MILITARY SPENDING TRENDS AND DEVELOPMENTS

IN SOUTHERN AFRICA: ANGOLA, ZIMBABWE, MOZAMBIQUE AND SOUTH AFRICA

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It is suggested that the original report writers be contacted for their approval before any quotation is attributed to them.
Executive Summary

Southern Africa has been the location of some of the most deadly and protracted conflicts in the world. Between 1980 and 1988 an estimated 1.9 million people were killed or died from war-induced famine in Angola and Mozambique.\(^1\) When civil war in Angola resumed in late 1992, the death toll reached one thousand per day. Since the collapse of apartheid and the end of the Cold War, however, there has been a remarkable improvement in the regional security environment. Negotiated settlements in Namibia, South Africa and Mozambique have successfully drawn to a close years of violent conflict. Only the fate of peace in Angola remains uncertain, despite the persistence and determination of the UN mission, UNAVEM III. Otherwise the chaos and anarchy that once seemed so prevalent in the region is gradually being replaced by new national and regional mechanisms which, despite their embryonic form, have the potential to manage conflict, restructure societies and advance reconciliation.

Peace and demilitarisation are palpable in the regional decline in military expenditure, in the demobilisation of combatants and in the attempt of civil authorities to regain control over the military. The transition from conflict to peace is encapsulated in the new emphasis on sustainable development, macro-economic prudence, multi-party democracy and reconciliation. Peace and democracy have not, however, decreased the wide range of non-traditional security challenges which now dominate the region’s security agenda. The problems of mass migrations of political and economic refugees, environmental degradation, scarcity of natural resources, the proliferation of small arms, international crime syndicates dealing in drugs and stolen cars, all transcend national borders, and require co-operative solutions among countries of the region. The Southern African Development Community (SADC) provides an important forum for such co-operation.

Multilateral and bilateral donors have actively supported the process of transition from conflict to peace within the region, initially through support for peace settlements and subsequently through programmes concerned to advance democratic and economic reforms.

Despite a willingness on the part of governments to adopt reform programmes, many of the countries in the region do not yet have in place solid enough economic, social and cultural foundations for the consolidation of true democracy and economic reform. This is not least because years of protracted war or civil strife have caused immeasurable damage to the economic infrastructure and human resources. Moreover, the danger of mines, the widespread proliferation of small arms, all legacies of war and conflict in the region, together with pandemics of fatal diseases, contribute to high levels of human insecurity. In addition, a protracted drought which affected the whole region between 1990-92 destabilised the process of economic reform, creating a humanitarian emergency which was narrowly contained by a timely humanitarian relief operation. Against this background of economic and social instability the combined pressures of rapid economic and political liberalisation may result in the failure of both, if reform is not handled with sensitivity by both internal and external actors within the region.

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Chapter 1: Introduction

1. Throughout the late 1970s and the 1980s the Southern African regional security environment was dominated by civil wars, Cold War interventions and the destabilisation policies of the apartheid regime. The extended period of instability was devastating in humanitarian and development terms, resulting in the deaths of well over a million people and material costs estimated at US $62.42 billion.\(^2\) In the late 1980s, with the end of bi-polar confrontation and the collapse of the apartheid regime, the main focus of instability in the region was eliminated, making peace and reconciliation possible between adversaries within the region. Together with the reduction in internal and regional conflicts, there has been a move towards political pluralism in virtually all the states in the region. Peace is tangible in the general moves towards demilitarisation in the region reflected in lower levels of military spending, disarmament, demobilisation and the reintegration of ex-combatants into civil society. See Table 1.\(^3\) Only Angola remains highly volatile, despite the presence of a large UN peacekeeping mission in the form of UNAVEM III.

### Table 1: Military Spending Trends, US$m 1987-1995\(^4\)

<table>
<thead>
<tr>
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<tbody>
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<td>144</td>
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<td>86(^e)</td>
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<td>3809</td>
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<td>Zimbabwe</td>
<td>381</td>
<td>383</td>
<td>385</td>
<td>390</td>
<td>370</td>
<td>418</td>
<td>368</td>
<td>273</td>
<td>238</td>
</tr>
</tbody>
</table>

\(^e\) = Estimate

Figures are in US$m at 1990 prices (CPI deflated) and exchange rates.
Source: Stockholm International Peace Research Institute, 1997 SIPRI Yearbook

2. Given the multifaceted nature of the regional security dynamic, consideration has been given to how existing regional institutions might address the inclusive security concerns of neighbouring states within Southern Africa. The regional organisation which has emerged as the distinctive forum for collective socio-economic and security concerns is the Southern African Development Community (SADC). SADC was created in 1992 out of the old Southern African Co-ordinating Conference (SAC) which had been created by South Africa’s neighbours with the expressed intention of reducing their economic dependence on the apartheid state. With its original raison d’être removed, following reconciliation with post-apartheid South Africa, it was logical to transform the organisation into a forum for regional economic co-operation with the inclusion of South Africa. Areas of common interests identified as catalysts for bringing the states of Southern Africa closer together include the mutual development of water resources, conservation of soil and water, improved communications and the

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\(^3\) Countering the regional trend towards defence expenditure cuts Botswana, Lesotho and Namibia have all experienced rises in defence budget allocations in recent years. Most of these rises are accounted for by outlays on new equipment. For instance in 1995 and 1996 Botswana embarked on an ambitious programme of arms acquisitions, including the placing of orders for Leopard tanks, combat aircraft (F-5s) and anti-tank guided missiles. While Zimbabwe has ordered US$3.3 million worth of armoured personnel carriers from France.

\(^4\) Transparency in military expenditure, while better than in the rest of the African sub-continent, remains very low for most of the Southern African region, therefore all figures presented in this paper must be treated with caution and used only as the most general of indicators.
planning of a Southern African electricity power grid, the promotion of regional trade and the eradication of cross border crime.

3. At the 1992 inaugural meeting SADC also committed itself to regional co-operation on political, military and security issues. Moves towards regional security co-operation were influenced, in part, by the formation of the Conference on Security, Stability, Development and Co-operation in Africa (CSSDCA) in 1991, which in turn was modelled on the Conference on Security and Co-operation in Europe (CSCE). The CSSDCA stressed the critical relationship between peace and development on the African continent, as well as emphasising that the security and stability of each African country is inescapably connected to the security of all African states. CSSDCA adopted an integrated approach to security, grouping policy proposals in four ‘calabashes’; security, stability, development and co-operation.

4. SADC has proposed a similar framework to guide the Regional Security Council (RSC) on which all governments are to be represented - it acts as a forum for joint consultation on a wide range of conflict prevention and peacekeeping issues. The long term objective of the regional security regime is to engage the region in active security dialogue and prevent conflicts from breaking out, or should this fail, to contain conflicts and end them. The range of issues that are embraced by the SADC’s interpretation of security has liberated the concept from its pre-occupation with state-centred perspectives that focus almost entirely on threats to the regime and its interests, namely regime security, to one that is more inclusive which contains political, developmental and economic threats to society. These determinants are inter-linked and it is now widely recognised that emphasising one above the others can have detrimental effects on national security. The formalisation of SADC’s security aspirations took place in January 1996, when SADC Ministers for Defence and Foreign Affairs met in Gaborone, Botswana, to agree the terms of reference for the setting up of a SADC Organ on Politics, Defence and Security.

5. Donors could play an important role in supporting capacity building within the SADC, to strengthen its institutions and provide training and support for its mediation role. But perhaps more importantly donors should target development programmes which will help to enhance the moves towards regional economic co-operation, as economic insecurity is the single largest threat to the region’s long term stability. Donor support to enhance sustainable development and strengthen civil society is thus vital to the durability of peace and democracy within the region. The desirability of such goals meet with universal acceptance, yet their attainment, challenging at the best of times, is compounded by the economic dislocation and destruction of war and by the legacies of protracted militarism and political repression. Countering these negative legacies, the progress towards demilitarisation and democracy within the region gives some cause for optimism, particularly given the possibility of stimulating development by using real defence savings to stimulate socio-economic gains.

6. Realising the economic benefits of a ‘peace dividend’ is by no means an automatic process, it requires careful management to optimise the long-term economic potential. In the short-term there are many adjustment problems associated with military expenditure cuts. Disarmament and demobilisation, for instance, if not handled effectively, can produce destabilising effects, such as small arms proliferation, banditry and violent crime. Moreover, the peace dividend often disappears into deficit funding, for war-torn economies are invariably debt-torn economies. This situation raises difficult and sometimes painful choices for the governments and societies concerned and also for multilateral and bilateral donors in

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7 SADC statement The SADC Organ on Politics, Defence and Security issued by the Meeting of SADC Ministers Responsible for Foreign Affairs, Defence and SADC Affairs, Gaborone, Botswana, 18 January 1996.
balancing the imperatives of macro-economic stabilisation and the pressing need for post-war economic reconstruction. Both are pre-conditions for the long term viability of peace and sustainable development, and the margins of choice and manoeuvre are often very narrow indeed.

7. With these concerns in mind this study analyses the relationship between military spending and development trends within a selected group of Southern African countries, comprising South Africa, Angola, Zimbabwe and Mozambique. These countries have been chosen because as developing societies in various stages of post-conflict resolution, they provide valuable insights into the complex interactions between military expenditure peace, stability and development in the region. In appraising the recent experience of these countries consideration is given to a broad range of issues which influence the dynamics of peace and sustainable development. The paper provides an evaluation of military expenditure trends in each country, a broad assessment of the external and internal security situation, and appraisals of standards of governance with respect to security issues, in terms of the degree of transparency and accountability in political and military affairs, the state of civil/military relations, and the durability of the democratic process. Finally, the study examines options for how international donors can enhance the process of demilitarisation, peace and democracy building in Southern Africa through targeted development co-operation.
Chapter 2: Republic of South Africa

Background

8. South Africa’s first all-inclusive democratic election, held on 27 April 1994, marked a defining moment in the country’s turbulent history. The forty-six year old system of apartheid was consigned to the annals of history. “Militarization”, a central feature of the apartheid system, was reflected in relatively high levels of military expenditure, the central role of senior military personnel in executive decision-making, the excessive use of police and military force against civil society and a massive lack of accountability and transparency in civil and military affairs. In 1994, the newly elected Government of National Unity brought with it a strong commitment to transparency, accountability, the rule of law, the empowerment of civil society, freedom of speech and civil control of the military. It has also laid emphasis on the socio-economic upliftment of the black majority in order to redress the economic legacies of apartheid. An emphasis on demilitarisation and the assertion of civil authority has been reflected in the reallocation of government expenditures to meet the goals of the Reconstruction and Development Programme, the restructuring of the South African security forces and a downsizing of the defence industrial base.

Military Expenditure Data

9. Military expenditure has declined substantially since 1989. In real terms the budget has decreased by 50%, from a high of 4% of GDP in 1989 to just under 2% in 1996. As a percentage of government expenditure it declined from 19.6% in 1989 to just over 10% in 1995. See Table 2.1. The bulk of defence cuts have been achieved by disbanding and scaling down various units of the defence force, closing military bases, ending conscription, cutting back on manpower in the procurement agency (ARMSCOR), selling off obsolete equipment and cancelling certain equipment projects.

Table 2.1: Defence Budget Trends 1989-95
Figures are in Rand (billion) constant 1995 prices.

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Defence Budget</td>
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<td>17.3</td>
<td>13.7</td>
<td>12.7</td>
<td>11.1</td>
<td>12.3</td>
<td>10.5</td>
</tr>
<tr>
<td>% Change</td>
<td>5.7</td>
<td>11.4</td>
<td>-20.8</td>
<td>-7.3</td>
<td>-12.3</td>
<td>10.2</td>
<td>-14.6</td>
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<tr>
<td>Defence/GDP</td>
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<td>2.7</td>
<td>2.6</td>
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<tr>
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<td>13.6</td>
<td>10.7</td>
<td>9.3</td>
<td>8.1</td>
<td>7.1</td>
<td>7.1</td>
</tr>
</tbody>
</table>


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8 For an account of the militarisation of South African society in the 1980s see Cock J. and Nathan L., War and Society: The Militarisation of South Africa (David Philip, Cape Town, 1989).

9 It is worth noting that despite the fact that South Africa’s military expenditure has now stabilized around what has been perceived as a rough IMF and World Bank benchmark of 2% of GDP, it remains of course by far the single largest military spender in sub-Saharan Africa in absolute terms. The size of its budget guarantees an overwhelming superiority of military power in the region. As the legacy of South Africa’s destabilization programme is still fresh in the region’s mind, this contributes to a continuing sense of unease amongst its neighbours. Outside actors concerned to enhance regional security cooperation need to be sensitive to the need to avoid over-emphasizing South Africa’s military role in its “near abroad”.

7
10. The largest savings from the defence budget have been made from the capital expenditure budget, otherwise known as the Special Defence Account (SDA), which has fallen from 58.5% of total military expenditure in 1989 to around 33.4% in 1995. See Table 2.2. It is expected that the squeeze on capital expenditure will prevail at least until 1999, as a result of upward pressures on the manpower budget. Manpower costs have increased as a result of the integration of the statutory and non-statutory forces. The total cost of integration has been estimated at R2.2 billion in 1995 prices. From 1997-1999 the planned demobilisation programme for 30,000 troops, at an estimated cost of R2 billion, will keep manpower expenses high until the turn of the century.

Table 2.2: Structure of the Defence Budget 1989-95

<table>
<thead>
<tr>
<th>Year</th>
<th>Personnel</th>
<th>Operating</th>
<th>Procurement</th>
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<tr>
<td>1989</td>
<td>18.8</td>
<td>22.6</td>
<td>58.5</td>
</tr>
<tr>
<td>1990</td>
<td>21.2</td>
<td>21.7</td>
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<tr>
<td>1991</td>
<td>27.6</td>
<td>26.9</td>
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</tr>
<tr>
<td>1992</td>
<td>27.9</td>
<td>26.9</td>
<td>45.2</td>
</tr>
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<td>31.6</td>
<td>28.3</td>
<td>40.1</td>
</tr>
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<td>1994</td>
<td>38.6</td>
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<tr>
<td>1995</td>
<td>33.8</td>
<td>32.8</td>
<td>33.4</td>
</tr>
</tbody>
</table>


**Force levels, integration and demobilisation**

11. The basic structure of the South African National Defence Force (SANDF) differs little from its predecessor the South African Defence Force (SADF) in that it is composed of four services -- the army, navy, airforce and medical service -- and supporting staff departments. Conscription has, however, been ended and a greater emphasis is being placed on the development of professional and technologically advanced military forces. The new military doctrine emphasises the maintenance of a peacetime core fighting force of some 37,000 whose numbers can rapidly be built up to around 300,000 in times of tension, with the use of reserves from the Citizen Force.

12. Total personnel, including civilians, in the newly integrated forces has been put at 130,000, representing a 30% increase over pre-integration levels. Integration is expected to be completed by mid-1997 after which the demobilisation of around 30,000 soldiers will commence over a three year period. Some 3,700 ex-combatants from APLA and the MK have already been demobilised on a voluntary basis.

13. Demobilisation is to be phased over three years in order to provide training to the ex-combatants to enable them to acquire skills that are transferable to civilian life. The training is to take place in the newly formed Service Corps and will include six months of practical skills training in welding, mechanical and electrical engineering and construction. There is considerable concern about what will happen to the demobilised soldiers, particularly for the fate of black soldiers, as job opportunities for the black community already lag so far behind demand.

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10 The integrated forces consist of the former South African Defence Force (SADF), together with the defence forces of the homelands, Transkei, Bophuthatswana, Venda and Ciskei (TBVC) and the opposition forces of the ANC, namely Umkonto we Sizwe (MK) and the Azanian Peoples Liberation Army (APLA) of the Pan African Congress.

11 Briefing on the Defence Budget to Portfolio Committee on Defence, Cape Town, 4 April 1995.

12 This is an official figure, but in reality personnel numbers are thought to be lower as a result of desertions and failures of non-statutory forces to register at assembly points.

13 Interview with Tsepe Mutumbi, Director Human Resources Policy, Defence Secretariat, 12 November 1996.
14. In addition to demobilisation it is expected that there will be a significant number of retrenchments as long-serving military personnel take advantage of the voluntary severance packages being offered to all public sector workers in the government’s attempt to reduce the number of public sector employees. Total force levels are expected to stabilise around 75,000 once demobilisation has been completed by the end of the century.

**Procurement**

15. In the medium term, peak spending on a number of procurement programmes will occur simultaneously, placing upward pressures on the procurement budget, and forcing some difficult choices for the government, if defence budgetary constraints persist. The majority of the SANDF’s current procurement projects are designed to maintain and upgrade the defence force’s existing equipment, filling equipment gaps and maintaining the SANDF’s largely offensive capabilities. However, certain SANDF acquisitions, such as the SAAF purchase of the Rooivalk helicopter, are clearly being used to ensure the survival of domestic defence production capabilities and to underwrite the industry’s export drive.\(^{14}\)

**Security sector reforms**

16. The present government has introduced a number of institutional and procedural reforms into the security sector in order to improve transparency and accountability. The most significant of these have been the restructuring of the Department of Defence, the establishment of a civilian Defence Secretariat, and the mandating of a parliamentary committee on defence with constitutionally defined powers and functions. Such reforms represent a conscious attempt by the new government to “demilitarise” the national security function. The most significant indication of a profound shift in South Africa’s defence and security posture is to be found in the 1996 Defence White Paper and the Defence Review Process. Both the White Paper and the Defence Review have involved a high degree of transparency, with the significant participation of organisations and individuals from civil society.

17. The Defence White Paper is notable in that it marks a conceptual break with past security doctrine, by replacing the highly offensive and militaristic posture of the SADF with a new ‘defensive doctrine’ appropriate to the more benign security environment. This move has future implications for the SANDF’s force posture, structures and equipment holdings. However, the nuts and bolts of this doctrinal shift were being negotiated through the Defence Review Process, at the time of writing. Therefore it is too early to assess its specific implications for the defence forces. Nevertheless, the Defence Review Process indicates the desire of the government to embrace a greater degree of transparency and accountability in security matters. The process has been based on an open and consultative proceedings which have actively engaged the participation of civil society. However, this promising trend is circumscribed by the lack of capacity within civil society to take on the military on complex aspects of defence and security policies. In consequence, security forces who maintain an overwhelming edge of knowledge on strategic and operational issues have been able to control the Review Process agenda, which may limit the interpretation of “new thinking” on security embodied within the Defence White Paper. On this basis, a greater degree of continuity with previous doctrine and posture is likely to prevail than might have been supposed from statements in the Defence White Paper. It is too early to ascertain whether the review process will have implications for defence expenditure, but the levelling off in the reduction of military expenditure in the last two years suggests a bottoming out of the downturn that has been experienced since 1989.

**Defence industry**

18. During the apartheid era, South Africa built up one of the largest defence industries in the developing world. It now possesses across-the-board capabilities in defence engineering sectors, achieving world class capability in areas such as land systems and missile systems. Under pressure to achieve larger economies of scale to offset the costs of domestic procurement South Africa became a ‘third tier’ exporter of weapon systems, mainly supplying pariah states of the period such as Taiwan, China, Chile, Iran and Iraq. Since the end of apartheid, however, the defence industry has tried to improve its image, by claiming that it now only trades in legitimate markets. Not without reason, many observers remain sceptical about this claim.\(^{15}\)

19. Roughly half the country’s defence industrial capabilities are state owned. In 1992 the state’s defence production facilities were hived off from ARMSCOR, now the state procurement agency, to form the company DENEL. There is speculation that this move constitutes a first step towards privatisation. However, the new government appears divided on this issue, with advocates of state control arguing that the defence sector is too important a national strategic asset to be sold off to the private sector. In the meantime, the South African defence industry, with the tacit support of the government, has been attempting to maintain capacity by expanding foreign sales, with some considerable success.

20. Since South Africa is still very much an outsider to the export-control and non-proliferation networks on conventional weapons established by major Western suppliers, it is less constrained in its exploitation of arms markets. Syria and China, for instance, have been target markets for South African arms suppliers, as is Indonesia.\(^{16}\) Outside of these somewhat controversial markets the prospects for South Africa’s further penetration of lucrative arms markets is likely to be constrained by the intense competition among established suppliers for global market shares.

**Transparency and accountability**

21. During the apartheid era the defence budgetary process was extremely secretive, protected in law by the Special Defence Act of 1974 (as amended). Since 1994 a number of institutional and procedural changes within the defence establishment and political system have helped open up the budgetary process to a greater degree of parliamentary scrutiny, making South Africa’s system one of the most transparent on the African continent. The new culture of transparency and accountability has not extended to all spheres of military affairs, however. Decision-making on arms trade issues remains controversial and non-transparent, despite attempts to reform the process. ARMSCOR’s involvement in illicit arms transfers to Yemen, during a UN arms embargo in 1994, precipitated an inquiry into South Africa’s arms transfer policies, via the Cameron Commission. The latter’s recommendations led to a number of reforms in the arms-trade decision-making process to bring South’s Africa’s policies in line with acceptable international practice. Responsibility for arms export control was removed from ARMSCOR and relocated to the Department of Foreign Affairs (DFA). In addition a cabinet committee was set up with the express responsibility for making decisions concerning arms transfers.

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\(^{16}\) Many EU countries have imposed restrictions on arms exports to Indonesia, because of the role of the military in human rights violations, particularly in East Timor. The US withdrew its offer of F-16 aircraft following the heavy military crackdown during the July 1996 riots in Jakarta. The UK and France on the other-hand continue to supply arms to Indonesia.
22. Despite these reforms and adherence to multilateral control regimes such as the Missile Technology Control Regime and the Non-Nuclear Proliferation Treaty, South Africa’s conventional arms export policies again became the centre of media attention in November 1996, with press revelations about the government’s decision to transfer small arms and ammunition to the Rwandan government, and in January 1997 with the cabinet proposal to sell arms to Syria. These decisions contravened the government’s new guidelines about conventional weapons sales, particularly into zones of conflict. Public outrage was further fueled in November 1996 when a leaked UN report revealed that a former SADF officer who had been a private secretary in President F.W. De Klerk’s office had been supplying arms to the Hutu rebels. Such reports continue to spawn suspicions about South Africa’s engagement in unethical arms sales. Certain donors have expressed disquiet about the confusion which prevails in South Africa’s conventional arms trade policy. Disarray is most apparent in the role of the Department of Foreign Affairs (DFA), which failed to submit details of South Africa’s arms transfers to the UN Conventional Arms Trade Register for the years 1994 and 1995.

23. Certain observers from civil society are also concerned about the lack of transparency about the SANDF’s security operations. Lack of transparency partly persists because with rare exceptions - a handful of informed academics - there are very few people in civil society that can ask the right questions about security issues. A similar problem exists within the Defence Secretariat, which was created with the goal of reasserting civil authority over the military. Within the Secretariat, however, there are only a handful of people who are able to probe the complexities of strategic doctrine, civil-military relations and defence budgetary processes. The chronic lack of civilian expertise means that most strategic functions within the Defence Secretariat are run by military personnel seconded from the SANDF.

17 “SA urged to halt sale of weapons”, The Saturday Star, 9 November 1996.
19 The United States for instance has threatened to withdraw aid if South Africa sells arms to Syria, see Oxford Analytic op. cit. In an interview, a representative of another major donor in Pretoria also expressed concerns about SA’s conventional arms transfer policies, (12 November 1996).
20 Interview with Dr Philip Frankel, Witswatersrand University, Johannesburg, 13 November 1996.
Governance and the Security Sector

Macro-economic and development framework

24. The 1996 Defence White Paper argues that one of South Africa’s greatest security challenges lies in its development crisis. Abject poverty affects the lives of millions of South Africans. It has been estimated that 17 million people live below the Minimum Living Level. Income distribution remains one of the most unequal in the world and unemployment remains high, particularly, amongst the black community which experiences an estimated 50% unemployment rate. It is forecast that, at current rates of job creation and population growth (the population is anticipated to rise to 58 million in 2010 and 73 million in 2025) jobs will be found for only 7% of newcomers into the labour market, compared to an absorption rate of 80-85% between 1965-70. Approximately half the unemployed are under the age of 30, and almost 90% lack skills or training for any type of job. Some 12.5 million or 30% of the population are believed to be illiterate. The extreme inequalities of wealth are reflected in the fact that the per capita incomes of whites are around 12 times that of blacks, with the income of the richest [percentage?] households some 45 times that of the poorest (which represent some 20 percent). These conditions provide fertile ground for continuing social unrest, volatile ethnic tensions and high rates of violent crime, which has become a major security concern. Set against this background the government has identified macro-economic stability and sustainable economic development as major economic and security goals.

25. The new South African government defined the country’s development framework within the context of the ANC’s Reconstruction and Development Programme (RDP). The RDP maintained that economic growth and development are complementary processes. In the first two years of the Government of National Unity’s tenure the RDP dominated all aspects of national policy, even those of the SANDF and ARMSCOR, who were quick to dedicate certain of their institutional and organisational capabilities -- for instance medical and reconstruction assistance -- in support of the goals of the RDP. Despite its emphasis on growth and development the RDP was not a national economic strategy. On the contrary it represented the government’s commitment to the redistribution of wealth in order to remove the structural legacies of apartheid, most notably the racially-based socio-economic inequalities. Its key objectives were to meet the basic needs of the majority of the population through land reform, housing provision, the supply of water, sanitation and electricity to homes, investment in public transport and infrastructure and developing human resources by improving the black education system. Identifying the resources required for the RDP involved a substantial shift of budgetary allocations from the military expenditure to other forms of public expenditure such as housing, healthcare and education. In 1994 the ANC defence budget team was instructed to reduce defence expenditure by Rand 1.2bn between 1994-95 in order to release funds for the RDP.

23 In South Africa the official unemployment figure is 32.6%, but unemployment within the black communities is thought to be as high as 45-50%. Figures are taken from Handley A. and Mills G. (eds). From Isolation to Integration: The South African Economy in the 1990s, (South African Institute of International Affairs, Johannesburg, 1996) p. 2.
24 Handley and Mills ibid, p. 2.
The Regional and Internal Security Context

Internal security

26. The demise of the apartheid system has removed the major source of internal instability. For some time after the elections internal political violence persisted, particularly in Kwa-Zulu Natal, where the conflict has been described as a localised civil war, between Inkatha and the ANC. The SANDF has a significant involvement in this crisis, despite the fact that internal security operations are very unpopular with the armed forces. The role of the SANDF in internal security remains controversial, but likely to endure while public confidence in the South African Police (SAP) remains low. The continuing perception that the SAP suffers from poor training, low morale, corruption and political bias, has meant that the SANDF is increasingly deployed in traditional policing roles in order to fight the endemic violent crime that plagues the country to the point that it is a serious problem for development and internal stability. Reforming and restructuring the SAP has become a national priority, not least because of its previous paramilitary role, but also because of the burgeoning rate of violent crime. Donors have provided advisers and retraining support to the SAP, but much more could be done in this respect.

Regional security

27. With the demise of apartheid and the end of the Cold War the Southern African security environment has become more benign. The considerable progress that has been made towards the resolution of conflicts, the establishment of democratic systems and demilitarisation and disarmament mean that the prospects for regional peace and stability are greater today than at any time in the last few decades. Nevertheless, the region suffers from chronic underdevelopment with its attendant problems of poverty, illiteracy, unemployment, malnutrition and large-scale migration. Together with violent crimes, these factors represent more immediate and substantive threats to the security of South African citizens than any traditional military threat. The South African government recognises that these problems are not confined by national borders and require solutions at a regional level. The 1996 Defence White paper lays strong emphasis on regional security co-operation to find solutions to these non-military threats, arguing that; “regional instability and underdevelopment can only be addressed meaningfully through political reform, socio-economic development and inter-state co-operation in these spheres.”\(^{25}\) The Defence White Paper goes on to argue:

Common security arrangements would have many advantages in this context. They could facilitate the sharing of information, intelligence and resources, the early warning of potential crises: joint problem solving: implementing confidence and security building measures (CSBMs): negotiating security agreements and treaties: resolving inter-state conflict through peaceful means.\(^{26}\)

28. In the context of regional security co-operation South Africa’s defence forces have focused on forms of military co-operation, such as the enhancement of the capabilities of neighbouring states through military assistance and training, logistical support, disaster relief, improving the SANDF’s capacity to conduct combined operations in the region and by offering the experience of ARMSCOR as a regional arms procurement agency. Exchanges of personnel, combined exercises, exchanges of observers and the opening up of SANDF training establishments are some of the practical measures which have been inaugurated to improve regional confidence and security via the Southern African Development Community (SADC). In keeping with the shift to broader security concerns greater emphasis is being placed on conflict prevention and mediation. At the diplomatic level of conflict prevention and arbitration South Africa has experienced mixed success.


During 1994, co-operative diplomacy with Botswana and Zimbabwe helped to overcome a government crisis in Lesotho, albeit with an aggressive show of force from the SANDF. Two months later co-operative diplomacy prevented the failure of the UN supervised elections in Mozambique. More significantly, South Africa provided a solution to the impasse in the talks on the extension of the Nuclear Non-Proliferation Treaty (NPT) held in New York from April-May 1995. Her proposal for compromise helped to achieve consensus between the nuclear powers and the rest, proving that SA was able to make a valuable contribution to international relations. Less successful was President Mandela’s behind the scenes diplomacy with the Nigerian government, which failed to prevent the execution of Ken Sara Wiwa and his eight colleagues. South Africa’s unilateral policy towards Nigeria generated much criticism from other Southern African states. The very recent emergence of a new South Africa into agreed international relationships, combined with the residual suspicions of South Africa’s regional neighbours about the country’s hegemonic aspirations, suggests that South Africa has much to do in honing its diplomacy, before it will be able to assert itself as an effective continental or even regional power.

**Peacekeeping**

Immense international pressure has been placed on South Africa to take on regional and continental peacekeeping roles, particularly since the escalation of the conflict in the Great Lakes region. The Defence White Paper recognises that as a fully fledged member of the international community, South Africa has an obligation to participate in international peace support operations. Nevertheless, it has been made clear that participation would only be considered under certain strict conditions:

- There should be parliamentary approval and public support for such involvement. This will require an appreciation of the associated costs and risks, including financial costs and risks to the lives of military personnel.
- The operation should have a clear mandate, mission and objectives.
- There should be realistic criteria for terminating the operation.
- The operation should be authorised by the United Nations Security Council.
- Operations in Southern Africa should be sanctioned by SADC and should be undertaken with other SADC states rather than conducted on a unilateral basis.
- Similarly operations in Africa should be sanctioned by the Organisation of African Unity.

South African analysts are clearly participants in the wider international debates about the potentials, and limits, of different types of peacekeeping operations. They are also acutely aware of both some of the special needs -- and special sensitivities -- for African operations.

After initial enthusiasm for peacekeeping the SANDF and the government have become more circumspect about South Africa’s participation in peace support operations, particularly while the SANDF is undergoing the sensitive political process of military integration. Overall, it appears likely that South Africa will accept responsibilities in these fields, commensurate with its resources and interests, and will develop and maintain the necessary capabilities. But peacekeeping roles are unlikely to take on such a major scale as to require major increases in military spending. The expectation that South Africa will

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take on active peacekeeping roles is reflected in the programmes of donors such as the UK, which has been providing peacekeeping training through schemes such as the British Military Assistance Training team (BMATT), to help build up South Africa’s competence in this area.
Chapter 3: Angola

Background

33. Angola is potentially one of Africa’s richest countries but the devastation caused by twenty years of war has brought the economy to a virtual state of collapse. Since independence from the Portuguese in November 1975, the main adversaries in this ruinous conflict have been the Movimento Popular de Libertacao de Angola (MPLA), which took power at independence and has dominated the government ever since, and the Uniao Nacional para a Independencia Total de Angola (UNITA). The rivalry between these two movements was intensified by superpower intervention during the Cold War and by the destabilisation programme of apartheid South Africa. The end of bi-polar confrontation and the demise of apartheid since 1989 have created a climate more conducive to the settlement of conflict, though the deep mistrust between the MPLA and UNITA have frequently undermined efforts by the United Nations to broker peace. A peace agreement, the ‘Bicesse Accords’ which was signed in May 1991 broke down after the MPLA won the country’s first ever multiparty elections in September 1992. The subsequent return to war witnessed the most destructive phase of violence, with over 300,000 people killed in two years. At the height of the killings an average of 1,000 people a day were losing their lives. Fully one third of the population was displaced, most of them to cities and to Luanda in particular. In the event, neither side was able to secure a decisive military advantage and a new peace agreement, the Lusaka Protocol, was signed in Zaire on November 20 1994.

34. Despite the Lusaka Protocol and the presence of a sizable United Nations peacekeeping force, at this writing Angola remains divided. The MPLA controls most cities as well as the coastal region, which includes all oil-producing areas, while UNITA dominates much of the interior, including the diamond producing regions of the north-east. Each side accuses the other of hoarding arms. The millions of mines that have been laid have turned traditional agricultural areas into killing fields. Road blocks mounted by both government troops and UNITA forces impede movement and normal economic activity. The lack of freedom of movement, economic mismanagement, corruption, high unemployment and inflation, all contribute to a serious economic and humanitarian crisis. At the time of writing the prospects for sustainable peace and stability in this war-torn country remain discouraging.

Military Expenditure Data

35. Assessing military expenditure in Angola is nearly impossible because of the lack of transparency and accountability in military expenditure data. Without reliable government figures we are forced to rely on the estimates of international data gatherers such as the Stockholm International Peace Research Institute (SIPRI). See Table 3.1. The table reveals extreme fluctuations in military expenditure, particularly as a percentage of GDP. This is partly accounted for by the rapid rise in military expenditure between the later part of 1992 into 1993 due to the outbreak of hostilities following the breakdown of the peace accord. However, the absence of reliable data on inflation, exchange rates and other such information for the period in question demands caution when assessing military spending data for Angola.
Table 3.1: Angola Military Expenditure (m/b kwanzas)

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<tr>
<td>Current</td>
<td>58,267</td>
<td>52,391</td>
<td>147,675</td>
<td>484,110</td>
<td>9,707,190</td>
<td>43,521bn</td>
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<tr>
<td>GDP%</td>
<td>22.2</td>
<td>19.4</td>
<td>10.1</td>
<td>12.2</td>
<td>32.8</td>
<td>6.4</td>
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Source: SIPRI Yearbook 1996.
NB. Current figures for 1989-1993 are in million kwanzas and for 1994 are in billions of kwanzas.

Given the recent purchases of defence equipment that have been reported by various sources, it seems unlikely that defence expenditure has in fact been declining so rapidly, unless of course, these purchases are not reflected in the official data, which is quite possible.30 The Angolan government has placed orders for Russian small arms, fighter aircraft, attack helicopters and APCs, French helicopters, air-to-ground missiles, munitions, Brazilian aircraft, vehicles and artillery, Swiss Pilatus PC-7 trainer planes, Polish armoured infantry fighting vehicles and Spanish maritime patrol craft. In addition, it is important to note that even if military expenditure estimates were to be accurate, they provide only a partial picture of Angola’s overall military burden, as UNITA’s spending on its sizable military forces is substantial, but there are no available figures for these military allocations. Suffice it to say that without a greater degree of transparency it is impossible to ascertain the true picture of military spending in Angola. It is safe to assume, however, that military expenditure imposes a considerable burden on Angola’s economic performance, even without taking into account the destruction caused by the war.

Force levels

Estimates on the size of existing armies in Angola vary widely. In March 1995, General de Matos, the chief-of-staff claimed that the government had 140,000 troops and UNITA 60,000.31 The government figures probably include paramilitary police units. In addition, a large number of civilians are armed through the government’s community level People’s Defence Organisation.

Demobilisation and reintegration

The Lusaka Protocol required that government troops be disengaged and over 62,000 UNITA troops be confined to assembly areas and disarmed. UNITA’s weapons and those in civilian hands were to be collected and stored. Twenty-six thousand UNITA soldiers were planned to be incorporated into the newly created national army which is to finally number 90,000 strong. Under the terms of the Lusaka Protocol the 40,000 remaining UNITA troops are to be deployed in the unarmed ‘fourth arm’ of the FAA, which is designed to utilise demobilised soldiers to carry out rebuilding and reconstruction work. Some 100,000 combatants, not incorporated into the new national army, are to be demobilised.

It is planned that 5,000 UNITA members will be incorporated into the national police force and the Policia de Intervencao Rapida (PIR), or Rapid Intervention Police. The police are to receive professional training and are required to learn about the principles of protecting human rights. All these procedures have been seriously delayed by disputes and mistrust between the MPLA and UNITA. The newly created national army, which remains dominated by MPLA forces, has been accused of violating the cease-fire. At the same time, UNITA consistently slowed down the confinement of its combatants. Under threat of sanctions by the UN, however, UNITA completed the quartering of 63,000 troops by the

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30 The Angola Peace Monitor has carried regular reports about arms purchase by both the government and UNITA in the closing months of 1996.
20th November 1996. About 7,000 of those registered were found to be under the age of 18. The Angolan Peace Monitor reports that over 70% of those quartered were not combat troops.\(^{32}\) At this writing, many observers believe that Jonas Savimbi is retaining his best troops in the strategically vital regions of the Luanda provinces and Cabinda. Meanwhile soldiers in the cantonment camps are getting restless and desertions have become commonplace. By November 1996 some 12,543 UNITA troops had deserted, leaving 55,013 in the camps.\(^{33}\) The general state of economic collapse has now become a direct threat to the continuing success of the demobilisation and integration programme as the economy is unable to absorb the demobilised soldiers.

**Regional and Internal Security Context**

*Peacebuilding mechanisms: potential and constraints*

40. Two years after both sides signed the Lusaka Protocol, the peace process continues to be dogged by setbacks to the demobilisation and disarmament process. The UN has been trying to mediate via a sequence of short, repeatedly renewed mandates for its third Verification Mission (UNAVEM III). Jonas Savimbi, the leader of UNITA is key to realising a permanent peace in Angola. The government’s strategy of simultaneously integrating and neutralising Savimbi, by proffering one of two vice-presidencies to him, appears to have failed. The vice-presidency issue conceals the real obstacle to the formation of a government of national unity, namely the control of resources.\(^{34}\)

41. In resource-rich Angola, UNITA has been able to sustain its war effort long after its foreign creators and backers withdrew, because it controls diamond rich provinces in the north of the country, specifically the Cuango valley which produces some 80% of Angola’s total diamond output. It is widely believed that Savimbi is unlikely to relinquish control over this lucrative resource, which is one of the reasons for slow implementation of the disarmament and demobilisation processes. Savimbi is clearly determined to retain some sort of military capacity throughout and beyond the Lusaka process in order to resist any attempts by the government to assert control over the diamond mines.

**Regional security**

42. The collapse of the Soviet Union finally ended the strategic alliance which had underpinned Angola’s security structures since independence. Russia, however, remains an important ally of the Angolan government. In the more benign environment of the post Cold War era, Angola’s relations with Western powers have improved. Moreover, with the demise of apartheid, the regional security environment has shifted from one based on destabilisation and war to one based on a new spirit of cooperation, through the auspices of the SADC.

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\(^{32}\) Angola Peace Monitor No 3 Vol. III.

\(^{33}\) UNITA has blamed the desertions on poor living conditions and bad food in the camps. See EIU Report Angola: 3rd quarter 1996, The Economist Intelligence Unit Ltd. 1996, p. 10.

Governance and the Security Sector

Macro-economic and development framework

43. Angola’s development potential is enormous, given its generous endowments of mineral and energy resources, rich agricultural land, abundance of rain and favourable growing climate. Even before recent oil discoveries, Angola ranked among the largest oil producers in Africa, with crude oil output at over 700 million barrels per day at end year 1996. Output grew steadily throughout the war, and most projections show an acceleration of growth in the next few years. The combination of oil and diamond output has been one of the factors which enabled the civil war to continue long after foreign backers withdrew at the end of the Cold War. Thus these enviable economic resources which hold the potential for Angola’s development have also contributed to its destruction.

44. The combination of overall economic mismanagement, and the destruction caused by the war, has left the Angolan economy in a state of collapse. All sectors of the economy, with the exclusion of the offshore oil industry and to a limited extent coastal fisheries have contracted dramatically in the past two decades. As rural populations have been uprooted by the war, and landmines have limited the areas which can be farmed, agricultural output has plummeted, leaving Angola heavily dependent on international aid. Most of what Angola now consumes has to be imported. With a mounting debt burden the country runs a chronic balance of payments deficit, despite its large oil exports. The possibility that the non-oil economy may resume growth is constrained by the destruction of most basic infrastructure, barriers to circulation, widespread dislocation of the population, and capital scarcity, with donors and investors reluctant to commit funds in a climate of economic mismanagement and uncertainty about the sustainability of the peace process.

45. Much of the country’s infrastructure has been destroyed or severely damaged. Roads are impassable in many parts of the country because of landmines, banditry, the destruction of bridges and the deterioration of road surfaces. The country’s railway systems which linked the interior to coastal ports are either inoperative or run only very limited services. As a result of the collapse of the transport system Angola no longer has a unified national market. Other basic infrastructure, such as water and electricity supplies are also destroyed, with the result that many provincial towns and communities are without clean water and electric lights. Furthermore, educational and health establishments have been allowed to fall into disrepair or have been destroyed. The combination of lack of healthcare, poor nutrition and unsafe water has led to the spread of endemic diseases resulting in exceptionally high rates of infant mortality.

46. The ability of the government to improve the country’s economic infrastructure in the near to medium term will depend in part on its success in improving the management of oil revenues, but this will require a major transformation of present government practices. For most observers, the poor state of the economy is in large part attributable to gross mismanagement and inefficiency by the government.

47. The MPLA half-heartedly introduced economic reforms in 1987, aimed at freeing-up market forces and deregulating the economy. So far these reforms have failed, largely due to the government’s disinclination to offer sustained political support to any of the reform efforts that have been implemented in recent years. Moreover, they were undermined by the lack of skilled personnel, corruption, budget mismanagement and finally by the return to war in 1992. The subsequent increase in military expenditures placed additional strains on the budget while political, military and diplomatic imperatives took precedence over prudent economic management. By 1993 the government deficit accounted for 21% of GDP, financed largely by an accumulation of domestic and international payments arrears and by inflationary lending by the central bank.
48. Given the economic collapse, the majority of Angolans are living at the margins of survival. In 1994 the UN estimated that there were 1.25 million internally displaced persons in Angola. Many have fled to the cities, so that now half of the population live in urban areas, most in dreadful squatter camps. Over 2 million people (20% of the population) are dependent on humanitarian assistance.  

Demining

49. The problem of landmines is a major factor hindering the repatriation of displaced persons, the normalisation of community life and the ability to increase agricultural output. In addition it is a continued source of humanitarian tragedy. It is estimated that some 10 million landmines have been laid in Angola -- that is one mine for every man, woman and child. Many towns have been ringed with mines and most roads and bridges are mined, making travel extremely dangerous in many parts of the country. Landmines have exacted an appalling toll on the Angolan population, with an estimated 70,000 amputees. In early 1995 the government set up the National Mine Action Institute, which with the assistance of the UN and NGOs, has organised a landmine awareness programme, a nation-wide survey of mine location training programmes for demining teams and mine clearance operations. Demining is a high priority area for the rehabilitation of agriculture and the repatriation of refugees and should therefore be seen as a major arena for donor support. At present UCAH and UNAVEM III have insufficient resources for mine clearance activities.

Donors response

50. The deepening economic crisis and shared international concern among donor countries encouraged the government to reintroduce economic reforms in early 1994. A post-war rehabilitation programme was prepared by the Ministry of Planning, with technical assistance from the UNDP and presented to the international donors conference in Brussels on September 25th-26th 1995. (Donors pledged $993m, including $207 million for humanitarian assistance and $786m rehabilitation). The programme focuses on the revival of agriculture, artisanal fisheries and small urban economic activities along with the rehabilitation of roads and bridges, water and sanitation systems, primary healthcare and education. These were identified by the donors and government alike as essential for the normalisation of life at community level and thus for the consolidation of the peace process, the resettlement of refugees, the reintegration of demobilised soldiers and the phasing out of humanitarian assistance. However, the allocation of resources from donors remains conditional upon the government adopting improved economic management and a viable reform programme. So far the government has failed to comply with these basic prerequisites.

Government capacity and accountability

51. The political system, adopted after independence from Portuguese colonial rule in 1975, was based on the Soviet system with a strong authoritarian state and a command economy. The MPLA regarded itself as a vanguard party and its central role in Angola’s political system was enshrined in the 1975 constitution. All other parties were declared illegal. In the 1990s, the collapse of the Soviet Union, growing moves towards democracy on the African continent, and a need to improve relations with Western powers encouraged the MPLA to introduce political reforms. In May 1991 the constitution was revised with the introduction of Law 12/91 which defined Angola as “a democratic state based on the rule of law”. Simultaneously a multi-party system was introduced. In the new, liberalised climate, many small political parties began to emerge. These developments culminated in the elections of September 1992.

Notwithstanding these encouraging signs of political plurality, Angolan politics remain dominated by the struggle for power between the MPLA and UNITA. This intense political polarisation made it difficult for other political influences to make much impact on the September 1992 elections. The opposition parties apart from UNITA have limited resources and complain that they are denied a role in the peace process.

52. The constitutional reforms are widely judged to have failed to transform the present government’s authoritarian and corrupt practices. The general lack of government accountability and transparency not only encourages widespread corruption, but also undermines the establishment of democracy and abets the continuation of human rights violations. Amnesty International has recorded a number of serious human rights violations perpetrated by both the government forces and UNITA. In part, the problem of defending human rights in Angola stems from the poor level of development of civil institutions. The parliamentary human rights commission has initiated inquiries into the human rights violations of both government and UNITA forces, but without significant results.

53. A growing number of civil organisations i.e. non-government organisations, professional and community associations, trade unions and religious groups have been established, but fear prevents most of them from speaking out against continuing human rights violations. This is because of a general lack of freedom of speech. Most newspapers and radio stations are under government control. Journalists who criticise the government have received death threats, been demoted or have lost their jobs. The government even denied permission for the UN to set up a radio station. UNITA has its own media networks but its radio stations and its newspaper Terra Angola are totally partisan, offering no greater freedom of speech.

54. The recognition and upholding of civil rights in Angola is an essential pre-condition for democracy. It is only when the rights of all groups in society are respected and in particular their right to participate in the political process, that an Angolan government will be able to claim true legitimacy. Donor support for capacity building within Angola’s incipient civil society should therefore be a priority, complementing the general support for the UNAVEM III mission and its follow on programmes, such as the demobilisation and reintegration of ex-combatants into civil society.

Chapter 4: Zimbabwe

Background

55. Following a lengthy guerrilla war, Zimbabwe achieved independence in April 1980. In the ensuing ‘free and fair’ elections Robert Mugabe’s ZANU-PF party took power, having won 57 of the 80 black seats (most of the rest going to Joshua Nkomo’s party ZAPU). The subsequent intense and bitter rivalry between ZANU and ZAPU was finally resolved with the merger of the two parties in 1987 when Nkomo was offered the post of Prime Minister. ZANU-PF and its leader Mugabe have dominated Zimbabwean politics since. The Party’s ideology was originally based on Marxist-Leninism, but domestic economic problems have modified ZANU-PF’s ideology and policies. Since 1990 the Zimbabwean government has implemented a number of reforms aimed at liberalising the economy. This has involved some public expenditure cuts, including cuts in military expenditure. These have, however, been insufficient to reduce the fiscal deficit, a process that would lower interest rates, so fueling economic growth. With disappointing growth results, such public expenditure cuts have widened social discontent. However, such discontent has few organised outlets as there is no effective political opposition to ZANU-PF. Zimbabwe remains, de facto, a one-party state.

Military Expenditure Data

56. As part of wider reform plans in recent years, overall defence expenditure has been targeted for a 40% reduction, reportedly encouraged actively by the World Bank and the IMF. Nominal military expenditure declined from about 6.1% of GDP in 1990 to about 3.7% in 1994 but has subsequently increased again to about 5% of GDP in 1995/96. The reduction was largely due to the greater stability in the region, not least because of the diminished threat from its post-apartheid neighbour, South Africa, and the fact that Zimbabwean troops have been withdrawn from Mozambique as a result of the onset of peace and the political transition in that country. In the aftermath of the Mozambique Peace Accord and elections in October 1994, the costs associated with Zimbabwe’s operations in Mozambique have virtually disappeared, yet as a percentage of government expenditures future defence budget allocations seem likely to increase. There are two major reasons for this. Firstly, there are short-run costs associated with the further demobilisation of troops, and secondly, it would appear that President Mugabe, while agreeing to cut force levels, plans to re-equip and modernise the ZDF in line with the contemporary military trend for smaller, more professional and well equipped forces.

37 Zimbabwe deployed between 6,000 - 12,000 troops in Mozambique between 1985-1993. They were deployed to guard main trade routes against Renamo attacks, in particular, the Beira Corridor leading to the port at Beira, a lifeline for Zimbabwe’s exports. It has been estimated that Zimbabwe’s military operations in Mozambique absorbed some 70% of the defence budget during this period.
Table 4.1: Zimbabwe Military Expenditure Patterns 1991/96
(Z$ million current prices)\#  

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<tr>
<td>Milex</td>
<td>1 037</td>
<td>1 195</td>
<td>1 343</td>
<td>1 535</td>
<td>1 885</td>
<td>2 312</td>
<td>2 349*</td>
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<tr>
<td>% of Gov ex</td>
<td>15.0</td>
<td>13.4</td>
<td>12.5</td>
<td>12.7</td>
<td>14.3</td>
<td>13.2</td>
<td>11.4</td>
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<tr>
<td>% of GDP</td>
<td>6.0</td>
<td>3.8</td>
<td>5.0</td>
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Source: Economist Intelligence Unit, various years.

\# Figures rounded to nearest whole.

*Planned Budget

NB. Very rarely are planned expenditures adhered to. Also many indirect costs incurred by the Defence Forces (such as building maintenance) are quite significant but are not directly ascribed to the defence budget.

57. Many senior officers in the ZDF hope that savings from smaller and more streamlined forces will be used to modernise the military in order to enhance its combat capability and professional effectiveness. So far the modernisation programme has involved the purchase of new equipment such as the US$3.3 billion deal to procure 2,000 French made ACMAT armoured personnel carriers, as well as helicopters and light weapons. The French deal is the largest potential procurement programme that Zimbabwe has undertaken since independence in 1980 and has raised criticism from many quarters of Zimbabwean society. Press reports claim that the Ministry of Defence wants a further Z$2 billion to buy further equipment for modernisation. However re-equipment and modernisation are still an ambition rather than a reality. Within the last two years parliamentary back-benchers have become more vocal in their criticisms of the defence vote and aspirations towards major equipment purchases.

58. The Ministry of Defence has been attempting to reorganise the military to make efficiency savings. Military camps have been closed and a brigade has been disbanded. This reorganisation programme is running concurrently with the retrenchment exercise to reduce troop levels.

59. Official figures on the distribution of resources within the defence budget suggest that wages and salaries, at 70 per cent, account for a large proportion of the defence budget with the procurement, at 5 per cent, only a very small percentage of the total defence budget. In 1996 only Z$15m was officially allocated to the procurement budget. However, public reports concerning shady procurement deals suggest that very little of the procurement budget is in fact transparent.

Transparency and accountability

60. The limited transparency in the Zimbabwean defence budgetary process, is clearly a subject of contention at a time of public sector cuts. One or two politicians, particularly those on the Public Accounts Committee have begun to challenge the MoD’s lack of accountability in the procurement process, which has forced the Minister of Defence Moven Mahachi to promise greater efficiency in

38 ‘Defence Minister seeks $2bn for new equipment’ Herald, 14 September 1996.
39 ‘4 camps closed as army streamlines its resources’ Herald, 5 February 1996.
41 ‘Ministry of defence pledges to improve accountability’ Herald, 25 September 1996.
handling the finances and procurement of military equipment and assets. 42 This in itself is not a commitment to greater transparency, although the persistence of MPs in forcing a greater degree of accountability is indeed a healthy sign. At present decisions on defence allocations arise from negotiations between the Ministry of Defence and the Ministry of Finance, with pivotal inputs from the executive level.

61. The defence budget is only presented to parliament as part of the national budget. In theory parliament could challenge decisions on defence allocations, but as most observers agree, few within the existing parliamentary system have sufficient grasp of budgetary or military issues to pose a serious challenge. There is a parliamentary defence committee, but its powers and functions are limited, so far the most vociferous challenges about transparency in the defence budget have come from the Public Accounts Committee. 43 It may be, however, that in the future, budgetary transparency will improve with the recent formation of a civilian/military Ministry of Defence, established with the help of BMATT, which will be able to assert greater control over funds and the budgetary decision making process, and will hopefully be more open to parliamentary scrutiny and accountability. 44

National expenditure priorities

62. Military expenditure remains high on the scale of national spending priorities. In 1993/94 the MoD’s budget amounts to 12% of the government budget and represented the third highest allocation after the Health and Education budgets. The defence budget accounts for approximately 5% of GDP which raises national and international concerns in light of the government’s burgeoning budget deficit.

63. Press criticism of the defence budget sharpened following the World Bank’s World Development Report 1992, which disclosed that Zimbabwe had the third highest defence budget in Africa, after South Africa and Libya, accounting for 16.5 per cent of the budget in 1990. 45 The defence budget, although declining in real terms, is still regarded as unacceptably high by many Zimbabweans. 46 The argument is being raised that Zimbabwe should be cutting its military expenditure in line with the country’s wider economic reforms and development needs, and most importantly because the improved geo-strategic environment no longer justifies such high allocations to the military.

Force levels

64. Under considerable international and domestic pressure the government is officially reducing force numbers from 51,000 in 1992 to 40,000 by the end of the century. 47 The demobilisation of these troops is being phased over a period of time to prevent problems arising, (particularly criminality) within civilian society from the influx of large numbers of disbanded soldiers. The Ministry of Defence hopes

42 Recently there was an attempt by the committee to bring the Minister of Defence to account by issuing an indictment to force him to disclose details about the purchase of an early warning monitoring aircraft. The Minister managed to extract himself from the situation without revealing his secrets.
43 Interview, November 1996.
44 The role of BMATT in improving the ZDF’s commitment to transparency, accountability and an improvement in civil/military relations is very significant, and provides an interesting case study on the way in which donor nations can contribute to the process of demilitarisation, albeit not through the use of development funds.
that by reducing forces levels and reorganising the ZDF it will be better able to clothe, feed and equip its troops, who are, by all accounts, very poorly provided for.48

65. Military officers and senior defence officials interviewed in Zimbabwe expressed concern that the inadequacy of present levels of funding were undermining the professionalism of the Zimbabwean military forces. One defence analyst and former senior officer, has argued that the only way that Zimbabwe can maintain a professional and well equipped military force, within the context of the present budgetary constraints, is by cutting military personnel by about 20,000 to bring troop levels down to 25,000. It appears, however, that President Mugabe is keen to retain relatively high numbers in the military, partly because of the debt he owes to those who fought for independence, but also because of certain regional power aspirations, particularly through the role of peacekeeping which requires relatively high manpower levels. At the time of writing Zimbabwe had 1,000 soldiers deployed as peacekeepers in Angola.

66. Given the present level of funding, however, it is highly unlikely that the government can afford to maintain troop levels at 40,000. One senior military officer within the Ministry of Defence suggested that given resource constraints the ZDF’s manpower target is likely to be considerably lower than Mugabe’s target and closer to the deep cut recommendations, at 30,000.49 Even this manpower level will be hard to retain, particularly if military expenditure is forced down further. This suggest a more realistic figure of 20,000 to 15,000 by the turn of the century. This could be achieved by a combination of demobilisation, natural attrition and a freeze on recruitment.

67. Lack of basic resources has created low morale and discontent, particularly among the officer class, who pride themselves on having one of the most professional armed forces in Africa. Defence cuts, as well as creating operational difficulties, represent a marginalisation from power of a group in society who have traditionally enjoyed privileged access to national resources. These factors represent a dangerous combination, and it is not inconceivable that they could generate a serious backlash.50 In reality, however, one constraint on this danger is that there would be little public support for expanded political involvement by the military.

Demobilisation and integration

68. Zimbabwe has considerable experience at demobilisation. At the end of the liberation war there were roughly 130,000 combatants, 97,000 in the Rhodesian Security Forces, 20,000 ZANLA guerrillas and some 10-12,000 ZIPRA forces.51 Following the election in 1980, elements of the three factions that fought during the war were merged to form a new national army, the Zimbabwean Defence Force (ZDF) of some 51,000 strong. The presence of the neutral BMATT team, initially 58 strong and soon expanded to 150, has been identified as crucial to the success of Zimbabwe’s integration programme.52 Although demobilisation was generally thought to have been a success, it was not without its problems.53 Despite

48 Interviewees confirmed that funding for troops was barely adequate to clothe and feed soldiers let alone train them adequately.
49 Interview, November 1996.
50 Rumours of some sort of conspiracy in the defence forces to cause upheaval were reported in the press in November 1995. See for instance ‘No upheaval in the army’ Herald 3 November 1996.
52 Rupiyah M. op.cit. p. 63.
53 See Rupiyah ibid.
relatively generous demobilisation pay and retraining programmes, many demobilised soldiers ended up destitute.

69. Having learnt from past mistakes, the government is concerned to phase the present demobilisation over a longer period and ensure that soldiers are provided with adequate training and counselling, to ensure their full integration into civil society. It is generally agreed that demobilising large numbers too quickly would be disastrous, as few ex-combatants would be likely to find jobs at present given the high rates of unemployment. The MoD has estimated that the cost of demobilisation will be around Z$30 million. So far the European Union has offered to contribute Z$15m towards the demobilisation process.

**Defence industry**

70. What little defence industrial capacity that Zimbabwe has is embodied within the state owned company Zimbabwe Defence Industries (ZDI), which produces small arms, ammunition and explosives. In 1994 it was reported to have a turnover of Z$24 million and exported ammunition and explosives to at least six African countries.\(^{54}\) Recently it has been trying to commercialise its operations in response to the downturn in military expenditures. In 1993 it was privatised in line with the state’s privatisation programme. France and China are reported to have helped ZDI with the production of high explosives and small arms.\(^{55}\)

**Regional and Internal Security Environment**

**Internal security**

71. Ethnically-aligned conflict between the dominant Shona peoples and the Ndebele from Matabeleland that fueled the war between ZANU and ZAPU appears to have been resolved. In 1987 Nkomo was offered the post of prime minister by Mugabe and the two parties merged. Resentment towards rich whites, especially large land-holders, persists, but this is unlikely to be the focus of widespread violence. What, however, could fuel growing internal instability is the increasing economic insecurity of large sections of the population, who have borne the brunt of the cost of economic mismanagement. NGOs such as Oxfam have been highly vociferous about the deteriorating conditions of the poor. Donors can contribute importantly to internal security by direct and indirect efforts to help ensure that the most vulnerable in society do not suffer unduly.

**Regional security**

72. South Africa’s regional destabilisation programme was the main pre-occupation of Zimbabwe’s security community until the early 1990s. In this role, Zimbabwean troops often fought side by side with FRELIMO forces against the South African-backed RENAMO. All Zimbabwean troops were withdrawn from Mozambique following the signing of the Rome Peace Agreement in 1992 and relations with Mozambique have now normalised.

73. As the strongest member of the Front-line states, Zimbabwe was at the forefront of advocating international sanctions against the apartheid regime in South Africa. Efforts to reduce regional dependence became a pivotal part of Zimbabwe’s foreign policy, furthered through the Southern African


\(^{55}\) The Economist Intelligence Unit, *Zimbabwe 2nd quarter 1995*, The Economist Intelligence Unit Ltd. 1995.
Development Co-ordination Conference (SADCC) the predecessor to the Southern African Development Community (SADC). Relations with South Africa have improved substantially with the political transformation of South Africa, and there is no longer a perceived direct military threat from that source, although forms of rivalry for regional influence remain strong.

**Governance and Macro-economic Management**

**Macro-economic and development**

74. Zimbabwe has a relatively diversified economy, having a substantial manufacturing sector, prosperous commercial farming, varied mineral resources and a relatively well developed infrastructure. Despite these advantages the combination of poor economic management and growing corruption means that there has been little opportunity to realise Zimbabwe’s full development potential. During the 1980s ZANU-PF’s domestic economic policies were characterised by high state subsidies on essential foods and relatively high education, health and defence expenditures, resulting in a growing budget deficit. The budget deficit now accounts for almost 10% of GDP.

75. In the late 1980s the government reluctantly began discussions with the World Bank and IMF on stabilisation assistance. This culminated in the adoption of a five year economic structural adjustment programme. The programme is now in its sixth year of implementation and has become highly unpopular and the focus of much social and political discontent. Much of the blame, however, is judged to lie not with the programme itself but with the Zimbabwe government whose heavy borrowing on the domestic market has kept interest rates high and suppressed economic development at the grass roots level.

76. The cuts imposed upon the public sector have not been equally shared between government departments. The military who have retained a relatively large share of the government budget are the target of much criticism and certain commentators have argued that the budget deficit cannot be rectified without far more substantial defence cuts. The top political leadership, however, conscious of the discontent within the ZDF sees a need to keep the military on its side because it cannot totally rule out the danger of political intervention by the military.

77. Certain bilateral donors are becoming increasingly concerned about the sensitive interactions between the structural adjustment programme and social and political stability in Zimbabwe and appear to want to go further to moderate austerity than the multilateral agencies which define the parameters of structural adjustment. It should be noted that the Bretton Woods institutions themselves have responded to calls for caution about the programme’s destabilising effects, and have taken measures to monitor the situation by conducting socio-economic impact studies on the health and education of Zimbabwe’s poor. Nevertheless, little of substance is being done to ameliorate the deteriorating situation of Zimbabwe’s most vulnerable segments of society. Ironically, as unrest grows so the lobbying power of the military increases because of its growing importance in maintaining internal stability. For example, military paramedics have already been deployed to staff hospitals during a doctors’ and nurses’ strike in November 1996.

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56 Interview with a senior official, November 1996.
Political accountability

78. Since independence Zimbabwe has moved from a type of multi-party system to a *de facto* one-party state. The lack of opposition is partly explained by the merger of ZANU-PF in 1989, but also because the small parties lack the resources to sustain a viable opposition and have found it impossible to make an impact in the rural areas where ZANU-PF has a virtual monopoly of political support. This situation creates ripe conditions for abuse of power in the form of corruption which is clearly rife at all levels of the state from local to municipal to national government levels. The absence of an effective opposition also encourages lack of accountability and transparency, a factor which undoubtedly contributes to the paucity of public information concerning military affairs.

79. The weakness of civil society and most institutions, with the notable exception of the judicial system, means that there is little effective challenge to the abuse of power, although there is widespread public discontent and growing political apathy at all levels of Zimbabwean society. Donor support for strengthening civil institutions and the independent media in order to encourage debate, has a role in strengthening the underpinnings of democracy, encouraging political plurality and improving civil control over the military.

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57 The 1980 Lancaster House constitution provided for an independent judiciary, which has consistently defended its independence from political interference.
Chapter 5: Mozambique

Background

80. After sixteen years of civil war and strife Mozambique has finally embraced peace and democracy. With the support and guidance of the UN, Mozambique held its first free and fair democratic election in October 1994. The election brought together the country’s two major adversaries, the ruling Frente de Libertacao de Mocambique (FRELIMO) and the Resistencia Nacional Mocambicana (RENAMO), whose sixteen year war had led to the deaths of an estimated one million people, created four million refugees and 8,000 war-amputees, and destroyed much of the country’s economic and social infrastructure. Set against this background the election represented a new spirit of reconciliation and hope for Mozambique.

81. The present government, which took power in December 1994, is headed by the FRELIMO party, with RENAMO holding about 45% of the total seats of the Legislative Assembly. Since the election the government, backed by the international donor community, has launched a complex programme of reforms, aimed at establishing democratic institutions and market liberalisation. In addition, some 93,000 soldiers have been demobilised under the supervision of the UN. A new army has been formed, integrating the previously opposing troops of FRELIMO and RENAMO. The restoration of peace has allowed the resettlement of 3.2 million displaced persons and the return of over 1.7 million refugees from neighbouring countries. Repatriation was considered complete in July 1995. Despite these achievements there are few illusions within Mozambique that the country’s new-found democracy is anything other than fragile, or that democracy alone will guarantee future stability and sustainable development.

82. The combined legacy of its colonial history and a protracted civil war has left Mozambique one of the poorest countries in the world. Roughly one third of urban and two thirds of rural Mozambicans live in absolute poverty. The combination of war, declining terms of trade, drought and financial mismanagement by the government meant that by the early 1990s Mozambique had become almost entirely dependent on foreign assistance for survival. In 1995 donor assistance accounted for 50% of GDP and 70% of government expenditure. Since the election there has been a conscious attempt to coordinate donor actions through the Consultative Group and to assist the government in some promising efforts to improve its public administration capacities.

Military Expenditure Data

83. Mozambique’s national economic and social statistics are limited in scope and suspect in accuracy - a consequence of weak institutional capacity for data collection and statistical analysis. What official data does exist needs to be taken with a healthy dose of scepticism. The revision of Mozambique’s national accounts is a priority area being addressed by the government, with the assistance of the World Bank and other donors.

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84. Statistics on military expenditure are a particular problem, as the Mozambican government lacks a tradition of transparency and accountability in this sensitive area. International sources indicate that defence expenditure remained at a high level in the early 1990s. See Table below.

**Table 5.2: Military Expenditure Trends**

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**NB.** Military expenditure dropped significantly in 1995 following the completion of demobilisation.

85. Mozambique’s military expenditure is embodied within the national defence and security budget which includes spending on the police and intelligence service. Despite the cessation of hostilities in 1992, spending on demobilisation kept the defence and security budget high as a proportion of government expenditure until completion of demobilisation in 1995. In addition donors have applied considerable pressure on the government to reduce the country’s defence burden. Initially at least one major donor argued for a cut of some two-thirds, but following negotiations with the government an agreement was secured for a 30% reduction. Defence expenditure is now thought to account for 4% of GDP in 1995 [and 1996?] which is coming into line with the regional average of 3%-4% of GDP. 59

86. Although it was initially reluctant to impose cuts on military expenditure, the government now appears to accept the necessity of changing national priorities and reallocating resources to health and educational expenditures. A government document on the reform of government expenditures presented to the Consultative Group of donor countries stated that “the Government recognises that it cannot allocate a high percentage of its budget to military expenditures given the scarcity of budget revenues.”

87. Defence cuts, although desirable, are not without their problems. One issue repeatedly referred to by a number of observers in Mozambique was that the scale of the cuts have undermined the ability of the newly created FADM to transform itself into a professional army. With a limited budget the FADM is reportedly unable to conduct training, equip troops, maintain bases, purchase fuel and even clothe and feed soldiers. A basic military structure is in place, but what exists is not being maintained. The fact that the military maintained very large forces prior to demobilisation and should, therefore, have more to spend per soldier in the current situation assumes that soldiers were being paid during the civil war, which was rarely the case. They survived through plunder, organised banditry and the support of peasants. The

59 Interview, Maputo, November 1996.

60 Improvements are sought both in the coverage and quality of health and education services. A coherent national health strategy is now being developed and is supported by a consortium of donors. The programme is designed to increase basic health coverage from 40 to 60% of the population by the year 2000, with a particular emphasis on improvements in child and maternal health care services.

61 Although no reliable figures exist some informed observers estimate that Mozambique’s Defence and Security budget is now around US$1m in 1996 and as a percentage of GDP is thought to be about 4.2%.

62 This problem was raised by MoD officials and was confirmed in interviews with representatives of donor countries. Interviews, Maputo (November 1996).

63 This assertion is based on the eye witness accounts of foreign representatives who have travelled extensively around the country visiting army bases.
present lack of resources can partly be explained by a larger proportion of the security budget being allocated to the police force who are presently facing a crime wave and also results from widespread corruption amongst senior officers and politicians who have been diverting resources from the defence budget for personal gain.

88. Arguments can be made for donors giving higher priority to helping combat these problems, and doing more to support the FADM, as the existence of a professional army with high morale is important, not least to ensure its loyalty to government.

Demobilisation and reintegration

89. Some 93,000 soldiers have been demobilised in Mozambique since the end of the war in 1992. Until May 1996 the ex-combatants were receiving demobilisation pay, from the UNDP, but this has run out and it is unclear how the vast majority of demobilised soldiers will sustain themselves economically, henceforth. A survey of demobilisation in Zambesia province found that ex-combatants were on the whole a very poorly skilled group. With the poor state of the economy, and high rates of unemployment, few of these ex-combatants have any formal employment prospects. Small scale agriculture has reportedly absorbed around half the ex-combatants, but apart from providing basic subsistence the agricultural sector provides little if any income for demobilised soldiers and their families.

90. Without any hope of income generation, certain groups of demobilised soldiers have returned to the sort of banditry which regularly occurred in the lead-up to the election. This tends to be geographically concentrated in urban areas. Anecdotal evidence suggests that the rise in crime in Maputo and Beira is linked to the large presence of demobilised soldiers, although others point to the fact that few criminals who are caught are in fact ex-soldiers. This difference of opinion reflects a broader disagreement about the success or failure of demobilisation in Mozambique. While there has certainly not been the level of banditry that some had predicted, it would be naive to assume that adjustment to civilian life has been unproblematic. AMODEG, the association for demobilised soldiers, have reported that many ex-combatants feel their interests have been over-looked in the post-war settlement. Demonstrations and roadblocks set up by ex-combatants are a regular feature along major roads and are becoming increasingly sinister. AMODEG has encouraged peaceful protests, but in some regions (Zambezia and Sofala provinces) there have been violent riots and mutinies. The weakness of the newly created army and the poor discipline of the police force suggest that it will be difficult to contain such a situation if it continues unabated. In turn, internal instability of this nature disrupts local economic activity and inhibits the much needed foreign investment and aid for economic reconstruction.

Security sector reform

91. The government has committed itself to reforming the military sector and making it more accountable to civil authority. It is, however, too early to assess whether or not the government will follow through on these intentions. Suffice it to say the military is in some considerable disarray. Under the Rome Peace Accord it was agreed to create a new national army, the FADM, by integrating 30,000

64 The police are now thought to receive a greater share of the defence budget than the military, which is probably appropriate given the rising rate of crime and the lack of any immediate external threat to Mozambique’s territory.


66 Findings of a survey being conducted by Miguel da Brito, Centre for Strategic Studies, University of Maputo. Interviewed 15 November 1996.
FRELIMO and RENAMO combatants. In effect only about 8,000 to 11,000 troops have volunteered. A large proportion of the volunteers are officers rather than other ranks, making the armed forces very top heavy. It is thought that low pay and the demobilisation package offered to ex-combatants, combined with combat fatigue, created strong disincentives to volunteering for the armed services. From a national security perspective this is an embarrassment to the government.

As the military point out, however, under existing budgetary allocations they can hardly feed and barrack the existing number of soldiers, let alone train and equip them to become a professional army. Certain donors such as the British, Portuguese and US have expressed concern about the plight of the Mozambican military and are contributing some resources for training and restructuring. The majority of donors, however, remain reluctant to deal with military problems, despite the military’s importance to political stabilisation.

The state of the police force is perhaps even more worrying than the plight of the military, given the rapid increase in banditry, drug and weapons trafficking and car high-jacking that has occurred since the end of the war. Poor pay, low morale, corruption and inadequate training make for an inept and inefficient police force. Donors could do much more in terms of the training and professionalization of the police, which should be a priority area given the present wave of crime. At the end of 1996 the Spanish and Dutch governments committed themselves to supporting a UNDP programmed aimed at transforming the police. The programme has initially been designed to last for three years, with a possible extension if necessary. Following the murder of a Spanish aid worker, in early 1997, support for this programme was withdrawn. This may only be a temporary measure, to warn the government that it must address the problem of the police force and crime more seriously.

Without an effective police force to stem crime and banditry, the sense of personal insecurity is growing, which in turn inhibits the much needed foreign direct investment and donor support essential for economic reconstruction and development.

Good Governance and the Security Sector

Macro-economic and development framework

The greatest threat to Mozambique’s security is its poverty. The overwhelming majority of Mozambicans live in absolute poverty. Chronic malnutrition is estimated to affect 30 %- 40% of Mozambique’s children. The predominance of subsistence agriculture leaves the rural poor particularly vulnerable to drought and natural disasters. This vulnerability was compounded by the destruction and displacement caused by the war. Meanwhile, the population growth of 2.7% per annum erodes what small improvements are made in economic development. The impoverished situation of the majority of Mozambicans has been exacerbated by the destruction of social services. An estimated 60% of the population lacks access to health services and roughly 75% of the total population have no access to safe water. Nearly 70 percent of the country’s primary schools have been closed down due to disrepair, destruction and lack of funds.

No precise figures exist, these estimates are based on those of the external assessments of the British and US missions in Mozambique.

Two aid agency workers were killed by bandits in Maputo in November 1996. Concern about personal safety of members of the donor community led to a high level delegation visiting President Chissano to impress on him the need for greater reforms within the police force, many of whom are thought to be linked to the criminal underworld.
96. Since the ending of the war, emergency programmes supported the resettlement and reintegation of displaced persons and demobilised soldiers in agriculture, through the provision of seeds and tools. These programmes, in conjunction with rural infrastructure reconstruction and market liberalisation, have stimulated agricultural production, thereby improving food security and increasing rural incomes. The presence of landmines in some rural areas, however, continues to delay transport and agricultural development.

97. During the war, the economic reform programme, which was initiated in 1987 with the encouragement of the IMF and World Bank, was set back by the effects of the conflict. Since the Peace Accords in 1992 the economy appears to be making a much better recovery. According to the IMF the Mozambican economy has been growing at an average of 6.7% between 1987-95, albeit from a very low base. Economic recovery remains highly fragile, however, because of the heavy external debt burden, the government’s exceptionally high dependence on external assistance and its general vulnerability to environmental blows such as drought.

Donor support

98. Mozambique’s dependence on high levels of external assistance leaves it extremely vulnerable to fluctuations in aid. In the 1995 Consultative Group meeting held in Paris, donor support for Mozambique was reaffirmed but it was impressed on the Mozambican government that continued support would be conditional upon good governance, budgetary transparency, and banking reforms.

99. Mozambique’s prospects for economic reconstruction and peace are at this stage, critically dependent on international donor support for long-term development. The donor community that has stayed in Mozambique after the election has shifted its emphasis from short-term humanitarian assistance to funding more long-term development projects, and in so doing, has begun to work far more closely with government, in order to strengthen its efficacy and improve administrative practices. State capacity building has become a priority because it is recognised that only if Mozambicans are helped to become self-sufficient in determining their own economic future will their dependency on external donors be reduced.

100. The government, the World Bank and the IMF have closely co-operated on a new Policy Framework Paper for 1996-1998. In mid-April the government presented the document to the Paris meeting of the Consultative Group of some 30 donors to Mozambique. The response of the donors was to pledge $881m support in 1996 of which $314m was designated for debt relief, and the government hopes to secure a more generous reduction in its debt at the Paris Club meeting. The balance is split between investment, balance of payments support, food aid and other programmes, all of them taking the form of grants or soft loans. But these measures are not without their critics.

101. Many observers and members of the donor community itself argue that the Mozambican government must be allowed a greater degree of latitude to stimulate growth before it imposes stabilisation, because the latter could be deflationary to the point of economic and political disfunctionality. The “like-minded group” of donors (the Nordic states plus Canada and the Netherlands) concerned that the social impact of stabilisation policies are threatening to return Mozambique to instability and social breakdown, have begun informal discussions about the need to create alternative benchmarks to assess Mozambique’s economic recovery. These would be based on social as well as economic indicators of development and include such measures of progress as improvements in infant mortality rates, malnutrition, literacy, poverty etc.
102. In terms of total resource availability, with an external debt of 495% of GNP, the most obvious single step, advocated by some, would be to relieve a much greater burden of Mozambique’s debt. A number of possible approaches have been observed. The argument is made for writing off all debt on the grounds that it is unpayable under present economic conditions, and that Mozambique incurred much of its debt as a result of the war which was largely externally-imposed. Mozambique’s largest bilateral debt is with Russia, due to the latter’s military assistance to the FRELIMO government during the war. The write-off of Russian debt being advocated internationally would thus make a considerable difference to Mozambique’s debt burden.

103. Important steps have already been made on Mozambique’s debt by both the multilateral and bilateral donors. In 1990 France, Germany, Finland, Sweden and the Netherlands agreed to write off $340m worth of debts. In 1991 the World Bank approved a $10m grant to help Mozambique buy back $310m in debt from 42 commercial banks at a 90% discount rate. From a debt-servicing equivalent of 20% of the country’s earnings from exports in 1989 rescheduling agreements brought the debt service ratio down to 9.4% by 1992. Responding to calls by the World Bank to reduce the Mozambique’s debt in 1993, the Paris Club agreed to cancel a further $180m of debt.

104. Another initiative is that Mozambique is likely to be given the Heavily Indebted Poor Country (HIPC) status which formally recognises the fact that Mozambique’s potential earnings cannot hope to service the external debt. Once a country has HIPC status and meets certain performance conditions, its debt load can be reduced on more favourable terms over the medium term. The recent headway that the government has made in implementing economic reforms has earned greater donor confidence.

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Chapter 6: Donor Priorities

105. The transition from conflict to peace is a complex, precarious and fraught process. Problems at the military, political, social and economic levels all need to be met if firm foundations for peace and development are to be established in Southern Africa. This section examines areas where donors can give priority in post-conflict programmes in order to best assist the stabilisation and the long term consolidation of peace in Southern Africa.

Demobilisation and reintegration

106. Demobilisation and reintegration are prerequisites for internal stability and development. The experience in all four countries under examination suggests the need to avoid expeditious mass demobilisation, so as to reduce the risks of creating a large pool of disaffected ex-combatants, which is conducive to the spread of crime and banditry and in extreme cases may precipitate a return to war. Moderating the pace of demobilisation will inevitably limit the scope for reducing military expenditures in the short-run and therefore of improving budget deficits. In turn this will reduce the availability of a direct ‘peace dividend’ usable for public investment in development goals. These countries and their donor partners need, however, to balance long-term stability gains against short-term expenditure objectives in what can only be described as a highly sensitive transition process. Thus bilateral and multilateral donors need to adopt a sufficiently long-term perspective, advocating and giving tangible support for defence budget cuts, shifts of expenditure, and stabilisation.

107. In the short to medium term the general acquiescence of soldiers to disarm and demobilise depends chiefly on the extent to which the security environment and the viability of the continuing political processes are seen to be taking shape. In the long-term, however, social and economic progress reflected in enhanced employment opportunities, food security and welfare provision are the definitive factors which will ensure effective demobilisation and reintegration into civilian life. Donors have tended to support demobilisation as part of a peacekeeping package linked to United Nations peace missions. However, UN peace-keeping missions have tended to be tightly constrained by short-term crisis management needs and limited resources. Once a UN mission withdraws, donor support for demobilisation and reintegration has rapidly waned. Peacekeeping missions are important in laying the foundations for durable peace and disarmament, but their success will only be fruitful if they are followed up by a long-term commitment to building upon these foundations, particularly in relation to demobilisation and reintegration.

108. The demobilisation programme in Mozambique is a case in point. The establishment of financial incentives to encourage the rural settlement of demobilised soldiers appears to have been relatively successful, along with a logistical support programme organised by the UNDP to physically relocate the ex-soldiers. The failure, however, to ensure any long-term support for the integration of ex-combatants into civilian life is partly responsible for the rising tide of banditry and violent crime, as ex-soldiers revert to the use of the gun for basic survival. This experience suggests that donors need a much longer-term horizon in their support for demobilisation and reintegration. Much more could be done to provide training and skill enhancement for ex-combatants who, in the main, are poorly prepared for civilian life.

109. In extreme cases, such as that of Angola, failure to provide adequate support for demobilisation and reintegration programmes can contribute to the breakdown of a peace accord. There have been worrying signs that history may be repeating itself. In August 1996 UNAVEM III expressed concern that there may be problems in the first stage of demobilisation and social integration owing to the general lack of funds. Effective support by the OECD countries for demobilisation and reintegration should be seen as
a first priority in seeking to establish a stable environment for the development of Angola’s full potential, and doubts have been raised about the donor countries’ political will to help push forward the demobilisation and reintegration programme. The Angolan Council of Ministers formally approved the National Demobilisation and Reintegration Programme on August 15th 1996. It has estimated that it requires $66 million from the National Government and international community to cover the costs of the programme. The demobilisation fund will provide for a donation of clothing and food to demobilised soldiers in addition to training, job creation and the reunification of families. International contributions amounting to only $21 million had been received by July 21st 1996 and were being allocated in small amounts.

110. As operations in Mozambique and Angola have highlighted, two basic and fundamentally related issues need addressing: effective financial and logistical support for demobilisation and a general improvement in the long-term planning and management of demobilisation and reintegration programmes. In countries where unemployment is high and economic opportunities are rare, far greater attention needs to be given to providing training which will enable ex-soldiers to generate some form of income, in order to prevent them from resorting to banditry as a means of survival. Zimbabwe, having learnt the hard way from its previous demobilisation programme, when many soldiers ended up destitute, has gone to some lengths to develop training programmes for its recent round of demobilisation, incorporating carpentry, metal work and agriculture skills training as well as business training for the more educated soldiers. This programme has only been possible, however, because of the significant contributions made by the European Union.

111. The reintegration of soldiers into civilian life is a key to the process of peace-building in a post-conflict environment, but it must be co-ordinated in conjunction with initiatives to revive and rebuild the economy. One way in which this can be achieved, particularly in war-torn economies, is to link reintegration to public works programmes designed to rehabilitate the basic economic infrastructure, i.e. the rebuilding of roads, bridges, schools and health clinics. These labour intensive projects would create a significant number of jobs in the short-to-medium term, at an important period of social adjustment for the ex-combatants. At the same time demobilised soldiers would acquire skills and work experience which would help to them find work or create employment opportunities in the future. Since few governments in the region have the resources to fund such programmes, it is imperative that financial support is provided by the donor community. There are a number of cases where UN agencies have contributed to reintegration programmes with the support of multilateral and bilateral donors and NGOs, Mozambique is a case in point. Much could be learned from this experience and applied elsewhere, particularly in Angola where such support is somewhat limited and much more urgently needs to be done.

Displaced persons and refugees

112. War, and even localised conflict, displaces people. In Angola and Mozambique the displacement of large sections of the rural population have done severe damage to the rural economy. The deslocados fled to the towns and cities, exacerbating urban problems and putting a strain on already overstretched resources and services. Refugees and displaced people also create problems for neighbouring states, representing an economic burden and often contributing to internal tensions and instability. For example, the large Mozambican refugee population in South Africa, has put extra pressures on the job market, resulting in growing xenophobia from local populations, which at times manifests itself in violent attacks against Mozambicans. In more extremes cases, as in the case of Central Africa, the large presence of refugees has been so destabilising as to help cause full scale conflict. The return of refugees to their place of origin is thus important for economic recovery, the social stabilisation of urban centres and the removal of potential or actual tension between neighbouring states. It would also help to reduce dependency on humanitarian assistance in the region, once the displaced communities have regained full economic
activity and are assured of food security. Given the limits on national resources, donor support for repatriation is often required to cover the costs of transportation, food, water and sanitation, health, shelter, education and income generation needs. Such support is particularly urgent in Angola, where financial targets for the repatriation programme have not been met.

Demining

113. The clearance of landmines is one of the highest priorities in those countries which have emerged from full-scale war. Without the effective clearance of landmines, the repatriation of displaced persons, the reintegration of ex-combatants and the revival of economic activity, particularly in the agricultural sector, cannot proceed. In Angola and Mozambique millions of mines have been laid and it will take years before they will all be cleared. In Zimbabwe, for example, where the war finished sixteen years ago there are still areas that remain fenced off because of mines and victims of mine injuries are still being reported on a fairly regular basis. The problem of demining in Angola and Mozambique is compounded by the fact that there are few records of where the mines were laid.

114. A mine which costs about US$3 to lay can cost as much as $1000 to clear, because mine-clearing is an extremely labour-intensive process. Long-term financial support for demining programmes is therefore essential. The UN and international donor community have taken demining very seriously, but their efforts have often been compounded by administrative and management problems. In the main NGOs with close networks in the mined regions have been much more effective at organising and implementing demining programmes. Donors are now targeting their aid for demining to NGOs through the Voluntary Fund for Assistance in Mine Clearance. Funds are still inadequate for the magnitude of the task in hand and NGOs have reported difficulties in accessing resources through the Voluntary Trust Fund which appears over-bureaucratic in its processing of applications. Streamlining this process would cut delays in demining which would in turn save the lives and the limbs of the victims of mines.

Restructuring the military and police forces

115. In the immediate aftermath of a conflict there is an urgent need to restructure the military and police forces. The creation of a professional, accountable and transparent military is prerequisite for political stabilisation. It is also crucial for the process of reconciliation in deeply divided societies. The new military force should be representative of the population as a whole and contain a well-balanced mixture of previous adversaries. Creating such a force is a delicate process and, as the cases of Zimbabwe and South Africa show, will benefit from the presence and mediation of politically neutral and professional advisors such as the BMATT.

116. BMATT not only trains soldiers and helps restructure the forces, but it also assists in the setting up of efficient decision making structures and inculcates a sense of professionalism and new values concomitant with the role of the military in a democratic society. The British are almost unique in providing this support and much more of this type of activity could be undertaken by the international community, even if it is not formally part of official development assistance programmes. At present, however, many OECD countries appear averse to this type of support. No less important is the restructuring of police forces.
Regional peacekeeping

117. Considerable international pressure has been applied to certain countries in the region to take a more active role in peacekeeping, at the same time that the international community is concerned to promote reduced defence expenditures. The particular difficulties that have been encountered in deploying troops for the UNAVEM III and the Great Lakes crisis have confirmed the urgent need for international assistance to potential African troop-contributing countries such as Zimbabwe and South Africa. Logistical problems are often particularly acute for African forces due to the lack of resources for procurement. Apart from providing financial resources OECD countries could do more to respond to these countries’ needs in the fields of training, particularly preparing units to use specialised and heavy equipment and transport.

Sanctions and incentives

118. While there always limits, and dangers, in attempts to use “levers” in international relations, the prospect of withdrawal of aid benefits can, in some situations, have a significant effect in constraining parties to comply with their stated commitments to good governance, demilitarisation and democracy. Conversely the promise of aid, particularly for rehabilitation and reconstruction can be a positive inducement to parties to honour their obligations. The uses of “carrots” and “sticks” within fragile and war-torn societies, however, needs to be administered especially sensitively because of the potential unintended and unforeseeable consequences. These include the dangers that the most vulnerable in society will suffer most.

119. There can be no simple guidelines for action as each country’s situation is unique. What may apply successfully in South Africa, for instance, may be wholly inappropriate for Angola. In South Africa the agreement to form a government of national unity has undoubtedly contributed to the promising progress towards peace, democracy and reconciliation. But South Africa, relative to other countries in the region, enjoys a strong civil society committed to these goals, which has helped to cement society around the principles of democracy and reconciliation. Helping strengthen this civil society and its confidence was a major aim of outside donors in the latter years of the apartheid regime. In Angola there is no such tradition and attempts to form a government of national unity have been frustrated by resistance of key parties, who do not feel the pressure of civil society toward reconciliation. When parties violate the terms of peace settlements or resist implementation of agreed moves that would permit stabilisation, donors are compelled to use what pressures they can to promote compliance. The prospect of sanctions has in fact helped bring compliance with the UN’s timetable for demobilisation in Angola.

120. The effectiveness of sanctions depends upon whether or not a belligerent has the economic means to survive despite a boycott. In the cases of South Africa and Rhodesia sanctions can be said to have worked, albeit very slowly. They might also work in the case of Angola but this requires much firmer commitment on behalf of donor nations to comply and enforce sanctions, particularly the enforcement of measures to control arms flows.

Strengthening civil society

121. Providing support to NGOs and other emerging civil institutions is one way in which international donors are making an important contribution to the transformation processes in Angola, Mozambique and South Africa. The lack of government accountability to civil society constitutes a serious impediment to reconciliation and peace, to the development of a democratic culture and to the
cessation of human rights violations. The donor community could do more to encourage governments in the region to improve their accountability and human rights records by:

- supporting the growth of an independent media, by providing training and support for journalists;
- assisting in the building of an improved criminal justice system well versed in human rights;
- ensuring that the police are adequately resourced and professionally trained in accordance with the UN Guidelines for the effective implementation of the Code of Conduct for Law Enforcement Officials; and
- providing human rights training for security services as part of support system for the general professionalization of military services and the police.

122. The free flow of ideas and a general respect for human rights helps to create a vibrant civil society which would in turn make government more responsive to the population’s concerns and more accountable for its actions. This would help create or enhance, more pluralistic, tolerant and participatory environments thereby consolidating conditions for long term peace and development.

Civil-military relations

123. Expertise in civil military relations is notably lacking in the countries under study. Even in South Africa, where there is a conscious attempt to exert civil authority over the military, there are few people from civil society who can probe the complexities of strategic doctrine and defence budgetary processes. The chronic lack of civil expertise in these areas means that the national security discourse, and by implication the defence budgetary process, reflects the dominant interests of the military, often at the expense of civil society. Donors could make a major contribution to redressing the present imbalance in civil-military relations by supporting the training and education of civil servants within defence ministries and by strengthening those groups in civil society that are concerned with conflict resolution and demilitarisation.

124. Some donors have already pursued such objectives. The Danish government, for instance, has contributed generously to the costs of setting up a Defence Management course in South Africa, designed to give civil servants a training in the management of defence and security issues. But this programme is limited to a handful of participants each year. It could be extended to provide greater expertise not only to the South African Defence Secretariat, but to civil servants from other ministries in the region. In the long run, building-up formal capacity in civil-military relations would ensure more effective authority over the military than is at present being exerted in the countries under examination.

125. In terms of empowering civil society in the field of defence and security issues, some donors, such as the Dutch and Nordic governments, have already begun to take initiatives by supporting civil empowerment programmes such as that being run at the Centre for Conflict Resolution in Cape Town. But these initiatives remain very small in relation to the scale of the problem and tend to be concentrated in South Africa, when the need is extensive throughout the region.
Defence industry

126. The only country in the region to have significant defence industrial capacity is South Africa, so that other countries’ policies towards defence industrial adjustment in the region are focused on the South African defence industrial base. At present a number of OECD Member governments appear to have somewhat ambivalent policies towards the South African defence industry and export policies. Some are themselves keen to sell arms to the SANDF and have been exploring the possibilities of joint ventures, licensed production and the like. They tend to be less than enthusiastic about downward pressure on the South African procurement budget or about the process of demilitarisation in general. Given these same countries’ support for sustainable development programmes, there appears to be a serious lack of coordination between the different foreign policy departments of donor governments. Certain donor countries appear to place greater emphasis on military co-operation rather that development. This may not, in itself, be a contradiction as a donor country may be well equipped to aid the transformation of the military into a more accountable and transparent servant of the civil state. It becomes a concern where the promotion of arms sales in turn influences the policies of major countries towards defence expenditure and the role of the military in society. The objective of helping to cut military expenditure in countries as part of a development effort may be loosely discredited and undermined by attempts to sell expensive military equipment to developing countries.

Sustainable development and post-war reconstruction

127. The humanitarian tragedies of the 1990s, many of which have taken place on the African continent, have taken place at a time when resources for international aid have become increasingly scarce. Resources spent on humanitarian relief now come at the expense of dollars available for sustainable development. In addition donor fatigue and past failures on the continent have combined to create an environment of cynicism about the attainment of sustainable development in many African economies. It would appear in the minds of some observers that macro-economic stabilisation programmes have replaced the goals of development. Others argue that macro-economic stabilisation is essential for resuming development. This remains a contentious point, particularly in sub-Saharan Africa where years of macro-economic stabilisation have produced few perceptible development gains. It will not be helpful if African development becomes a battleground of economic ideologies. Most analysts and practitioners agree that sustainable development is the guarantor of long-term peace and stability within the region. The international community needs to follow through on peace support operations to effective support for sustainable development for peace and reconciliation to work in the region.

128. Far greater prioritisation needs to be given to economic reconstruction in countries that are emerging from protracted periods of war. The reconstruction of basic infrastructure is critical for the normalisation of economic activity and community life. It is therefore a crucial component of peace-building. Economic reconstruction needs to prioritise three main areas:

- the revival of production, employment and incomes;
- the restoration of vital social services (water supply, sanitation, healthcare);

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70 This appears to be a perception held by many people interviewed in South Africa, November 1996. Many NGOs are also of the opinion that macro-economic stabilization policies have displaced development programmes in many African countries.
• the rehabilitation of basic infrastructure (roads, rail, bridges).

129. In the war-torn Southern African countries concerned, structural adjustment programmes have not yet been accompanied or followed by adequate direct help for economic reconstruction and sustainable development, particularly where the basic infrastructure i.e. roads, bridges, rail and communication systems have been all but destroyed.

**Donor consistency**

130. There clearly needs to be greater co-ordination between OECD countries on agreed foreign policy goals towards specific nations. In addition governments need to pay greater attention to harmonising the policies of their different departments. In particular, there appears to be little donor co-ordination over military and security matters. Moreover, individual countries’ military attaches and donor organisations rarely develop co-ordinated policy responses. This would appear to be common sense where a country is recovering from war and attempting to assert civilian control over military organisations.
Selected Bibliography


