

Reform or unravel?

Prospects for Angola's transition

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Angola is facing an existential transition. A presidential succession is occurring ahead of the August 2017 elections amid a deep financial crisis, internal factionalism within the Popular Movement for the Liberation of Angola and strong opposition demands. Reform is necessary to dismantle the pillars of the current governing strategy that have become unstable and have weakened the security apparatus, have politicised the economy and oil industry, have weakened the ruling party and have increased the levels of repression. This report focuses on the emerging faultlines Angola is facing as the Dos Santos era comes to an end.

Key points

- ▶ Incoming President Joao Lourenco will need to institute difficult economic reforms and restore the functioning of key state institutions.
- ▶ Reforming the security apparatus will be a challenge if Lourenco wants to streamline command and control and professionalise the sector.
- ▶ Managing external relations will test Lourenco as he takes the reins with a huge debt to China, while the US and Russia are clamouring to venture more deeply into key economic areas.
- ▶ Lourenco may usher in an era of greater authoritarian rule or may struggle to genuinely reform all the areas that have weakened the Angolan state and disenfranchised its society.

Angola is at a crossroads. President José Eduardo dos Santos, the ultimate arbitrator of the country's future, announced after 38 years in power that he would not run in the 23rd August 2017 elections. He realised that he would either have to begin to reform and liberalise, which would lead to the ruling Popular Movement for the Liberation of Angola (MPLA) losing its grip on key sectors and interests, or to tighten control ahead of the August 2017 national elections, hardening political positions and potentially increasing opposition and dissent within key constituencies. He chose to step down while the country is facing multiple challenges without a reform plan. The initiation of a closely controlled transition – Dos Santos will remain the head of the party until 2022 – may not simplify matters, as there are no assurances that the country can reform in the current circumstances. The fragility of the political order is being exposed by a severe liquidity crisis, a recession caused by low oil prices, popular dissatisfaction and political pressure brought about by the presidential succession issue. New smoke screens maintain a veneer of stability and development, but the government is facing its most severe challenge since the end of the war.

Dos Santos's chosen successor, Joao Lourenco,¹ the current defence minister, will have to manage all these tensions while taking care of his own interests and constituency, battling the Dos Santos family's stranglehold on the economy, and managing a transition he may have underestimated. Renewal and reform is necessary but the MPLA cannot do it alone. It will have to enter into dialogue with other political and civil forces in the country.

The fragility of the political order is being exposed by a severe liquidity crisis and a recession caused by low oil prices

Since 2002, the post-conflict state built in Angola has been anchored to four main pillars: 1) the power of the Presidency, which has centralised power in parallel structures and weakened the MPLA party; 2) the inflow of oil revenues and the national oil company Sonangol, which extends patronage and allows the elite's accumulation of capital; 3) the manipulation of foreign relations and financial partners, which helps sustain the state apparatus, assists with the international projection of power and jumpstarts the economy; and 4) the securitisation of society and the state. All four anchors are becoming increasingly unsustainable. The 74-year-old president's recent choices, including the appointment of his daughter as head of Sonangol, are being questioned by the lower and middle ranks of the party, the government, the security apparatus and key constituencies. It is a move that reveals a narrowing of space for reform and the culmination of a process of family takeover. While Dos Santos may no longer be the president of Angola after September 2017, he will retain influence and power within the key areas under his guard: the economy, the party and foreign relations. What may, in

fact, happen is a bifurcation of power, with Lourenco retaining control of the security apparatus and the Presidency – which could yet be deprived of its executive capacities – and Dos Santos controlling the oil economy, relations with key investment partners and the country’s foreign policy.

The 2010 constitution awarded the MPLA the power to supervise and veto any legislation coming from the president or the executive. While Dos Santos occupied both seats this was a non-issue, but with a new head of the executive, two centres of power may emerge. Lourenco may seek to consolidate control of the party and unseat his mentor, triggering a political crisis in the process.

Reform is needed

In an unexpected move the Central Committee of the MPLA made public its decision to nominate Lourenco as its presidential candidate. He will be deputised by Bornito de Sousa and followed by Fernando Dias dos Santos “Nando”. Many in the party believe this is a move to ensure continuity rather than catalyse reform and a new political order. The elite, middle classes and intellectuals disagreed about what form a post-Dos Santos transition should take. Some believed that the MPLA should take the lead in nominating the next president and starting a reform process, while a smaller yet more powerful group in the presidency was moving to install a member of the Dos Santos clan or, alternatively, a trusted general.

Angola’s waiting game begins now. While responses to the emerging challenges may differ, the president and his generals will need to begin some form of reform to avert a crisis. They will also have to allow Lourenco the necessary space to define the transition. And if Lourenco is to accumulate sufficient political capital to institute reforms, he will need to begin a serious national dialogue with the opposition, dissident elites, the youth, ex-combatants and civil society.

Discontent at street level and within opposition circles is increasing, although it has not yet reached the level where there is likely to be a popular uprising. Important segments of the population no longer want the MPLA in power. They hope that change can be achieved through free and fair elections. A disputed transition or election

is likely to create serious instability and various unresolved grievances will surface, but the likeliest scenario is that the MPLA will continue in power for the next term (2017–22), most probably as a result of mismanaged elections. Yet it will rule from the weakest position it has been in since the end of the war in 2002. The loss of financial capacity, the levels of popular opposition to misrule, the opposition’s strength, and the exposure of the MPLA elite to corruption charges mean that the ruling party cannot steer the country in a new direction unless it genuinely reforms.

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The four pillars – the security apparatus, instrumentalised foreign relations, the centralising power of the Presidency, and absolute control of the economy aimed at elite enrichment – are becoming unstable and increasingly disconnected. Angola’s complex state structure and shadow machinery, built to support the president and his elite, cannot function without petrodollars. Many military and political leaders have expressed fears about the future;² fears that will need to be managed internally, with a coherent plan for the transition. A key presidential advisor³ privately explained that he was not concerned about the succession issue because the party was under control, yet he recognised that the economy and security apparatus had to be reformed. There is deep apprehension within the ruling elite about a future without Dos Santos. Maintaining the patronage of elite members and the salaries of the security apparatus will remain a priority, leaving the majority of the population outside of the pool of beneficiaries.

The president has set out a new political configuration to steer the country to the elections and out of the financial crisis. Yet the recent changes to the government signal not reform but entrenchment. The positioning of weaker officials in key ministerial posts is a sign of power strangulation, and keeping loyalists close will remain the strategy moving forward. Changes emanating from the MPLA elective congress (17–20 August 2016) naturally led to changes in the cabinet. Then finance

minister Armando Manuel's ousting from the Central Committee meant that he was replaced in early September by Augusto Archer Mangureira. The head of the Civil Bureau of the Presidency, Edeltrudes Costa, was excluded from the Political Bureau and replaced by Manuel da Cruz Neto. The new finance minister, the fourth in the last eight years, has less autonomy than his predecessor. This reconfiguration of the nerve centre of power shows that the economy remains captured by the Dos Santos family. The governor of the Central bank, Valter Filipe Duarte da Silva, is relatively inexperienced to hold such a position. Dos Santos will force Lourenco into the untenable position of having to govern without the necessary economic independence and liquidity. More changes to the government should be expected, in particular within the army, the interior ministry and other economically important posts. The configurations within the security apparatus may help some key Dos Santos allies towards retirement, allowing Lourenco to define his own security cabinet and shadow portfolio.

The elite's interest in maintaining an unbalanced economy will be the major stumbling block to reforming the country's economic governance system

Economically the country is at risk of bankruptcy due to plummeting oil prices and the slow pace of economic diversification. In 13 years oil has generated over US\$468 billion, with little or no concrete accountability in terms of the use of those revenues.⁴ Corruption has resulted in billions of dollars being diverted, while key sectors are facing collapse. The elite's interest in maintaining an unbalanced economy will be the major stumbling block to reforming the country's economic governance system. Their concern is maintaining institutionalised corruption. Yet inflation and the shortage of dollars in banks have caused an unsustainable financial situation, both for the average citizen and for those in positions of power.

The middle classes are losing their benefits and, in many cases, their jobs. Civil servants and several units of the military and security apparatus are irregularly paid. While the government will not risk having any scenarios play out beyond its control and has the means to squash the opposition and assert control over the military, it cannot control the people in the streets, the middle class and the urban youth.

It appears that a clampdown has already begun, in an indication of the regime's fragility. In several interviews conducted between 2012 and 2015 opposition leaders mentioned that security services had leaked a 'black list' of political figures who would be targeted. The opposition party, the National Union for the Total Independence of Angola (UNITA), exposed a government plot to incriminate it in a 'UNITA-backed coup' with the active recruitment of former UNITA ex-combatants.⁵ In April 2015 security forces clashed with followers of the Seventh Day Adventist Light of the World Church in the

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province of Huambo, resulting in the 'Mount Sumi massacre' where human rights activists and opposition leaders claim thousands were killed. In June 2015, 15 youth activists were arrested and charged with staging an attempted coup. Addressing the nation after their arrest, Dos Santos spoke of the internal purge of 1977 within the MPLA after a faction attempted to overthrow then president Agostinho Neto, where the massacre of tens of thousands of MPLA members served as a clear warning to the ruling party and to opposition forces. The youths were sentenced in April 2016 to between two and eight years in jail, then provisionally released in June. More recently activists have seen a wave of terror in one of Luanda's largest townships, Viana, with over 100 youths being executed in the past year. An arguably benign regime, with no political prisoners and a strategy to contain fear rather than persecute its critics, has become more paranoid and volatile.

Demands for reform will not subside and the paralysing fear that has kept matters in check may have lifted. But while Dos Santos is alive and president of the MPLA the opposition will remain subdued, the military controlled and the ruling party forcibly united. Each of these forces supports a different strategy⁶ while secretly believing that the inevitable change could arise from a mass 'social convulsion', given that 'citizens are not governed by the state, they govern themselves'.⁷ Yet, as the balance of tactical calculations shifts towards a more repressive and mismanaged state, many Angolans might begin to actively resist a state that offers little governance, increasing the level of unpredictability. Once Dos Santos leaves there is no guarantee that the MPLA will manage to contain the popular and internal fallout. The president needs to strategise on how to neutralise flare-ups within his family, the economic and security elites and his disenfranchised comrades. To do this he needs to dedicate the coming months to planning how the new government will prepare for the transition and institute new economic policies.

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It is also possible that the president and the MPLA will manage to institute just enough reform to maintain their grip on power and resist any pressure, delaying profound and systemic reform for several more years. However, new challenges will emerge during these years of 'continuity and business as usual' and will have to be addressed. For the stability of the country and the region the new president should begin to adapt governing policies to the challenges ahead.

Faultlines and fractures

Peacetime politics continue to mirror the priorities of wartime regime survival, further entrenching the existing fault lines while creating other grievances. In

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2002, at the end of the war, Angola was a highly polarised country, divided by years of conflicting ideological aspirations, and occupation and governance by different armies, and fragmented by unresolved issues of ethnicity, race, regionalism and class. Following the military victory by the MPLA government, segments of society and political and ethnic groups were classified in terms of their proximity to the levers of power: some were rewarded, some tolerated, and some sidelined from politics and the economy. The political system was built around structures that neutralised the opposition, civil society, the provinces and their respective ethnic groups.⁸

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The objective of this survivalist government was to establish a durable political order in which the MPLA would remain unchallenged. The MPLA wanted to create ‘an authoritarian hegemonic dispensation adapted to multiparty electoral politics’.⁹ There were also important accommodation strategies that allowed the president to build political capital with opponents and the middle classes. Since the 1990s certain elite members of UNITA, the National Liberation Front of Angola (FNLA) and other opposition groups have been given the opportunity to join the government and the military and engage in business activities. This has been an important stabilising strategy. In many ways members of different political and military elites were given the space to interact and bridge the fissures that divided them. Despite this, grievances remain.

The Presidency’s state project has been to create effective machinery outside the formal structures of government and far from the oversight of Parliament, civil society, the opposition and its own party. The structure used for this purpose is the Security Bureau of the Presidency (SBP) and the parallel shadow government consisting of the Civil Bureau, the intelligence services and Sonangol.¹⁰

The Presidency manages core portfolios, especially those relating to security and the economy, through the SBP and the Civil Bureau. Ministers, provincial governors, generals, judges, civil servants, state enterprise directors, private sector partners, the media and civil society organisations are nominated and managed by this shadow structure. As a result, the state and governing institutions have morphed into personalised, securitised and nepotistic elitist organs that function in largely opaque and uncoordinated ways.

The consolidation of power from 2008 to the present has mostly been achieved by allowing security actors to establish a monopoly on resource extraction. Politically, power has been transferred from the cabinet, Parliament and the judiciary to the three intelligence services and the SBP.



ANGOLA WAS A HIGHLY
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This has been done by creating a far-reaching network of informers and infiltrators who disrupt all activities perceived to be against the interests of the state. (While the state barely has the capacity to provide services to its citizens it is very effective in controlling them via intelligence and infiltration operations.) As a result, the president is more isolated and power is concentrated in key advisors.

Reforms that will result in long-term stability rather than temporary fixes are urgently needed. The current survival strategy of keeping the security forces and the elite happy despite the financial crisis is now at risk. Cuts to military spending in mid-2016, the inability to pay the salaries of civil servants, and having to pay out funds and 'debts' to elite-owned companies is putting the entire economy at risk. Reforms to the political and economic governance systems, at the local provincial level and to the security apparatus, are key as Angola enters another phase of uncertainty and potential instability.

Presidential transition and internal MPLA divisions

The third post-war election is scheduled for August 2017. Polls instituted by the MPLA across all 18 provinces to measure its support reveal that it could lose the 2017 election¹¹ despite the fact that it has more than 4 million members. However, a free and fair election is not expected to occur, with the government taking steps to ensure an MPLA victory. Lourenco has most likely committed to protect the Dos Santos family's interests and shield it from legal challenges even as the party faces factional infighting. This may lessen his ability to make the necessary changes to the political and economic system. Simply knowing who the presidential successor is does not ease the level of unpredictability, given that Lourenco's ability to rein in different interests, overcome internal challenges, command unity in the military and elites, and reach out to other political and civil forces in the country is still untested. Angola's transition also coincides with an oil crisis and potential regional instability from the neighbouring Democratic Republic of the Congo (DRC), creating multiple fronts requiring coordinated action to maintain internal stability. Former Prime-Minister and current Speaker of Parliament "Nando" is allegedly challenging the nomination of Lourenco on the basis that the next head

of state should be a Luanda-born politician (Lourenco is from the southern province of Benguela while his deputy Bornito de Sousa is from Malange). The dormant issues of regionalism and racial divides are beginning to emerge within the succession debate in the MPLA.

The fact that the MPLA is weak will only make it more difficult to rally unity and party support. By installing Paulo Kassoma as the secretary general of the MPLA, Dos Santos has placed a weak but trusted figure without any political ambitions at the helm of the party. However, any further efforts to instrumentalise the party towards securing the Dos Santos family interests will be resisted by elements of the old guard of the party. Key party stalwarts such as Ambrosio Lukoki, a Neto-era minister and a member of the Central Committee for over 40 years, called a press conference before the start of the August congress to denounce Dos Santos and his league of 'yes men' and alert the party to its potential downfall, referring to the 'spirit of revolt and silent insurrection that is spreading throughout the country'.

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In 2013 growing dissent within the party was appeased through the facilitation of 'loans' by Banco Espírito Santo Angola (BESA), an Angolan affiliate of Portugal's third-largest bank, Banco Espírito Santo (BES),¹² to key party officials. That strategy has been exhausted and the president has few options left for economic enticement. Pressure to repay these 'loans' is now used to bring the elites to heel. Over the last two decades such financial transactions have commonly been used to compromise the ability of the political and security elites to act independently of Dos Santos. Details of the BESA scandal are surfacing, and ongoing investigations by Portuguese authorities point to key figures in the regime such as Gen. Helder Vieira Dias Junior Kopelipa having allegedly received over US\$300 million in loans. BESA's 2014 collapse was the result of defaults on 70% of its loans, the equivalent of US\$5.7 billion, all of it under state guarantee. The elites involved in this debacle will eventually have to be held to account, in particular as

many other Angolan banks are in desperate need of financial bailouts and more details are emerging of similar political loans.

In 1979, when Dos Santos took over, he was relatively unknown. However, there was a move within the party to dilute the influence of key ideologues at the central committee level,¹³ and after a mere two weeks consensus was achieved.¹⁴ However, in 1979 the party was strong and managed to forge a collective decision, uniting different factions after the mass purging in 1977. Today it is a political tool of the president that has lost its capacity to direct strategy and collectively devise political solutions to its numerous challenges.

At the August 2016 MPLA congress Dos Santos was expected to replace 45% of the Central Committee members with younger cadres

Despite rumours around his failing health, it is still unclear why Dos Santos decided to step aside now. While consensus on Lourenco was achieved in the August 2016 congress, where he was nominated to the position of vice-president, Dos Santos was initially still positioning himself to run in the August 2017 polls.

At the August 2016 MPLA congress Dos Santos was expected to replace 45% of the Central Committee members with younger cadres, yet fewer than 20% were removed. The tendency had been to replace the old guard with a new generation that can easily be moulded to serve the interests of the presidential family in return for opportunity and power. These 'Young Turks' were set to become the new party elite, under the slogan 'Continuity in renovation'. However, any show of reform and genuine renewal was abandoned in favour of maintaining the status quo. Although both Dos Santos's son Zenu and his younger daughter Welwitschia were included in the Central Committee, as well as young loyalists such as Antonio Luvualo de Carvalho, this new generation has neither the political astuteness nor the social connections (through historical, family and liberation struggle links) of its predecessors in the government, the opposition, civil society or the church. What they do have is their parents' sense of entitlement that 'Angola belongs to the MPLA'. Given the way in which Dos Santos has directed national institutions, there will be no incentive for this new generation to act with greater accountability or restraint, or to compromise with other social and political forces. Their demand for greater power in the party may be another unexpected front Lourenco will have to manage.

While Lourenco has the respect of the military and of segments of the party, he is relatively inexperienced in government, which he only joined in 2014. Until he was nominated as defence minister, Lourenco had only held positions in Parliament and the party. He was thought to be relatively clean of corruption scandals, but details are emerging that Lourenco too may have benefitted from opaque business dealings.

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The fact that several international organisations and the Portuguese courts are investigating members of the ruling elite might put additional pressure on the political patronage system and lead to a realignment of alliances. The current vice-president, Manuel Vicente, has been charged by Portuguese courts on counts of corruption and money laundering, after evidence surfaced that he had bribed a state prosecutor to suspend an investigation into financial transactions.¹⁵ Isabel dos Santos, the president's daughter, may also face legal challenges, as the European Parliament has called for an investigation into the purchase of several shareholding positions in Portuguese companies.¹⁶ Zénu dos Santos is suspected of mismanaging the sovereign wealth fund and details of opaque business dealings have emerged in the 'Panama Papers' (leaked documents containing information on thousands of offshore entities).¹⁷ Details of more corrupt dealings are emerging as Brazilian authorities continue their 'Operacao Lava Jato' (Car Wash) investigation that led to the impeachment of Dilma Rouseff.

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Yet Lourenco's immediate challenge in governing the country will be the lack of self-regulating institutions. For decades Dos Santos personalised, distorted and disempowered the organs of the state, replacing them with powerful parallel institutions that have no systems to ensure accountability, oversight or regulated administration. The relationships between and narrow interests of the elite are the driving forces in this governing arrangement. Lourenco will find it difficult to manage the dynamics of this personalised hegemonic system and push for reforms in particular as the patronage networks shrink, factionalism increases over power and position, and the unaddressed regional and racial fault lines threaten to resurface.

The unspoken ethnic and racial factor

An underlying point of unity among the elite is the fear that the ethnic groups that form a majority could take away power from the Kimbundu and Luanda Creole-dominated MPLA. These ethnic and racial fault lines were cemented during the anti-colonial struggle and further entrenched in the civil war, where the social cleavages of race, class and privilege aligned along political-party lines that broadly represented ethnic and regional divisions. The Ovimbundu, the largest ethnic group, have been associated with UNITA; the Bakongo, the third-largest ethnic group after the Kimbundu, have been known to support the FNLA and the Democratic Party for Progress-Angolan National Alliance (PDP-ANA); and the Chokwe have supported the Social Renewal Party (PRS). This geographic and ethnic demography has changed in many ways as the opposition has started to make inroads into Luanda, which was an MPLA



SEVERAL INTERNATIONAL ORGANISATIONS AND THE PORTUGUESE COURTS ARE INVESTIGATING MEMBERS OF THE RULING ELITE

stronghold. At the same time, since the war the ruling party has managed to capitalise on UNITA's errors in the central highlands and gain support from new constituencies. However, none of the political parties in Angola, including the MPLA, has managed to create a truly nationalist platform, which has allowed fragmentation and stratification to remain unaddressed.

The need to address feelings of alienation and structural discrimination remains a key rallying point for the opposition. Whether real or perceived, the sense of ethnic exclusion and elitist politics associated with the MPLA could provoke further divisions among the ruling class, affecting its capacity to manage the transition.

No Ovimbundu or Bakongo today holds any real power in the state, despite token placements within the leadership of the military and the cabinet

Current MPLA and opposition members privately acknowledge that no Ovimbundu or Bakongo today holds any real power in the state, despite token placements within the leadership of the military and the cabinet. Those who are in powerful positions are overshadowed by Mestico/Creole (mixed race) or Kimbundu figures who limit their exercise of power. 'The chairmen of the national bank, of state companies, and other prestigious institutions will always be Kimbundu ... the Cardinal of Luanda will always be a Kimbundu when, in fact, there are more Ovimbundu bishops,' says an Ovimbundu member of the MPLA.¹⁸ Yet some Kimbundu intellectuals say that they have also become token figures in this government, with many ministries headed by Creole ministers and those with familial ties to S.Tome e Principe, the DRC and other countries. These and other policies perpetuating divisions across political and socioeconomic divides have created what is referred to as 'the payback' generation. This generation, which experienced the war, has unresolved grievances that stem both from injustices that occurred during the conflict and from how the post-war era has been managed; it is a phenomenon encountered in the MPLA, in UNITA, in society more broadly, and in the military. A latent issue that is rarely factored into political analysis and discussion on Angola, it is very real among entire segments of the population and in particular among city dwellers.



NONE OF THE POLITICAL PARTIES IN ANGOLA HAS MANAGED TO CREATE A TRULY NATIONALIST PLATFORM

The security apparatus

A securitised state and society has developed over the last two decades. When the war ended Dos Santos adopted a dual strategy to maintain stability and loyalty in the Angolan Armed Forces (FAA), the only institution capable of dethroning him. Once the most powerful political tool in the country and by default a source of its identity after 28 years of civil war, the FAA and other organs of the security apparatus are today plagued by several pathologies that require urgent attention. Operational weakness, interference in national

politics, corruption and lack of accountability are the main concerns Lourenco will need to address. While the size of the army – estimated at 126 000 men – has remained the same, Dos Santos has promoted many generals and opened up business opportunities for other commanders. These army leaders have become linked in an intricate web of interests that has pulled in the entire elite. So-called ‘business generals’ run mining operations, have private security companies, hold shares in core Angolan businesses and own hotels, conducting themselves in ways that have cost them the respect of the rank and file. Other leaders in the FAA, both those from the MPLA and those UNITA fighters integrated in the 1992 disarmament, demobilisation and reintegration (DDR) process, have retained respect but are closely guarded by the military intelligence chief, Gen. José Maria. This has allowed for the implementation of a second strategy, which entails fracturing and politicising the FAA while building a stronger parallel structure – the SBP.

Interference in national politics, corruption and lack of accountability are the main concerns Lourenco will need to address

Despite these factors, the FAA is a battle-hardened army that still carries considerable weight nationally. It is headed by Chief of Staff Gen. Geraldo Sachipengo Nunda. Recent changes to its command are directly linked to fear of post-election violence and dysfunctional command and control. Deputy Chief of Staff, Gen. João de Barros Nguto, was substituted by Gen. Jose Luis Higino de Sousa “Ze Grande” with links to military intelligence and placed to appease the creole concerns; the Army is now headed by Gen. Gouveia de Sa Miranda after Gen Lucio Amaral had exposed his commercial activities. Both these changes aim at ensuring the loyalty of the armed forces. This is also the beginning of a shift in the military leadership planned for Lourenco's tenure.

In order to check the power of the FAA, Dos Santos has strengthened the SBP by giving it the capacity to override the command and control structures of the army.

The SBP controls the entire security apparatus, from the military to the intelligence agencies and the police, and can override the command of the defence and interior

ministries as well as of the chief of staff of the armed forces and the national police commissioner. It also has a parallel army. The SBP consists of the Unidade de Guarda Presidencial (UGP), the presidential guard commanded by Lt. Gen. Alfredo Tyaunda, consisting of between 10 000 and 12 000 men; and the Unidade de Seguranca Presidencial (USP), the presidential security unit (commanded by Gen. Jose Joao Maua), comprising a brigade.

The presidential guards (USP and UGP) are elite brigades that operate as a parallel army, with their own logistics base in Kikolo and units that mirror those of the FAA (finances, intelligence, human resources, internal affairs and telecommunications, among others).¹⁹ In addition, there is the Chakal unit of elite troops. Together these parallel forces could total tens of thousand of men, not including the officers attached to the three branches of the intelligence services – external intelligence (SIE), internal (SINSE) and military (SIM). All three branches of the intelligence services are controlled by Maria and have infiltrated all social, political and military areas. With the motto ‘God in heaven and state on earth’, the intelligence services aim to be omnipresent. Their overt intrusion weakens the democratic system and has created deep resentment within the MPLA, the armed forces, the opposition and civil society. In strategic terms, the vertical concentration of command and control and analysis of intelligence information in the SBP is aimed at centralising power under the president, yet it has led to operational challenges resulting from logistical, human capacity and budgetary deficiencies.

These arrangements create the possibility of divisions occurring within the security apparatus. On the one hand there is the FAA, and on the other the security organs trained to act as a political police and the president's parallel army, with serious discrepancies in salary structure, facilities and capacity. In practice, the SBP controls every aspect of the FAA, from procurement to defence policies. There are, however, indications that the armed forces still manage to operate relatively well despite this interference.

The FAA is the only institution today that broadly maintains the consensus of the Bicesse and Lusaka peace accords between UNITA and the MPLA. It is the only organ that is not completely partisan and can

provide a vital bridge between different groups. Amid the uncertainty caused by disputed elections, a potentially difficult transition and a financial crisis, coupled with growing instability in the Central African region, the fragility of the security apparatus needs to be addressed. Corruption and opaque arms procurement deals need to be curtailed; defence spending requires oversight. The SBP has to be relegated to an advisory role to allow the ministries of defence and the interior to take the lead and establish adequate support structures for coordination and reform. The two joint assessment bodies – the Supreme Military Council and the Defence and Security Council – need to convene regularly and coordinate their activities. The intelligence services have to prioritise national security, with a joint intelligence committee and budget approval occurring through accountable channels. The SIM in particular needs to redirect its efforts towards regional military issues rather than repressing the FAA and destabilising other security services. Clearer officer retirement procedures are also necessary, and the regular payment of grants to the hundreds of thousands of ex-combatants is also an urgent matter. There is an opportunity to put such reforms in place, as Lourenco is expected to retire key generals but may choose to keep the strength of the SBP given the alleged contestation by Nando that still commands loyalty within the police and the rapid response units, known as the “ninjas”.

Popular protests

The government takes very seriously the potential for an ‘Angolan spring’ and clamps down brutally when more than 15 youths gather in one place. While both of the leading opposition parties, UNITA and the Broad Convergence for the Salvation of Angola – Electoral Coalition (CASA-CE), have a huge mobilisation capacity they have rarely used it. UNITA today has over 3.1 million card-carrying members and is the dominant political force in the most populated municipalities of Luanda (Viana and Cacuaco), giving it unprecedented strength to challenge the MPLA at both the polls and the street level.

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The government’s response was tested in November 2013 when UNITA brought more than 15 000 people to the streets of Luanda to protest the killing of a CASA-CE youth leader by the Presidential Guard. The government reacted by deploying anti-terror units, attack helicopters and other extreme measures.²⁰

In the event of extreme social unrest and ‘the millions from the slums descending’, FAA commanders believe that the Presidential Guard and the PIR would use disproportionate force. However, command and control could



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collapse within the police, as many would not be willing to fire into the crowds not knowing whether their family members were among the protestors.²¹ In such a scenario the FAA, too, could split over deploying against civilians. The danger would, of course, be that the FAA might seek to play a leading role in politics, which would reverse any democratic space that has been gained during the various election cycles.

In 2014 Angola's military expenditure was estimated at US\$6.5 billion, with a projected increase of US\$13 billion by 2019

Over the last year the government has increased its defense spending with a new focus on the Interior Ministry making cuts in the military. In the 2016 budget, revised in July from US\$30 billion to US\$24 billion, the military budget was cut by US\$2.2 billion (45%) while the police's budget increased four-fold, to US\$2.7 billion. Such a move could indicate a fear of popular unrest and the need to increase the capacity of the police force. Despite this Angola still has one of the biggest military budgets in Africa. In 2014 military expenditure was estimated at US\$6.5 billion, with a projected increase of US\$13 billion by 2019.²²

Economic crisis

Paradoxically, in Angola the growth generated by oil has created poverty. The country's dependence on oil has allowed the government's centralising tendencies to entrench economic rents and interests. Politics have been put ahead of economic imperatives. If there is to be economic diversification there will have to be political decentralisation.²³ As a result of the dramatic drop in oil prices since mid-2014 Angola's economy has been thrown into chaos. The national budget is estimated to have lost 70% in revenue as a result. Oil makes up 98% of the country's exports and generates 76% of its revenues. Revenues from oil exports fell dramatically (by the equivalent of US\$5.31 billion) between January and September 2015 compared to the corresponding figures for 2014 (the equivalent of US\$13 billion).²⁴ Despite this decline in oil revenues the 2017 budget is estimated at \$44.2 billion – an increase in spending that the government will have to subsidise by increasing its debt. It estimates that the country will only produce 662 million barrels of oil (the equivalent of \$20.7 billion) with the remainder of the budget financed through loans. The upcoming election will also cause an increase in government spending while depleting its capacity to respond to longer-term priorities. Projections for 2017 point to public debt reaching 70% of GDP,²⁵ leading the government to redirect a large portion of oil revenues towards servicing its debt.

The government has imposed import restrictions, limited withdrawals from banks (given the liquidity crisis) and increased the price of foodstuffs and petrol. The International Monetary Fund (IMF) projected that inflation would



PROJECTIONS FOR 2017
POINT TO PUBLIC DEBT
REACHING 70% OF GDP

reach 45% by the end of 2016.²⁶ The crisis has also started to affect the civil service, with austerity measures resulting in public spending cuts of 30% and more, leading to mass redundancies. When oil companies and other major international companies began retrenching staff, the middle-class Angolans working for these firms lost their transport, fuel and housing subsidies. This has created serious tensions within a key political constituency.

Dollars are difficult to find in the markets since the Bank of America suspended sales to Angola because of suspected compliance issues and a lack anti-money laundering measures. Angola imports 80% of its foodstuff and other basic materials, which requires foreign currency, and the foreign exchange shortage has led to countrywide scarcities in even the most basic items. Banks have placed stringent withdrawal and transaction limits on all dollar accounts in an effort to manage dwindling reserves.²⁷

The year 2015 began with the government revising its budget on the basis of an oil price of US\$40 per barrel, down from the US\$81 per barrel originally estimated

Angola still has substantial foreign reserves (estimated at US\$28 billion, which corresponds to six months of import cover), although these have been declining due to transfers to the Sovereign Wealth Fund, launched in 2012 and run by the president's son Jose Filomeno (Zenu). The fund, which is now fully capitalised at US\$5 billion, is believed to be part of the parallel economic backbone that has been used by the Dos Santos family to bolster its economic interests.

The year 2015 began with the government revising its budget on the basis of an oil price of US\$40 per barrel, down from the US\$81 per barrel originally estimated. Gross domestic product (GDP) growth estimates were cut from 9.7% to 6.6%. In the revised budget the state cut spending by 25%, anticipating that oil revenues would cover 37% of its spending needs (as opposed to the 70% these revenues had covered in 2014). The 2015 budget allowed the president to 'withhold up to 100 percent of the budget's allocations for projects under the Public Investments Program (estimated at over US\$1.1 billion), and expenses for the Support of Development [Programme]' if the funds were needed in other areas.²⁸

In early 2015 the kwanza fell by 10% and Angola spent US\$160 million to stabilise the currency. The National Bank of Angola was forced to adopt a gradual devaluation of the national currency, which fell by 30% between January and September 2015. In 2016 in the parallel market US\$100 – which, before the crisis, would be exchanged for 10 000 kwanza – cost 60 000 kwanza.

An opportunity to address the chronic imbalances of the oil-dominated economy presented itself during this crisis, as did the political conditions for the president to tackle corruption and institutional inefficiency. Currently there are 34 ministers, 50 deputy ministers, 18 governors and 54 deputy governors, and

IN THE 2009 OIL CRISIS
ANGOLA BORROWED

US\$1.4 billion

FROM THE IMF

it is estimated that more than US\$30 billion (two-thirds) of the state budget is spent on running costs.²⁹ The civil service has also doubled in size since the end of the war in 2002.

In the 2009 oil crisis Angola borrowed US\$1.4 billion from the IMF, which inevitably resulted in more international fiscal control of accounts and financial operations. The government is now trying to avoid bringing the IMF back and has sought international loans from its major partners. It has taken out a loan of over US\$2 billion for Sonangol from its strongest trading partner, China; a US\$1.5 billion loan from the Russian bank VTB Capital; and a US\$1.8 billion credit line from Brazil, in addition to smaller loans of US\$500 million from Banco Bilbao Vizcaya Argentaria, US\$500 million from Société General, US\$450 million from the World Bank, US\$250 million from GemCorp and US\$250 million from Goldman Sachs, among others.³⁰

The president secured a further loan of US\$6 billion during a visit to Beijing earlier in the year, bringing the amount owed to China to more than US\$32 billion. Opposition members of Parliament (MPs) believe that the Chinese debt could exceed US\$47 billion and are demanding transparency. The debt accumulated by Sonangol is another concerning matter, as reports emerge that a US\$15 billion credit line conceded by the China Development Bank at the end of 2015 has been suspended for lack of contractual compliance.³¹ Luanda also issued US\$1.5 billion in Eurobonds with the stated objective of supporting long-term economic development. However, these and other funds could be used in unaccountable ways due to their unregulated nature, buying the government some time by perpetuating its patronage networks.³² With these and other loans Angola's sovereign debt, which is separate from Sonangol's debt, could exceed US\$47.4 billion. Options for continued financial support are growing increasingly limited, as sovereign guarantees will no longer suffice with the government already over-leveraging the country's assets, elevating borrowing costs. The state also owes 3.4 billion euros to several companies that will need to be paid by the end of 2017.³³

Despite its wish to avoid further dependence on the IMF the government was forced in 2016 to turn to it for a bailout, thereby focusing attention on the country's

dire liquidity and balance of payments situation.³⁴ As the terms for this assistance under the Extended Fund Facility became clear, the president is said to have rejected the possibility of accessing over US\$4.5 billion from the IMF, in order to avoid making difficult financial reforms ahead of the elections. All of this places the government under serious financial pressure.

The country's economic crisis exposes the deep inequalities caused by attempts to maintain the status quo and an over-reliance on diamonds and oil, as well as by the lack of investment in job-generating sectors such as manufacturing and agriculture. During the 2012 elections the MPLA's main slogan was 'Grow more to distribute better'; a recognition that it had to bridge the wealth gap and initiate serious sustainable development programmes. This ambition is now jeopardised by the economic downturn.

Despite its wish to avoid further dependence, the government was forced to turn to the IMF for a bailout in 2016

Minister of the Economy Abraão Gourgel has stated that diversifying the economy will cost the state US\$26 billion. Even if the country had followed the development programme defined in its White Paper it would still face the difficulties resulting from a lack of capacity, management systems and political will. The current crisis is plunging the population, the majority of whom survive on less than US\$1.25 a day and exist outside the formal economy and job market, into ever greater despair. The cost of staple foods has tripled and the price of fuel has skyrocketed, making civilians the main victims of the prolonged recession and raising fears of 'bread riots'. In October 2015 the fuel price increase saw taxi drivers protesting in Luanda, paralysing key arteries of the capital and unnerving the authorities and intelligence services, which were unable to pre-empt the coordinated action. While investments in non-oil sectors - agriculture, manufacturing and energy - placed to become drivers of economic activity have increased they are still negligible. Reforming the economy will be a long process that will require political will and confidence-building engagement with investors and the general public.

Restructuring of Sonangol

The restructuring of Sonangol was expected to increase efficiency of the national oil company and cut costs, but it and other reforms are necessary as oil production levels need to be sustained. In the October 2015 State of the Nation speech it was announced that Sonangol³⁵ would be restructuring and downsizing until the end of 2015. Oil company experts suggested that this might entail removing Sonangol's concessionary function, managed by Sonangol Exploration and Production (EOP), while other entities would now handle distribution, shipping and joint ventures.³⁶ This would also entail removing all the non-petroleum functions of Sonangol, such as real estate, telecommunications and industrial projects, allowing the company to focus on oil and gas.

Reports in the Angolan media point to a new agency and a superior council being formed, as part of the restructuring, to manage the concessionary aspect and bring it under the direct administrative control of the executive, diluting the decision-making ability of the board and giving the president formal power over oil contracts.³⁷ Despite this, Isabel's first 100 days heading Sonangol have not resulted in a defined restructuring program or plan to maximise efficiency in the oil sector. Her nomination was generally well received by the oil industry as an indication that the president would closely oversee all matters and rectify a record of inefficient management. However, civil society and the opposition claim that her appointment in the national oil company violates the law on public probity. The future for the presidential daughter will be a difficult one given the economic crisis. Under her watch, the Lobito refinery project has been suspended. Aimed at reducing the dependency on fuel imports and the drain on foreign reserves, the refinery was expected to reach a capacity of 200 thousand barrels a day. Building began in 2011 and what was expected to have cost \$US5 billion has so

far cost US\$14 billion, due to alleged corruption and political obstruction. Operations were halted in order to pay a \$1 billion debt to the elite-linked company Trafigura for the import of fuel. Lack of responsiveness and the financial inability to meet investment requirements have placed Sonangol in a difficult position with key partners like Chevron, Exxon, BP and Total that may consider withdrawing investment plans,³⁸ adding an additional element of volatility.

To date Sonangol's official debt stands at US\$13.7 billion³⁹ but this could be much higher, leaving the company unable to sell portions of its oil to cover running costs while servicing debt. It is struggling to liquidate its debts. In October 2016 Chevron gave Sonangol an ultimatum regarding its outstanding debt of US\$300 million; Cobalt International is considering disengaging from its operations from Angola after Sonangol reneged on a deal worth US\$ 1.5 billion to purchase its stake in two blocs. These difficulties, coupled with international pressure to reform the financial sector and reduce the number of politically exposed people from key sectors, is leaving Luanda with few options for costly financial relief.

The risk is that this restructuring, whenever it occurs, will distract from the production issues of the minor oil fields, which produce 100 000 barrels a day. While these minor fields are not worthy of investment they do sustain Angola's production level, which took a huge hit when the projected pre-salt exploration project, expected to increase daily production to 3 million barrels a day, proved not to be viable. Production, which stands at 1.7 million barrels a day, is expected to decline in the next five years, decreasing by between 20 000 and 50 000 barrels a day.⁴⁰ Angola has, however, started developing its onshore activities, having recently conducted a bidding war, with the winners being companies linked to the presidency and the governing party.⁴¹

A limited peace dividend

Against this economic backdrop the idea of 'Angola rising' is becoming harder to sell. While the post-war institutional, economic and security nucleus was created for the survival of the MPLA, the government has ultimately failed to understand the fabric of Angolan society. Economic isolation, discrimination, overt securitisation and the infiltration of social networks will have to be reversed in order to avoid unrest. The social reality in Angola sees a division between the capital, Luanda, and the rest of the country, known as 'deep' or 'unfavoured' Angola.

The years of peace have allowed for countrywide stabilisation, but have not delivered the expected peace dividend. Although the MPLA began a massive reconstruction drive after the war, this strategy was informed primarily by a desire to extend state rule over those provinces that the MPLA had not governed during the war. It also aimed to create the necessary infrastructure to extract resources more efficiently. Schools and hospitals were built, although the amount spent on them was negligible in comparison, for example, with the money that went towards building MPLA headquarters in all provincial capitals. The provinces only received 20% of the state budget, with all resources managed centrally in Luanda – in 2015 the national municipal programme to combat poverty had a budget of a mere US\$75 million.⁴² Currently, social spending is at its lowest since 2002. The 2017 budget allocates only 27% (taking into account inflation) of spending to education, health and housing.⁴³

In the past year the fragility of the state has been revealed by the collapsing health sector and looming food scarcity in the southern provinces

In human development terms, social indicators of poverty reveal two very different realities. In Angola the saying goes that 'the battle is not against poverty but against the poor'. Since the end of the war there has been a mass movement from the countryside into the cities, with the population of Luanda reaching 6.5 million, Benguela 2 million and Huila 2.3 million out of a population of over 24 million.⁴⁴ Overcrowding in Luanda has exposed more citizens to the prevalent wealth disparities while increasing access to independent media, as a result of which entire townships such as Viana, Cazenga and Cacuaco – representing over 4 million people – now support the opposition.

In the past year the fragility of the state has been revealed by the collapsing health sector and looming food scarcity in the southern provinces. In December 2015 a yellow fever epidemic broke out in Luanda, with hospitals struggling to respond with only basic resources, staff and medication. While the government has stated that 1 645 people have been infected and 230 have died, the opposition and civil society estimate that the death toll is in the

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thousands. In March 2016 more than 500 funerals were recorded in a single day with doctors from different public hospitals appealing for aid, stating that an average of 25 children were dying each day.

Food insecurity has been a constant in the southernmost provinces of Cunene, Huila and Namibe since the end of the war. This situation, mostly the result of drought and over-dependence on subsistence farming and cattle, has worsened due to the gradual expropriation of land by members of the political elite.

A report from the Archdiocese of Lubango in December 2012 estimated that more than 1.8 million people in 10 provinces were going hungry. In February 2016 the UN donated US\$8.2 million to help combat the effects of the drought in Cunene province, while the European Union (EU) made 1.3 million euros available to assist more than 190 000 people, mostly children, in the provinces of Huila and Cunene. However, the government's response has been slow and the situation has deteriorated. These two issues, among several encountered in the provinces, highlight the lack of sustained intervention to address underdevelopment and poverty, which is fuelling popular frustration.

While the intention may be to curb divisionary and ethnicity-based politics, platforms for regional grievances are necessary to temper increasing dissatisfaction

The provincial governments are headed by strongmen, mostly former generals, appointed by Dos Santos. The government's strategy for ruling the provinces has entailed dismantling the two strongest social institutions that unified and mobilised communities: traditional authorities and the church. Traditional authorities have gradually been co-opted, infiltrated and divided. By mid-2012 government-controlled organisations such as O Nosso Soba, Associação Angolana de Autoridades Tradicionais and others had brought 41 554 of an estimated 50 000 traditional authorities onto the government payroll (costing the state over 8 billion kwanza a month).⁴⁵ Sobas (traditional chiefs) played an instrumental role in delivering victory to the MPLA in the 2008 elections. The danger is that they are no longer perceived as true intermediaries of communities and will be unable to mediate or defuse community tensions. The space for redirecting regional and provincial grievances has almost vanished.

Political parties representing regional interests are forbidden in Angola. In order to register as a political party and run in national polls parties have to collect signatures from all 18 provinces. This means that political and social organisations that demand autonomy for or independence in Cabinda or the Lunda Norte and Sul provinces will always have to defend the territorial integrity of Angola and espouse national rather than regional agendas.

DIAMOND EXPORTS
GENERATED

US\$1.2 billion

IN 2014
AND AN ADDITIONAL

US\$73.7 million

IN TAXES

While the intention may be to curb divisionary and ethnicity-based politics, given the stratification of Angola, platforms for regional grievances are necessary to temper increasing dissatisfaction. Several social movements and community organisations have emerged to bridge this gap, as opposition parties in Parliament have somewhat failed to represent the interests of the provinces. The opposition parties view local elections as the solution to this problem, but these are constantly postponed and the law governing them has yet to be passed.

Pockets of insecurity: Cabinda and the Lundas provinces

The oil-rich enclave of Cabinda remains in the grips of a militarised and unresolved low-intensity conflict. Attacks by the Frente de Libertação de Cabinda (FLEC-FAC) faction have escalated in recent months. The separatists – and the population – continue to demand independence or some form of autonomy. Referred to as the ‘African Kuwait’, Cabinda produces most of Angola’s oil and is the only province that is controlled solely by the Presidency. Over the past 15 years the government’s strategy has been to militarise and repress the enclave, to instigate discord among civil society members and activists, and keep the population economically suppressed. In 2002 Luanda estimated that it would take the army three months to crush armed groups in the province. Realising that this was not feasible the government pursued a strategy of divide and rule by signing a peace agreement with one FLEC faction in 2006. Since the death of Nzita Tiago, one of the founders of the FLEC-FAC, in Paris in June 2016 the movement has become more active and its resistance to the Angolan army more coordinated and destabilising. The government has attempted to downplay the significance of this escalation but the FLEC has successfully staged guerrilla attacks in several areas of the Maiombe forest.

In February 2017 Gen. Afonso Nzau, leading the Maiombe South brigade of the FLEC-FAC, claimed that the group had killed 18 Angolan soldiers.⁴⁶ This has injected the government’s rendition programme (which has killed eight FLEC commanders) with a renewed sense of urgency. In March 2011 the FAA began an offensive to pursue FLEC commanders into their rear bases in the Republic of Congo and the DRC, to capture and execute them. Key commanders such as Nhemba ‘Pirilampo’

and Lubota ‘Sabata’ were killed this way. The Angolan military intelligence services are accused of deploying a ‘death squad’ to capture and kill the three main FLEC commanders responsible for recent attacks: Alexandre Tati, Estanislau Boma and Moises Antonio ‘Rotula’.⁴⁷

The strangulation of rural life worsened, with ‘civilians in the Maiombe forests being restricted from farming and fishing and only allowed 2 kilos of foodstuff each with the purpose of cutting off access to food for the guerrillas’.⁴⁸ The Catholic Church, once the most respected institution in Cabinda, has been instrumentalised and is actively dividing communities. The enclave is being fenced off from the Congos in order to contain the FLEC’s movement and to allow the military commanders to extract timber and other resources at will.⁴⁹ Yet despite these attempts to isolate FLEC, the various factions continue to recruit and are estimated to have over 1 000 fighters.⁵⁰ Having changed its tactics, the FLEC has reorganised its military commands to operate in smaller autonomous groups instructed to act throughout the territory, making them harder to detect and neutralise.

The oil-rich enclave of Cabinda remains in the grips of a militarised and unresolved low-intensity conflict

The 2006 peace agreement is about to reach its 11th year and has failed to resolve the situation in the enclave. Its ultimate outcome has been the division of the armed and non-armed resistance in Cabinda. FLEC elites, civil society leaders and priests who had aligned to negotiate with one voice in 2004 have been divided. This was part of the government’s strategy, which also included co-opting Bento Bembe’s FLEC faction into unilaterally signing the agreement. There are now renewed calls for renegotiation, and efforts to unite the Cabinda factions are gaining ground.

While the situation in Cabinda does not threaten to destabilise national politics in Angola, the resistance and guerrilla attacks are set to continue and future uncertainty in the DRC may provide further rear bases for FLEC operations.

As in Cabinda, an emphasis on resource extraction has led to serious underdevelopment and visible coercion

in the north-easternmost part of Angola, which borders on the DRC. The government has had to deploy the army, the national police and private security companies to provide security for the diamond concessions, which are located in a heavily forested area. The Lunda Sul and Lunda Norte provinces, which have the largest diamond fields in Angola, are today the most isolated and least developed in the country. Human rights activists and local populations describe them as the ‘killing fields’ of the government and private security firms.⁵¹

As one of Africa’s top diamond producers, Angola has joint ventures with Brazilian, Russian, Israeli and Belgian companies. These diamond revenues are an important source of patronage, with diamond exports having generated US\$1.2 billion in 2014 and an additional US\$73.7 million in taxes;⁵² in 2016 diamond production fell by 8.45% to \$1 billion. De Beers estimates that 90% of the prospective diamond area in Angola remains unexplored,⁵³ which points to the extended presence of these diamond companies and their private security companies.

The Lunda Sul and Lunda Norte provinces, which have the largest diamond fields in Angola, are the most isolated and least developed in the country

However, the Lundas see little return on this. Despite the presence of the Catoca mine, the fourth-largest kimberlite mine in the world, on the outskirts of the Lunda Sul provincial capital Saurimo, few schools, hospitals or employment-generating activities have been developed. It is estimated that over 80% of Angola’s diamond production comes from Catoca, which is jointly owned by Endiama (32.8%), Alrosa (32.8%), Odebrecht (16.4%) and the Chinese company LLI Holding (18%). The only income-generating activity left for local communities is informal diamond mining, known as *garimpo*. ‘The Lundas don’t know what it is to have industry or formal employment ... *garimpo* is the only survival tool we have,’ says a Lunda civic leader.

The topography of these areas are additional risk factors. Heavily forested areas with populations hostile to the government in Luanda, and having easy revenue access while bordering areas with active insurgencies is a concern. The recent violence caused by the Kamwina Nsapu militias in the DRC province of Central Kasai has already led to over 20,000 refugees taking shelter in the Lunda Norte province. Angolan armed forces are actively engaged in combat in these areas struggling to protect the border while also attempting to contain internal fallout with several communities.

The Lundas provinces, like Cabinda and the central highlands provinces, have witnessed an increase in repression and violence, revealing new levels of political intolerance and the state’s unwillingness to address the immediate needs and concerns of these populations. Containment strategies and repression will no longer mitigate the potentially undermining effect instability



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in the provinces could have on Lourenco's tenure as president in particular as both Congos become potentially instable with communities on both sides of the border becoming actively engaged.

Towards the 2017 elections

The 2017 elections are transition polls. They will witness the transition to a new president, the coming of age of an entire generation of voters (over 60% of the population is under the age of 20), and the maturing of opposition politics in peacetime. Angola's third post-conflict polls will see seven parties and a coalition (of four parties) contesting the legislative elections. The party with the largest number of votes will nominate the president. While the MPLA is weakened and internally divided, the playing field is tilted towards securing it another victory. State finances are used, the media is silenced, repression is increasing, and the voter roll has been seriously compromised.

The stepping aside of Dos Santos is lifting a barrier of fear that kept many dissenting voices in check. Whoever wins Luanda, which represents a third of the electorate, could win these elections. And with 6.5 million inhabitants and about 3 million voters, the capital has become an opposition stronghold.

Analysts in Angola believe that these elections could see UNITA rise as a political force capable of threatening the MPLA. Under the leadership of Isaias Samakuva since 2003, the party has managed to gradually reinvent itself. While his leadership has been perceived as lacking strategy, Samakuva has built his party base in the capital and the provinces. UNITA has also promoted the rise of Young Turks such as Liberty Chiaka, UNITA's provincial representative in stronghold Huambo province, and Rafael Massanga, current deputy secretary-general and one of Jonas Savimbi's sons. Massanga and Chiaka are rallying great support among the youth and becoming more vocal against the MPLA.

While the MPLA is weakened and internally divided, the playing field is tilted towards securing it another victory

The government seems to recognise this danger and has begun to take measures that may undermine the legitimacy of the electoral process. The opposition has been trying to fight a new electoral law that transfers control of the voters' roll from the electoral commission to the Ministry of Territorial Administration (MAT). The MAT, headed by MPLA vice-presidential candidate Bornito de Sousa, is being aided by an inter-ministerial commission involving nine other ministries, including defence, interior, justice and finance. This allows the executive to define who can and cannot vote. This is in direct contravention of Article 107.1 of the Constitution, which stipulates that an independent electoral body should be responsible for registering voters and organising the voters' roll. The government thus now controls the crucial



ANGOLA'S THIRD
POST-CONFLICT POLLS
WILL SEE SEVEN PARTIES
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LEGISLATIVE ELECTIONS

process whereby an additional 1.5 million new voters are expected to enrol, bringing to a total of 11.3 million voters. The credibility and integrity of the voters' roll is a key element of any election and its mismanagement will distort results.

The government's strategy in the 2012 polls was to structure forced abstention by selecting voters from specific ethnic groups and provinces who might vote for the opposition and using voter profiling to ensure that they could not vote in the districts where they had registered. This caused such chaos that 3.6 million voters (out of 9.7 million registered) were unable to vote – almost as many people as had voted for the MPLA. Luanda alone represented about 25% of the electorate and fewer than 30% of voters managed to vote there – many of them were turned away and told to vote in another province.⁵⁴

The opposition has been used to provide a veneer of democratic engagement, while the regime has taken advantage of opposition parties' weakness

Together, the four opposition parties represented in the national legislature – UNITA, CASA-CE, PRS and the FNLA – have both the political and the technocratic know-how to challenge the MPLA. Greater unity within the opposition could have created an additional layer of difficulty for the government in the upcoming elections, but emerging challenges within several other opposition parties have scuppered any possibility of unity. The third largest party – CASA-CE – headed by Abel Chivukuvuku (former UNITA) and his deputy Andre Mendes de Carvalho 'Miau' (former MPLA) is facing a serious setback that could cost it votes. Created six months before the 2012 polls, CASA-CE managed to get eight MPs. It has presented itself as a viable third political avenue for Angola, yet is internally weakened. Its bid in late 2016 to bring together all four parties and transform the coalition into a united party failed after three of the coalition parties failed to follow the procedures required by the Constitutional Court. Internal dissent within leadership ranks will further weaken the coalition. Only two presidents of these parties – Alexandre Sebastiao of PADDA and Manuel Fernandes of PALMA – are MPs and vice-presidents of the coalition. The presidents of PNSA, Sikonda Alexandre, and PPA, Fele Antonio, are now demanding top positions in the party list, putting Chivukuvuku in a difficult position as he brings no party of his own to the coalition.

The PRS, representing the diamond-rich Lunda areas, has also suffered setbacks and a loss of support. Led since its creation in 1991 by Eduardo Kuangana, it has lost credibility with its popular base and may lose the three MPs elected in 2012. The historical FNLA party also risks becoming extinct. With only two MPs the party has suffered divisions since the death of its founder Holden Roberto. In March 2017 the central committee of the FNLA



ALL NGOS MUST REGISTER WITH THE GOVERNMENT, AND REGISTRATION MAY BE REFUSED IN THE EVENT OF NON-COMPLIANCE WITH GOVERNMENT POSITIONS ON CERTAIN ISSUES

deposed its president Lucas Ngonda and is now in the process of electing a new president. This leaves the eastern and northern provinces of Angola – traditional areas of support for the FNLA and PRS – seeking to support new parties. Voters who may have supported CASA-CE, PRS and FNLA but have lost faith in their ability to represent their interests will most likely vote for UNITA.

The opposition fails to understand that it, the president and the ruling party are pawns in two very different games. While Dos Santos and his entourage are focused on limiting the potential avenues for internal dissent and on the aftershocks of authoritarian politics within the party and the military, the opposition limits itself to constitutional politics and the use of formal channels. They understand that if they organise protests and mobilise supporters to the streets they will be accused of instigating violence. Yet the Constitution and state institutions in Angola play only marginal roles in determining and arbitrating power. The opposition has been used to provide a veneer of democratic engagement, while the regime has taken advantage of opposition parties' weakness in order to silence their constituencies. The opposition parties also have inherent weaknesses that limit their ability to become a real threat to the MPLA. The government controls their funding, their leaders are under constant pressure and they have to compromise with the existing political order to be tolerated.

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However, the opposition has learnt from its mistakes. Since the 2012 polls both UNITA and CASA-CE have adopted a more hands-on approach to the provinces and the capital, giving them proximity to several important constituencies and the opportunity to neutralise the MPLA propaganda machine.

Much of the opposition's time has been wasted in dealing with the legality of issues in Parliament and the courts.⁵⁵ More needs to be done at the ground level to increase support and assist with civil education. Mobilising different youth organisations in the capital

and regionalised organisations in the provinces requires political astuteness. These organisations should not be brought onto the party ticket, as their value lies in their civil society role. While UNITA has successfully sanitised its wartime image and built its support base, passing the one million-vote mark in the 2012 elections, it will need to do more to position itself as a viable alternative to the MPLA.

The opposition has to unite and counter the efforts of the regime to exploit its vulnerabilities and also need to focus on pressuring the government to reverse its stranglehold on the democratic space. This requires new strategies, given recent clampdowns. On 23 March 2015 Dos Santos issued a presidential decree on civil society and non-governmental organisations (NGOs). Now all NGOs must register with the government, and registration may be refused in the event of non-compliance with government positions on certain issues. They must also register with the foreign ministry, a stipulation that has been criticised for creating the impression that all NGO and civil society workers are foreign agents. Another law deemed as draconian by civil society activists is the one controlling social media. Angola has approximately five million Internet users. As the government feels increasingly vulnerable more such laws are expected to be passed to limit the space for the opposition, civil society and the press.

Conclusion

The post-conflict state in Angola is eroding under the pressure of a recession and the closing of the political and social space, causing it to unmask its authoritarian nature. For all the financial mismanagement and governance failings in the country's 15 years of peace, Dos Santos has been able to maintain a unified elite and control the security apparatus. He has been surrounded by a survivalist aura, attributed to decades of strategic policies aimed at winning the war, reforming his image and jumpstarting mass reconstruction. He understands the government and financial systems built over decades, knows the strengths and weaknesses of the different power players in the MPLA and the opposition, and can still sustain the impact of hard decisions made against key interest groups. Handing over power to Lourenco was the best option for the country, but if Dos Santos does not relinquish power after September 2017 and

continues controlling the executive through the MPLA the country may not embark on a much-needed transition and reform process.

Having woven the political elites into patronage and business webs, Dos Santos has made them vulnerable in a way that could expose them to difficult choices. While attempts to rectify the situation are under way, the government's ability to prevent dissidence and control the agenda will come under increasing pressure. The propaganda machine no longer has the ability to shape public opinion.

With the international shift in oil politics, Luanda will cease to be a vital petro-partner and thus lose its major shield against external pressure

Arbitrary arrests, the unsolved murder of opposition members and the system of 'economic fines' for all who refuse to rally behind the MPLA are fuelling dissent rather than fear. While 'the level of arbitrariness of life and politics has eclipsed civilians' understanding of laws, their rights and norms, creating a national conscience of submission',⁵⁶ there has been a recent shift. The tools needed to maintain control require funds that the government no longer has.

Internationally, the image of the regime and the president is rapidly catching up with internal perceptions that this government may become a liability to stability in Angola and the region. In October 2015 a European Parliament resolution denouncing human rights violations in Angola passed overwhelmingly with 500 votes. Miscalculated investments and alliances exposed by anti-corruption activists could be used to curb the regime. The large anti-corruption drives in Beijing and Brasilia could also have an impact on Angolan business interests. With the international shift in oil politics, Luanda will cease to be a vital petro-partner and thus lose its major shield against external pressure.

Surviving a convergence of such stress points – a shift in international support, reduced financial capacity, loss of geopolitical petro-power, growing dissent and mass mobilisation, and the presidential succession as elections approach – will be difficult.

Policy concessions will have to be made in order to stabilise the post-conflict state. Some power will have to be relinquished voluntarily in order to allow the ruling party and Dos Santos's successor to increase their capacity to govern. This will mean beginning a security sector reform process, diversifying the economy, decentralising power and initiating a genuine dialogue with the opposition.

The choices Dos Santos, Lourenco and the MPLA make in the next year, and the resulting vulnerabilities, will determine whether Angola faces an era of deepening repression, the unpredictability of mass politics or a managed

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transition. The marginalised masses – the rural poor, the urban youth, ex-combatants and regional community groups, among others – will not remain on the outskirts of political transformation much longer. The challenge will be to bring them into a context that does not reopen an era of violence and revenge politics.

Lourenco will need to prepare the party and the country for difficult yet unavoidable reforms. Key areas will be particularly challenging:

- The encroachment of partisan politics into every aspect of the state and the web of patronage meant to uphold elite interests have weakened institutions. They will need to be reformed and made to function under a new leader and the required legal regulations.
- Reforming the security apparatus will be a challenge if Lourenco wants to streamline command and control and professionalise the sector by doing away with parallel structures, intrusive intelligence services and business dealings of commanders. The country is awash with small arms and a largely unemployed force of ex-combatants.

- To reform the economy political decentralisation will need to occur. The difficulty will be in untangling economic reforms and the interests of elites. The development conundrum and the reality of poverty in Angola fits into this challenge and will need to become a key focus. The beginning of this will require diversification and pro-poor development initiatives.
- Managing external relations will also test Lourenco, as he will take the reins with a huge debt to China, while the US and Russia are clamouring to venture more deeply into key economic areas and thereby undermine Dos Santos's efforts to balance foreign relations to never serve 'one master'. The country and its resources may already be pawned to such an extent that even old allies will recalibrate their approach to Luanda.

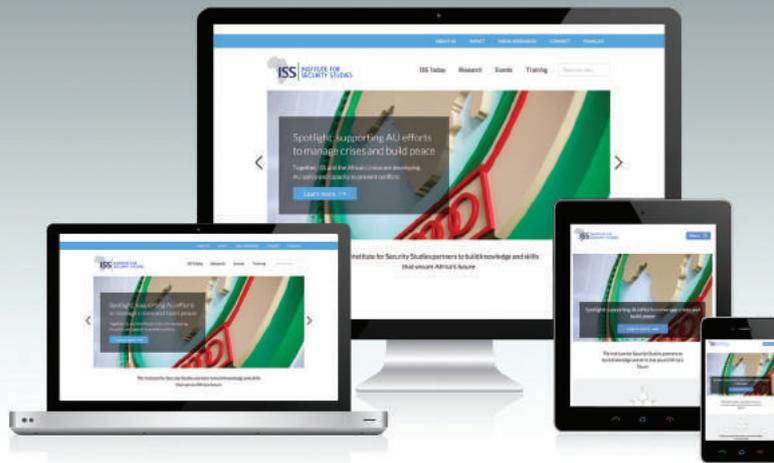
In Angola's transition lies the future stability of the country. A new president may usher in an era of greater authoritarian rule or may struggle to genuinely reform all the areas that have weakened the Angolan state and disenfranchised its society. Either way the window of opportunity still exists to lead the country out of the perfect storm.

Notes

- 1 Joao Lourenco has played several roles in the MPLA – as secretary for his province Benguela, and later as a political commissar. From 1991–98 he was active in the Political Bureau and the chief whip of the MPLA in Parliament; and he was the secretary general of the party until 2001, when he had a falling out with Dos Santos. He was only politically rehabilitated in 2014 when he was nominated Defence Minister.
- 2 Interview with Angolan Armed Forces (FAA) generals and MPLA central committee members, Luanda, November 2015.
- 3 Interview, Luanda, November 2015.
- 4 *Africa Confidential*, Dos Santos picks his man, 57:25, 16 December 2016.
- 5 Como Esperado, Africa o MPLA, a culpa e da UNITA, *Folha 8*, 17 August 2015. The government accused 37 former UNITA combatants of attempting to stage a coup on 31 January 2016. The accused denied the charges, but seven of them were sentenced in mid-March 2017 to 10 years in prison.
- 6 The opposition believes it can unseat the MPLA in the 2017 elections if it can counteract the fraud machinery. The military is waiting to see what the MPLA does in order to avoid intervening in the political system. The MPLA is hoping that one leader from within will finally take control and begin a new phase of MPLA dominance.
- 7 Interview, Angolan intellectual and activist, December 2015.
- 8 Interview, leading Angolan civil society leader, Johannesburg, February 2015.
- 9 C Messiant, The mutation of hegemonic domination, in Chabal and Vidal (eds), *Angola: the weight of history*, New York: Columbia University Press, 2007.
- 10 See P Roque, Angola: Parallel governments, oil and neopatrimonial system reproduction, Institute for Security Studies (ISS), Situation Report June 2011.
- 11 Interview, former MPLA leader, December 2015.
- 12 See *Forbes*, Banco Espirito Santo: the Angola story, 9 August 2014.
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- 15 *Maka Angola*, Manuel Vicente e o Castelo de Cartas da Corrupcao, 26 February 2016.
- 16 *Maka Angola*, Angola's president suspected of money laundering, 11 March 2016.
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- 25 *Público*, Revisao do Orcamento Angolano corta em mil milhoes as receitas do petroleo, 3 August 2016.
- 26 International Monetary Fund (IMF) Article IV Consultations, 16 November 2016, www.imf.org.
- 27 Economist Intelligence Report (EIU) Angola country report, November 2015.
- 28 *Maka Angola*, Crashing oil prices, propaganda, and the Angolan recipe for disaster, 28 January 2015.
- 29 Interview, Angolan economist, Luanda, November 2015.
- 30 *Africa Monitor*, Empréstimos contraiados por Angola aproximam-se de 10 mil milhões de dolares, 5 November 2015.
- 31 *Maka Angola*, Banco Chines suspende credito a Sonangol, 19 August 2016.
- 32 *Global Risks Insights*, Eurobonds: Africa's new patronage machine, December 2015.
- 33 *Africa Monitor*, Intelligence Briefing 40, 24 February 2017.
- 34 See *Maka Angola*, The cash-strapped kleptocracy seeks an IMF bailout, 29 April 2016.
- 35 Established in 1976 the national oil company, Sonangol, is the sole concessionaire for exploration, production, retail, refining and distribution of oil and gas in Angola. The Sonangol Group consists of the following subsidiaries: Sonangol P&P, Sonaref, Sonangol Logistics, Sonangol Natural Gas, Sonangol Shipping, Luanda Refinery, Sonangol Distribution, Sonangol Lt, Sonangol USA, Sonangol ASIA, Sonangol Holdings, Sonair, MSTelcom, ESSA, Girassol Clinic, Sonip and Sind.
- 36 Correspondence with oil industry expert, November 2015; The Sonangol is you, *Africa confidential*, 10 June 2016.
- 37 PR tutela nova agencia que vai absorver poderes da Sonangol, *AG Midia*, 28 April 2016.
- 38 *Expresso*, Petrolíferas impacientes com Angola, 30 April 2017.
- 39 "Angola: Sonangol reaffirms stability of its activities", 14 July 2015, Angop
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- 41 Luanda rewards its own, *Africa Confidential*, 10 December 2015. All 10 onshore blocks are in the Kwanza Basin, which straddles the Luanda and Kwanza Sul provinces, and the Lower Congo Basin in Zaire province, and are estimated to contain 700 000 barrels each.
- 42 N Pestana and A Orre, Para quando as Autarquias em Angola? *Angola Brief*, 4:8, August 2014.
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- 44 Numbers from National Census 2014.
- 45 R Soares de Oliveira, *Magnificent and beggar land: Angola since the civil war*, London: Hurst, 2015, 121, citing an interview with an official from the Ministry of Territorial Administration in June 2012.
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- 49 Interviews, activists, Cabinda and Luanda, November 2015.
- 50 Interviews, various FLEC supporters, November 2015.
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- 54 See P Roque, Angola's second post-war elections: the alchemy of change, ISS, Situation Report, May 2013.
- 55 *Ibid.*
- 56 Interview, former leading MPLA member, December 2015.

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