

ANGOLA—REAL CHANGE OR MORE OF THE SAME?

By George F. Ward

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Angola's MPLA main ruling party candidate, João Lourenço, shows his ink-stained finger as he faces the media after casting his vote in elections in Luanda, Angola, Wednesday, August 23, 2017. (Source: AP Photo/Bruno Fonseca.)

Ambassador (ret.) George F. Ward is editor of Africa Watch and a Research Staff Member at the Institute for Defense Analyses.

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By Sarah Graveline

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A Congolese young man protests against President Joseph Kabila's refusal to step down from power in Kinshasa, Democratic Republic of the Congo, Sunday, December 31, 2017. (Source: AP Photo/John Bompengo.)

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IDA's Africa team focuses on issues related to political, economic, and social stability and security on the continent.

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A Party Man in a Challenging Position

Oil represents around a third of Angola's GDP and over 95 percent of its exports. The decline in the price of oil since mid-2014 has had a significant impact on the Angolan economy. In addition, oil production has been falling due to challenging operating conditions in Angola's largely offshore installations. During the first half of 2017, average oil production was 8.2 percent lower than at its peak in 2010. Accordingly, Angolan GDP growth decelerated from an annual average of 10.3 percent in the 2004–2014 decade to only 1.5 percent annually since 2015. The kwanza, Angola's currency, has been under pressure, and debt has increased. On January 3, 2018, the *Financial Times* reported an announcement by Angola's central bank that the country would "renegotiate" its debts and abandon the kwanza's peg to the U.S. dollar, allowing it to float. These economic difficulties have impeded progress on Angola's massive development challenges, and large numbers of Angolans remain in poverty.

This difficult economic situation, accompanied by increased social unrest, was the backdrop for Angola's 2017 elections, in which the head of the party winning the most votes would become president. In February 2017, former President dos Santos confirmed his intention not to lead the MPLA in the elections. In selecting his successor, the party chose from within its own ranks, avoiding a dynastic transition to one of dos Santos's high-profile children. Lourenço possesses impeccable party credentials, has served in a variety of party and government positions, and maintains solid relationships with Angola's powerful military leaders. While Lourenço has enjoyed a remarkably corruption-free reputation, he was viewed as unlikely to look deeply into the ways in which members of the Angolan elite had amassed large personal fortunes over the decades of the country's oil boom.

The MPLA emerged victorious from the August 2017 elections, but with a <u>reduced majority</u> of 61 percent of the vote and 150 out of 220 parliamentary seats. (In the two previous elections—2008 and 2012—the MPLA had won 191 and 175 seats, respectively.) After court challenges of the August election results, Lourenço assumed the presidency from dos Santos in September.

A New Broom Sweeps-But Clean?

Perhaps spurred on by the MPLA's relatively weak showing in the elections and by popular sentiment for change, Lourenço began to move in late October. On October 27, days after a speech in parliament in which he had called for professionalism and competence in the leadership of the central bank, he dismissed the bank's director. Soon

afterward, he replaced the board of administrators and editors-in-chief of state-owned media outlets and, on the same day, canceled government contracts with a company owned by one of dos Santos's children. Then, on November 15, Lourenço made his most startling move by firing Isabel dos Santos, the daughter of the former president and allegedly Africa's richest woman, from her post as chair of Sonangol, the state oil company. Also dismissed were six other members of the Sonangol board and two technocrats who had been brought in to clean up the company's finances and lead a restructuring. Following that high-profile dismissal, the new president continued his campaign, sacking the administrators of nine public utilities and companies and the police and intelligence chiefs. He also announced plans to open the telecommunications industry to foreign bidders. He offered a temporary amnesty to rich Angolans who repatriate funds but threatened to take legal action against those who do not.

A further indication of Lourenço's commitment to change came on January 10, 2018, when he <u>fired</u> José Filomeno de Sousa "Zenu" dos Santos, son of the former president, as chairman of Angola's sovereign wealth fund (Fondo Soberano de Angola, or FSDEA). The FSDEA disposes of \$5 billion in assets. Although the FSDEA's <u>website</u> emphasizes the fund's transparency and dedication to the welfare of the people of Angola, it has often been at the center of allegations of cronyism and self-dealing. Some of these allegations emerged from the so-called Panama Papers and Paradise Papers, which delivered massive amounts of offshore financial information to investigative journalists. Allegedly, the FSDEA's principal investment adviser, a close associate of Zenu dos Santos, received \$41 million for 20 months of work and also benefited from FSDEA funding for a port-development project. At a <u>press conference</u> on January 8, 2018, President Lourenço had foreshadowed change in the leadership of the FSDEA, and he denied any tensions with former President dos Santos over the changes made so far.

As in the previous dismissals, Lourenço appointed a party loyalist as the new head of the FSDEA. The new chairman of the fund is Carlos Alberto Lopes, a former Minister of Finance. Lopes assumed the finance portfolio in 2010 and was <u>dismissed</u> by former President dos Santos in 2013. Angola enjoyed rapid economic growth during Lopes's tenure as finance minister, and he successfully negotiated a loan agreement with the International Monetary Fund.

Conclusion

The extent of these changes and the speed with which they have been implemented are particularly surprising in the Angolan context, where one man, dos Santos, had been in power for 38 years. But although the changes have been broad, there are questions about their depth and where they will lead. Lourenço has targeted members of the dos Santos family and officials with particularly close ties to dos Santos, as in the case of the police and intelligence chiefs. Those dismissed have been replaced not by reformers, but with party loyalists. In the case of Sonangol, as noted above, technocrats who might have been agents of real change were let go. Thus, it looks as if the net effect so far has been to install new MPLA faces in place of old. Real change is still possible, but the moves so far have had mainly public relations value. On their own they will not necessarily do much to resolve Angola's dilemmas of economic stagnation, corruption, and debt.

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For President Kabila, Delaying Elections Has Proven Effective

One year ago, the DRC entered a state of constitutional crisis. By failing to step down on December 19, 2016, President Joseph Kabila remained in office past his constitutionally mandated term limit. As *Africa Watch* noted, this was the expected outcome after Kabila's administration deliberately obstructed election planning and sought a court ruling to ensure Kabila would be able to remain in power past 2016.



A Congolese young man protests against President Joseph Kabila's refusal to step down from power in Kinshasa, Democratic Republic of the Congo, Sunday, December 31, 2017. (Source: AP Photo/John Bompengo.)

The immediate crisis was resolved through a negotiated <u>agreement</u> mediated by CENCO and signed by the government on December 31, 2016. The deal laid out the terms for a political transition, in which Kabila would step down and elections would be held by the end of 2017.

As it became increasingly obvious throughout the course of 2017 that Kabila's government did not intend to follow the terms of the agreement, opposition <u>politicians</u> and <u>civil society organizations</u> organized protests. Their impact was limited, however, in part due to the opposition's fragmentation, particularly after the death of long-time opposition leader <u>Etienne Tshisekedi</u> in February 2017.

The Catholic Church Takes on Increasingly Political Role

The Catholic Church has played an influential role in Congolese civic life since the colonial era. Today, approximately half the DRC's population is Catholic, and the <u>church</u> fills gaps in government services by providing health care and education in locations throughout the country. This, combined with the church's history of engagement with the state, gives the institution standing to intercede in Congolese politics, as seen in its <u>mediation</u> of the December 2016 agreement.

The church has increasingly found itself at the vanguard of efforts to pressure Kabila's government toward political change. In the absence of clear leadership from the DRC's opposition parties, the church has publicly begun to push the government to honor the December 2016 agreement. In early December 2017, Father Vincent Tshomba, head of the College of Deans in the diocese of Kinshasa, instituted a weekly <u>bell-ringing campaign</u> to protest Kabila's failure to abide by the agreement. In addition, both CENCO and the embassy at the Vatican offered strong support to the December 31 protests, which were <u>planned</u> by Kinshasa's Lay Coordinating Committee in tandem with local parishes.

Can the Church Effect Change Beyond Protests?

The imagery of the demonstrations, in which security forces tear-gassed and shot at protesters <u>inside church property</u>, <u>killing five</u>, marked a new deterioration of relations between church and state. In the aftermath, <u>Cardinal Laurent Monsengwo</u>, head of the Catholic Church in the DRC, accused the government of "barbarism" in its response to the protestors.

While the church has broad support in its efforts to push the government toward political reform, demonstrated by its ability to mobilize citizens across Kinshasa, it may be reaching the limits of its influence. As <u>commentators</u> have noted, the church's political authority derives from public perception that it is an impartial organization interceding between highly partisan political parties. If the government perceives the church to be supporting the opposition, the government may be even less open to church-led arbitration.

Absent a role as mediator, the church's ability to stand up to the government is questionable. During the protests, the Congolese government signaled its willingness to forcefully oppose the institution by allowing security forces to attack protestors on church property. While the church can provide a moral call for reform, it can do little against state-sponsored violence.

Conclusion

The December 31 protests are notable for the government's violent response against one of the most powerful independent institutions in the country, but they are unlikely to change the DRC's political trajectory. Indeed, by responding so disproportionately to nonviolent, church-led protests, Kabila has demonstrated more clearly than ever his intent to remain in office.

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