area: transport infrastructures and carrying capacity in COMESA countries*. Lusaka: A COMESA Regional Integration Research Network Paper, 2001, pp.90, 92, 106.

[76] SADC, *op. cit.*, p.42; and *US Trade with Angola in 2002* available at *http://www.census.gov/foreign-trade/*

[77] Groenewald, H. 'Sub-regional intervention and the privatisation of politics in Africa' in the *Journal of Conflict, Security and Development*, 2, 1, 2002, p.61.

[78] *Ibid.*, p.65.

member regional body, although the states who intervened and especially Zimbabwe, would argue otherwise.[79]

The intervention in the DRC was the result of a unique series of events. The Angolan government realised that the combination of Sam Nujoma's chairmanship of SADC, and Robert Mugabe's chairmanship of the OPDS would provide a golden opportunity for intervention in the DRC under the guise of SADC assistance to a fellow SADC government. The DRC provided incentives for intervention in the form of a promise of a share in the mineral wealth of the DRC to Namibia and Zimbabwe and oil rights to Angola. For Mugabe the war also offered the potential to deflect attention from his increasingly controversial domestic policies by appearing as the saviour of a fellow SADC member. The war became deeply unpopular in Zimbabwe as the economy stumbled, but Mugabe's desire to once again play the role of regional leader was a clear factor promoting intervention.

The intervention in the DRC was heavily criticised within and beyond the SADC region, and contributed to an overhaul of the OPDS and a restructuring of its decision-making structures. In terms of its original mandate, the Organ was to prevent, manage and resolve conflicts in the Southern African region. The intention was to maintain the flexible approach of the former Front Line States (FLS) grouping, which the Organ effectively replaced.

President Robert Mugabe had been chairman of the OPDS since the Organ's establishment through a *communiqué* following the 28 June 1996 SADC Summit meeting in Gaborone. SADC initially made no provision for changing the leadership of the OPDS but simply continued the FLS policy, which placed the longest-serving head of state in charge of the security function. Since then the OPDS has been riddled by regional and political rivalry. Despite demands from Nelson Mandela that the SADC chairman should control the OPDS, Mugabe refused to relinquish control after the lapse of his first one-year term. These problems were compounded by the absence of clear and unequivocal guidelines on how SADC should respond to domestic developments in member states that are contrary to the spirit of the SADC Treaty.

At the Blantyre Summit from 27-30 August 2001 under the SADC chairmanship of Bakili Muluzi, the president of Malawi, the SADC Summit decided that the originally envisaged rotating structure of the OPDS should be reactivated and implemented. The Organ has now been expressly forbidden from declaring war or intervening militarily under any circumstances without the full approval of all the SADC members at a special Summit meeting. In addition, the membership on the OPDS troika may not coincide with membership of the SADC Summit troika. A Protocol on Politics, Defence and Security Co-operation was signed that will make provision for the development of a mutual defence mechanism to promote peace and security in the SADC region.

The Blantyre Summit formally removed Mugabe as chairman of the OPDS. At the same time President Joaquim Alberto Chissano of Mozambique was elected as the next Chair of the OPDS for a term of one year and President Benjamin Mkapa of Tanzania, was elected as Deputy Chairperson. This development meant that the doves within SADC are in the ascendancy and that the traditional hawks as personified by Zimbabwe and Namibia have been sidelined.

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[79] Nor was the decision to intervene in the DRC endorsed by the Angolan parliament. In a parliamentary debate in April 2001 initiated by the opposition party, PRS, under the leadership of Bernardo Tito, the intervention was called illegitimate and unconstitutional. The response of the MPLA government was that the intervention was prompted by 'state reasons and imperatives of national security' and that the action occurred in response to the continued destabilisation of Angola through direct or indirect aggression. See 'Angola Parliament pursues debates on troops in DRC', *ANGOP*, 25 April 2001.

This development had far-reaching implications for the MPLA government's position in the region in view of the fact that despite the lip service paid at each SADC Summit in the past to isolate UNITA and repeated support expressed for the UN sanctions against the movement, SADC members were radically divided on how the Angolan conflict should be resolved. It is therefore not surprising that Angola had offered to host the next SADC Summit in August 2002 in Luanda. This meant that President Dos Santos assumed the position of vice-chair of the SADC Summit Troika along with the outgoing chair, Sam Nujoma and the incumbent, Muluzi. His assumption of the role of the next Chair of SADC in September will give the Angolan president more leeway to influence regional policy, especially as pertains to his own country. Although President Muluzi was disappointingly ineffective especially over his handling of the Zimbabwe crisis, partly due to his economic and political vulnerability at home and in the region, Angola has considerably more clout to wield – and has displayed the will to do so in the past.

Dos Santos could, especially if he chooses not to stand in the 2004 election, place himself firmly in the reformist camp within SADC. If this is the impression he wants to convey, political progress domestically and a consolidation of Angola's regional peacemaking role evident during 2002 in drawing Uganda, Rwanda and the DRC closer together, could be enhanced by firmer action on Zimbabwe. This would also serve to bolster both Pretoria's and Washington's ties with Luanda. It would also provide means to grant Luanda the regional and international status it craves and would be seen as a counterpoint to South Africa's chairmanship of the AU.

The African Union

Angola's relationship with the new African Union (AU) is also important. Luanda's relationship with its predecessor, the Organisation for African Unity (OAU), has been shaped by the willingness of the OAU to recognise both UNITA and the FNLA alongside the MPLA immediately following independence in 1975. Although it later reverted recognition to the MPLA as the only legitimate government and representatives of the Angolan people its earlier stance on UNITA and the FNLA did not ingratiate the organisation with the MPLA government, nor did its efforts to mediate between the MPLA and UNITA as both legitimate parties in the conflict. The AU has recently made a pledge to become more involved in the peace process in Angola as expressed by Aziz Pahad, the deputy foreign minister of the first chair of the AU, South Africa, in July 2002. Yet considering the current challenges facing the organisation, the likelihood of the AU giving more than just moral support to Angola is rather limited.[80]

South Africa

South Africa shares a complex history with Angola. Both countries could be considered regional giants in comparison with their peers and although they do not compete directly on an economic level, they both have significant political and military clout. The difference between South Africa and Angola's approach to conflict resolution has been the main reason for the tension between the two governments. The MPLA government's decision to pursue a military solution to the war within

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[80] During its founding summit in Durban in July 2002, the Assembly of Heads of State and Government of the AU drafted a declaration on developments in Angola. It is in fact no more than a verbal commitment to support the process under way and an appeal to African states and the international community to provide assistance to Angola.

its borders was in direct opposition to the South African call for dialogue and discussion between the main protagonists.

South Africa has maintained that the only way to resolve the conflict in Angola was through negotiations. However, the previous National Party government's links to UNITA and the new ANC government's unwillingness to condemn UNITA unequivocally have contributed to this distrust.

Various UN reports on sanctions-busting against UNITA in Angola have implicated a number of South Africans.[81] The MPLA has firmly believed that the South African government was not doing enough to curb such support rendered by its nationals. In March 2000, during the Foreign Affairs vote in South Africa's parliament, Foreign Minister Nkosazana Dlamini-Zuma admitted that the South African government was aware of the involvement of some South Africans in efforts to undermine the UN sanctions and that firm action would be taken against them.[82]

A Joint Commission for Co-operation was established between the countries in November 2000 to encourage a closer partnership between the two states particularly in terms of the 'expansion and consolidation of trade relations and other agreements, which would enhance mutual co-operation'.[83] More recently, several high level delegations from South Africa travelled to Angola signifying a will to improve and deepen ties. These delegations included the Deputy President, the Minister of Health, the Minister of Foreign Affairs and the Deputy Minister of Foreign Affairs. South African companies are already taking advantage of the opportunities that are now becoming available following the cessation of hostilities. South African construction firms are active,[84] though a number of difficulties have reportedly been experienced with payments.

Peace offers both South Africa and Angola opportunity to work closer, a policy shift and emphasis potentially bringing considerable benefit to both.

For Pretoria, Luanda is perhaps the only regional power which could bring President Mugabe under control. It has displayed a willingness to engage regionally (and to utilise its military prowess), not least in the Congo. Its relationship with Zimbabwe and Namibia through its involvement in the Congo has resulted in something of a regional political schism – portrayed as that between reformers headed by Pretoria, Gaborone and Maputo, and those recalcitrants in Windhoek, Luanda, Kinshasa and Harare. But this rift could be healed by rapprochement between Luanda and Pretoria, without which NEPAD's progress is inconceivable in the region.

For South African-based business, closer ties with Pretoria could assist in providing regulatory cover currently missing from the Angolan business environment. Currently, while the risk profile of doing business is predictable and thus manageable, it is an enormously expensive operating environment, partly because the nebulous regulatory regime demands the establishment and maintenance of a costly network of contacts and partnerships. In this way, given the relative economic delinkage and independence of Angola from the SADC region, there is more to be gained by Pretoria than Luanda from an improvement in bilateral relations.

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[81] See, for example, the summary of the UN 'Fowler' sanctions report in Press Release SC/6825 dated 15 March 2000 on *http://www.un.org.* For the full report go to *http://www.un.org/Depts/dpa/docs/Monitoring%20final.PDF.*
[82] See *http://www.polity.org.za/govdocs/speeches/2000/sp0314a.html*
[83] See Minister Zuma's reply to parliament, 12 June 2002 on *http://www.dfa.gov.za/docs/pq246c.htm.*
[84] For example, a South African company, WBHO Construction, was awarded a US$14.5 million contract to rehabilitate the road between Lubango and Matala in the south of the country.

But for Luanda, a focus on regionalism offers a project other than war, a focus for national activity, an acknowledgement of regional status as the second-ranking economic power behind South Africa, and a conduit for investment from South African companies.

However, there are political obstacles that will have to be overcome before such a regional partnership can eventuate. For one, Pretoria will need to make positive, public overtures to Luanda's leadership, in doing so placating what many Angolans perceive as an ungrateful attitude on the part of the ANC for the years of sanctuary and military assistance Luanda provided. Small but significant steps can make this possible: such as was offered by the Rwanda-DRC peace accord recently facilitated by Pretoria. Pretoria's failure to publicly acknowledge Angola's role left many in Luanda smarting.

Pretoria's relations with Angola are akin to Franco-German relations before the European Union. While they can invariably develop apart, by working together they offer a regional future greater than the sum of their respective parts. Symbolic political gestures backed up by cultural and educational exchanges could complement the SADC vision, and in doing so realise benefits for both.

Zambia

Relations with Zambia have been particularly precarious since the mid-1990s, with allegations of an Angolan support for a coup attempt in October 1997 against the government of Frederick Chiluba. The Angolan ambassador to Zambia at the time, Augusto Emanuelle, warned that:[85]

> Zambian territory is being used in many ways by people who support UNITA … to supply arms to UNITA, and some Zambian citizens are involved in this. We are very concerned that now the supply of arms to UNITA is mainly by road and that we are not yet seeing the results of any measures by the Zambian authorities to stop this.

The borders between Zambia and Angola are long, porous and unpoliced. Angolan communities supportive of UNITA have long found refuge in Zambia's Western Province and trade between UNITA and Zambian business people, has been tolerated by the Zambian government for more than 20 years. The UN Experts Panel on sanctions named Xacier Chungu, the Director-General of Zambia's Intelligence Service, as having regular contact with UNITA, and indeed there are personal and business links going up to the highest level in Zambia.

Although the Angolan, Zambian and Namibian governments set up a tripartite Mechanism for Political Security Co-operation between the three countries in February 2001, border problems continued until the ceasefire agreement. Relations were strained by the fact that Angolan forces did not hesitate to cross the Zambian border in hot pursuit of UNITA rebels. Several incidents were reported along the Zambian border where Zambian citizens became embroiled in the crossfire and suffered fatalities. An incident in November 2001 reportedly entailed abductions and military action by Angolan military forces against Zambian communities on the border. Zambia, unlike Namibia, does not allow attacks against UNITA from within its borders.

The relationship with Zambia is also complicated by the number of Angolan refugees currently residing in Zambia. According to the UN, 215,000 of the 247,000 refugees hosted by Zambia were

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[85] See 'Angola warns Zambia over UNITA support', *Reuters*, 5 March 1998.

Angolans.[86] The return of Angolans from Zambia to Angola could influence the nature of the Angolan/Zambian relationship in future to a more cordial one.

Namibia

Namibia has similarly become embroiled in the Angolan conflict in the past through the permission it has granted Angolan forces to enter Namibia in pursuit of UNITA rebels and to launch attacks against UNITA from Namibian territory. The result had been the destabilisation of the entire northern border of Namibia: several landmine incidents were reported in northern Namibia, as well as abductions and the killing of Namibian civilians. The effect on the local economy and the tourism industry had been devastating. Namibia similarly hosts approximately 20,000 Angolan refugees, some of whom were considered legitimate UNITA targets by the Angolan government.

It should be noted, however, that the Namibian government has found the intervention in the DRC a very costly affair – both in political and in economic terms. With the implementation of the DRC Lusaka Accords, Namibia withdrew the bulk of its troops from the Congo in late 2001.

Zimbabwe

Zimbabwe has grown into a close political and military ally of the Angolan government. Political developments in Zimbabwe and the future of President Robert Mugabe are of key concern to the Angolan government. Given Angola's willingness to directly intervene in Congo-Brazzaville and Congo-Kinshasa and to threaten to intervene in Zambia, it is not entirely impossible to see Angola step in to assist Mugabe. Intervention is not anticipated in conventional military terms but might include offering the Zimbabwean president safe haven. There is no direct evidence to suggest this scenario is under consideration in Angola, but in terms of regional strategy it deserves attention.

Mozambique

Although the relationship between Mozambique and Angola is cordial there have been differences between their respective political leadership. Although there are many parallels between the political and economic development of both countries that are supported by a shared colonial past and linguistic heritage, Angolans tend to look down on their poorer regional cousins. This also relates to the close relationship between South Africa and Mozambique, the latter regarded by some in Luanda as little more than Pretoria's proxy.

Whereas the bilateral influence that Mozambique can exert on Angola is very limited, the accession of Mozambique as the next Chair of the SADC OPDS could have important repercussions for Angola from a regional perspective. Mozambique's influence will depend on the level of political support that it can summon from other SADC states to engage more directly with Angola.

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[86] 'Angola: Humanitarian Impact of Government Offensive', *UN IRIN*, 12 December 2001.

Democratic Republic of Congo

Angola's relationship with the post-Mobutu Congo has been simultaneously close and influential. Luanda's intervention in the DRC starting in 1997 was motivated primarily by the need to deny UNITA troops sanctuary and to cut the rebels' transit and supply routes. Unlike Namibia and Zimbabwe, Angola has not become involved in extensive mining activities in the DRC. The presence of Angolan troops, unlike their Zimbabwean and Namibian counterparts, has not been motivated as much by economic, as by strategic and political considerations.

Sustained peace in Angola will likely continue to assist in bringing the conflicting parties together and resolving the DRC conflict. However, cross-border trade in arms and the uncertain future of former UNITA and FAA troops could have a significant negative impact on stability in the region. A South African foreign affairs department official suggested that if reintegration were to be stalled for whatever reason, it is a plausible scenario that demobilised soldiers could be recruited in the region by belligerent forces as mercenaries.[87] However, it is to be assumed that President Dos Santos would want to be seen as having contributed positively towards the end of the war in the DRC and would therefore strive to ensure that stability is brought to the western front of the DRC.[88] Luanda's involvement in the rapprochement between the DRC and Rwanda and the DRC and Uganda should also be seen in this context. This culminated in the signing of the DRC-Ugandan peace deal in Luanda on 6 September 2002.

The UN and Humanitarian Assistance

The Angolan conflict has been internationalised for decades. Yet Angolans on both sides of the political divide harbour clear reservations about the role of the international community. The failure of the Lusaka peace process was conveniently blamed by Luanda on the failure of the UN to properly effect the demobilisation of UNITA soldiers.[89] When the MPLA decided in 1998 that the solution to the conflict was to defeat UNITA militarily, Dos Santos called on the UN observer mission in Angola (MONUA) to leave – suggesting that perceptions of bias on the part of the UN towards UNITA was the main reason for this decision. The UN is generally perceived by the government and to a certain extent by UNITA as an ineffectual outsider.[90]

It is one of the reasons why the role of the UN has been very limited since the ceasefire in 2002. Luanda has insisted that Angolans should be responsible for every aspect of the peace process.[91] Although provision has been made under the MOU for military and human rights observers, they will number no more than 20. This is completely insufficient in a country of this size and with the magnitude of its problems. Despite the fact that the national appropriation of a peace process is generally perceived as a positive development in most conflict situations, it could have negative consequences for lasting peace in Angola in view of its aid dependency.

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[87] Interview, Pretoria, 15 July 2002.

[88] Interview, Luanda, 25 June 2002.

[89] For more on the UN's role in disarmament see UNIDIR, *op. cit.*

[90] Tanner suggests that the low political commitment of the contributing states and the lack of financial resources, as well as late deployment of the peacekeepers, contributed to the failure of the disarmament operation in Angola. See Tanner in UNIDIR, *op. cit.*, p.182.

[91] Malaquias A, 'Making War and Lots of Money: The political economy of protracted conflict in Angola', *Review of African Political Economy*, 90, 28, 2001, p.534.

The distrust expressed by a number of donor countries in the Angolan government's ability (or even willingness) to channel funds appropriately to those in need[92] implies that they prefer to entrust the UN with Angolan humanitarian aid. Even South African officials have stated: 'we will give only through UN agencies'.[93] There is a general perception that oil-rich Angola should be in a position to supply the bulk of the resources needed at this critical time. As one Luanda-based foreign official put it: 'They are asking for money, it is a joke that Angola needs money. It is rich and will continue to get rich. To ask donors for money is ridiculous'.[94] The fact that the Angolan government is not in a position to provide the necessary resources is, in the minds of many analysts and observers, due to the existence of rampant corruption, a complete lack of capacity for social service delivery and the indiscriminate use of future oil revenues as collateral for loans.[95]

Observers have noted that the international community seems to have adopted a 'wait and see' attitude–preferring to observe how the situation unfolds before committing itself fully.[96] A World Bank strategy for Angola is only expected to be released by February 2003. Until then, indications are that the World Bank commitment to the reintegration of ex-UNITA combatants would involve no more than a one-off stipend of US$500 to each ex-combatant. This, however, does not tackle the logistics of the manner in which demobilisation packages will be disbursed, as these will be paid only once the ex-combatants have been sent to their resettlement areas.

So far only 1.4 million IDPs have been identified for assistance by humanitarian organisations despite the fact that one-third of the Angolan population is internally displaced. The UNHCR still intends to commence organised repatriation only in early 2003. Humanitarian organisations are also faced with a growing IDP population. Spontaneous repatriation and return of refugees from camps in Zambia[97] and Namibia have been taking place without any UNHCR assistance to areas where there is presently little or no support available. Even where assistance is provided, it is clearly insufficient and insignificant. Current commitments indicate that food will only be provided for half of the agricultural season after which no more than five vegetable seeds and a couple of tools would be given to those who are resettled. As Angolan refugees leave the IDP camps, their only right to international assistance – their ration card – will be taken away.

By the end of July 2002, only 30% of the UN humanitarian assistance appeal had been funded and funding for the nutrition for ex-combatants had run out. Although a small amount of bilateral assistance is reaching Angola from countries such as Italy and Brazil this is not sufficient. The reluctance by the international community to assist the government directly has a number of consequences. Firstly, it may jeopardise the demobilisation process and worsen the humanitarian crisis. The aid prioritisation of UNITA soldiers and their families by most donor countries is detrimental to those that are more in need, yet it is politically more critical to stability. Secondly, the use of international civil society to channel international aid[98] allows the Angolan government to disengage from its responsibilities and to perpetuate the already entrenched role of some NGOs as service providers. Finally, it could strengthen Angolan distrust in the role of the international

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[92] Interviews with US and UK officials, Luanda, June 2002.

[93] Interview, Pretoria, 12 July 2002.

[94] Interview, Luanda, 26 June 2002.

[95] According to the IMF (as reported by Human Rights Watch), oil-backed loans comprised 33% of the country's total debt by end 1999. See Human Rights Watch, 'The oil diagnostic in Angola – An Update', *Human Rights Watch World Report 2001*, March 2001.

[96] This may be due to past experiences related to the Lusaka process. See *UN IRIN*, 2 May 2002.

[97] This had started before the death of Savimbi and the signing of the peace accord. See *UN IRIN*, 5 and 22 July 2002.

[98] Hodges, *op. cit.*, p.78.

community thus potentially jeopardising a positive international role in the reconstruction of Angola.

The Angolan election in January 2003 on to the UN Security Council is unlikely to increase the political influence of the United Nations in Angola; indeed, it may well further circumscribe the world body's role. Nonetheless, the UN has, during 2002, expanded its role. On 15 August 2002, the UN Security Council approved the establishment of the United Nations Mission in Angola (UNMA), a follow-on to the United Nations Office in Angola (UNOA), for a period of six months until 15 February 2003. One of its key tasks is to chair the aforementioned JMC. The UNMA is to be headed by a special representative appointed by the UN Secretary-General, and will focus its role on assisting the Angolan government in the 'protection and promotion of human rights and in the building of institutions to consolidate peace and enhance the rule of law'. Sixteen UN human rights officers in key provinces would be dedicated to work closely with humanitarian workers already on the ground to assist in the promotion and protection of human rights.[99] In September 2002 Ibrahim Gambari was appointed the new head of the UN mission in Angola. In this capacity he will chair the JMC.

The UN still maintains sanctions against UNITA on the travel of the organisation's members, having representation abroad, the purchase of fuel and arms, and the sale of diamonds (see Appendix Two). The travel ban against senior UNITA members was suspended for a defined period in 2002 and has been extended on account of the political progress made.[100]

The IMF and World Bank

International financial institutions have had a limited role in Angola. An IMF Staff-Monitored Programme[101] was instituted in Angola in April 2000 following a sharp downturn in the international diamond market, the downturn in international oil prices and the growing debt burden of the Angolan government. This would ultimately lead to a restructuring of the country's debt. A range of economic and structural reforms was introduced to reduce inflation, to improve transparency in public sector expenditure and to effect critical structural reforms.[102] The government was expected to take action in five key areas: governance and transparency of public sector operations; the divestiture of state assets; the strategy for public banks; fuel prices and public utility tariffs; and poverty reduction.[103] In its February 2001 report, the IMF said that the programme's execution had been 'hindered by inadequate expenditure control mechanisms, delays

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[99] 'ANGOLA: Security Council approves UN mission', *UN IRIN*, 16 August 2002.
[100] *Ibid.*
[101] A Staff Monitored Programme (SMP) is an informal and flexible instrument for dialogue between IMF staff and a member country on its economic policies. An SMP is not supported by the use of the IMF's financial resources, nor is it subject to the endorsement of the Executive Board of the IMF.
[102] This is in line with the IMF's Code of Good Practices on Fiscal Transparency (see *http://www.imf.org/external/np/fad/trans/code.htm*), which is based on the following objectives:
- Roles and responsibilities in government should be clear;
- Information on government activities should be provided to the public;
- Budget preparation, execution and reporting should be undertaken in an open manner; and
- Fiscal information should attain widely accepted standards of data quality and be subject to independent assurances of integrity.
[103] IMF, *Government of Angola: Memorandum of Economic and Financial Policies*, February 2001. Available at *http://www.imf.org/external/np/loi/2001/ago/01/index.htm*

in the compilation of fiscal, monetary, and external debt data, and insufficient coordination among government agencies'. It went on,[104]

> While pending balances on oil-related transactions among the treasury, the National Bank of Angola (BNA) and the state oil company (SONANGOL) were eliminated, a number of unbudgeted transactions (mainly security-related) as well as advances from the BNA have been made without prior authorization from the treasury.

The 'oil diagnostic' had been agreed upon in April 2000. It would be supervised by the World Bank and implemented by KPMG. In August 2001, the IMF noted that there had been some progress in the preparation of the reports from the diagnostic study of the oil sector and the completion of the external audit of the 1999 accounts of the National Bank among others. However, these measures remained to be completed and 'urgent action is required to improve the production and publication of data on government revenues and expenditures from all sources, including that on external debt transactions'.[105]

Discussions on a possible Fund-supported programme would only begin 'when these measures had been undertaken and the objectives of the staff-monitored program achieved'.[106]

The impact of the reforms was mixed and indeed most of the macro-economic targets were not met. Inflation reached 173% during the 12-month period prior to June 2001 instead of the targeted 150%. However, there was some progress with the 'oil diagnostic', an audit of the 1999 accounts of the National Bank was completed and a privatisation programme was approved by the government. Yet Human Rights Watch has expressed doubt whether the government would have the capacity to 'independently report on oil revenues by the time the oil diagnostic expires in 2002.[107] More measures were scheduled for the remainder of 2001, including auditing the 2000 accounts of the central bank and appointing an independent company to implement international accounting standards in Sonangol.

The February 2002 IMF report highlighted progress made in the reduction of inflation down to 116% in 2001 from 268% in 2000, but still mentions 'insufficient controls on public spending' as a challenge as well as non-priority expenditure.[108] More recent changes in the recording and control of expenditures by budgetary units could improve the monitoring of budget execution. The IMF report urged the reallocation of expenditure 'in favour of the social sectors, including humanitarian assistance' in view of deteriorating poverty indicators in recent years. It also outlined measures to further improve transparency in government expenditure and budget allocation, including recording the total amount of signature oil bonuses.

It is estimated that over US$3 billion of Angola's oil revenue was siphoned off before it reached the treasury in 1999. Some analysts allege that oil revenues are still been channelled through the state-owned oil company Sonangol, circumventing the National Bank in contravention of IMF

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[104] *Ibid.*

[105] IMF, *Angola: Preliminary Conclusions of the IMF Mission*, 14 August 2001. Representatives of regional organisations regard transparency in Angolan government expenditure as critical. In the words of COMESA's Secretary General, 'if the threat of war is out, the government should put the resources on the table. […] That is critical'. Interview, Lusaka, 11 June 2002.

[106] *Ibid.*

[107] Human Rights Watch, *op. cit.*

[108] IMF, *Angola: 2002 Article IV Consultation – Preliminary Conclusions of the IMF Mission*. 19 February 2002. Available at *www.imf.org/external/np/ms/2002/021901.htm.*

requirements.[109] The lack of transparency surrounding the use of oil revenues is the main cause of the social discontent and secessionist efforts in the Cabinda province where large quantities of oil are produced.[110] With the war coming to an end, the President and his government will find it increasingly difficult to use it as an excuse to continue resisting pressure for greater transparency on government revenue.

Corruption is rife in the civil service–mainly due to the meagre salaries paid to low level officials.[111] According to the Transparency International Corruption Perceptions Index of 2002, Angola was ranked 98 (together with Madagascar and Paraguay) and just before Nigeria and Bangladesh, who were ranked the second most and most corrupt, respectively.[112] The inefficiency of anti-corruption measures suggests that a fear of job losses and a dependence on the public sector for employment have assisted in limiting the amount of criticism voiced over government policies, public service delivery or expenditure.[113]

The absence of coherent donor policies has limited the impact of international financial institutions on the economic reform policies, as 'Good governance is undermined as oil provides the source of patronage for political networks and allows the ruling elite to enrich themselves without giving much attention to the needs of the larger population'.[114] It is important that multinational companies in Angola act in a transparent and accountable manner in their dealings with the government and it would imply that French, British and American multinationals would have to agree on a code of conduct in their engagement with the Angolan government. Yet that political will and corporate discipline seem to be absent and only BP-Amoco has indicated that it might disclose its signature bonuses to the Angolan government. A positive development is the recent support expressed by the British government of a voluntary framework aimed at preventing the mismanagement of revenues paid to developing countries by oil, gas and mining companies.[115] In September 2002, notice was given of the Angolan government's attention to publish oil revenues.[116] Angolan military analysts have excused the absence of transparency due to the financial demands of the war, with the expectation that this will now alter in the changed circumstances.[117]

The scandal in June 2002 involving the leaking of information around reports that President Dos Santos and Industry Minister Elisio de Figueredo had held back US$40 million of a US$614 million loan raised to settle Russian debt, indicates a positive trend in this regard. Although this resulted in threats to close the Swiss Embassy in Luanda and of legal action against a Swiss judge allegedly the source of the information, this event provides an indication of the increasing pressure on Angola and other nations for greater transparency and good governance.[118]

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[109] IMF, *Angola: Preliminary conclusions of the IMF Mission*, 14 August 2001. Available at *www.imf.org/external/np/ms/2001/081401.htm.*
[110] Frynas and Wood, *op. cit.,* p.592.
[111] Hodges, *op cit.*, p.71.
[112] See *http://www.transparency.org/cpi/2002/cpi2002.en.html*
[113] Interview, Pretoria, 27 May 2002.
[114] Frynas and Wood, *op. cit.*, p.596.
[115] See 'Blair call for oil and mining transparency is welcome but regulation needed', *Publish what you pay*, 2 September 2002.
[116] Discussion, oil executive, Luanda, 6 September 2002.
[117] Discussion, Luanda, 5 September 2002.
[118] See ANGOP, 6 June 2002 on *http://www.angola.org/news/NewsDetail.cfm?NID=8713;* and *The Financial Gazette* (Zimbabwe), 6 June 2002 on *http://www.fingaz.co.zw/fingaz/2002/June/June6/1535.shtml*.

However, Angolans face many difficulties in demanding a more responsive government. Despite the extent of some of the reforms undertaken by the Angolan government over the past ten years, their impact has been limited. Hodges states, 'the depth of these [reforms] has been limited by the historical weight of past traditions and methods, the vested interests of the ruling elite and the practical imperatives of state security in conditions of unstable 'quasi-peace' (in 1994-98) an all-out civil war (in 1992-94 and the period since late 1998).'[119]

The visit of World Bank Vice-President Callisto Madavo to Angola in September 2002 resulted in the release of a Bank plan for Angolan reconstruction. The Bank was expected to fund a US$120 million programme earmarked for the demobilisation of ex-fighters and social assistance.[120] A donor conference is also being mooted. Its likelihood and success depends on breaking the corruption chain as well as developing a cogent poverty reduction strategy paper based on a broadly consultative approach.

Bilateral Ties

In addition to those in the SADC region, Angola's bilateral relations are dominated by states with direct economic interests in the diamond and oil sectors – notably the US, Russia, Israel, Brazil, Norway and France. The possible exceptions to this general rule are the former colonial power, Portugal, and Spain which has attempted to gain a political foothold through its training of the 'Ninja' police task-force. An expansion of interests by the Chinese oil sector might also be expected, given the increasing reliance of its economy on external supplies from Africa.

It is unlikely that the Troika will remain a coherent political entity given the vastly changed political context and the competing economic interest. Both the US and France are isolated from broader humanitarian and political issues/pressures because of oil. One may argue that US-Angolan relations are artificially friendly, driven solely by economic interests. These will of course continue to play an important role, especially given the US's desire to reduce its dependence on oil from the Middle East so as to make it less vulnerable to political instability there. While Secretary of State Colin Powell called on the Dos Santos to begin rooting out corruption, it is not yet clear whether the US administration will apply pressure on American companies doing business in Angola to become more transparent in their dealings with the government. US backing for the IMF, a critical instrument in breaking the corruption food-chain, is also dependent on the oil linkage.[121]

France will continue to play an important role in Angola. Links between the MPLA and members of the French establishment are still strong. It is unlikely that France will bring pressure to bear on its companies, most notably in the case of Angola on TotalFinaElf, to reveal its payments to the Angolan government.[122]

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[119] Hodges, *op. cit.*, p.43.
[120] See *The Star*, 13 February 2002.
[121] US Secretary of State Colin Powell made it clear during his meeting with President Dos Santos in September 2002 that although the US would provide short-term humanitarian assistance, long-term aid would be in the form of technical assistance. He urged the Angolan government to use the country's oil revenues to assist IDPs and to reintegrate demobilised troops.
[122] The probe into Angolagate, the scandal involving arms-for-oil deals between French businessmen Pierre Falcone and Jean-Christophe Mitterand, and Russian-born Israeli Arkadi Gaydamak, which saw billions of dollars in arms and oil-backed loans being funnelled to the Angolan government in the early 1990s in return for lucrative oil contracts, continues.

There are practical tensions to be managed between Angola's partners in assisting the reform process, and working together. There is thus a need for actors such as Washington and Portugal to work together in facilitating a consensus. There are rivalries born of a paradigm of investment and reward as a short-term, zero-sum game. In this regard, Lisbon and other European 'Club Med' players, will, for example, likely be most reluctant to accept greater South African involvement, viewed as a threat to those who see South Africa not as a means to improve the size of the regional economic pie but rather as enjoying geographic competitive advantage. The relationship with other states with direct Angolan interests – such as Israeli-based firms in the diamond industry and Norwegian oil interests – also presents a number of opportunities for diplomatic partnership.

The External NGO and Corporate Sector

The role played by international NGOs such as Global Witness in pressing for greater corporate transparency and disclosure in breaking the corruption 'food chain' remains important. The 2002 Global Witness report on the Angolan oil sector, *All the President's Men*, details the role played by international oil companies and banking interests in an environment distorted by the war and the absence of democracy. Of an estimated US$3.8 billion transferred to the Angolan government in taxes by oil companies in 2000, 44% was paid by Chevron, 36% by the Angolan oil company Sonangol, just under 10% by TotalFinaElf, 8% from Italy's Agip, and 0.5% each by Braspetro and Texaco. Yet, as is detailed above, only one company, BP-Amoco, has made full voluntary disclosure of the amounts paid, a unilateral initiative for which it was censured by its competitors and the Angolan government alike.[123] Undoubtedly, to be more effective, companies will have to act in concert; yet there is a strong resistance by some to go the route of full disclosure.

Following UNITA's defeat, it is only the international petroleum industry that has significant leverage with the MPLA government. It is in this area that international civil society can play a role, through the application of pressure on these multinational corporations to act in concert and to apply conditions of corporate good governance, of which transparency and accountability are essential features. In addition, Global Witness has proposed that there should be a push for international regulators, such as the US Securities and Exchange Commission to require companies to break down their payments.

With regard to diamonds, Angola's other main resource, the combination of the impact of the UN sanctions regime, the Kimberley verification process, and the hoped-for greater transparency in the marketing of Angolan diamond production, will create a more secure environment for investors, less scope for the type of criminal activities which have blighted perceptions of Angola's diamond trade, and improved governance procedures. A critical catalyst for and signal of Luanda's positive intentions in this respect would be the settlement of the outstanding case with De Beers and the reintroduction of the diamond giant into the Angolan market.

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[123] See Global Witness, *All the President's Men: The Devastating Story of Oil and Banking in Angola's Privatised War*. London: Global Witness, March 2002.

Conclusion

A More Positive Future?

The death of Savimbi, widely regarded as the main spoiler of peace, presents a unique window of opportunity. However, his unceremonious removal has left a weak and divided UNITA. Unity in UNITA is essential to ensure that all its factions are taken on board and convinced of the benefits of peace. Angola is so marked by distrust that even a small band of UNITA guerrillas acting unilaterally can do immeasurable harm to fledgling peace efforts. This means a workable peace plan would require the lifting of sanctions by the international community to ensure that UNITA members can meet freely, choose a new leadership and transform into a political movement.

It will require sustained international pressure on the MPLA to take bold and imaginative steps and to avoid triumphalism. Some taken so far have been positive, namely the ceasefire announced shortly after the death of Savimbi and the extension of an unconditional amnesty to former UNITA guerrillas, supporters and their families.

We have, of course, been here before. It is incumbent on the international community to ensure that the Angolan government liberalise the political environment and allow broader participation in the peace negotiations. The first and last national Angolan elections that took place in 1992 did not achieve peace; nor did the Lusaka peace agreement signed two years later.

Previous peace efforts failed because negotiations were aimed at accommodating only the two main belligerents in a narrow trade-off of cabinet and public positions – and leadership pacts have proven themselves to be short-lived and unreliable in Angola. The nature of the South African peace negotiations could offer some lessons. The inclusiveness of the SA negotiations is widely regarded as the key to the lasting success of its political settlement. It is essential that peace negotiations in Angola be broadened to include representatives from its fledging civil society movement, key in establishing a set of common social values and consensus.

Over the last two years the Angolan Peace Movement has emerged as a significant third voice in the Angolan conflict – calling consistently for the end of hostilities and a return to negotiations. The church, supported by a small but growing group of NGOs, Angolan intellectuals and UNITA and MPLA moderates, is the most significant driver of this process and has become the only moral voice in the conflict. Its role was recognised internationally in 2001 when the European Parliament Sakharov Peace Prize was awarded to the Archbishop of Lubango and the President of the Inter-Church Committee for Peace, Monsignor Zacarias Kamwenho. Still, the church and civil society's role will be limited, unless room for greater input is formalised.

There are many immediate and long-term challenges facing Angola, such as the demobilisation and integration of combatants from both sides of the political divide, confidence-building measures, extending humanitarian assistance to those in dire need, combating endemic corruption and bureaucratic ineptitude, creating transparency about government expenditure, preparing for elections, rebuilding the infrastructure and economy and equitable social delivery throughout the state.

The biggest challenge is ensuring that the Angolan government transforms itself from a ruling elite that has benefited enormously and consistently from the spoils of war to responsive and responsible government acting in the interest of all its people. This entails a commitment to share power and to

abandon the winner-takes-all approach that has so repeatedly failed Angola's people. This is the fundamental paradigm shift that is necessary to create and ensure lasting peace in Angola – now that Savimbi, the reason and the justification for the 'total onslaught' war effort, is no longer.

Against this backdrop, a number of short- to medium-term challenges present themselves, and three scenarios emerge:

Angola's Short- to Medium-Term Challenges

There are a number of inter-related challenges facing Angola in the immediate post-Savimbi period.

- The creation of an environment of peace *with* stability.
- The successful quartering and demobilisation/integration of UNITA troops .
- The change of the political culture from one of armies and war to parties and politics.
- The reduction in the divisions of wealth and politics between urban and rural populations, the division being estimated at 80:20 (with around 40% in Luanda).
- The improvement in the humanitarian situation, including that of IDPs and refugees.

Three Scenarios

With the above backdrop in mind, three likely scenarios emerge. Each of these raise questions for international and regional governments, civil society, and business in terms of both the likely operating environment and the impact that their actions might have on the Angolan situation.

Political Normalisation and 2004 Elections
The elections are scheduled for 2004. In this, there are three possible outcomes: UNITA wins, the MPLA wins, or the results are 'fiddled'.

Given that a new constitution has to be in place by the end of 2003 (and no draft is by mid-2002 in sight), the staging of the election in 2004 looks problematic at this stage, though it is in the interests of the MPLA as the best organised and funded party to hold elections as quickly as possible.

Breakdown and War
Given that the current process of quartering has proceeded smoothly, despite misgivings about the possibility of numbers of UNITA troops unaccounted for, the small number of UNITA (10% or 5,000) to be absorbed into the national army, and unhappiness over their treatment by the MPLA, this scenario is thought to be unlikely though some banditry will likely continue. Key UNITA officials are rhetorically dedicated to the peace process, even though isolated acts of banditry might continue.

No Breakdown and No 2004 Elections
The likelihood of this scenario hinges on a number of factors: First, the extent (and impact) of pressure from the international community (most notably the US government) to hold an election by 2004. Second, the timing of President Dos Santos' decision over whether to run (or not), and the related choice/identification of a successor. Third, the desire and political need for the Angolan government to confront its legitimacy deficit, given that it is in the apparent interest of the MPLA to hold elections as soon as possible to extend such legitimacy to its ten-year old 'democratic' institutions. This would also serve to provide a much-needed veneer of political accountability and

respectability, and would also justify 'international' engagement in the humanitarian challenges faced.

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The death of Dr Savimbi offers Angola and the Southern African region the hope of a more positive future.

But as with the deaths elsewhere of General Sani Abacha in Nigeria and President Laurent-Desiré Kabila senior in the DRC, political and economic progress is not a single event, but a process. And just as Mobutu's removal from the political centre-stage in Zaire in 1997 was not a signal event for an African renaissance it was deemed to be at the time, one must guard against the instability that could follow Savimbi's departure. The big question in the medium term will be how these developments in 2002 in Angola created the framework for improving the political and socio-economic conditions of the country as a whole, and their concomitant effects on the region.

As illustrated so aptly by the Zimbabwean crisis, the performance or non-performance of individual states has a significant impact on international perceptions of regional and indeed continental stability and potential. Angola's political transformation – should that eventuate – holds great promise for Africa, not least in moving the peace process forward in the Congo, potentially placing pressure on Luanda's regional allies such as Robert Mugabe in the move towards international acceptance, in stimulating business and trading opportunities throughout Southern and Central Africa, and as the regional keystone in the roll-out of the New Partnership for Africa's Development.

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Appendix One: The Cycle of Normalisation in Angola

With the above in mind, a number of different permutations exist for external powers in engaging with Angola and assisting the reform process. These are cryptically summarised in the table below.

Angola: What Could Change and How?

Areas	Policy Choices and Vehicles	Comments
Corruption Food Chain	• Oil companies • IMF • NGOs – Global Witness • NEPAD • Donors and conditionalities • UN	It is unlikely that US and French agreement could be achieved on a code of conduct of oil companies. An IMF role is unlikely without a significant US push. The role of NGOs within Angola is precarious and dependent on (largely external) funding. The UN's role is largely currently humanitarian and political; could be circumscribed possibly through Angolan election in January 2003 on to the UN Security Council.
Democratisation: MPLA Reform	• Leadership – who will stand? • Corruption chain important to bringing leadership to account	The MPLA is seen by some as a dictatorial political organisation, that has never been willing to share power. It has perfected the use of military force regionally and domestically, and may not be willing to reform nor to open itself to external scrutiny and debate. Some belief that it will establish a 'virtual democracy' with UNITA participation in the election process, but that because of the destroyed social fabric in Angola and the MPLA's current military prowess in combination with the politics of oil, the MPLA will remain unaccountable. It is important to look at the long-term prospects of political reform and the

		possible role of disillusioned MPLA and UNITA reformists.
Democratisation: UNITA Reform	• Leadership – when and who? • Quartering and Demobilisation and Reintegration – are all in? • Congress and unity – will it happen? • Mineral/business interests – will they be restored?	There remain fears that many of the non-starving UNITA forces are not being quartered, particularly in Uige and Central Highlands. UNITA were defeated by a deliberate famine engineered in Moxico Province; but this does not necessarily mean that the political differences have been dealt with or reconciled. There is a sentiment that senior members of UNITA will be 'bought off' to participate in the mooted 2004 elections as UNITA but within a GNU. Can UNITA be transformed from a fragile, divided entity?
Democratisation: Civil Society Role	• New directions? • Who will fund them – and for which agenda?	Civil society's fortunes are today seen to be low. They are a crucial player in setting norms for a peace process to progress, but currently lack direction, focus and independent funding.
Regional Politics and Role	• SADC – with Angola as chair post-September 2002 • SA – unhappy political relationship; residual tensions; no leverage • DRC/Zimbabwe linkage?	There is a great deal at stake for SA in improving its relations with Angola, a development critical for regional stability and prosperity in the short-term. One way for South Africa to improve its relationship would be through military-military contacts, perhaps in the field of humanitarian assistance. The inclination of SA might be to support a Government of National

		Unity, but it is uncertain what this will deliver to Angola's people apart from elite satisfaction and a veneer of stability. Pretoria will likely have, however, to learn to use its instruments of diplomacy beyond personal contacts: including propaganda, security and economic levers.
International Relations	• Troika? • Special role for Portugal – impact on SA? • Israel – diamond and military interests? • UN – from humanitarian to political relationship? • Role for non-state actors, including humanitarian organisations, NGOs, individuals? • IMF/World Bank role?	It is unlikely that the Troika will remain a coherent entity. US role likely to expand with increasing US oil interests – 10% of oil supplies are sourced from Angola. Both the US and France are isolated from broader humanitarian and political issues/pressures because of oil. US backing for the IMF, a critical instrument in breaking the corruption food chain, is dependent on the oil linkage. The UN role remains marginal, despite its current focus on seven broad issues: demobilisation and reintegration of military personnel; reconstruction and rehabilitation of the state, military observation, humanitarian assistance, assistance with the political transition, assistance in setting up the donors conference, and facilitation of the reconciliation process. Individuals rather than the Israeli government are likely to continue to play a role, in both the diamond and security businesses. This is arguably not as significant as the role played by those from the

		former Soviet Union.
Rehabilitation – **Economic, Prudential,** **Infrastructural**	• Donor conference?	The likelihood and success of a donor conference is dependent on breaking the corruption chain and the ability of the government to develop a cogent poverty reduction strategy paper, based on a broadly consultative approach.

Appendix Two: UN Security Council Resolutions Pursuant to Resolution 684 (1993)

S/RES/1433 (2002)	*15 August 2002*	Authorises the establishment of the United Nations Mission in Angola (UNMA) for a period of six months until 15 February 2003
S/RES/1412 (2002)	*17 May 2002*	Suspends travel restrictions on senior officials of UNITA for a period of 90 days
S/RES/1404 (2002)	*18 April 2002*	Extends the mandate of the Monitoring Mechanism as set out in resolution 1295 (2000) for a period of six months
S/RES/1374 (2001)	*19 October 2001*	Extends the mandate of the Monitoring Mechanis m as set out in resolution 1295 (2000) for a period of six months; reduces the number of experts from five to four
S/RES/1348 (2001)	*19 April 2001*	Extends the mandate of the Monitoring Mechanism as set out in resolution 1295 (2000) for a period of six months
S/RES/1336 (2001)	*23 January 2001*	Extends the mandate of the Monitoring Mechanism as set out in resolution 1295 (2000) for a period of three months
S/RES/1295 (2000)	*18 April 2000*	Establishes a Monitoring Mechanism on sanctions against UNITA
S/RES/1237 (1999)	*7 May 1999*	Establishes an independent Panel of Experts
S/RES/1221 (1999)	*12 January 1999*	Condemns the downing of the two aircraft chartered by the United Nations, requests ICAO and urges member states to support investigation
S/RES/1176 (1998)	*24 June 1998*	Imposes financial sanctions against UNITA; prohibits the direct or indirect export from Angola of all diamonds originating from territories not controlled by the Government of Angola
S/RES/1173 (1998)	*12 June 1998*	Imposes financial sanctions against UNITA; prohibits the direct or indirect export from Angola of all diamonds originating from territories not controlled by the Government of Angola
S/RES/1135 (1997)	*29 October 1997*	Requests member states to provide information on the measures they have adopted to implement the measures specified in resolution 1127 (1997)
S/RES/1130 (1997)	*29 September 1997*	Postpones coming into force of measures specified in resolution 1127 (1997) until 00.01 EST on 30 October 1997
S/RES/1127 (1997)	*28 August 1997*	Imposes travel sanctions on senior UNITA officials and their immediate family members
S/RES/864 (1993)	*15 September 1993*	Arms embargo and petroleum sanctions against UNITA; Security Council Sanctions Committee established