



Em defesa da democracia
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Understanding and Combating Corruption in Africa

When Corruption in Angola is Easier than in Nigeria

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It is an honor for me to be here. I thank Ambassador Lyman and the Council on Foreign Relations for the opportunity to address you this morning.¹

During our civil wars, the government of Angola consistently pointed to corruption as the second major destructive force in the country after the civil war. Ironically, in times of peace, corruption has become the most defining issue in governing the nation. It is a common part of business and government relationships. It has taken root throughout our social fabric. It is so pervasive that by the end of 2009 President José Eduardo dos Santos declared a zero tolerance policy against the scourge – a sinister attempt to deflect attention to the problem and to appease his detractors.

Since October last year, I set up a website [www.makaangola.org] to monitor corruption in government in the context of the country's legal framework, and in order to examine how it is affecting the functionality of the state. I have identified four major areas of corruption. These are: the transfer of state assets to top government officials, through privatization; the assignment of public contracts to companies owned and often managed by top government

¹ At the Council on Foreign Relations roundtable discussion, on April 16, 2010, in Washington, DC, I had the privilege to share the panel with Mallan Nuhu Ribadu, a fellow at the Center for Global Development, and Raymond Baker, director of Global Financial Integrity. Ambassador Princeton Lyman presided over the proceedings. I have added footnotes to this presentation to clarify certain points to the reader.

officials; joint-ventures between multinationals, top government officials and generals as an imperative of foreign investment; and the multi-billion dollar loans coming from China.

President Dos Santos, who has been in power for 30 years, has been commonly viewed as the epicentre of corruption in government. His recent declaration of a zero tolerance policy does not outline any concrete steps to combat corruption, notwithstanding the approval of a new law on public probity, whose articles already exist in other legal documents.

Furthermore, the new constitution, which came into effect on February 3 2010, also ends the role of the parliament to monitor the executive, and the power to call on the government for hearings.² Thus, the Angolan political system of 'checks and balances' under the new constitution has been severely curtailed as the result of lack of accountability to parliament.

The new constitution concentrates far more powers in the hands of the president than during the Marxist-Leninist dictatorship (1975-91), and ends presidential elections.³ In September 2008, the ruling MPLA⁴ party won the second legislative elections by a landslide, with 81.64 % of the total votes, thus enabling it to change the constitution at will. So, the new constitution signals the return of a one-party state in the country with a veneer of democratic legitimacy. It is in this political context that the country needs to address the paradox of having one of the fastest-growing economies in the world and the worsening of its human development index.

² See art. 162 of the current Constitution, on the parliament's oversight of the government, which annuls any reference to the power of parliament to call on the executive to answer questions and reply to requests for clarification (arts. 83 and 99, 2, of the previous Constitutional Law); to vote motions of or no confidence in the government (art. 88, n, idem) to table motions of censure of the government (art. 103, f, ibid.). In the previous system of government (semi-presidential) the parliament had the constitutional ability to table motions of censure or votes of no confidence that could bring down the government, and consequently cause early elections, as part of the check and balances among sovereign institutions.

The current hybrid and unique system, does not have any similar mechanisms of checks and balances. Furthermore, the parliament's attributes for the oversight of the government have been pre-empted to the extent that the Constitution omits the ability of the parliament to call on members of the executive for hearings, by its own initiative, on matters concerning the ruling of the country. The president holds full powers and merely has the National Assembly as a consultative body, except for the enactment of laws, which are traditionally submitted by the executive.

³ See Article 109 (1, 2) of the current Angolan Constitution. It establishes that the first name on the list submitted by the winning party, for the legislative elections, automatically becomes the President of the Republic.

⁴ MPLA is the Portuguese acronym for the Popular Movement for the Liberation of Angola.

From 1998 to 2007, the country experienced an annual GDP growth of 10.2%, while poverty and income inequality steadily worsened, with 70% of the population living on less than two dollars a day, for the period of 2000-2007.⁵ Meanwhile public spending increased tenfold between 2002, the year the war finally ended, and 2007, from US\$7.4 billion to US\$43 billion.⁶ Angola's economy continues to be almost exclusively dependent on oil, with exports reaching a record of 62 billion dollars in 2008, thus representing 97.7% of the total exports, according to World Bank figures.

While billions of dollars are pouring through the hands and accounts of corrupt officials, ordinary Angolans are living in extreme poverty. They are hungry, without decent education jobs, or health care. Mass evictions from poor dwellings and relocation to tented camps with worse conditions have also become a regular feature in main cities, to make land available for private development projects by the ruling elite.

What is extraordinary in Angola is the open way in which government officials loot the state. For instance, from 1992 to 2008, through the Council of Ministers Resolution 4/91, the management of the national oil company Sonangol transferred 10% of the shares of its wholly owned research and production unit, Sonangol P&P to a group of senior public officials. This unit holds shares in the oil blocks for the illicit enrichment of a few members of the ruling elite. This group, which has collected hundreds of millions of dollars, from the 10% shares, was represented by the then chairman of Sonangol, Ms. Albina Assis. She became minister of Petroleum, from 1992 to 1999, and last Tuesday she was appointed to the board of Sonangol. By July 2008, the Chairman and CEO of Sonangol, Mr. Manuel Vicente, reshuffled the company to illegally award himself one percent of Sonangol.

Most recently, the government privatized the publicly owned mobile phone operator Movitel without any public bid, to a group of private companies, some created overnight, that belong to ministers and other members of the ruling elite. There is no record that the companies that benefited paid the state a penny so far.

⁵ United Nations Development Programme (2009:177).

⁶ Economist Intelligence Unit (2008:12).

These cases highlight a deep contradiction in what is happening in reality and what the foreign partners of the government of Angola, like the United States, are publicly stating. While looting of state assets has increased, the US keeps reiterating publicly that the country is moving towards transparency and democracy. US officials support this view by noting that the Ministry of Finance of Angola discloses on its website the oil revenues and, that an officer of the US Treasury is assisting the Angolan Central Bank to organize its book keeping system. And, it is being viewed that elections were a positive development, in spite of a new constitution that sends us back to the dark days of a one-party state.

However, this contradiction reflects a clear attitude to grant legitimacy to the regime. As I heard from a Washington risk analyst, two days ago, corruption in Angola is easier to deal with because it is centralized while in Nigeria, for instance, it is decentralized, and many more demand their share. Furthermore, he argued that it is common view in Washington that the Angolan regime has a tighter grip on power, thus guaranteeing political stability by sheer force, unlike in Nigeria.

My view is that Nigeria, with all its problems, is building state institutions that can survive presidents. A case in point is the way in which state institutions guaranteed the naming of Mr. Goodluck Jonathan as acting president, while President Yar Adua battles ill-health. In the case of Angola the only guarantee of stability seems to be the person of President Dos Santos. A cult of personality has replaced state-building.

What can be done to combat corruption?

First, Angolans need full information to be able to be able to respond to this problem. The state controls the media with its nationwide outreach. The private media sector is now mainly in the hands of leading members of the regime. Any attempts by the private media to resist the status quo could seriously threaten their survival because the regime could interfere with their advertising revenue. It is only if Angolan people have adequate access to information will they

be able to respond, to act as watchdogs over the state, and to take constructive actions to protect and advance their own interests.

First, Angolans need full information to be able to craft responses to this problem. The state controls the media with nationwide outreach while the relevant private media sector is now in the hands of leading members of the regime. Those private media outlets that resist the status quo either face the prospect of bankruptcy or have to compromise for survival, for the regime tampers with the flow of ad revenues. Only with increased and reliable information will Angolans be able to respond, to watchdog, and take action and in an orderly and constructive fashion.

Second, what could the US government do? The US has far more leverage in Angola than it may think it has. It is one of the main oil importers. Oil drives the US policy towards Angola, as it embodies Angola's foreign policy. The Government of Angola cares what the US thinks of it.

The US could help support the need for full information, and the independent voices trying to strengthen our chance at democracy by holding the government accountable to the laws of the land to combat corruption. Ultimately, only Angolans can effectively establish whether the country is moving towards transparency and democracy or not.

Further reading

The Economist Intelligence Unit (2008) *Angola Country Profile, 2008*. EIU.

United Nations Development Programme (2009) *Human Development Report 2009*,

Overcoming Barriers: Human Mobility and Development. Palgrave Macmillan, New York.