



Situation Report

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Angola: Parallel governments, oil and neopatrimonial system reproduction

Introduction

Over the last 35 years, the central government in Luanda has not only survived a potent insurgency, external intervention, international isolation, sanctions and economic collapse, but it has also managed to emerge victorious from a highly destructive and divisive civil war, achieving double-digit economic growth less than a decade after the cessation of hostilities. Hence the state in Angola may be regarded as resilient and even effective. However, closer examination of the Angolan political order reveals a very distinct reality of two parallel ruling structures: the formal, fragile government ruled by the *Movimento Popular de Libertação de Angola* (MPLA) and the more resilient 'shadow' government controlled and manipulated by the presidency, with Sonangol, the national oil company, as its chief economic motor. While these structures are mutually dependent, their internal functions are sometimes at odds with each other. Recent changes to these structures reveal the faultlines the ruling elite has tried to conceal, as well as new opportunities for engagement with the ruling structures of Angola by African and international policymakers.

The Angolan oil state: Two governments between democracy and hegemony (2008–2010)

The Angolan state displays several aspects of failure and resilience that, in its hybrid configuration, combines formal and informal operating procedures, is highly adaptable and able to survive great difficulties. Reforms in Angola are more a reflection of the need to adapt to change as a means to maintain control of the state – and to control the rate at which any change occurs – than a genuine opening of the political space to ideas of good governance, let alone popular accountability. Although the MPLA understands that change is inevitable, and in the past reacted tactically, it now has a strategically oriented state apparatus that strives to control the pace at which change occurs, while guaranteeing party rule for another 30 years. The president has effectively appropriated this strategy and uses it to control and weaken the party.

Since the 2008 legislative elections,¹ which saw the MPLA achieve an 82 per cent victory over the opposition, the regime has claimed its democratic credentials and finally imbued the formal state with a measure of legitimacy and international credibility. However, José Eduardo Dos Santos has opted to avoid presidential elections and not risk subjecting his shadow government to an electoral contest that could compel him to share power with the MPLA within the confines of formal structures, should he prove less popular than the ruling party.

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These parallel governments have, nevertheless, managed to maintain undisputed a political order and post-war stability, which have allowed for economic growth and the expansion of a centralised patronage network, which further contributes to the stability of the existing political order. The structures of this hybrid resilience are the most difficult to reform because they have been moulded to advance the interests of a few individuals. Dismantling them will present great difficulty for the new leadership of future governments in Luanda – which may attempt to rule through these institutions, but will eventually have to reform them. This will be difficult, as the regime in Luanda mimics not only democracy, but also a functioning state – in which a carefully orchestrated social engineering process creates the illusion of a modern and rehabilitated society – with its own middle class and rising entrepreneurs.

The shadow government: The presidency and Sonangol

The presidency today is the most powerful institution in Angola. Dos Santos is not only the head of state, but also the president of the party, the commander-in-chief of the armed forces, and the principal ‘adviser’ to all other actors involved in running the country. Over the past 32 years, Dos Santos has kept the MPLA and the government in check by expanding a highly efficient system of patronage that rewards a loyal elite of politicians, family members and the military. Many, including General Helder Vieira Dias Kopelipa, also previously held important portfolios, such as the Office for National Reconstruction (GRN), which supervises the China Investment Fund. Public Works Minister General Higino Carneiro controls the holding Caduta Organizacoes with interests in banking, insurance, tourism and agro-industry. Angola’s largest mobile phone company, Unitel, is partly owned by the president’s daughter Isabel and by the head of communications in the presidency, Brigadier General Leopoldino Fragoso do Nascimento.²

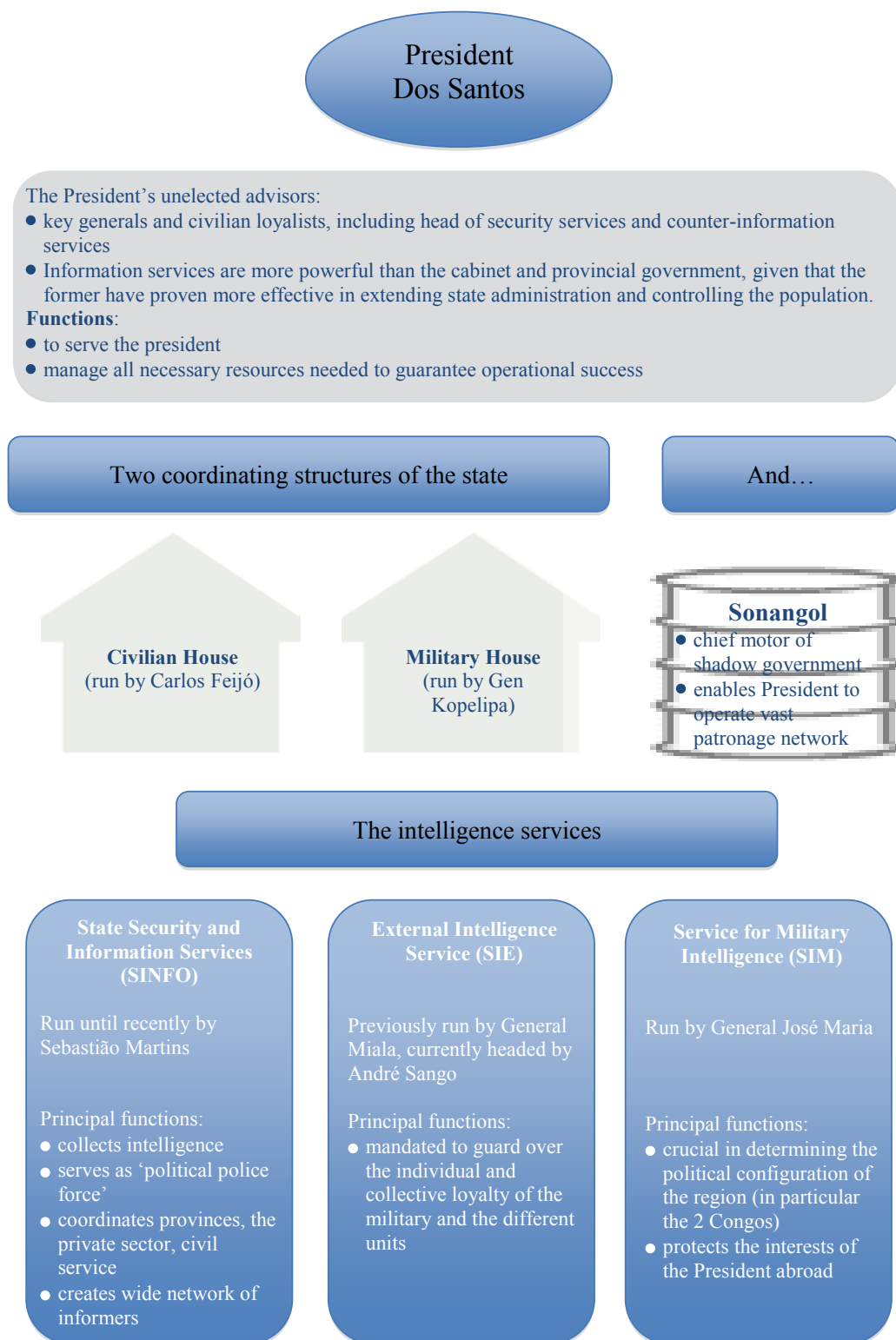
Dos Santos has also sustained a functioning dual-structure of government (shadow and formal), which has ensured that no collective action could threaten his rule.

Angola’s shadow government operates autonomously and is accountable only to the presidency. It is responsible for:

- formulating international policy independently of the established government and the foreign ministry given the importance of the country’s external image and that of its president. To a certain extent, Sonangol is the vehicle used to control the international image of Angola, investing internationally in the strategic areas of telecommunications, gas and petroleum as well as the banking sector (examples include the acquisition of oil concessions in Iraq or major shareholding positions in leading national companies in Portugal and Brazil); and exercising control over institutions and people through intelligence, information and security services using various internal and external organs;
- exerting control over money supply, through its own shadow financing mechanism that operates outside the budgetary process, accounting and the ministries;
- providing its own security. The presidential guard, a completely autonomous entity of the security apparatus run only by the president, consists of 7 000 Cuanhama and Gambo tribesmen. These tribes are from the south of Angola and have no political power in Luanda and are, therefore, no threat in terms of constituency mobilisation.

In this second tier of power, Sonangol, and, to a lesser extent, Endiama (the national diamond company), play a central role in the management of the state and in the MPLA’s financial strategy. They are at the centre of the mismanagement of funds and of corruption.³ More importantly, Sonangol feeds the vast patronage machine with oil revenues. Throughout the war, Sonangol operated effectively, grew steadily and supported the government in its war effort. It has been acclaimed as the country’s most competent institution, with offices in Texas, Hong Kong, Singapore, London and Brazzaville. Acting as a sovereign wealth fund, this state-owned enterprise has made several international acquisitions

Angola's shadow state – ‘All the president’s men’



in Portugal, Brazil, Iraq, Cuba, Venezuela and Mexico, in sectors as diverse as banking, telecommunications, media and energy. Sonangol president, Manuel Vicente, announced earlier in 2011 that the company had achieved record profits of \$3 billion in 2010.⁴ Vicente, appointed chief executive officer of Sonangol in 1999, has announced that he will step down from his position voluntarily rather than be 'forced to leave'.⁵ This may be connected to an alleged illegal transfer of shares from the oil company's holdings into his name in 2008.⁶ However, Vicente

could be a potential successor to Dos Santos, as he has international credibility (domestically, he has no significant political or social support base).

This shadow government is enmeshed in the formal government, duplicating many of its functions. However, while steps have been taken slowly but carefully to consolidate power within the ruling elite, Dos Santos remains the arbitrator of these powers. Legislative changes and a government reshuffle suggest that a new era of authoritarian reconversion may have begun.

New constitution

On 21 January 2010, the Legislative Assembly in Luanda passed a new constitution, formalising the unlimited power of the presidency. The new constitution officially names the president head of state, head of the executive, and commander in chief. He can also appoint judges to the constitutional and supreme courts. It abolishes the post of prime minister and also the direct election of the president; instead the leader of the party with the most parliamentary seats automatically becomes head of state. This effectively means that Dos Santos could remain in power until 2022, since the two-term limit begins only with the next legislative elections in 2012. The president can be removed from office by parliament, but only with the approval of the Supreme Court, whose judges are appointed by the president. The pyramid of power has now been formalised in the country's legislation and has effectively unleashed the flow of unlimited power in Futungo (the presidency). The president has been given wide powers in appointing and exonerating all key positions in the state apparatus, and can pass laws by decree. Several elements of the MPLA are reported to have strongly opposed the new legislation and proposed instead that the president be elected by direct polls.

This change will also result in the delay of local and municipal elections, which were scheduled to take place after the presidential polls – in September 2009. The new Constitution promises the staging of some form of local elections (Art 217-22), but with no mention of the type of institutions to be elected. Several more years will pass before the population is able to participate in reshaping local and regional organs and hold the governors accountable for their policies of mismanagement of assets. Governors will continue to be appointed by and serve at the discretion of the president. Allowing the population in the provinces to elect its local government representatives would be too risky for the government.

Government reshuffle: The new men in power

In October 2010, the government underwent a significant reshuffle with the interior and foreign ministers being substituted along with the chief of staff and all key elements of the provincial governments, including the governors of Luanda and Cabinda (the remaining 16 of the 18 governors retained their positions). The president appointed two ex-UNITA (*União Nacional para a Independência Total de Angola*) members into key positions – a move that caused controversy within the MPLA government. Jorge Rebelo Chicoti was appointed foreign minister and General Geraldo Sachipengo Nunda chief of staff of the armed forces.⁷ Both men are Ovimbundu – which clearly wounds the sense of hegemonic entitlement of the Kimbundu and *mestiço* populations. General Nunda is said to be the first chief of staff in a disempowered position, with several responsibilities having been transferred to the defence ministry, but he may not be as constrained as intended. He has started replacing some of the surrounding officers, appointing, for example, General Kamorteiro (UNITA's chief of staff) head of logistics. More than 30 per cent of the *Forças Armadas de Angola* (FAA) are former UNITA combatants.

The new interior minister is Sebastiao Martins, formerly the director of State Security and Information Services (SINFO). His promotion reflects efforts made by the president to provide the necessary oversight to the top organs of internal security to secure the electoral result he requires, and to provide an additional element of control for the powerful players closest to him. The interior ministry and General Kopelipa are in charge of a nationwide campaign to structure *bairro*

committees in all the provinces, in especially densely populated areas, to control the population, inform on potential threats, and sabotage any spontaneous movements or civil unrest. But these bodies will also be instrumental in securing the MPLA's crushing victory in 2012 by recruiting en masse, either freely or by coercion, an additional two million members⁸ to add to its current membership of four million. However, in mid-April, key domestic security areas were removed from General Kopelipa's mandate and transferred to the interior ministry. Kopelipa will retain the responsibility of organising the internal security of the presidency. This move may or may not be construed as a prelude to Kopelipa's political retirement.

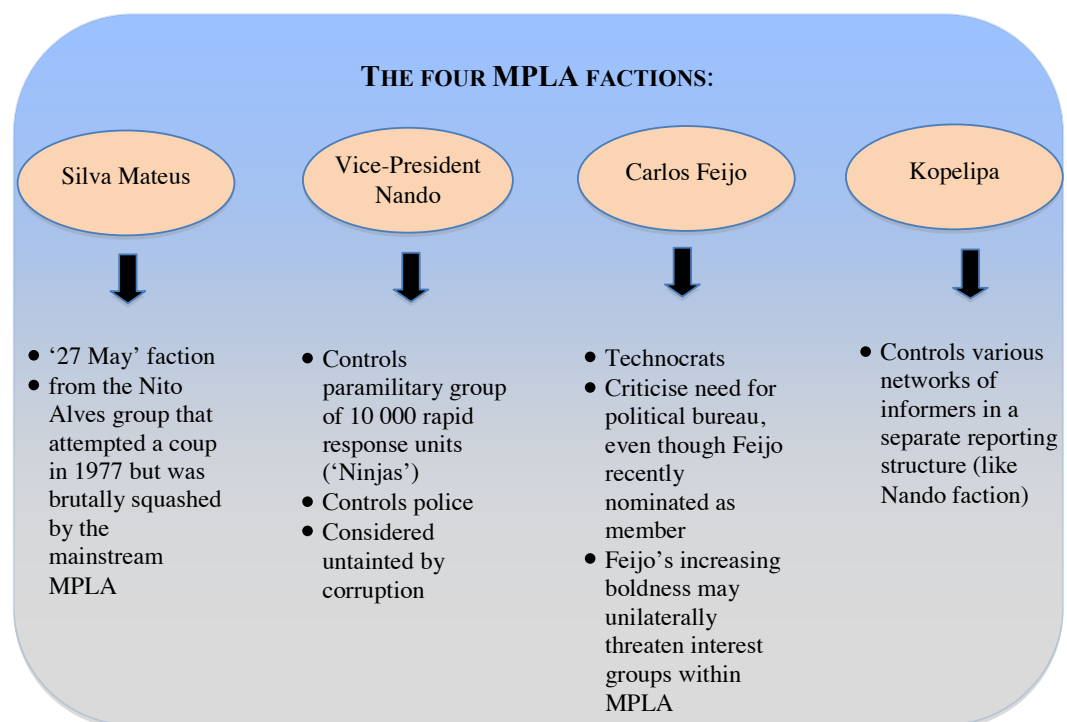
There was also a major reshuffle in the government's economic team. Manuel Nunes Junior, respected economy minister credited with creating an oasis of efficiency in the government and the main go-between with the International Monetary Fund (IMF) and the World Bank, was replaced by former National Bank governor, Abraão Gourgel. There was also a division of responsibilities for economic policy among the economy, finance and planning ministries.⁹ The official reason for the removal of Nunes Junior was that MPLA executive committee members could not act simultaneously as ministers – but, unofficially, his reforms threatened the interests of the ruling elite. Nonetheless, a general clean-up had become necessary given the numerous embezzlement probes allegedly initiated by Nunes Junior.¹⁰ The latter was flagged as a potential candidate for the vice-presidency of the MPLA at the last party congress from 29–30 April 2011. At this congress, the issue of succession was delayed for future debate at the Central Committee or Political Bureau levels. These forums are more restrictive and less representative, and are able to contain any contestations or adverse reactions.

General Miala, the key architect of the external information services, arrested and jailed in 2006 for allegedly plotting a coup, is being politically rehabilitated and is believed to be the next inspector general of the republic. Miala's prior removal from political life is said to have occurred due to his growing influence and power within the regime. He was apparently offered the position of interior minister, but declined as this would make him subordinate to the military office of the presidency, run by his arch-rival Kopelipa. Miala will be empowered by some additional anti-corruption laws (the Law on Public Probity, March 2010), which in effect will allow him to go on witch-hunts and 'cleanse' the regime of unwanted individuals who have fallen into disfavour with the president. The general will, therefore, be mandated to inspect, audit, inquire into and verify the control and effectiveness of all organs of the state, including diplomatic missions.

The architect of these changes is the minister of state for political and economic affairs and head of the civilian office of the presidency – the technocrat Carlos Feijó, who has already created several independent bodies within the MPLA by promoting these legislative changes, and has extended his influence without being subservient to the political bureau of the MPLA. A lawyer by training, Feijó has streamlined the civil house of the shadow government by restructuring his support cabinet to include 20 highly trained technical advisers. He has become the president's watchdog, was the main author of the 2010 constitution, and will take over the responsibility for managing relations with the IMF. The council of ministers and all the 18 governors are directly subordinate to him.

What the president seems to be doing is inaugurating a new era of inclusion of new elements, bringing the Bakongo and Ovimbundu into his shadow structures of control, the patronage system and the realm of power. But this strategy of divide and rule has one single objective: to keep him in power longer. By surrounding himself with people who hold no significant position, social standing or appeal (Nunda and Chicoti have difficult histories with UNITA) and therefore are not a threat to him, the president is in essence creating a buffer between himself and the MPLA party and the leaders who rally popular support.¹¹ Dos Santos has once again carefully placed himself at the centre of a tight conflict-prone circle that only he can arbitrate.

The greatest threat for the Angolan ruling elite is of a domestic nature. As a high-ranking military official said, 'we are still living in the generation of 'ajuste de contas' (settling accounts or pay back), this country is effervescent'.¹² The president is said to have come under considerable pressure by the party to not appoint Nunda as the chief of staff, to curb endemic corruption, and to implement crucial reforms in government. Within the MPLA, there is a general disapproval of the kind of uncontrolled corruption that is currently rampant. Some high-level party officials have echoed a widespread popular opinion saying: 'his children will not keep any of this'.¹³ Throughout the decades, the MPLA has suffered casualties in the form of defections of important members who went on to establish their own parties, and divisions within the party have become more pronounced. Defectors have come to constitute an important backbone of the opposition in Angola. Parties such as the *Frente para a Democracia* (FPD) provide important political resistance and much-needed national debate. However, none of the former MPLA cadres have yet posed any significant threat to the existing power structures in forming alternative parties or contesting elections.



The MPLA congress held at the end of April was expected to select a party candidate for the 2012 elections as well as the leading members in the next administration. There was speculation that Dos Santos may not run and that the party could be headed by Carlos Feijó, Manuel Vicente or Antonio Pitra Neto.¹⁴ There would then be a possibility that Dos Santos would seek to retain control of the party from the position of head of the MPLA, but allowing someone else (lacking a popular base and constituency) to take the presidency in a Putin-like move. However, by choosing to leave this issue open, Dos Santos is biding time for his next move in power.

By distancing himself from the party and surrounding himself with 'outsiders', Dos Santos is either sowing the seeds for further fragmentation within the MPLA and the armed forces, or attempting to realign the apex of state power to secure his tenure, feeling unable to rely on the previous group of officials in the shadow and formal governments. Changes have, therefore, occurred at the formal government level to make it more dependent on the shadow government – the weakening of the economy and finance ministries, whilst at the same time strengthening the interior ministry, ensured that the latter's first line of report and loyalty is the presidency. This strategy could backfire, however, and actually cause the party to unite against him. Angola could be heading towards an era of political

contestation as the formula for governing this hybrid state evolves. With all these alterations to the centre of power, will the president and his 'shadow' government be able to maintain control over coercion, administrative authority and party allegiance? Even after the April congress these questions remain unanswered.

If Angola's domestic politics and power architecture have long remained opaque and difficult to read for the outside world, even less is known about the country's foreign policy in general. This is particularly true for the post-war period and for Angola's role in Africa. Angola has the potential to play a crucial role on the continent – both as an investment partner as well as a diplomatic counterweight able to directly influence certain capitals in Southern and Central Africa.¹⁵ Bilateral military and political relations have been fostered over the decades with Kinshasa, Brazzaville, Harare and Abidjan, among others, through direct military support of their presidents and ruling elite, particularly during times of war.

Luanda does not succumb to external pressures, given that it is not a major recipient of foreign aid and has the diplomatic clout of its mineral wealth. It does not react well to impositions of any sort and its pragmatism allows it to engage with divergent global powers, even the US and China that previously supported the ruling party's arch-enemy UNITA. The tendency to operate in isolation is also a characteristic of its 'exceptionalism', where Luanda prefers to take a 'statist' approach rather than a multilateral consensual approach. The sense of 'exceptional' derives from an internal ruling perception of not 'serving any master', having the military and political might to influence policy continentally, and being able to engage with the West on an equal negotiating basis. Furthermore, the need to be 'a big fish in a small pond', to determine the rules of engagement, in having impenetrable influence in certain capitals, and not placing itself in a position of weakness politically, economically or militarily, are additional elements of Luanda's petro-capitalist power. This means that those wishing to engage Angola on African affairs would need to take an approach of inclusion, giving Luanda importance, so that it acts as a constructive element and not a spoiler that would bypass international efforts towards peace and stability.

Luanda, therefore, aims to play a larger role in defining the political, economic and security landscape of Southern Africa, in a direct bid to secure its interests and as an alternative to South Africa's hegemony, while also wanting to be involved in key policy matters on the continent, albeit cautiously. Although Angola's foreign policy in the past led the government to extend support for other neighbouring regimes to isolate UNITA, as in the case of the support given to President Sassou-Nguesso in Congo-Brazzaville and Laurent Kabila in the DRC, this tendency will continue even though UNITA no longer poses a military threat. Luanda will shift its focus to projecting force to prevent instability from the Great Lakes region threatening its national security.

However, the current impasse and international embarrassment that Angola now faces after pledging its full support to Ivory Coast's former president, Laurent Gbagbo, who had declared himself the winner of the 2010 elections contrary to the official results that gave Ouatarra the presidency, will probably persuade Luanda to reconsider its regional approach. The first reaction was to send arms and a military contingent of 300 men to protect Gbagbo. However, given that the AU and the international community declared support for Ouatarra, Dos Santos had to quickly reconsider his diplomatic position and try and save face by appearing to attempt to act as a solution to the crisis and not an obstacle. A task force had already been created within the shadow government, with Kopelipa and Chicoti, to deal with the Ivory Coast situation, although, given Gbagbo's capture, it may become redundant. This crisis may have provided Luanda with the opportunity to further reconfigure its regional policy – a step that had already been taken with the recent support by the Angolan armed forces to Guinea Bissau to begin a far-reaching programme of security sector reform. Angola will not want to be caught in an embarrassing and politically compromising situation again (as it was in the Ivory Coast) and this recent experience may provide the necessary impetus to stimulate internal

Conclusion

debate. However, it must be noted that the key imperatives of Luanda's foreign policy, driven by the presidency and the information services, will continue to be security, influence and domination, and economically advantageous cooperation.

When a government is in the midst of an internal debate, with a degree of fragility exposed by circumstances beyond its control, while at the same time seeking external legitimacy for its rule, it provides an opportune entry point for positive external engagement. Given its highly adaptive nature, the timing for an intervention of the international community becomes crucial. President dos Santos may be taking risks by inadvertently promoting internal power struggles. In the past, his rule would never have been contested, but there are now signs of a different reality. The policymaking community has to learn lessons quickly about engaging with failing dictators in a country where no other political organisation has the capacity to govern and the ruling party, therefore, has to reform or renew itself. The adoption of a non-threatening form of influence requires a subtle strategy that strengthens and implements reforms and institutions to allow for a controlled transition of power once the supreme ruler no longer manages the state.

The Angolan leadership needs to accept change, and not fear it or attempt to control it and devise strategies to maintain the status quo. There is a need for more room for political contestation, as repressing it will become increasingly dangerous and counter-productive. For example, the government perceived the recent calls for an Angolan people's revolution as a serious threat, and overreacted with responses from the security apparatus on the streets and the provinces. Protesters had on two separate occasions (7 March and 2 April) attempted to mobilise nationwide protests, but these never materialised. The MPLA counteracted with a 'solidarity march' on 5 March 2011, at which 40 000 people were brought to the capital as a show of support for the ruling party. In addition, the government started to clamp down on internet usage (although only 3 per cent of the population has access to it) to restrict political debate and mobilisation. These are signs of an underlying instability, one that had been successfully disguised since the 2008 elections, and that will result in more measures being adopted to contain any form of political expression that goes against the ruling elite.

Reforms in the formal structures of government will be ineffective without changes to the structure of the shadow government, but achieving these will require new strategies. Dos Santos is looking to secure his tenure by promoting his image as the leader of a policy of peace and prosperity and by ensuring the functioning of key sectors, but he is less dependent on the MPLA to achieve this. Reforms should, therefore, be advanced towards strengthening the central government: transforming the informal institutions, empowering the ministries, governors and local governments; empowering the central government to become more effective in service delivery in a manner that does not threaten the influence of the presidency so that projects are not sabotaged; and persuading the president of the benefits of poverty reduction schemes and their positive impact on his popularity. Diversifying the economy and supporting rural development through the promotion of non-petroleum and non-extractive sectors with foreign investment initiatives and public-private partnerships is also key; as is pressuring Sonangol, the backbone of the Angolan economy, to invest in other sectors of the economy, such as agriculture and manufacturing, which will generate employment throughout the country.

However, the most immediate challenge will come in the next elections. These will have to be closely monitored and steps taken to address 2008 election issues of concern to the international community: the partiality of the National Electoral Commission, abuse of state media by the ruling party and lack of access of opposition parties, opaque party funding, intimidation and coercion. The Angolan government must understand that elections are not necessarily a threat, and that even if the MPLA does not secure an overwhelming majority, it will certainly win. Policy compromises will naturally have to be initiated by the formal and not

the shadow government – which will need to learn to cede to the popularity and effectiveness of the MPLA for it, too, to survive. The institutions, legislation and other elements of democratic governance in Angola can no longer be perceived as adornments, but must become functioning elements of a transforming state. The 2012 elections will also provide an opportunity for concessions to be made, given that they offer a chance for leverage as the presidency and MPLA government will be under international observation and will want to preserve their democratic image. The MPLA and the shadow government's divisions will be under immense strain during this period and interventions in the form of pressure, influence and concerted diplomacy may be vital.

Engaging with these two governments – shadow and formal – is a diplomatic feat in itself, but understanding the underlying priorities of the two systems will help in devising an engagement strategy. The linkages between oil resources, regime survival and the government's military power are difficult to disentangle, but may present opportunities. The government's need to turn to the IMF in 2009 has opened a window of opportunity. In the past, Luanda was reluctant to engage and would outwardly reject any imposition of a policy agenda, but its rapprochement with the IMF might force the government to reflect on its home-grown economic programme and seek external advice. Servicing Angola's public debt – estimated at some \$26,1 billion – will remain a government priority.¹⁶ In the past, the government used the tactic of sharing rents rather than making extensive policy concessions, but one may be dependent on the other, and with the rise in external debt and the illiquid state of government finances, Luanda may have to alter its bargaining tactics. With a concerted effort to understand the different functionings and dynamics of the Angolan political structure, the African and international policymaking community may greatly benefit from engagement with a country that, although rigid in its ways, is in a process of transformation.

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1 For full report of the 2008 elections see Roque, Paula, Angolan legislative elections: Analysing the MPLA's triumph, *Situation Report*, Institute for Security Studies, September 2008.

2 Also see Africa Confidential report on Angola, Daughters and Generals, July 2008, Vol 49:14.

3 Global Financial Integrity reported that Angola lost about \$6 billion through illicit financial flows or capital flight since 2009. Also see reports by Global Witness 2001 and Rafael Marques (www.makangola.com).

4 For the past five years, Sonangol has been the second largest company in Africa by the volume of its turnaround. It is just preceded by the Algerian Sonatrach, which, like Sonangol is a state-led oil company. See Top 500 Companies in Africa, Jeune Afrique The Africa Report, published annually.

5 In an interview to the weekly Angolan newspaper, *Novo Jornal*, Vicente makes this statement and announces the possibility of his retirement in late-2011.

6 See news report by anti-corruption watchdog Mekanagola, Angola: Manuel Vicente's raid on Sonangol, 5 May 2010, allafrica.com.

7 The former chief of staff, Major General Furtado, was accused of embezzling \$40 million.

8 Report of *Angop*, state-owned media outlet, on an announcement made by the MPLA towards securing two million card-holding members until 2012, 25 February 2011.

9 See EIU country report for Angola, October 2010.

10 The central bank of Angola is facing an investigation regarding \$137 million; see Angola Monitor, Action for Southern Africa, issue 2:10, 2010.

11 The fate of Minister Serra Van-Dúnem, appointed interior minister in 2002 by Nando, is exemplary of the way in which Dos Santos has dealt with perceived threats to his authority. The minister, thought to be the natural successor for Dos Santos as he presented the party with a political programme, was allegedly assassinated in Brazil in 2006.

12 Interview, Luanda 5 February 2011.

13 This reflects the rather low confidence in the children of the president, who hold controlling stakes in the most important sectors of the economy.

14 News report in the Portuguese newspaper *Expresso*, 14 March 2011.

15 Angola claims the right to be a full member of two African regional economic communities in which it intends to play a leading role (SADC and ECCAS). However, if the country's aspirations might well be contested by other powers in Southern Africa, the absence of such counterweights in Central Africa hasn't necessarily led to assumption of leadership in ECCAS.

16 As reported by Macauhub.com on 7 March 2011.