



Resource wars – a new type of insurgency

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The Angolan war, now entering its fifth decade, initially coincided with a period of intense Cold War rivalry but has continued unabated thereafter, reflecting remarkable adaptive characteristics and the ability to survive Africa's political and strategic marginalisation. During the Cold War, national liberation wars, including that in Angola, were initially confined to settler colonies. In few cases were these movements internally coherent. In Angola the rivalry and competition between the *Movimento Popular de Libertação de Angola* (MPLA) and the *União Nacional para a Independência Total de Angola* (UNITA) for dominance reflected ethnic, racial, rural/urban and ideological divides that persist to the present. Even in the face of a common enemy, Portuguese colonialism, the three 'nationalist' groups (MPLA, UNITA and the *Frente Nacional de Libertação de Angola* or FNLA) were unable to overcome their differences and form a united front. Reflecting instead their particular class or ethnic interests rather than those of Angolans generally, they turned on one another in a struggle of remarkable ferocity. Following the early abandonment of the election timetable and with open war between the three organisations, the MPLA won the battle for control of Luanda on 11 November 1975, thereby gaining international recognition as the government of Angola. What had started off as a liberation war against Portuguese colonialism during the sixties, gained many of the characteristics of a proxy war between the former Soviet Union and Cuba on the one side and the United States in an uncomfortable alliance with apartheid South Africa on the other.

Describing the Angolan conflict during this period as a proxy war, not only reflects the extent to which global players sought to extend their influence and inhibit that of their opponent in far flung battlefields, but also the extent to which local leaders could mobilise external support for their own interests. While the support provided by Cuba, the Soviet Union, South Africa and the United States were to feature prominently regional dynamics also exerted themselves in Angola, particularly in the form of the influence and interests of the former Zaïre (now the Democratic Republic of Congo) and that of the liberation war in Namibia. Despite the end of the Cold War, the independence of Namibia and majority rule in South Africa, Angola's internal war continues unabated. By the turn of the century Angola appears to reflect the political-economic agendas of a new, evolving mode of violent political-economic interaction at the sub-state, national and regional level.

Recent studies, most notably by the Post Conflict Unit at the World Bank, have sought to portray wars as driven essentially by economic agendas, particularly those conflicts in the developing world. Among the Bank's analytical tools is a panel data set of conflicts over the period 1960 to 1999 that seeks to examine the risk of civil war. The head of the team has subsequently claimed that statistical analysis supports the interpretation that economic agendas appear to be central to the origins of many civil wars. In other words, greed largely causes war.¹

Two lines of thinking underpin this analysis on the relationship between war and economics: that easily exploitable natural resources are used to finance civil wars and that the perpetuation of war in certain African countries serves as an alternative way of gaining income. Although not exclusively so, this approach has been collated into that of 'resource wars', sometimes put forward as reflecting an additional or 'new' type of war. The analysis in this volume does not support such an extreme view, but does point to the changed context, both within and without Africa, that has allowed some insurgencies to continue and evolve in the post Cold War era.

Although war may have both *intended* (i.e. planned) and *unintended* economic consequences, any analysis that seeks to reduce the study of extensive social conflict to a single determinant should be treated with care. War profiteering, or the economic benefits that may arise during a conflict, is not a new phenomenon but as old as war itself. Historically, economic considerations have been an important *cause* of wars, commercial agendas (the profits made during war) have often served to *perpetuate* conflict, and motivations to prosecute war also *change* over time. But economic considerations have not always predominated and can seldom be used as single-factor explanations. In fact the argument that current violent conflicts in Africa are driven to an unprecedented degree by greed or profit compared to other time periods, continents or wars, remains largely untested. Yet recent analysis is replete with economic jargon as economists describe the ongoing conflict as a belligerent investment in the continuation of war within which the cost of continuing the war is an incremental addition to sunk or past costs, compared to the potentially massive gains possible through victory. Furthermore, "[j]ustifying sunk costs, rather than avoiding future ones, can become the source of the belligerents' desire to continue the war."²

Although this somewhat contested approach has become a recent theme for a number of scholars³, the 'economy of war' is still a neglected field of research, including the ways in which insurgent groups fund their campaigns. In fact the rather stark trade-off presented between greed versus grievance by recent analysts may partly reflect means-ends confusion between cause (grievance) and means (greed). One component is the relationship between natural resource abundance and war which appears to have made the Angolan war self sustaining.

As this volume will explore, the political and ethnic origins of the war in Angola remain salient to this day and serve to complement the resource war thesis. The regional, racial, class and even cultural dimensions make this one of Africa's most difficult conflicts to resolve. Yet this should not obscure the degree

to which derivative grievances and revenge for previous atrocities have become self-sustaining through Angola's rich natural resources.

This first chapter describes and analyses the war in Angola as an insurgency war, a prolonged conflict dependent upon the mobilisation of the 'host' population and external support for its continuation and eventual success. In terms of this approach, the concept of a resource war should be treated as a recent development within the theoretical framework of general insurgency warfare.

Insurgency warfare

Many terms have been used to describe insurgencies, including guerrilla wars, internal wars, and revolutionary wars. In an excellent study, Christopher Clapham⁴ refers to four broad 'groups' or types of insurgency. The first, *liberation insurgencies*, set out to achieve independence from colonial or minority rule, would include the independence wars by anti-colonial nationalist groups in the Portuguese colonies of Angola, Guinea-Bissau and Mozambique. A second group, *separatist insurgencies*, seeks to represent the aspirations and identities of particular ethnic groups or regions within an existing state, either by seceding from that state altogether, or else by pressing for some special autonomous status. Virtually all African insurgencies, including the Angolan war, draw to some degree on ethnic differentiation within the state concerned. Nearby Zimbabwe is possibly the best example of two competing "nationalist" groupings, each reflecting a specific ethnic base amongst the Shona and Ndebele respectively, although with no overtly separatist agenda. The third group, *reform insurgencies*, seek radical reform of the national government, evident in the cases of the National Resistance Army in Uganda and the Ethiopian People's Revolutionary Democratic Front. The fourth, a new and controversial typology, is that of *warlord insurgencies*, which seem directed more towards a change in leadership and control of the resources available to the state than a change in policy, ideology or indeed in patterns of patronage. In some instances, such as in Liberia, warlords have gained state control. In neighbouring Sierra Leone, the Revolutionary United Front appears largely content to maintain a personal territorial fiefdom separate from existing state structure and boundaries.

This typology of insurgency also reflects, in part, an evolution over time and different circumstances. Insurgency wars have occurred across Africa in very different settings and differ widely from country to country. After the Second World War, 'people's war' was closely associated with the writings and teachings of Mao Zedong and adopted as the most effective means to defeat the conventional style armed forces of the colonial powers and their local allies. While Mao had developed a class-based theory for armed revolution, his teachings found resonance as a recipe for peasant mobilisation and armed organisation against central government in Africa, and not as an alternative social model. In fact a number of independent African leaders sought to implement large industrial-style development

projects more representative of the former Soviet Union than China, often with disastrous consequences.

Insurgency wars in Africa did not end with independence, although armed rebellion against the central government initially lost much of its automatic legitimacy in the eyes of other Africans. New conflicts soon emerged, and old differences resurfaced. Insurgencies were now directed at indigenous African governments where the decolonisation process appeared to institutionalise control of a particular set of interests, religious, regional or ethnic, over others. This was certainly the case in Sudan after independence in 1956, a war generally characterised as that between the Muslim north and largely Christian south, driven by sub-state regional identity (that of the south) and religion rather than ideology.⁵ Elsewhere armed resistance developed as a reaction to economic failure, repression and corruption as was the case in Uganda under Milton Obote and the former Zaire under Mobutu Sese Seko. Continued state failure and incomplete governance also provided space for local leaders to mobilise their followers and provide alternative sources of security where those of the state had long since withered.

This chapter argues that it is possible to add an additional category to Clapham's typology above, one that is in part a development of liberation insurgency after decolonisation and the end of the Cold War, and overlaps and subsumes within it warlord insurgencies. This category is that of *resource-based insurgencies*, reflecting the dynamics through which insurgency wars have been able to continue. The remainder of the chapter will seek to expand upon this theme.

Four factors served to enhance the salience of resource wars as the first type of 'post-nation state'⁶ wars, or, less grandiosely, as a new pattern of insurgency. The first is *the increased importance of the informal polity and economy in Africa*, often in response to inappropriate economic policies, donor prescriptions, authoritarian and illegitimate governments or exploitative elites but also reflecting the lack of institutionalisation of the state itself. This has led to a situation where the larger volume of cross-border trade in Central and West Africa occurs outside the regulated economy, and where the state has not become functionally differentiated from society, largely serving as a private resource rather than a public institution.⁷ As a result, politics and power remain primarily personalised in much of Africa and state bureaucracy weakly institutionalised. The importance of the informal economy and of informal politics is, of course, facilitated by *the continued weakening and even collapse of a number of African states* about which much has been written. The African state has, for most of its modern existence, been a foreign construct, kept intact successively by colonial interests and thereafter by Cold War patronage. With the collapse of bipolar competition, Africa's importance has reverted to a lower level, reflecting its lack of strategic relevance and marginal economic role. As the state weakened, governance contracted inward, often reflecting little more than the limits of the urban sprawl and an absence of administration in the countryside, making governance more myth than a reality.

The third factor is *the effect of the end of the Cold War itself that has forced sub-state actors to develop alternative resources* from those prevalent during the

bipolar era. Over time organised violence itself has become an economic means of accumulation in certain areas. Previously organisations such as the MPLA and UNITA could obtain resources by presenting themselves as instruments in a much wider scheme, that of superpower competition. In the post bipolar era, Cold War patronage has been replaced by the exploitation of easily accessible natural resources. Less dependent upon external support, the exploitation of diamonds, cobalt, hardwood and the like have reduced the ability of external actors to leverage or pressurise the protagonists. Finally, *increased internationalisation and the apparent universal salience of economic liberalisation*, sometimes referred to as globalisation, has opened up new avenues for linkages by local actors that can now bypass state control through networks that are neither geographically located nor internationally regulated. The information age has not only benefited traders on Wall Street, but also rebel leaders, allowing them to hold and transfer off-shore accounts, to hide liquid assets and to purchase arms through brokers in far off countries where control is weak. During the Cold War, 'private' arms brokers and shippers were established by governments but with close ties to competing national security agencies, and used to make covert arms transfers to illegitimate but friendly allies of the major powers. Arms brokering and trafficking has expanded virtually unchecked since then as the business of war profiteering has become privatised and often relocated to less-developed countries where lack of controls and oversight ease operations.

In this sense the rise in so-called 'resource wars' reflects the changed domestic and regional economic and social patterns under conditions of greater international interaction and access to the global economy for developing countries. In Angola Cold War patronage has been replaced by resource war instrumentalisation. The subsequent sections will seek to comment upon these factors from different perspectives. The first seeks to look at disorder as a means to gain resources and the interests that key sectors in Angola may have in not actively seeking an end to the war.

The instrumentalisation of disorder

Much recent writing about wars on the continent, particularly those regarding West African countries such as Sierra Leone and Liberia, attempt to portray the humanitarian costs and damage of war, reflecting a bias towards a view of these conflicts as ultimately irrational, destructive and therefore without logic. From a humanitarian and civil rights perspective, condemnation often replaces explanation. Recent studies on the political-economy of disorder and the manner in which armed groups manage to instrumentalise conflict and extract economic benefits have come to view disorder not as a state of dereliction, but as a condition that offers more opportunities for leaders and their followers than would peace and order. Within the context of violent resource accumulation these antagonisms and hatreds therefore reflect a more calculated political-economic agenda than generally assumed.

According to this view elites have a vested interest in continued war and disorder since it allows them additional opportunities to extract and conceal rewards and thereby serve the various patrimonial networks that provide their legitimacy. In the absence of any other viable means to sustain neo-patrimonialism, there is inevitably a tendency to link politics to realms of greater disorder, be it war or crime under conditions of resource constraints. More crudely, violence is necessary to secure or maintain a slice of the pie under conditions of continued economic decline. In this manner disorder becomes a necessary resource and opportunity for reward while there is little incentive to work for a more institutionalised ordering of society.⁸ This approach broadly follows the work of Chabal and Daloz who argue that sub-Saharan African state apparatus is concerned more with extracting resources from society in the interests of sustaining patrimonial networks than facilitating the society's development while at the same time being unable to monopolise the provision of order and stability. Accordingly "... what all African states share is a generalised system of patrimonialism and an acute degree of apparent disorder, as evidenced by a high level of governmental and administrative inefficiency, a lack of institutionalisation, a general disregard for the rules of the formal political and economic sectors, and a universal resort to personal(ised) and vertical solutions to societal problems."⁹

A recent development of this trend is the use of armed forces in adjacent African countries for both national strategic and commercial exploitative purposes. This trend is particularly evident in the DR Congo where the armed forces of Namibia, Zimbabwe, Rwanda and Uganda are all actively engaged in resource exploitation as part of their 'official' duties, only in part to offset the costs of intervention to the national fiscus. While this is an established trend in West Africa, its prevalence in Southern and Central Africa is more recent. In the process the instruments of sovereignty are employed for personal and private ends rather than in support of national objectives as life-long presidents and military leaders appropriate state instruments for personal economic agendas. 'Military commercialisation' has rendered the military apparatus of many countries a 'private' asset serving the interests of the governing elite.¹⁰

According to this view the conflict in Angola, indeed in much of Africa, is ultimately rational behaviour in the interest of important elites and to the benefit of specific groups, thereby supporting the resource war thesis advanced earlier, but at a different level. Such a view does not detract from the obvious fact that war remains a senseless destruction of life and property in the longer term. But successive chapters point to the fact that the war in Angola is a struggle for power and resources with a more immediate time horizon that depends upon the continued mobilisation of exclusion politics and resource exploitation for its sustenance.¹¹ This interpretation should not obscure the historical, sociological and cultural origins of the war, nor their continued salience, as recounted in the chapter by Richard Cornwell that traces the origins of the conflict in Angola. Should one accept the thesis that "[t]he legitimacy of the African political elites ... derives from their ability to nourish the clientele on which their power rests"¹²,

it reflects a continuity in African politics and the limited extent to which Western state constructs, values and norms have managed to penetrate most of Sub-Saharan Africa, with the limited exception of South Africa.

In a sense, this argument complements the discussion on resource abundance as the cause of conflict in countries such as Angola (and Sierra Leone) that is the subject of the following chapter by Philippe Le Billon, but at a 'deeper' social level. The implication is that resource competition in much of Sub-Saharan Africa reflects the vertically interrelated social structure typical of much of African society within which power is much more personalised than is the case in so-called Western societies. This does not imply that Sub-Saharan African societies are more (or less) homogenous, but that divisions are essentially vertical rather than class based. Within the confines of the various self-defined and shifting ethnic and language groups, these vertical relations are also more 'compressed', implying that the leader is closer to his followers, hence a much more personalised social system within which legitimacy is more directly dependent upon the delivery of tangible benefits. Since instruments of power such as the state bureaucracy are appropriated as personal and not public goods, peace and stability implies the loss of important sources of patronage for the loser, and a reduced opportunity for exploitation by the victor.

As discussed in this book by Christian Dietrich, instability within the Angolan diamond fields is to the benefit of both the MPLA and UNITA since it allows cohabitation and the extraction of profits that would not be possible during peace. At a general level war serves a number of immediate economic functions in the diamond fields including the extraction of protection payments and the ability to monopolise the diamond trade through the use and threat of violence. Neither would have been possible had there been peace and stability in the diamond rich areas such as Lunda Norte and Lunda Sul where the majority of Angolan diamonds are found. The war allows the government and UNITA to extract premium payments on all types of commodities sold to the *garimpeiros* (diamond diggers) who are geographically hostage to mafia-like protection rackets run by the government armed forces *Forças Armadas Angolanas* (FAA), UNITA and local warlords.

Compared to the MPLA government's income from oil, UNITA earns a relatively small amount from its illicit diamond trade. Although diamonds from Angola are not a significant factor in the international diamond market, strategically they are crucial for the survival of UNITA, which depends upon the income generated through diamonds to buy food, weapons and thus influence and sustenance. The international focus on the illegal diamond trade, if effective, represents an immediate and direct threat to UNITA but will be extremely difficult to implement. Rough diamonds from one (conflict) area can easily be smuggled out and sold elsewhere, particularly since many areas where diamonds are found straddle the border with the DR Congo and border control is absent. In 1999, for example, rough diamond imports from the DR Congo were more than double the value of exports estimated by the *Comptoir National d'Expertise* (CNE) in

Kinshasa. The Angolan government's re-capture of parts of the Cuango valley in 1999, combined with the first effects of re-structuring Angola's diamond sector boosted sales to Antwerp from 1,5 million carats in 1998 to 2,5 million in 1999, although these statistics must be treated with great care.¹³

Peace will also place the illegal income gained from oil and arms purchase commissions under much greater scrutiny, if one assumes that an end to the war implies more stringent standards of transparency and accountability by Angolans and the international community alike. Such a development would therefore threaten the basis of patronage from which the political elites in Luanda derive their influence.

Should one accept that the Angolan state (like many other in the region) is more an instrument of patronage than an independent public utility dedicated to general service, it implies that the elite that controls the state is in a much stronger position than any opposition group. It has long been recognised that the 'winner take all' democratic framework has little to offer opposition party supporters or indeed opposition politicians in most African states. Should UNITA therefore be excluded from participation in governing Angola, it loses much more than political power alone.

In a devastated country such as Angola the state occupies a central position accounting for almost 60% of its Gross National Product (GNP). Control over government provides a means to patronage, employment and status unrivalled by any other within the formal economy. The Angolan state is "... the largest proprietor, the only exporter (and consequently, the only agent generating foreign exchange), a great importer, the largest employer in the economy, the largest consumer of resources, the largest debtor and the largest investor..."¹⁴ Although the 198 000 civil servants, one of the highest per capita ratios in Africa, earn an average monthly wage of only US \$60, this is one of the few sources of secure employment in Angola. Even the massive oil industry provides employment for only some 10 000 Angolans and the coffee sector, once a mainstay of agricultural production, has long since collapsed.

Wages and the ability to grant employment within the public sector alone do not do justice to the importance of this most central of all assets. A position in the public service enables the official to act as a gatekeeper, demanding rewards for even the most basic duties and services. In this way, public servants are able to increase their income considerably by demanding pay-offs and the state ultimately exists not to serve the people, but as a private means for resource extraction. The survival of a whole community may depend upon the income generated by a single public servant in the absence of other means of survival. These considerations aside, the Angolan state remains singularly unprepared to serve the Angolan people. Less than 2% of public servants have a tertiary qualification, while the Angolan professionals, scholars and educated classes have long since abandoned the civil service.¹⁵

The Angolan armed forces certainly have an institutional interest in the war, based on the benefits that accrue to the military as a result of the war and to select individuals in the purchase of massive amounts of arms. War allows a lack

of accountability that would not be possible in peacetime. In the interests of national security, an absence of external and even parliamentary oversight of national expenditure allows the use of front companies and diversion of funds to pay excessive commissions. Because the government budget is not unified or transparent on payments for arms there are substantial discrepancies between government estimates of defence spending and independent estimates. In some cases, these payments bypass the Ministry of Finance and the Central Bank and are made directly through the state owned petroleum company the *Sociedade Nacional de Combustíveis de Angola* (Sonangol), or through the Presidency.¹⁶

One should also consider the threat to employment, wages and therefore livelihood that peace would have for members of the government's armed forces (FAA) and UNITA members of its *Forças Armadas de Libertação de Angola* (FALA). Peace would inevitably result in a massive programme of demobilisation. If the precedents set by the second or third UN Angola Verification Missions (UNAVEM II or III) are anything to go by, such demobilisation would offer little for soldiers and guerrilla fighters for whom war has been a way of life for more than three decades. Returning to a landmine infested farming area with a bag of seed, some implements and a few hundred dollars in the pocket, may have some attraction for a soldier with a community to return to, but since up to a third of the Angolan population is internally displaced, few combatants have such an opportunity. In particular many UNITA fighters and their families may have been trekking across the countryside for several years and the security provided by the rebel movement may be the only means of rudimentary social organisation known to this captive population.

Despite its status as Africa's largest producer, oil has literally destroyed the Nigerian economy and corrupted its leadership. Angola seems to be heading the same way. The oil industry is the largest source of patronage and therefore power in the country and also provides the vehicle for external diplomacy. The petroleum industry in Angola boomed in the 1990s and shows no sign of slowing down, with rising crude oil production, sizeable and sustained discoveries and new potential for gas ventures. Oil accounted for about 90% of Angola's total exports and foreign exchange during 1999 and the country is set for US \$18 billion in oil-related foreign investment over the next four years at a time when foreign direct investment in Africa is negligible. While the oil industry is, by nature, capital intensive and provides limited employment, it provides, potentially, a massive income. Thus far the Angolan government does not appear to have had to sell oil concessions below market price, this is only because the pressure to do so has been absent in a supplier market. But conflict has pressured the MPLA to mortgage its future oil production to obtain cash up front and most of this income is used to service Angola's external debt of almost US \$10 billion, mainly to purchase arms.¹⁷

In the process members of the Angolan government elite have eroded public trust in the government given the excessive levels of corruption and wealth so blatantly evident amidst abject poverty. This has institutionalised a culture of

corruption and a widespread loss of confidence in the government that has been exploited by UNITA for its own political purposes. As argued by Assis Malaquias in his chapter, from the ordinary citizen's point of view, the elite's grip on state power has assumed hegemonic proportions and represents a throwback to colonial times when power, prestige, and privilege were closely associated with class and race. In the process Angolan politics has become distant and isolated from the need to garner popular support.¹⁸

Governance in Angola

The end of colonialism left most African states poorly prepared for self-governance, let alone independence. For most parts independent African countries did not reflect truly independent state bureaucracies within which the public and private spheres of life had become distinct. Instead of serving as a separate 'public' good, civic duty remained essentially a 'private' resource. The subsequent Cold War served to buttress weak African states but at the same time stunted any further institutionalisation of the state as somehow separate and distinct from private interests. At the international level the strategic relevance of regions such as Africa was elevated and the rivalry between the East and the West provided African leaders with the opportunity to seek and extract patronage to meet their own and wider interests. This meant that client regimes such as those of Mobutu Seso Seko in the former Zaïre were sustained beyond their own inherent logic, the MPLA able to assume power in Luanda, and leaders such Jonas Savimbi could survive and prosper. In many instances the post-colonial African state was effectively frozen in its unconsolidated form while the importance of informal social, political and economic networks increased. Although this brought a degree of stability to the continent, it happened at the cost of tolerating oppressive and exploitative governments.

At the beginning of the 21st century the situation is much changed. At independence, one could still argue that most of the post-colonial regimes retained sufficient monopoly of force through control over the security apparatus and the level of armaments at their disposal. Subsequently an increased number of African states have atrophied and weapons have spilled over their borders from armed conflicts throughout the region, circulating virtually uncontrolled. This has allowed groups in any number of countries to arm and challenge the incumbent elite while the security agencies themselves have decayed and lost their coherence.

As a result of the war, corruption and inefficiency, the Angolan government is unable to carry out vital functions associated with governance. This includes the provision of law and order, management of the economy and the supply of social services in those areas it periodically occupies outside the larger cities and towns. There are many indicators reflecting the extent of administrative collapse in Angola. By the end of May 2000 the World Food Programme was providing food

to 1 544 900 people and had requested a review to increase its operating budget in Angola. According to the United Nations, Angola has 3,7 million war-displaced people who are facing malnutrition and suffer from a lack of medical assistance, reflecting almost a third of the total estimated population. During the same month a report by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) estimated that 2,5 million people had been displaced around the country since the resumption of hostilities between government forces and UNITA in December 1998.¹⁹

State control in Angola reflects an almost exclusively urban bias and neglect of rural populations. This is the situation in most of the provinces where totally overcrowded cities, several times the size they were planned to be, put severe strains on a limited infrastructure of water and sewerage systems, while health services and public education are often non-existent.

Since independence the government has yet to produce an annual *Conta Geral do Estado* (General Account of the State) that would reflect annual state expenditure. While the country spends some 20% of GNP on defence and security, large amounts of funds disappear, on an annual basis, from the budget. It is no surprise therefore that government expenditure has long been out of control, evident by the fact that in a year such as 1995 inflation peaked at 3 785% while unbudgeted expenditure came to 130,5%.²⁰ The required rationalisation and training of an effective public service will also serve to compound the unemployment challenge – further exacerbated by the massive demobilisation challenge that will be faced by an appropriate Angolan military once peace comes to the country.

In the presidential government, concentrated in the *Futungo de Belas*, power now resides in a very small circle – ultimately dependent upon the armed forces, the FAA. In the process Angola has been transformed “...from the MPLA’s one-party state, not to a multi-party state, but to a presidential regime. ...FAA has become a military force independent of the politicians... As the MPLA has lost its physical capacity to govern or take care of people so noticeably in the provinces, so in the capital had its cadres lost the confidence of being the country’s leadership.”²¹ As discussed by Andrea Ostheimer in her chapter on the role of the aid industry, Angola has created a parallel and offshore economy that has further entrenched social stratification along ethnic lines. Most of its cadres, the intellectual backbone of the party, have shifted their attention to private life and private businesses while civil opposition parties and Angolan NGOs are unable to fill this gap.

The importance of the informal economy

Despite a war that has continued virtually unabated since 1961, the population of some 12 million Angolans somehow survive through the extensive informal or parallel, often illegal, economy that is the true lifeblood of most of sub-Saharan Africa and, outside of Luanda, on food aid. After 30 years of war, Angola has

experienced the breakdown of what remained of the Portuguese colonial system and the emergence of a regionally based alternative political-economic system of survival, profit, power and protection that is much more powerful than the state.

In her groundbreaking study on the 'real economy' of Zaïre (now the DR Congo), Janet MacGaffey estimated that the size of the Zaïrian economy may have been as much as three times the size of the official GDP in 1991.²² She distinguished between the formal and second or underground economy and argued that it was the massive size of the latter which keeps the disastrous national economy going, contrary to mainstream thinking that sees the informal economy as an adjunct to the formal economy.

In Angola the parallel informal economy, the *candonga*, consists of two main parts: the normally rural-based subsistence production, and the principally urban-based parallel market. Although these provide sustenance to the majority of Angolans, the link between the two has been severely disrupted by the war. Rural production does not reach the urban markets, which have largely come to rely on expensive, imported goods, stolen supplies and items illegally entering the country, mostly from the DR Congo. Already in 1989 the Angolan Ministry of Planning estimated the value of goods circulating in Angola's parallel markets at two and a half times the GDP, which involved around 300 000 persons of whom the majority were women.²³

Many studies have pointed to the extent to which the border between the legal and illegal, the formal and informal, are blurred in much of Africa. As is the case with politics, the real business of African economic life is conducted informally and largely outside of formal institutions. What Western analysts call corruption is often quite acceptable and legitimate in a society that is essentially patrimonial in nature and within which legitimacy is largely dependent upon the ability to serve various patrimonial networks. It is when patrons cease to redistribute their (legal or illicit) gains that activities are perceived as 'criminal', or when sources of patronage are exhausted that leaders-for-life are replaced. Within this context, real meaning is only given to the notion of criminality when it is used to refer to an illegal activity that is also clearly illegitimate in the eyes of the patrimonial network which it serves.²⁴ The informal economy in Angola, indeed, in much of Africa, is therefore not illegitimate, although it may be considered to be illicit by most Western analysts.

Obviously the more informal the nature of local political and economic transactions, the easier they can be used for 'other' activities. Goods brought illegally into Angola, mainly from the DR Congo serve as a major source feeding the parallel market and as much of 50% of goods in a port like Luanda 'disappear', while industrial companies estimate that 30–50% of their production ends up in the parallel market. Recently food and other supplies distributed by emergency relief agencies have become another important source of supply through the instrumentalisation of humanitarian aid.²⁵

Through the use or threat of violence, warring parties are particularly able to extend the existing parallel, informal and transborder economies that form the true economic lifeblood in Africa. An intrinsic part of this informal or hidden system,

internally and regionally, is the network that supplies UNITA with the commodities for war, including food, fuel, arms, ammunition, training, proviant, tyres, clothing, medical supplies and the like as described by Jakkie Potgieter. It involves civilian entrepreneurs and political and military officials at various levels in almost every country in the region, operates with impunity across borders and is unregulated and uncontrolled. Ironically a large portion of western Zambia's economy is so closely integrated into the UNITA regional war economy that an end to the conflict in Angola may severely debilitate that ailing country.

A changed international environment

The development of a resource-based insurgency in Angola has also been assisted by the changing international context.

Africa has lost its strategic relevance and the cry for an externally funded regeneration will do little to reverse the flow of foreign and domestic investment out of and past the continent. Apart from humanitarian concerns, only selected areas with exploitable natural resources capture the attention of the larger and more powerful countries. It has long been evident that a number of African states are either weak or exist as 'quasi-states' – they exist mainly because they are recognised internationally, not because they perform the functions of a state or share its attributes.²⁶

Confronted with weak and collapsing states, which require long-term, expensive and complex solutions, donor countries often substitute humanitarian action for political engagement, generally avoiding significant investment in conflict prevention because of the political challenge of mobilising investment where no immediate crisis appears to threaten. Africans can no longer rely on outside assistance to end local wars that do not threaten the national interests of the larger developed countries. Therefore they have to take responsibility for their own peace and security at a time when the African state is at its weakest and most marginal in terms of global significance. The focus of international assistance has also become more short-term. The number of aid agencies has expanded and the industry has exploded in size at the same time that the levels of longer-term development assistance have declined. Angola is no exception although there is little indication that the provision of humanitarian aid has had a significant impact upon the war, possibly somewhat different to the situation in countries like the Sudan and Somalia.²⁷

While not entirely new, the salience of economic as opposed to political agendas has accelerated with the triumph of Western liberal economic theory and the implosion of the former Soviet Union. Perhaps one could argue that political agendas have simply become more overtly economic. Today looking at Africa from the perspective of the developed North, democratisation is largely equated with stability and market access. For a weak African state liberalisation is a process that further undermines its already limited sovereignty. The process of what is generally termed globalisation has intensified in speed and intensity in

recent decades, leaving Africa with the trappings of modernity but bereft of development.²⁸

At the same time structural adjustment policies have forced poor countries to downsize their administrations and outsource governmental functions in the interests of greater efficiency, further constraining the ability to administer the African state. For a time foreign development funds shifted from the government to NGOs until such time as donors realised that there was often little distinction between the political elites running the country and those engaged in civil society.

State sovereignty has in any case never been an absolute term. Strong states have always enjoyed 'more' sovereignty and been able to infringe upon that of less powerful states, whether in the case of Britain at the height of its power under Queen Victoria or the United States as the remaining superpower under President Bush. A number of concerns, primarily around human rights, have come to the fore in modern times, serving to reduce sovereign control over domestic developments, the hallmark of the state less than a century ago. Companies, once based within a single state, have become multi-nationals, ownership has become more complex and taxation difficult as executives seek marginal benefits from comparative tax regimes and production costs. Business has also changed and large multinationals seek to adopt ethical practices in war torn societies with varying results, as discussed by Richard Dietrich in a separate chapter.

While public companies and stock exchange listings impose minimum standards of corporate responsibility, particularly for those companies wishing to establish an international and multinational profile, this is not necessarily the case where shareholding is private and traders seek quick profits with no long-term corporate profile. The creation of new economic and financial opportunities has resulted in the emergence of national and transnational actors seeking to avoid state control, made easier by the more complex international financial and trading environment and the speed and ease with which these can now occur. The nature of the global trading system, international banking and the internet have blurred the distinction between legal and illegal activities to the extent that a firm can hide its real activities in a digital world outside of clear national control.

Apart from the murky side of a more interconnected world, the presence of large multinational oil firms in Angola helps create new channels for what William Reno in his chapter calls the 'private diplomacy' of Angola's MPLA regime. Oil is a key component in the government's ability to gain access to political and material resources beyond Angola's borders; not just to markets (as with diamonds), but also to diplomatic channels and more politically connected commercial networks that directly advance the MPLA's security strategy.

Economic liberalisation has also led to a massive expansion in international trade that is increasingly difficult to monitor or control. This expands the opportunities to mix legal and illegal goods and allows opportunities for extralegal or unofficial trading operations. The nature of modern communications, banking and the like has spurred the Angolan warring parties to refine their means of

economic sustainability that complicates external control or manipulation. Free from superpower patronage, the international community has less leverage and finds it harder to impact upon the situation, while the presence of large multinational oil companies in Angola helps create new and alternative channels for commercial diplomacy with those countries where these companies are based.

An important feature at the end of the Cold War era has been the growth in the grey world of arms supplies, facilitated by private arms brokers and shippers. This trend has a number of antecedents, not least the outsourcing of covert supply to rebels by intelligence agencies of larger powers during the bipolar era. Over time these gained a commercial life of their own. Initially most were located in European countries or in North America, each with hundreds if not thousands of private brokering agents and companies that were registered or allowed to trade internationally in military and security equipment. The collapse of the Warsaw Pact and move to NATO standard equipment by a number of Central and East European countries flooded the market with surplus Soviet-type equipment with desperate salesmen seeking cash buyers at rock bottom prices. Recently a new wave of arms brokering and shipping agents has developed, located in developing countries and often going into partnership with local military strong men or influential politicians as has been widely reported in a number of African countries. Some are former employees of arms companies or emerge from the procurement wing of armed opposition groups. Others are associated with private military companies such as Executive Outcomes or Sandline International or still serve in the public service or armed forces. Closer to the zones of violent conflict and hence the demand side of the arms market the global illegal arms market has established its roots deep into Africa as discussed by Johan Peleman whose chapter illustrates the situation regarding air supply to UNITA.²⁹

Historically arms sales were dominated by government-to-government transactions but in a buyer's market state control is more myth than reality with a growing stock of surplus arms in constant circulation, often in private hands. The increased internationalisation of trade, information technology and ease of air travel facilitates circumventing national arms control systems and exploiting the weakest links in a fragile international regulatory chain.

Conclusion

Any broad typology of insurgency is fraught with generality. Each war is fought within a particular social, geographic and cultural context and it is difficult to argue that "...some kinds of African societies foster insurgency, while others do not."³⁰ Leadership and organisation comprises one variable, while others may be ideology and the relationship with the international system. Social structure, culture and history all present the analyst with the context within which to understand organised conflict in Africa. For example, referring to Somalia, Clapham observes that "... a disposition to resort to insurgency may result from the structures or values

of particular societies; in other words, where state structures are weak, and violence in pursuit of communal goals had been a normal feature of pre-colonial society, what is now defined as insurgency may merely be the continuation of such practices in the post-colonial era."³¹

Economically determinant theories on resource wars have become popular in recent years, seeking to provide a linkage between an abundance of mineral wealth and armed conflict in developing countries on the one hand, and the instrumentalisation of disorder on the other. There can be little doubt that the opportunities for self-enrichment offered by a high dependence upon primary commodities where democracy, accountability and governance is weak, helps to propel resource rich countries such as Angola into war and serve to perpetuate conflict. Such an inordinate dependence on primary commodity production not only inhibits the development of a manufacturing and service-based sector but effectively encourages predatory government practices in the absence of appropriate checks and balances, within a context where the public and private spheres of society have not become functionally distinct.³²

But the argument that 'greed not grievance' lies at the *root* of insurgency war in a country such as Angola is not convincing, as illustrated in a number of chapters. This does not deny that war, even a protracted guerrilla campaign, requires the means to sustain it, normally in the form of a geographically secure base, a mobilising political cause and possibly ideology, and material support from friendly backers. In classical theories of revolutionary war external support has proven crucial in sustaining an internal conflict. The traditional interpretation of this concept is that of a safe haven within a neighbouring country or an inhospitable and poorly governed area, such as the central Angolan highlands, where guerrilla forces can organise and prepare with a degree of impunity. It has always included external logistic support. In recent Angolan history that support was provided by the United States and South Africa, often through the former Zaire (DR Congo) and Namibia, first to the FNLA and later to UNITA. Cuba and the Soviet Union provided much larger and significant support to the MPLA. Until the end of the Cold War, external interests and funding literally provided the ammunition and arms for what was initially an anti-colonial liberation war. External involvement and the richness of their natural resources provided room and opportunity for Angolans to develop an indigenous war economy that, by the time external support ended, could sustain the war.

Within this framework the challenge of controlling the illicit diamond trade and the commodities that support the war reflect much wider trends. These include the increase in the volume of trans-border trade and the size of the informal, unregulated, and often illegal economy in Africa that dwarfs the size of the formal economy.

Angola therefore demonstrates the dynamics of a new type of regional and economically determined insurgency war, much more closely linked to the regional informal economy and even the global economy and its criminal component than previous wars. Because it is less dependent upon foreign patrons, external actors find it difficult to impact upon the continuation of the war. As

with all insurgencies, so-called resource wars are essentially internal in character and regional in their dynamics. While they reflect many of the characteristics of previous insurgencies during the bipolar era, resource wars are even more difficult to control due to their diffuse regional character, the degree to which they are less dependent upon external patronage and the extent to which they represent resource instrumentalisation within a patrimonial social system.

The following chapter presents a theoretical framework for the political economy of the Angolan ‘abundant resource’ war (Philippe Le Billon). Subsequent chapters provide an interpretative account of the internal and regional dynamics of the war (Richard Cornwell), its global and arms dynamics (Hannelie de Beer and Virginia Gamba) and ethnic roots (Assis Malaquias). A separate chapter is devoted to the role of humanitarian aid during the war (Andrea Ostheimer). Four chapters are devoted to the diamond industry (all by Christian Dietrich). His first chapter quantifies the formal diamond mining sector, followed by a separate chapter on the informal diamond economy of the Lundas. Subsequent chapters focus on UNITA’s mining and smuggling capacity. Two chapters are devoted to UNITA logistics. The first presents an overview of UNITA’s logistic support structures (Jakkie Potgieter) and the other more specifically on airborne support to UNITA (Johan Peleman). A chapter by Duncan Clarke provides an overview of the oil industry. The chapter on the real war economy (William Reno) investigates the linkage between oil and diplomacy. Richard Dietrich investigates the ethical considerations of multinationals doing business in Angola. A final chapter looks towards the future (Jakkie Cilliers).

Endnotes

- 1 See, for example P Collier, *Doing Well out of War: An Economic Perspective*, in M Berdal & DM Malone (eds), *Greed and Grievance, Economic Agendas in Civil Wars*, Lynne Rienner, Boulder, 2000.
- 2 C King, *Ending Civil Wars*, Adelphi Paper no 308, International Institute for Strategic Studies, Oxford University Press, New York, p 43.
- 3 Including William Reno, David Keen, Mark Duffield, Anke Hoeffler and Indra de Soysa. The volume by Berdal & Malone, *op cit*, is possibly the single best compendium on this subject.
- 4 C Clapham, Introduction: Analysing African Insurgencies, in C Clapham (ed), *African Guerrillas*, James Currey, Oxford, 1998, pp 6–7.
- 5 See, for example, DH Johnson, *The Sudan People’s Liberation Army and the Problem of Factionalism*, in Clapham (ed), *op cit*, pp 53–72.
- 6 M Duffield, *Globalisation, Transborder Trade, and War Economies*, in Berdal & Malone, *op cit*, p 74.
- 7 This follows the argument of P Chabal & J Daloz, *Africa works: Disorder as political instrument*, African issues, Villiers Publications, London, for the International African Institute in association with James Currey and Indiana University Press, 1999, pp 5–6.
- 8 *Ibid.*

- 9 Ibid, p xix.
- 10 C Dietrich, The commercialisation of military deployment in Africa, in *African Security Review*, vol 9, no 1, Institute for Security Studies, Pretoria, 2000, p 3.
- 11 For scholars such as Paul Collier greed, not grievance determines the agendas for engaging in war. "The true cause of much civil war is not the loud discourse of grievance, but the silent force of greed." For him rebel narratives focussing on ethnic or religious hatred, economic inequality, lack of political rights and government economic incompetence reflect no more than an externally palatable and personally satisfying motivational context. The argument in this chapter supports Collier's analysis at one level, but too narrow and economic deterministic a view may bring an automaticity to bear that ignores the organisational and social motivational or contextual aspects of rebellion. Collier, *Doing Well out of War*, in Berdal & Malone, op cit, pp 95–6 & 101
- 12 Chabal & Daloz, op cit, p 15.
- 13 The corresponding increase in value was from US \$348 million to US \$548 million. *Africa Energy and Mining*, 15 March 2000, Johannesburg.
- 14 VP de Andrade, Democratisation and Governance in Angola, paper presented at *Time for Renewed International Commitments to Peace in Angola: lessons learnt and the way forward*, Ruvomu Carlton, Maputo, 19–20 June 2000, p 8.
- 15 Ibid, p 2.
- 16 The Stockholm International Peace Research Institute (SIPRI) estimated that 1997 defence spending was US \$400 million – almost a 33% discrepancy with the government's estimate of US \$302 million and not 11,1% but 36,3% of the 1997–98 budget. Source: http://www.hrw.org/press/2000/06/ango-0623-back.htm#N_10_, 27 June 2000.
- 17 The continued demand for high levels of military expenditure squeezes out the little funds available to social expenditure. The IMF estimated that 36% of the 1997–8 budget was spent on defence although only half the amount was actually recorded by the government. Yet all of these developments make Angola increasingly important within the Southern African Development Community and in Africa, as a key oil producer outside of OPEC (Nigeria is the most important African OPEC member) and increasingly as a global oil producer – particularly for the United States. Based on current trends Angola may eventually supply more than 20% of all US oil imports through ExxonMobil and Chevron – a fact that goes a long way towards explaining the surge in US and other support to the MPLA as opposed to its traditional ally UNITA.
- 18 Based on his analysis that greed and economic considerations drive a war such as that in Angola, Paul Collier offers a number of policies that the international community can use to reduce the economic incentives for conflict. These include curtailing the sales of primary commodities – hardly an option for a country such as Angola. But Collier also argues for making markets competitive and open as the best recipe to reduce corruption and increase efficiency. A second proposal is to diversify the economies of those societies that are most at risk, to lessen their reliance upon the export of primary commodities that are so useful as a vehicle for predatory behaviour. Collier, *Doing Well out of War*, in Berdal & Malone, op cit, pp 106–108. One can legitimately question policy proposals dependent upon massive donor assistance in an era that sees a steady decline in international assistance and a rise in private investment.

- 19 UN Office for the Coordination of Humanitarian Affairs, *New OCHA humanitarian report*, IRIN, 23 May 2000, Johannesburg
- 20 *Ibid.*, p 12. The inflation rate for 1999 was 330%. The target for 2000 is to reduce it to 120%.
- 21 V Brittain, *Death of Dignity – Angola’s civil war*, Pluto Press, London, 1988, p 94.
- 22 J MacGaffey, *The Real Economy of Zaire*, James Currey, London, 1991, p 11.
- 23 I Tvedten, *Angola – struggle for peace and reconstruction*, Westview Press, Boulder, CO, 1997, pp 78–9.
- 24 Chabal & Daloz, *op cit*, p 79.
- 25 *Ibid.*
- 26 M Nicolson, *The Cosmopolitan World: are states a declining institution*, University of Sussex, undated, p 1.
- 27 Unlike diamonds, hardwood and ivory, food aid is a bulky, low-cost item that is readily consumable with a limited shelf life. The absence of food also affects those with weapons last since they can extort food through force of arms. There is therefore a well-known limit to the extent that food aid or humanitarian assistance in general reaches its intended consumers, the poor and destitute.
- 28 After M Nicholson, *Globalisation, weak states and failed states*, University of Sussex, paper prepared for the *Failed States conference*, 7–11 April 1999, Purdue University, West Lafayette, p 2.
- 29 B Wood & J Peleman, *The Arms Fixers – controlling the brokers and shipping agents*, BASIC, NISAT and PRIO, Oslo, 1999, pp 2–3.
- 30 Clapham in Clapham, *op cit*, p 11.
- 31 *Ibid.*, p 5.
- 32 Chabal & Daloz, *op cit*, pp 4–6.