



INSTITUTO PORTUGUÊS DE RELAÇÕES INTERNACIONAIS
UNIVERSIDADE NOVA DE LISBOA

WORKING PAPER 32

**Angola's External Outlook:
Pragmatism and Dissonance**

Assis Malaquias

*Associate Dean of International and Intercultural Studies &
Associate Professor of Government
St. Lawrence University
Canton, NY USA*

Novembro 2007

Introduction

Angola's behavior at the regional and international levels reflects both the pragmatism that has enabled the governing MPLA to survive the major historical challenges it faced and the strategic dissonance between the Angolan government and the West.

The governing party in Angola is currently enjoying its best spell since being created more than half a century ago. It survived several major internal traumas – a devastating internecine struggle and sustained violent attacks from a rival movement during the anti-colonial liberation war, a near-death experience during the decolonization process, and a protracted civil war – and has established itself as the principal player in the political arena and as a dominant force in the wider society. It also survived important external traumas including military invasions by neighboring South Africa and Zaire (now, DRC) and the end of the Cold War which coincided with collapse of the former Soviet Union. The latter event was particularly traumatic because the former USSR had provided the necessary ideological and material support MPLA needed to evolve into one of the three main national liberation movements in the 1960s, conquer power in the 1970s, and consolidate its single-party regime in the 1980s. It was expected that, in the 1990s, without its main foreign backer, the MPLA regime would adopt both domestic and international policies reflecting strategic consonance with the West. These expectations are yet to fully materialize, especially at the international level. Flush with oil revenues, MPLA and the government it leads can now more comfortably pursue its strategic goals independently, or pragmatically, on the world stage. These strategic goals will reflect important continuities. First, the

pragmatism that has enabled MPLA to survive thus far will continue to be the hallmark of the regime at the domestic level and guide Angola's engagement both regionally and internationally. Second, the strategic dissonance that has defined the relationship between Angola and the West will endure.

At the domestic level, with MPLA's dominant position no longer under threat, this pragmatism continues to be employed with considerable success as evidenced by the complete abandonment of Soviet-inspired dogma and the inclination to explore and embrace various political and economic models – regardless of the origin – in the search for one that best suits Angola's unique circumstances with the ultimate goal of achieving both stability and development.

At the regional level, the violence that characterized Angola's relations with South Africa has been replaced by a friendlier – if not necessarily warm – relationship. This regional connection is likely to improve considerably as the chill that has gripped it dissipates with the exit from the stage of both states' respective leaders whose personal differences have prevented the blossoming of a deeper and mutually beneficial relationship based on shared strategic regional interests that include stability and development. Angola's main regional challenges are in its northern borders and are directly connected with the continuing instability in the DR Congo which, in turn, is connected with the unresolved conflicts afflicting the Great Lakes region. It is this reality, not pseudo-hegemonic designs, which drove Angola to intervene in both DR Congo and Congo-Brazzaville.

Element of continuity also remain prominent in defining Angola's position at the international level. Although the end of the Cold War and Angola's civil

war created the conditions for improved relations with the West, lingering irritants continue to affect these relationships. Governance has replaced ideology as the main obstacle for improved relations. Complication these relationships, China has adeptly used this rift to its strategic advantage.

This paper reviews the interplay of the domestic, regional, and international factors in shaping Angola's behavior in contemporary international relations.

Domestic Influences: The Imperative of Regime Survival

The major challenges facing MPLA and its post-colonial project were apparent even before independence as the former colony quickly plunged into a civil war during the decolonization process. The divisions among the liberation movements that developed during the anti-colonial war came home to roost. Unable to reach agreement among themselves on the modalities of transition to independence and the blueprint for the new state, the civil war that broke out in the months before independence was all but inevitable.

The civil war lasted for twenty-seven years and had a devastating effect on human security as the government dedicated increasing portions of its revenues and conscripted increasing numbers of citizens for the war effort. Likewise, the rebels evolved into a formidable military machine thus seriously compromising the government's sense of security. As a result, survival – for both citizens and the regime – became the most dominant aspects of political life, with implications for Angola's foreign policy.

Although MPLA owed its survival in the early stages of the civil war to Soviet and Cuban support, the new Angolan government attempted to strike a non-aligned international posture after it successfully defeated FNLA and reduced

UNITA back to a rag-tag rebel group. But although UNITA had suffered a major blow, it was not, by any means, mortal. The rebels soon regroup under the tutelage of external players – mainly apartheid South Africa and the US under Reagan – and reemerged as a major threat to the Angolan regime's survival. This revival coincided with a leadership change in MPLA as its veteran leader Agostinho Neto died at a Moscow hospital in 1979 and was replaced by current president Jose Eduardo dos Santos.

Dos Santos addressed the mounting internal threats to the regime partly by changing the country foreign policy away from non-alignment in favor of closer ties with the USSR and Cuba. Unlike his predecessor, dos Santos was prepared to give greater latitude to the Soviets in determining the main guidelines of the new state's domestic and foreign policy. Previously frustrated with Neto's flirtation with nonalignment, the USSR welcomed this new foreign policy orientation because Angola provided an important base in Southern Africa from which to affect change during a period of great instability caused by both regional and Cold War dynamics. The USSR was particularly interested in influencing events in South Africa, the richest and most developed state in the subcontinent, and thus fulfill its self-proclaimed role as the vanguard of Third World liberation movements and oversee the implementation of the Soviet model of political, economic and social development.

Cuba also agreed to provide additional support for dos Santos. Despite its own serious domestic and international problems, Cuba was willing to provide various types of assistance to Angola and other Third World countries to further its own foreign policy objectives including, primarily, an assertion of

its leadership in the NAM. However, given their own problems and limitations, neither the USSR nor Cuba could solve the MPLA's domestic problems. In particular, they could not help solve Angola's economic problems nor prevent UNITA from becoming a growing threat with Zairian, South African and American assistance.

MPLA was not only struggling to fend off UNITA's determined effort to overthrow the regime through the force of arms, it also had to deal with the important regional and international links UNITA had established to ensure its own survival. Until the mid-1990s, those links connected UNITA with important regional and international powers. In important respects, then, regime survival in Angola depended greatly on its ability to change these countries' relationships with Angola.

The Regional Context

To ensure its survival at home, the Angolan regime dedicated much of its efforts to affect positive transformation in its regional environment by actively working towards regime change in its neighboring countries. This involved, specifically, allying itself with the revolutionary forces fighting to overthrow the apartheid regime in South Africa as this would remove the immediate threats to the south. Such threats – both conventional and unconventional – materialized through regular, almost yearly, devastating incursions by the South African army and through the apartheid regime's support of UNITA which, in turn, wrecked havoc in Angola.

Angola's regional survival strategy also involved support for non-revolutionary forces seeking to overthrow the Mobutu regime in the former

Zaire. This included helping to stage two ill-fated invasions of Zaire – in 1977 and 1978 – by anti-Mobutu forces based in Angola. But this was not Angola's preferred choice. Initially, and pragmatically, the young Angolan government sought to achieve normal, if not friendly, relations with its neighbor to the north as a way of achieving security. Thus, Angola's first president, Agostinho Neto, was prepared to expel a separatist movement from the Zairian province of Shaba (former Katanga) that had been based in Angola since colonial times. In return, Mobutu promised to expel FNLA from its bases in Zaire. The Zairian president kept his promise to close all FNLA bases in Zaire, expel its leaders and severely curtail the activities of its sympathizers remaining in Zaire. Neto, however, was not able to deliver on his side of the bargain. Instead, two major military incursions into Zaire by the Katanga secessionist rebels based in Angola took place in 1977 and 1978 and seriously threatened the Mobutu regime. Like South Africa, Zaire responded to Angola's support of anti-regime forces by providing support to Angola's rebel forces. Consequently, Angola's relations with Mobutu's Zaire remained severely strained through the 1980s and 90s.

Although Angola's pragmatism at the regional level was costly in the short-run, in sense that it provided justification for its neighbors' continuing interventions in the civil war, it paid handsome strategic dividends in the long-run. By the end of the 1990s, the regional security dynamics were completely favorable to Angola: Namibia gained independence in 1990, the revolutionary forces triumphed in South Africa in 1994, and Mobutu was replaced by a pro-Angolan regime in 1997. Expectedly, these momentous changes at the regional level had important repercussions at the domestic level. Having effectively

dealt with the external sources of domestic instability, the Angolan government was equally effective in dealing with the internal agents of that instability. Thus, by the end of the 1990s, the Angolan government used both magnanimity and ruthlessness to eliminate its internal threats once and for all. As it led the final military assault against the Mobutu regime, the Angolan government opened its doors to UNITA members who chose to abandon their leader. The result was the creation of a government of national unity (GURN) in 1997. The remaining rebel forces that stayed with their leader would collapse within five years. Savimbi himself was killed in 2002. Within weeks of his death the civil war was over. MPLA's pragmatism had triumphed and Angola had emerged as a quasi-hegemonic force in the region due to its growing economic clout – the result of an expanding oil sector – and military might as evidenced by its ability to act as a stabilizing force in the two Congos, with wider security implications reaching as far as the Great Lakes region.

Angola's prominence in the regional security complex is only partly the result of its willingness to project force beyond its borders to prevent instability in the Great Lakes region from affecting its security. This growing prominence is also directly related to the reluctance by the region's major powerhouse – South Africa – to use military instruments to promote hegemonic stability. Thus, for example, South Africa did not participate in either the First Congo War that toppled Mobutu in 1997 nor in the Second Congo War that saved the Kabila I regime in 1998. Angola, on the other hand, played a critical role in both and has become the main regional backer of the Kabila II regime.

But Angola is not in a position to play a hegemonic role whether or not this is its ambition. Although its military is disproportionately large and its operational capabilities are highly developed – the result of nearly three decades of civil war and regular encounters with the South African army under the apartheid regime – Angola’s non-military elements of national power are deficient as a consequence of the debilitating effects of the long and complex war. Thus, while Angola was able to play a role in the DRC when the dominant form of interaction was military, it is less relevant in a post-conflict DRC when the main tasks revolve around reconstruction and development. To help address these challenges, the Kabila government is increasingly turning to South Africa.

A comprehensive framework – the Binational Commission (BNC) agreement signed by both states in 2004 – guides South Africa’s assistance to post-conflict DRC. Through the BNC, the South Africa Government has extended expertise from several of its key departments – Foreign Affairs, Public Service and Administration, Defence, Home Affairs, Trade and Industry, the South African Police Service, Provincial and Local Government, Transport, Minerals and Energy, Housing, Agriculture, Social Development, South African Revenue Service, South African Management Development Institute and the Independent Electoral Commission – to assist DRC in the critical areas of security sector reform, institutional capacity building, and economic development. Given its own challenges in these areas, Angola is not currently able to provide such assistance to DRC.

Both countries’ involvement in DRC demonstrate that, notwithstanding its reluctance to project military power, South Africa – not Angola – remains the

dominant regional power. But given the extent of natural resource endowments, especially oil, Angola will continue to play important roles both regionally and internationally.

Angola and the West: Strategic Dissonance

The strategic dissonance between Angola and the West must be understood on the basis of how the governing MPLA has perceived the West's responses to the historic challenges Angola faced over the last half century. During the critical historical junctures – the war of national liberation, civil war, and the post-civil war reconstruction period that has just begun – the Western countries' ideological and geostrategic outlook induced them into making strategic choices that have been interpreted by the governing elite as evidence of those countries' historic antipathy toward MPLA. This not only helped to define how MPLA viewed Western countries, it also defined how MPLA viewed and positioned itself in the world. It forced MPLA to pragmatically carry out policies – both domestically, regionally, and internationally – that ensured its main strategic goal of survival in the face of determined Western efforts to undermine it.

Angola and the West during the liberation war

The start of the liberation war in 1961 should not have taken the West by surprise inasmuch as the “winds of change” felt in Angola in the early 60s were sweeping the continent since the end of World War II. Expectedly, the nationalist elites in Angola – as elsewhere in Africa – made radical demands aimed at ending the problematic relationships that defined their country's

connection with the colonial power. Also expectedly, the Portuguese colonial government responded violently to those demands. The nationalist elites in Angola hoped that the United States – which emerged from WWII as the undisputed Western superpower – might convince its Portuguese ally to follow other Western colonial powers in initiating a decolonization process. But for the United States, the strategic choices were not clear-cut. If, on the one hand, the US appeared naturally predisposed to support freedom around the world, the geostrategic realities of the Cold War demanded more intentional choices based on ideological and global correlation of power calculations.

The US attempted to solve this dilemma by pursuing two conservative paths: continuing support for Portugal as a strategic ally and military partner as well as support for the conservative segment of the Angolan liberation movement. With this balancing act, the US sought to achieve important strategic goals – maintain Portugal firmly within the Western political and military camp alliances while also guaranteeing a degree of influence within the Angolan liberation movement, just in case the colonial order collapsed.

For the progressive segment of the Angolan liberation movement, these strategic choices positioned the US and the West squarely in opposition to Angola's national interests. This point of view was reinforced throughout the liberation war. For example, Agostinho Neto visited Washington, DC in 1962 with the aim of securing assistance from the Kennedy Administration. But the US was not ready to help a movement that included communist elements and opted to assist FNLA, a force whose progressive credentials were, at best, dubious. This American choice left MPLA with few choices but to turn to the former Soviet Union for assistance.

Angola's Problematic Relationship with the United States

The USA, like other Western countries, has historically maintained a presence in Southern Africa to safeguard its access to the region's vast deposits of minerals. During the Cold War, the containment of the perceived Soviet expansionist threat in the region provided the rationale for additional involvement. However, US involvement in Angola has been problematic due to its intervention on the side of FNLA and UNITA during the chaotic transition to independence, the withholding of diplomatic recognition to the MPLA regime, and continuing support for UNITA. Consequently, US-Angola relations never moved past mutually beneficial commercial interests, notably with American companies' exploration of the vast Angolan oil fields. Although this commercial relationship, initiated during the colonial period, continued uninterrupted when the MPLA assumed power, the US preferred not to deal with the MPLA government at a political level until it held democratic elections in Angola. It was assumed in Washington that free and fair elections would bring UNITA to power since this party's main base of support was among Angola's largest ethnic group, the Ovimbundu.

In September 1975, during the early stage of Angola's civil war, US Secretary of State Henry Kissinger declared that events in Angola had taken a "distressing turn" and that the United States was "most" alarmed at the interference of extracontinental powers," i.e., the Soviet Union and Cuba. Soviet and Cuban "interference" had frustrated the United States' own, more circumspect intervention. In addition to providing financial and material support to FNLA and UNITA, the US encouraged its regional allies to

intervene in Angola on the side of pro-Western forces. Thus, in October 1975 South Africa invaded Angola to aid the FNLA-UNITA alliance. The South African thrust north toward Luanda could not be completed before Angola achieved independence on 11 November 1975 with MPLA in control.

Predictably, American reaction to MPLA control of Luanda at independence was overtly hostile. But MPLA leader Agostinho Neto believed that, sooner rather than later, the United States would recognize his government to deepen mutually beneficial trade relations – especially in the oil industry – and to help solve the remaining problems affecting southern Africa, especially the transition to majority rule in Namibia, South Africa and Zimbabwe. Thus, on 21 July 1978, Angolan President Agostinho Neto publicly urged the United States to recognize his government. Speaking at a press conference in Luanda, Neto said that the Angolan government had "no reservations" about establishing diplomatic relations with Washington. However, he reiterated his government's intention not ask Cuban troops in Angola to withdraw in exchange for relations with the U.S. Neto demanded that the U.S. "take us as we are and no other way."

American response was immediate and unequivocal. A day after Neto's overture, the USA State Department stated that two major barriers prevented normalization of diplomatic relations between the two countries. First, the presence of Cuban troops in Angola was still a matter of concern; second, "the problem of internal reconciliation among the various factions in Angola" needed to be resolved before the USA would extend diplomatic recognition (Facts on File, 1978: 562 F1). Both issues would guide American policy toward Angola for nearly two decades.

Beginning in the early 1980s, the US under Ronald Reagan pursued a clear and unambiguous policy to overthrow the MPLA and force other regimes in the region to undertake fundamental political transformations. The US promoted two major American policy initiatives – "constructive engagement" and the "Reagan Doctrine" – to achieve these goals. The Reagan Doctrine, in particular, had an almost immediate impact on the Angolan civil war since UNITA became a major recipient of sophisticated American weaponry and Angola became one of the most important battlegrounds of the Cold War.

Angola's Strategic Relevance

Pragmatism alone does not explain the survival of the MPLA regime. An equally important factor revolves around natural resources – especially oil – which confers Angola with considerable strategic relevance at the regional and international levels. In an international context increasingly defined by heightened competition over resources, resource-rich countries like Angola are able to achieve a measure of importance as actors on the international stage even when, assessed on the basis of their internal and external capacities, they are peripheral.

Oil power

Oil has dominated Angola's post-colonial political economy. Although, during the first decade of independence, the Angolan government attempted to re-launch key sectors of the economy negatively affected by the collapse of the colonial order, by the early 1980s it had become clear that only the oil could

prevent complete economic collapse. Just as importantly, it could stave off regime collapse by making Angola relevant on the world stage.

Oil enabled the MPLA regime to turn capitalist enemies into friends or, at least, into unwitting supporters. Oil made Angola a relevant player on the international stage in ways that ideology – within the context of the Cold War – could never achieve. With Soviet support firmly secured, MPLA could afford to keep former Soviet bloc oil companies out of Angola's oil sector. Instead, it used oil strategically as leverage in its complicated relationship with the United States – i.e., American oil companies were increasing their presence in Angola's oil sector and were indirectly operating under a Soviet and Cuban security umbrella while the United States government increased its support for Angolan insurgents. Specifically, from an energy security perspective, the U.S. would be better served by normalizing relations with the governing MPLA, not by continuing to support UNITA. MPLA adeptly made this point by, for example, by allowing the ingress of French oil giant Elf Aquitaine into Angola's oil scene where American interests had dominated. After normalizing diplomatic relations with the U.S. in the 1990s, Angola has continued to use oil as an important leverage as it seeks to engage external players that can act as partners in the colossal reconstruction process ahead. China is being allowed to establish a presence in the oil sector and India has also shown an interest to step in as player in Angola's oil sector in exchange for reconstruction assistance.

The China-Angola energy connection

China has developed an important presence in Angola which is set to become even more significant as it wins future exploration rights in Angola's huge offshore deposits. China's growing influence in Angola's oil sector has been facilitated by a series of soft loans – without political conditions attached – including the recent agreement whereby 10,000 bpd of crude oil was tied to a US\$2 billion loan to be repaid over 17 years at 1.5% interest. These are much better terms than Angola could ever hope to secure from Western sources. This loan, part of a larger aid package, represents a significant departure from the traditional way Angola has engaged external players – i.e. mostly through deals involving production-sharing agreements (PSAs), market contracts or international finance agreements. Obviously, the financial profit motive was not the main driving force behind the Chinese deal. Rather, China's main objective was to establish itself as a major player in Angola's energy sector. Now, China's presence has also been enhanced through a partnership between Sonangol and Sinopec to operate Block 3/05 (formerly Block 3/80) whose operatorship was recently transferred from Total to Sonangol. This new partnership is also set to become a major player in the relinquished parts of Blocks 15, 17, and 18 currently operated by Exxon, Total, and BP as well as in future concession rounds, particularly for 23 blocks in the onshore Kwanza Basin onshore area.

The evolving China-Angola relationship is based on both countries' assessments of the potential for significant gains. Angola, in particular, recognizes the possibilities of real advantages in a relationship where oil is a critical element – given the global context of increased competition for this resource and China's specific energy security predicament. For Angola, now

that the internal security threats to the regime have been decisively eliminated, the major challenge revolves around engaging the long-delayed project of building a sustainable post-colonial economy. This requires, first and foremost, the (re)building of infrastructures. In the immediate post-war period, the Angolan government hoped that the bulk of the reconstruction funds would be provided by the international community. But such hopes slowly died when the much anticipated International Donors Conference for Angola failed to materialize mainly due to international concerns about the Angolan government's infamous track record regarding financial transparency. Making matters worse for Angola, negotiations with the IMF regarding new loans and old debts also bogged down. China's emergence on the scene as a major partner for Angola at this critical juncture, then, is both timely and essential. The relationship with China provides Angola with much needed reconstructions funds and relieves it from a relationship with the IMF that, over the years, has been complicated by the Fund's insistence that Angola observes "good governance" practices especially in the transparent management of oil revenues.

Angola's problematic relations with the IFIs began in 1989, when it was admitted as a member after failing to achieve admission in 1987 and 1988. Since then, this relationship has been defined by a successive litany of accusations and counter-accusations centered on Angola's (mis)management of its oil revenues. Accusations of the siphoning off revenues arising from exports are added to others of bad governance, corruption, lack of transparency in public accounting, and the opaqueness of oil-backed loans. With China in the picture, the Angolan government is better able to withstand pressure from

the IMF and other Western sources, from that matter, while attempting to tidy up its financial situation in large measure through increased oil revenues which have already grown by an estimated 50% between 2004 and 2006 and are expected to double by 2010. Eventually, as Angola's Finance Minister suggested, even if resources are needed from the IMF, they will no longer be of the magnitude once thought of, since one part of the financial equation for reconstructing the country will have been achieved. Once again, oil will have enabled Angola to weather important domestic and external pressures. In addition to the \$2 billion dollar loan from China, Angola has been able to secure a new oil-backed \$2.3 billion dollar loan from Standard Chartered Bank.

Regional implications of oil power

In the regional context, Angola has been well able to use oil to reap political far more than economic dividends. Institutionally, the most obvious case can be found in 1980 with the creation of SADCC. Angola became responsible for the energy brief which gave it a major institutional role in African and international forums. The very fact that it is the only major oil producer in what is now SADC means that it possesses an obvious special status, even though its exports to SADC countries is not yet significant. But the setting up of an agreement between Sonangol and R. D. Congo, after the fall of Mobutu, and the interest recently shown by Zimbabwe in establishing a similar arrangement, are indicative of the regional power that Angola derives from oil. Where Angola always had and still retains an active presence is in São Tomé e Príncipe, provided by Sonangol through the ENCO in which Sonangol holds a

50% share, as well as having been the beneficiary of several loans that Angola awarded, all of which signifies an inevitable political and economic influence. On 9 October 2003, as São Tomé prepared to become an oil producer, the two governments signed a Protocol Agreement that makes Angola an ‘adviser’ to the São Tomé authorities in the management of any revenues resulting from exploration. This is a unique arrangement for Angola, especially in light of the fact that – unlike Nigerian companies who have been establishing a firm presence – Angola’s national oil company SONANGOL does not yet have a presence in São Tomé’s oil fields. However, a recently negotiated partnership agreement between SONANGOL and its Nigerian counterpart, the Nigerian National Petroleum Corporation¹, will enable Angola to be in the game, if only indirectly at the moment. There is every reason to expect that Angola will build on a long history of close multi-level relations develop even stronger links with São Tomé based on oil. Indeed, oil confers Angola a privileged position in its dealing with other Portuguese speaking countries in Africa and elsewhere.

Conclusion

Angola appears to have ended its flirtation with collapse. With the end of the long civil war, the country is now able to achieve development at home while remaining an important regional player due to its capacity to project force beyond its borders and internationally relevant due to its position in the global political economy as an important source of oil. As it surveys the national, regional, and international environments in which it operates, the governing

MPLA can derive deserved satisfaction for having survived a most turbulent period in Angolan history.

Pragmatism played an important role in ensuring this survival. At critical junctures, MPLA made strategic decisions that, combined, ensured its continuing existence. When it was convenient, MPLA positioned itself as a committed ally of the major of the former Soviet Union. It deepened that relationship and developed what appeared to be an equally unbreakable bond with Cuba during much of the Angolan civil war. But MPLA did not hesitate to change allies when, in the 1990s, the old alliances were no longer as important. Similarly, it has demonstrated a unique aptitude to develop and sustain lucrative economic relationships with the West even when, at the height of the Cold War, the West was actively engaged in attempts to overthrow the MPLA regime.

Currently, this pragmatism is in evidence as Angola manages a complex oil-centered relationship with the West and China as it seeks to extract from both what it needs to rebuild a devastated country and thus ensure its continuing role as a dominant force in Angolan politics and society.