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**THE EFFECT OF THE
NEW WORLD ORDER ON ANGOLA**

BY

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THE EFFECT OF THE NEW WORLD ORDER ON ANGOLA
AN INDIVIDUAL STUDY PROJECT

by

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INTRODUCTION

Over the past several years a new geopolitical trend has been developing. The world's political and economic relationships are no longer defined in terms of the bi-polar, cold war era. Expansion of both economic and political liberty has overtaken portions of the Second and Third World. A "New World Order" may be taking shape. What is this New World Order? This paper will explore the impact of this New World Order on Angola.

Many people have talked about a New World Order, but few of the notables have agreed. Marx, Lenin, Hitler, Churchill, Nkrumah, Marighella, Mao, Khomeini and Bush all perceived the coming of a New World Order; yet their views differed. The nature of this world view often confounds discussion of both its meaning and its effect on the members of the community of nations.

For this paper the New World Order refers to the realignment of nations and states. The dismantling of the USSR and the bi-polar world drives much of this realignment. Nations and states will continue to pursue their national interests in this New World Order. Unlike before, they will now do so without the effect of the bi-polar conflict between the U.S. and the USSR.

The term Third World is used for convenience. It is immediately recognized to be a term drifting into obsolescence. Its meaning dissolves as the Warsaw Pact, the USSR and the distinction between Western European nations dissolves. A unified Germany, a commonwealth of former Soviet Republics and the EC blur the distinctions between the First, Second and Third World.

In Eastern Europe, Marxist dictatorships have unraveled. The

door has opened to free market economic reforms and democratic political systems. German reunification is a reality. In Asia, democracy has grown stronger in the Republic of Korea. A rapprochement seems to be developing between the two Koreas. Asian economies beyond the four "Newly Industrialized Countries" of Hong Kong, the Republic of Korea, Taiwan and Singapore have begun to grow. Thailand, Malaysia and Indonesia are examples of this phenomenon. In Latin America and the Caribbean, changes have also occurred. Some autocratic regimes have fallen and there has been reconciliation between some governments and their indigenous dissident groups. The events in Nicaragua and El Salvador are two notable examples.

Africa as a region is an exception to this growing trend. Of the fifty nations of Africa, forty-one remain single-party or military dictatorships. Most African governments maintain extensive control of their economies. Through the intervention of marketing boards, which set prices on agricultural and other products, and state owned banks, which control credit and high marginal tax rates, these governments often penalize productivity and benefit ruling party tribal loyalties. The New World Order seems irrelevant to most African states. However, Angola now sits on the verge of dramatic changes that may make it an exception to the African norm.

ANGOLA

Background

The Portuguese mariner Diogo Cao landed on the west African coast in 1483. There he claimed for Portugal the land which would become Angola.¹ Nearly five hundred years later, on November 11, 1975, Angola became independent. The struggle for independence was one of the bloodiest in African colonial history. The Portuguese zealously repressed the nationalist movements who turned to guerrilla warfare in about 1961.² In addition, African nationalists formed rival movements with differing ethnic roots, concentrating their support in traditional tribal areas. Political differences and tribal rivalries became inextricably entwined. These rival movements sought and received international support. International support was aligned with the bi-polar interests of the world at large, both regionally and internationally. This resulted in a fratricidal struggle for power once the Portuguese dictatorship collapsed in April 1974.³ The struggle continued after the conference of Alvor (Portugal) which created a transitional Angolan government. That government included the three major resistance movements, the MPLA, FNLA and UNITA.

The Movimento Popular para a Libertacao de Angola (MPLA) established itself in 1956 among the Mbundu people. These Kimbundu speaking people live in Luanda province, which surrounds the capital city, the Kwanza River valley and Malanje province. By 1963 the MPLA also operated in dependent Cabina. The MPLA's

Marxist-Leninist affiliation stems from its association with the clandestine Portuguese Communist Party or Partido Comunista Portugues, the PCP.⁴ This affiliation with the Marxist regimes of Congo (Brazzaville) and Zambia attracted the support of the USSR and the antipathy of the U.S. and South Africa. With the support of the USSR came the proxy warfare of the Cubans. Cuban involvement was feared by the Americans and fought by the South African Defense Forces (SADF).

The Frente Nacional para a Libertacao de Angola (FNLA) evolved from a movement founded in 1954 among the Bakongo people. The Bakongo live in the northwestern provinces of Uige and Zaire.⁵ Its primary concern was with Bakongo interests which aligned it with the Bakongo of the former Belgian Congo, present-day Zaire. In 1958 the FNLA, developing political maturity, recognized the futility of its ethnocentric approach and called for independence for all Angolans. The FNLA remained close to the Zairians who supported them together with covert U.S. support.⁶ Factional disputes weakened the FNLA as Jonas Savimbi withdrew and formed UNITA. The FNLA and UNITA did remain allied against the Soviet backed MPLA.

Savimbi established The Uniao Nacional para a Independencia Total de Angola (UNITA) among the Ovimbundu people of Benguela, Huambo, Kuando Kubango and Bie provinces.⁷ Savimbi, who split with Holden Roberto of the FNLA over policy issues, traveled to China to receive military training before returning to lead UNITA with U.S. support and sponsorship.⁸ The bloody civil war followed

the collapse of the Alvor agreement. It was an extension of the war for independence which came to an abrupt end after the Portuguese coup of 1974. Foreign involvement escalated as the rival movements capitalized on the bi-polar confrontation and sought aid. The USSR and the U.S. responded in an effort to address their national interests. The Soviets continued to support the MPLA, who controlled the capital, its port and the oil concessions. The FNLA continued to receive aid from Zaire and the U.S.⁹ UNITA, who controlled much of the agricultural region and the rail link for Zaire's mineral rich Shaba province, received support from the U.S., Zaire and South Africa.¹⁰ Because the MPLA supported the South West African Peoples Organization (SWAPO) the SADF invaded southern Angola to strike the SWAPO bases and aid UNITA's fight against the MPLA.

Senator Clark expressed concerns about U.S. involvement during the Defense Appropriations debates of 1975. He pointed out that, "...we are dangerously close to an open ended confrontation with the Soviet Union in a country that is of no real strategic concern to either country."¹¹ Embarrassed by its defacto alliance with South Africa and restricted by the Tunney Amendment to the FY 76 Defense Appropriations Bill, the U.S. ended its active involvement. The isolated South Africans withdrew in March 1976 leaving the MPLA and the 20,000 Cubans to extend their control to all of Angola's provinces.¹²

Angolan independence brought with it the exodus of 600,000 Europeans who virtually monopolized the managerial, technical and

skilled labor force in Angola.¹³ This exodus and the civil war of 1975-76 left Angola without skilled labor. The Europeans abandoned Angola's commercial farming industry and small businesses, and the civil war devastated the communications infrastructure. The flight of nearly ninety percent of the Ovimbundu migrant workers to the UNITA strongholds to the south compounded the damage to the commercial farming industry. The overall result was a drop in coffee production, the main export crop, by more than thirty percent of the pre-war levels.¹⁴ Angola became essentially a single source economy with two-thirds of government revenues coming from taxes and royalties collected from the American subsidiary, Cabinda Gulf Oil.¹⁵ The MPLA leadership adopted Marxist-Leninist political and economic strategies which exacerbate the problems. UNITA recovered and with remarkable resilience began a new round of resistance activities which further isolated the central government. Together with SADF operations in the southern Angola, designed to curb Angolan support for SWAPO, Angola remained a devastated country, victimized in part by national interests of the superpowers and its regional neighbors.¹⁶ What effect has the Old World Order had on Angola?

THE OLD WORLD ORDER

Access to natural resources and foreign markets has been and will remain the principal goal of U.S. foreign policy. In one of the earliest U.S. foreign policy statements made, George

Washington's farewell address of 1796, President Washington established the fundamental principals¹² which formed the foundation of this policy. The U.S. supported decolonization and multilateral trade liberalization through the General Agreement on Trade and Tariffs after World War II at least in part in order to gain greater access to foreign markets and natural resources. In addition, Mark Logan and Michael Lind, writing on enduring foreign policy interests of the U.S., point out that the U.S. must remain concerned with strategic balance among the great powers of Eurasia.¹⁷ The Truman Doctrine and our long standing policy of containment were, essentially, efforts to ensure Eurasian equilibrium and ensure foreign access.

In Angola, these U.S. interests were threatened by the Soviet and Cuban involvement. The threat to U.S. interests developed global proportions when the MPLA signed the Treaty of Friendship and Cooperation. This treaty gave the Soviets access to Angola's airports and Luanda's harbor for military purposes.¹⁸ Not only did this give the USSR the means to project power in Africa in support of other revolutionary movements, it also gave them access throughout the South Atlantic region.

The Soviet Union has had a long standing policy of exporting revolution which is documented by various sources. Apart from the rhetoric of Marxist-Leninist dogma, the USSR had a strategic interest in developing favorable relations with the littoral states of Africa in order to extend their power projection capability. John Dziak, writing on the Soviet concern for power

projection, noted Marshal Sokolovskiy's comments in Military Strategy. Sokolovskiy declared the USSR's intention of becoming militarily active in "national liberation" struggles and outlined the intent to gain footholds to serve strategic projection.¹⁹

Angola is the precise example of this intention. Soviet support for the MPLA and their airlift surrogate Cuban special operations forces in 1975 is also a contemporary example of Stalin's guidance to Berzin during the Spanish civil war. Stalin recognized the significance of such operations and directed seizing military control of the capital city as a "key point" preparatory to wresting control of the remainder of the country.²⁰ Angola also became one of the conduits used by the Soviets to support other revolutionary movements in southern Africa in order to serve their national interests.²¹

Both Zaire and South Africa have regional interests that are threatened by the current leadership in Angola. The rulers of South Africa view their nation as the center of a circle of influence and responsibility that includes Angola.²² The presence of Cuban troops and the MPLA support of SWAPO brought South Africa into direct conflict with Angola. Prior to U.N. Resolution 435 which calls for the independence of Namibia (Southwest Africa), South Africa was responsible for the region through a League of Nations mandate.

Angola sponsored two invasions of Zaire's mineral rich Shaba province in 1977 and 1978.²³ Angola also controls the rail link from Shaba province to the port of Benguela.

The "Old World Order," bi-polar competition for hegemony in the region, has resulted in devastation for Angola. Of course, it is difficult to determine where Angola would be today if the Soviets had not trained the leadership of the MPLA and supported its domination of Angola. Would the U.S. have intervened as it did in the case of UNITA? It is not likely that it would have. South Africa would have considered Angola within its sphere of influence but it would not have intervened if SWAPO was not supported by the MPLA and the Cubans were not present. Zaire is likely to have been engaged to some degree in the interests of the Bakongo people of Angola as tribal interests transcend international borders. The stage is set for a change in Angola as a result of the changes occurring in the world.

ANGOLA: THE OUTLOOK

Political

The limit of Soviet expansionism occurred in Afghanistan. As they realized the extent of their blunder, they gradually withdrew. The U.S. began openly supporting UNITA in 1985 which improved UNITA's ability to extend its presence in Angola. The Soviet Union was strapped from its expansionist activities and its economy began to show the effects. The Soviets began a substantial reduction in both their presence in Angola and in their aid to Angola and support of Cuba. By 1988 the U.S. had succeeded in brokering diplomatic negotiations between South Africa, Angola and Cuba. The negotiations ultimately resulted in

both Cuban and South African commitments to withdraw from Angola and support implementation of U.N. Resolution 435.²⁴ The Cuban withdrawal of 50,000 troops began in mid-1988. The South African withdrawal was complete by September 1, 1988. By December 22, 1988, two agreements were signed in New York which settled the issue of Namibian independence. Free elections were held in November 1989 and Namibian independence was secured in the following March. Without Soviet support the Cuban presence in Angola was doomed. By May 1991 all Cuban forces were believed to be out of Angola.²⁵

In April 1990 Portugal mediated a series of talks designed to bring the Angolan factions together and approach the Alvor agreement on multi-party representation in Angola. By June 1990 the MPLA and UNITA agreed they could work together and by February 1991, several key issues were resolved.²⁶

Finally, in May 1991 the MPLA and UNITA signed a peace agreement. They agreed to a cease fire, a single national army, elections between September and November 1992 and UN supervision through a 600 man UN mission.²⁷ The elections were held but the outcome was not what the international community expected.

Immediately following the elections Jonas Savimbi (UNITA) claimed that the election was being stolen from him and that he might respond in a way that would disturb the country.²⁸ Among Sivimbi's concerns were the charges that there had been a falsification of numbers and tampering with the computers which tally the votes. Initial, not official, results indicated that

Jose Santos (MPLA) held 51 percent of the presidential votes, and Savimbi had 39 percent.

Tensions rose in Angola following the initial election results when Jonas Savimbi's former UNITA Generals quit a newly created joint national army to protest what they claimed was fraud in the national election. Although the generals indicated that they did not want to return to war, they demanded that the election be either reviewed or nullified. Among their concerns was that the population had been intimidated by government (MPLA) anti-riot police.²⁹

In the face of growing evidence that Angola's main opposition group was preparing for renewed fighting, a special delegation from the United Nations Security Council warned that "any resumption of armed conflict will be met with the strongest condemnation of the international community."³⁰ On 15 October 1992 Jonas Savimbi was told by the United Nations that President Jose Santos fell short of an outright victory in the election and that as a result the two political and ideological rivals would have to meet again in a runoff.

From his military base in Hunambo in central Angola, Savimbi said that "the United Nations Security General, Boutros-Ghali, had told him in a phone conversation from New York that Mr. Santos received 49.57 percent of the vote and that he had 40 percent. All preliminary results had shown the Angolan President with more than 50 percent."³¹ Under the rules, if a candidate had more than 50 percent he would be declared the winner, but if no

candidate had a majority the top two vote getters would have to compete in a runoff election in approximately one month.

As the situation in Angola became even more cloudy and potentially grave the South African Foreign Minister, Pik Botha, traveled to Luanda to assess the situation and attempt to reconcile the differences. Upon his arrival, Mr. Botha was astonished at the evidence of fraud on behalf of the MPLA. Mr. Botha, in an attempt to diffuse the situation, dismissed reports that UNITA was preparing for war. He is continuing to bring the two parties together in an attempt to avert the renewal of the civil war. The question is how to avoid a resumption of the war and assure the Angolan populace that the following election will be truly fair and democratic.

Economic

The withdrawal of the Cuban forces and the withdrawal of most of the Soviet and East European advisors has reduced most of the U.S. concerns. Although President Bush has linked recognition of the Luanda regime to the elections of 1992, U.S. business interests in Angola have grown. Many Western oil companies have decided to invest in or trade with Angola. Major American oil companies are drilling in Angola and the U.S. now buys much of Angola's oil.³² The U.S. is the major importer of Angolan goods, out distancing its nearest competitor by nearly 9 to 1.³³

Angolan economic policy is subject to conflicting electoral and economic pressure. Until the elections of 1992 are resolved,

no coherent policy is possible. The MPLA has taken some positive steps which seem likely to remain in place after the elections. Savimbi has warned that he will not tolerate economic manipulation by the MPLA for political leverage. UNITA has stated that it is their policy to review all contractual agreements made by the MPLA to ensure that the terms are favorable to Angolan interests.³⁴

The 1990-91 harvest was much improved over the past year's harvest and this holds promise for the future. In addition, the MPLA has begun to sell off government owned coffee plantations in a move toward privatization and revitalization of Angola's second largest export market.³⁵ The largest export market, oil, has seen some substantial improvements. Several companies are increasing their exploration and Texaco has already made new discoveries off shore.³⁶ Angola's oil industry, largely protected from the vagaries of civil war and political uncertainty, has boomed during the past four years and the success story seems likely to continue for the rest of this decade.

Oil has been the key to Angola's survival since independence; the sole underwriter of the war effort and guarantor of its international debts. Within 25 years, Angola has become sub-Saharan's largest producer after Nigeria, with the region's second-biggest reserve base.³⁷

Recoverable reserve estimates over the next five years for fields in production, under development and those being lined up totals some 4.9 billion barrels.³⁸

Although the oil industry survived the turmoil of independence better than any other sector of the economy, production began to flag in the late 1970's, leading to a reorganization of the sector between 1976 and 1979. The changes, which included the establishment of Sonangol as the government's business arm responsible for coordinating and controlling petroleum activities, resulted in a steady rise in production from 1982.

Factors which attracted foreign companies to Angola 10 years ago - low operating costs, prospects for new discoveries and favorable contractual terms offered by Sonangol - are still drawing new investment into the sector.³⁹

A further attraction is that Angola has never been a member of Opec. This has allowed it flexibility to sell what crude it can produce.

Peace for the country has coincided with record exploration levels and the discovery of lucrative deep-water wells. Sonangol in turn has begun to offer an innovative licensing regime which is proving highly attractive to foreign companies.⁴⁰

Under the regime - known as a "rate of return" profit oil, the percentage of production left to the investing company varies according to the field's level of productivity.⁴¹ The importance of the sector cannot be over-estimated. Oil accounts for more than 90 percent of total export earnings. Last year, crude oil exports earned Angola some \$3.15 billion compared with \$3.55 billion in 1990.⁴²

The highest level ever of exploration activity in the off-shore sector last year is set to assure oil's paramount role in the Angolan economy. A surge of development is now anticipated which should boost output from its 1991 level of 505,000 b/d to 680,000 b/d in 1996. Of the current output of 555,000 b/d, Chevron accounts for 300,000 b/d, Texaco 55,000 b/d and Italy's Agip 5,000 b/d.⁴³

Chevron has a high degree of commitment to the Angolan operation. In international terms it is one of the big five. In investment terms it will be at the top during the next three years. After 1995 it should be the biggest in liquid production.

In addition to oil, Angola is rich in the yet untapped mineral industry. Angola's mineral industry is littered with projects abandoned by local and foreign operators after the onset of civil war following independence in 1975.

Excluding the two key foreign exchange earners, oil and diamonds, mining production currently represents less than 3 per cent of GDP and approximately 6 per cent of total exports. These figures could rise comparatively rapidly if abandoned workings are brought back into production and previously untapped resources are exploited.

Iron ore, for example, earned 11.7 per cent of the then Portuguese colony's earnings in 1970, making it the fourth ranking economic activity in Angola and the country a medium-sized producer of the mineral. Angola also has extensive deposits of phosphates, copper, quartz, uranium, manganese, wolfram, gold,

mica, sulphur, nickel, limestone and silver which have yet to be fully exploited.⁴ With all the resources required to entice foreign investment, there is still considerable concern over tribal friction.

Tribal friction and competition might reduce the economic gains if they go unchecked and reflect the realities of other African states. Robert Bates, in Beyond the Miracle of the Market, provides an interesting interpretation of this dynamic as it has been played out in Kenya since independence in 1963. During the presidency of Jomo Kenyatta (1963-1978), a Kikuyu, the dominance of the agricultural gentry, the Kikuyu, institutionalized the political and economic agenda. The ideological struggle for independence was surpassed by the factional struggle for dominance. The instruments of coercion were used by the party/tribe in power to suppress organized dissent. The effect of Kenyatta's agenda was an emphasis on the accumulation not the redistribution of agricultural wealth and on the value of export agriculture. Bates contends that this policy stabilized Kenya. With a twist, this theme was repeated as President Daniel arap Moi, a Kalenjin, consolidated his power through a coalition with other minority tribes. Moi's government redistributed the economic resources of the Kikuyu gentry to reenforce his populist image. Bates further contends that through taxation, exploitation of the agriculturally more efficient Kikuyu, control of exports and control of other agricultural institutions Moi has increased political friction and instability

in Kenya.⁴⁵

While there is still a great deal of mistrust and suspicion, the original peace agreement should hold until the new elections. Electoral concerns will delay the scope of the economic recovery and delay agreement with the IMF and other creditors. Not until the recognition of a fair election by both parties and a ruling party majority vote can there be the kind of fiscal policy decisions made that will address the concerns of the IMF. The effect of Soviet support on the Angolan economy is that debt to the USSR accounts for more than half of the medium and long-term debt. This debt is primarily for military equipment sales, not for private sector capital improvements. Military expenditures in the future are likely to drop and oil earnings will increase in 1992. There was also a substantial trade surplus shown by 1990 and some significant regional agreements are in negotiation. Portugal has increased trade with Angola and has promised to work with the EC to improve Angola's economic position in the future.⁴⁶

Social

The conflict in Angola has been devastating to both the economy and society. In human terms the past fifteen years have been deadly. It is estimated that 75,000 deaths during this period were directly attributable to combat and an additional 425,000 deaths were the result of the residual effects of starvation, malnutrition and disease. Health services, infant

mortality and education have been adversely effected which have a long term impact on Angola's recovery.

Urbanization and its effect on the Third World has been exacerbated by the war. The World Bank estimated that 1.3 million people lived in Luanda in 1985 with an estimated average annual urban population growth rate of 5.8 percent.⁴⁷ Urban planning and public housing programs have been virtually non-existent under the MPLA.⁴⁸

The potential for societal disruption and political destabilization which Bates refers to is present in Angola. The largest tribe, the Ovimbundu, make up a little over a third of the population. They form the major opposition group, UNITA, and are predominantly rural people who occupy the center of Angola's agricultural area in the central southwest. The next largest group is the Mbundu who make up about 20 percent of the population. They occupy the north central province of Malanje and Luanda and are the population base for the MPLA. The third in size is the Bakongo who live in the northwest and were the population base of the FNLA which no longer politically viable.

The potential for strife is apparent. Urbanization has occurred among the Mbundu people because of their affiliation with the MPLA and the displacement caused by the war. The Opposition is controlled by the largest group, the Ovimbundu, who also control the agricultural resources of the country and are rural in their orientation. If UNITA wins the elections and fails to develop enlightened policies, the potential for unrest and

displacement among the Mbundu and Bakongo tribes is significant. Zaire is likely to be sympathetic to both tribes and may have interests which support exiled opposition groups. On the other hand, Zaire has supported UNITA in the past and still has interest in the rail link between Shaba province and the port of Benguela in Ovimbundu country.

SUMMARY

Angola has already seen the effect of a New World Order in that the disengagement of the Soviet Union has brought with it the end of the civil war and regional stabilization. If peace holds and the new elections are free and democratic, Angola's future shows much promise. The MPLA has already begun privatization programs and are likely to continue in this vein in order to continue to encourage foreign investment and growth in the oil industry. If UNITA wins the elections, it is probable that recognition by the U.S. will follow. The effect of recognition on the IMF and the World Bank will be positive. In addition, those companies who are double taxed by the U.S. government for trading with Angola will be relieved of this tax burden and encouraged to increase investment in the Angolan economy. If the MPLA wins the elections fairly and continues democratic reforms, it is possible that Washington will extend recognition and also relieve the double tax burden.

Angola is in a unique position in the region because of the hard currency income of the oil industry and the potential for

growth in the coffee and mineral industries. While coffee and other exports are not likely to offset completely a drop in oil prices, diversification will have a positive effect on Angola's recovery.

In general, the international community has been pleased with the manner in which the first general multiparty elections were held. As for the government, it has complied fully with the peace accords signed with the National Union for the Total Independence Of Angola on 31 May 1991, and has successfully completed the legal and institutional conditions for the establishment of a truly democratic state of law.

The effect of the New World Order on Angola is positive. It has resulted in reconciliation, regional stabilization and the beginning of economic recovery. The New World Order holds the promise of political stability in Angola and the southern African region. On May 31, 1991, the U.S. and the Soviets released a joint statement on cooperation in conflict resolution in Africa at the signing of the Angolan peace accords. In both countries, "...expressed satisfaction with their increasing cooperation, which is aimed at assisting African countries in restoring peace in various regions of the continent." They went on to say that they were ready to work together to resolve armed conflicts through political means.⁴⁹ This is the clearest demonstration of the effect of the New World Order on Angola, a country Devastated by the conflicts of the bi-polar world.

ENDNOTES

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