

# Development and the Peace Dividend Insecurity Paradox in Angola

MANUEL ENNES FERREIRA

*At the end of a civil war, it is frequently assumed that there is a 'pay-off' that arises from the reallocation of military spending, the so-called 'peace dividend', allowing for increased economic growth and greater attention to social questions. However, this outcome is by no means guaranteed. The extent of the peace dividend depends on a series of multidimensional factors which the political economy of development can help us to understand. In this article, the concept 'peace dividend insecurity paradox' is suggested as a way of describing the situation when the peace dividend fails to materialise. To this end, we introduce the need for a broader analysis linking human security to development. The case of Angola is analysed, in which it is argued that the 'vested interests' established during more than 25 years of civil war prevented the consolidation of human security and development, and now may lead to the creation of the peace dividend insecurity paradox.*

*Un des avantages qui découle de la fin d'une guerre civile est la réorientation des dépenses militaires, que l'on peut appeler le dividende de la paix, lequel favorise une plus grande croissance économique et permet de porter plus d'attention aux questions sociales. Toutefois, ce transfert est loin d'être automatique. Tout dépend d'un ensemble de facteurs multidimensionnels que l'économie politique du développement aide à comprendre. Dans cet article nous proposons le concept 'paradoxe de l'insécurité du dividende de la paix' afin de décrire une situation où ce 'dividende de la paix' fait défaut. En ce sens, nous soulignons la nécessité d'une analyse plus large qui met en rapport la sécurité humaine et le développement. Dans le cas de l'Angola, on soutient que les 'intérêts personnels' établis pendant plus de vingt cinq ans de guerre civile empêchent que la sécurité humaine et le développement puissent, dans l'avenir, bénéficier à la population et au*

*pays. Tout porte à croire, au contraire, qu'ils leur porteront préjudice, en générant le 'paradoxe de l'insécurité du dividende de la paix'.*

## INTRODUCTION

For quite some time now, economists have been concerned with the effects of military spending on economic growth.<sup>1</sup> Although focusing at first on developed economies (ever since Benoit's seminal work [1973; 1978]), these studies have since proliferated and begun to deal with the case of developing economies. Contrary to popular opinion, there has been no unanimity as to the positive, negative or neutral effects of military spending on economic growth. At the same time, various authors have drawn attention to the economic and social benefits deriving from a reduction in military spending and its reallocation in terms of public expenditure. Military and security spending have traditionally been regarded as a means of guaranteeing national sovereignty in the face of an external threat, resulting in a state-centred view of security.

In a more global context, against the backdrop of the Cold War, the reallocation of military spending began to be closely linked to the idea of a planet-wide military détente, i.e. a path leading towards world peace and security. From this idea evolved the concept of the peace dividend. However, with the end of the Cold War, a number of civil wars in developing countries that had been fuelled by the bipolar conflict also came to an end. It was subsequently claimed that benefits would arise not only from renewed economic growth, but also from the improvement in the social conditions of particular countries arising from the reallocation of military spending, which was already typically very high both in terms of the national budget (defence effort) and the GDP (defence burden). These observations led some to conclude that the gains to be made from these cuts would be entirely symmetrical to the costs of previous military spending, an opinion that has been criticised by Collier [1999: 173] amongst others.

This shift from a 'global' to 'national' way of regarding the peace dividend rapidly underlined the need for adapting the very concept of security. By becoming more focused on the national space, security now began to emphasise new aspects, implying that the concept of development would itself evolve by abandoning its narrow economic dimension and highlighting the individual as the centre of the process. Human development and security became intrinsically interlinked.

The conceptual triangle formed by the peace dividend, development and security is the subject which this article sets out to analyse in the particular context of countries emerging from a civil war. This article proposes that: (a) the impact of the peace dividend must be questioned in terms of 'who stands to gain from any potential peace dividend?'; (b) there is no linear and positive

relationship along the lines of 'end of civil war-peace dividend-development and security'. Under certain conditions, this chain of causality may not, in fact, occur. In such a situation, it will therefore lead to the Peace Dividend Insecurity Paradox.

The argument that is developed in the article has the following structure: in the first section, reference is made to the concept of the peace dividend and the results expected from it; the second section will highlight the new dimensions associated with human development and security, underlining the importance of considering the two aspects together; some circumstances under which the peace dividend may not occur will be analysed in the third section, leading to the Peace Dividend Insecurity Paradox; in the final section, taking as our example a civil war that simultaneously contained all the worst ingredients, a study will be made of the case of Angola, highlighting the potential for the existence of the peace dividend insecurity paradox in this country. The article ends with the presentation of the conclusions.

#### THE PEACE DIVIDEND

The idea that disarmament and the restructuring of military spending may result in an increase in economic growth is a very popular one. This is the initial and most widely accepted idea regarding the accomplishment of a peace dividend. Given the enormous magnitude of military spending in the industrialised countries and the former socialist countries, the international pressure to bring about this outcome has increased significantly, particularly since the end of the Cold War with campaigns initiated by institutions such as the United Nations [1993] or the UNDP [1994]. Various studies have highlighted the potential benefits. Knight *et al.* [1996], using annual data up to the end of the Cold War, for example, suggested that 'a substantial long-run peace dividend, in the form of higher capacity output' seemed to be taking place as a result of the falling levels of military spending.<sup>2</sup> In another study, Clements *et al.* [1997], using data from before and after the Cold War, concluded that reducing excessive military spending could play a significant role in guaranteeing economic growth.<sup>3</sup> Intriligator [1992], however, draws attention to the fact that, under certain circumstances, this may not necessarily bring about the foreseen economic benefits, nor even ensure that these appear quickly. According to the author, the adjustments to be made through the reallocation of both human capital and physical capital imply considerable short-term costs, namely in the form of unemployment and economic and social conversion difficulties, before the benefits may actually appear in the medium and long term.

But for those who defend the existence of a positive correlation between military spending and economic growth, the question of the peace dividend has to be seen through the presentation of its counterfactual statement. Sandler and

Hartley [1995: 200] stress that 'if defence spending is supportive of growth, then any peace dividend that emerges from the anticipated reallocation of resources will be attenuated by a negative impact on growth'.

In fact, sceptical views concerning the existence of a 'peace dividend' have been expressed by various authors. This is the case, for example, with Akinrinade [1999] regarding sub-Saharan Africa. Others have highlighted the fact that there may not be an immediate economic improvement [Sandler and Hartley, 1995: 277, 279; Colletta et al., 1996: 40; Collier, 1999] or point to the danger of regarding it as a panacea for all of the country's evils [Sandler and Hartley, 1995: 277]. Although it is possible that there may be a significant increase in the rate of economic growth over the short term, this is principally due to the low initial level of income per capita. But it says nothing about the sustainability of the subsequent recovery.

With the end of a civil war and its major consequences in terms of the economic, social and human impact that it has on a country's development [see e.g. Stewart and Fitzgerald, 2001], the literature on post-conflict situations positively highlights, amongst other effects, an increase in employment, particularly in rural areas, naturally assuming the return of the populations or the social reintegration of the military, a greater agricultural production and improved access to social services (health, education). And all of these together have an effect that is greater than the financial costs of the demobilisation process. However, addressing the question of the peace dividend solely from an economic standpoint is to some extent a limited approach. And particularly so when looked at solely as a form of reallocation of military spending for other purposes, as proposed by Gold [2000: 1]: 'the ultimate peace dividend is the improvement in both quantifiable and non-quantifiable living standards that result from the alternative utilization of military resources'. Let us accept this definition for the time being. If we accept that 'living standards' have to do with the multidimensional concept of human security, then this goes some way towards agreeing with the position adopted by the UNDP [1994: 58]: 'a genuine improvement in human security requires that the resources saved – the "peace dividend" – be fully harnessed for human development'. However, what remains to be seen is whether the effect of the peace dividend arises exclusively from the alternative economic utilisation of military resources. We shall attempt to demonstrate later on that this is not the case.

#### THE CONCEPT OF HUMAN DEVELOPMENT AND SECURITY

There is currently little disagreement about the fact that economic growth does not in itself guarantee a certain level of well-being of all social groups. This view marks the end of the purely economic view of matters, and the notion of human development has now made its appearance. Now qualitative assessments are also required, offering new dimensions and solving the problem of the insecurity felt

with regard to guaranteed access to material and immaterial goods. This means that human security needs to be ensured not only at the economic level, but also at the level of food, health and the environment,<sup>4</sup> as well as at the personal, community, social, political, physical and military level [UNDP, 1994: 24–5], or, as Akinrinade [1999: 237] says, it is necessary ‘to expand the concept of security beyond the traditional concerns to include internal elements of challenges and threats’ [also see Shaw, 2003].

The link between human insecurity and civil war is obvious. There are many different examples of this. For instance, a situation of high unemployment or unevenly distributed income gives rise to both individual and collective dissatisfaction, a loss of self-esteem, a sense of grievance. The lack of economic income increases poverty and inequality; in short it creates economic insecurity. Under certain conditions, this may generate discontentment and civil war. These factors have been stressed by various authors and, although the relationship is not linear and direct, it nonetheless calls for a careful analysis of the economic policy of income distribution and development [Cramer, 2001: 19; Cramer, 2003]. Food insecurity may play a similar role. Nafziger and Auvinen [2002] use an econometric test to show that a decrease in the rate of growth of food production is more inclined to provoke a civil war than the reverse. Finally, the temptation of marginalising and excluding large sections of the population from political and civic participation leads to the creation of a system that can only give rise to mistrust and grievances, creating the perfect conditions for the outbreak of conflict. As Akinrinade [1999: 238] says, the problem lies in the fact that ‘the preferred concept [of security] adopted by regimes and the ruling elite placed a greater emphasis on regime safety and less on the security of individuals and social groups within the state’.<sup>5</sup> The final result can be nothing other than an obstacle to development and a reinforcement of insecurity. It is therefore reasonable to admit that ‘progress in one area [development] enhances the chances of progress in the other [security]’ [UNDP, 1994: 23].

What then is the role of the peace dividend in this interdependent relationship? The link between the reduction of individual and collective insecurity and long-term development must be considered. Achieving this is a collective effort and not a task for an elite. As Galtung [1998: 56] stresses, ‘nobody has a monopoly on defining the goal of development; and everybody is entitled to participate in the process’. The reallocation of military spending plays an important, and possibly even decisive, role in the sense of transmitting confidence, commitment and credibility. But it is not the only component in achieving the ‘peace dividend’. Which leads us to suggest a broadening of Gold’s [2000: 1] definition as follows: ‘the ultimate peace dividend is the improvement in both quantifiable and non-quantifiable living standards that arise from the assurance of the multidimensional meaning of human security together with the alternative utilization of military resources’.

## THE PEACE DIVIDEND INSECURITY PARADOX

A war situation is always deplorable, and arguably even more so in the case of a civil war. The traumas and internal mistrust that are generated take quite some time to overcome, which may seriously delay the effects of the peace dividend. Although resolution, reconciliation and reconstruction [Galtung, 1998] or 'reconstituted legitimacy, re-established security and rebuilt effectiveness' [Brinkerhoff, 2005] are now essential aims, 'evidence from the case studies reveals that peace does not bring immediate economic recovery. It may take one or more years for the population to regain trust and for growth to resume' [Colletta et al., 1996: 40]. In this regard, Collier [1999: 168] points out that 'there is no presumption of a peace dividend from the ending of a civil war', even stressing that 'the end of civil wars can thus give rise to either a peace dividend or a war overhang effect'. If this is the case, the expectation created is thwarted. But who feels frustrated? Not necessarily the two former belligerent parties. One possible economic and political power-sharing agreement may be a situation of a mutual equilibrium with the exclusion of the rest of the nation. Will this be a guarantee of development and human security?

During the civil war, the argument of the peace dividend is usually presented as the most 'rational' option for bringing an end to conflict. The government itself uses the argument of the civil war to justify the state of non-development and human insecurity. Although split between the different interests of the various actors involved, the international community also wishes for an end to the conflict, as it increasingly consumes international aid (in the form of humanitarian and emergency aid and not aid for development purposes) and the resulting instability can spread to neighbouring countries.

This leads us to reflect upon the influence that the way in which an end is found to a civil war may have on the peace dividend. There are various possible solutions for an agreement. If the understanding reached between the warring factions is the result of a zero sum game [Kirschke, 2000: 402], the peace dividend will be barely sustainable, as will the agreement [Hartzell et al., 2001]. Development will be under threat and insecurity will be rife. Licklider [1995: 685] maintains that 'negotiated settlements of civil wars are more likely to break down than settlements based on military victories'. The problems and implications of each of the various options are different. This is immediately true at the political level, although there are evident long-term repercussions at all other levels.

That brings us to a second question regarding the political system. The peace dividend in the political field results in pressure being exerted on the country's opening up to democracy. Will the government be prepared for this, guaranteeing the rights of all parties? And if the agreement results in a political duopoly, excluding and diminishing the opportunities for all the others that do not consider

themselves to be represented by either of the two parties, will this benefit the peace dividend, or guarantee security in relation to political and civic rights? And will the country's economic structure have an influence on the political system? Jensen and Wantchekon [2004], for example, conclude that there is a negative correlation between the presence of a powerful sector of natural resources and the transition and consolidation of democracy in Africa.

Thirdly, there is the question of the reallocation of military spending. Reallocating public expenditure and redirecting it to other areas has to do with economic and social priorities in a context of internal social and political equilibrium. In a civil war, the military plays a fundamental role, having a powerful influence on decision-makers and even participating directly in the government. This means that, in the post-conflict situation, the military enjoys great negotiating power. Defence and security spending cannot be cut lightly. Various arguments can be invoked for resisting defence spending cuts in absolute or relative terms, even when external pressure is high, as is the case with the intervention of the IMF [*see Masi and Lorie, 1989*]. The need for modernisation, regional instability, or safeguarding the national sovereignty are some of the arguments put forward. There is clearly a potential trade-off between the conservative vision linked to the idea of national security [*Nyang'oro, 1992*] and the need to place the 'democratic security-sector governance in the broader context of establishing a peaceful, secure environment for post-conflict reconstruction', as Ball [2005: 26] stresses.

Fourthly, there is the question of the development strategy and the commitment of the ruling elite. Imagine a country at civil war, governed in accordance with the logic of rent-seeking and corruption. If the peace agreement does not incorporate the opponents in the economic power-sharing, it will create a sense of frustration and all sorts of economic and political barriers to entry will be raised to them. The alternative is to incorporate them, maintaining the same rent-seeking and corruption logic.<sup>6</sup> Worse would be the situation of countries that base their economic growth on the exploitation of natural resources. It is worse still if the origin of the conflict is the greed factor [*see Collier and Hoeffler, 2001; 2004*] or the phenomenon of looting due to various kinds of grievances,<sup>7</sup> which leads Ross [2002] to highlight the role of the 'futures market for natural resource booty'. In either case, and this the key point, what kind of peace dividend can the population expect?<sup>8</sup>

The outcome of all this is that the peace dividend may not materialise, thwarting both national and international expectations. This is why we suggest that the occurrence of this situation in countries that have just emerged from a civil war should be called the 'Peace Dividend Insecurity Paradox'. It highlights the core question of knowing who stands to gain from the potential benefits of the peace dividend. It means that the 'disillusion effect' is greater than the 'expectation effect', i.e. there is a sense of having been cheated, a thwarting of

the expectations created for a more promising future. Which implies considering the peace dividend to be reductive and abandoning the idea that an improvement in the annual economic growth rate and an increase in GDP per capita are *the* peace dividend. There is thus a need to find *a much broader benchmark of indicators* ranging from economic to social, political, physical, environmental, etc., issues. And this leads us to yet another question: the *country's benchmark*. Against what should the future performance of the country's indicators be compared, in both absolute and relative terms? Against which other countries? Only those that have not experienced civil wars? [See e.g. Colletta et al., 1996: 40–41.]

#### THE CASE OF ANGOLA

Twenty-five years after the beginning of the civil war in Angola, a third peace agreement was signed – the Luena Memorandum of Understanding – in April 2002, after the death of President Savimbi of UNITA. The first agreement (May 1991) had proved incapable of preventing the recommencement of hostilities after the elections of September 1992, and subsequently a second agreement was signed in November 1994 (the Lusaka Protocol), which led in 1997 to the creation of a Government of Unity and National Reconciliation, formed with a majority of members from MPLA. But not even this was sufficient to establish peace [Vines, 1998].

Angola is perhaps the most paradigmatic case of a civil war in which all of the worst possible ingredients were brought together. It involved the three main nationalist movements that had already fought against one another during the anti-colonial struggle. The war received both direct and indirect support, from the USA and the USSR, as well as from intermediaries (Cuba, the former Zaire and South Africa). It lasted for a very long time and fighting reached a level of fierce intensity, affecting both the countryside and the cities. The conflict was further complicated by ethnic diversity. As the country was rich in natural resources, particularly oil and diamonds, the situation became complicated at two levels: the international interests of the states and multinationals involved in these areas of business [GW, 1998, 1999; CRS, 2003] and the financing afforded to both sides, in the form of oil for the government/MPLA and diamonds for UNITA, a situation that became more evident after 1992 [Cilliers and Dietrich, 2000; Le Billon, 2001; Malaquias, 2001], feeding a greed component and a lack of transparency in governance [CRS, 2003; HRW, 2004a].

The outcome in economic, social and humanitarian terms could not have been worse:<sup>9</sup> thousands of dead, millions of internal displaced persons and refugees, an economy that was concentrated upon the oil sector (responsible for more than 90 per cent of exports, more than 50 per cent of GDP and 75 per cent of budget revenue) and the social systems in a state of complete disarray. The government

invoked the war situation as being the factor that was responsible for the country's poor economic and social performance, overlooking its own responsibility in terms of economic policy and development strategy, and remaining silent about the form of governance that it offered. Without denying the serious restrictions that were imposed by the war, there are some authors who stress, on the contrary, the role played by those other factors [see e.g. *Ferreira, 1999, 2002*]. It is therefore not surprising that, for both the government/MPLA and the international community [see e.g. *World Bank, 1993*], the peace dividend should have been considered decisive for Angola.<sup>10</sup> But will the reduction of insecurity inevitably produce development [see *Addison, 2003; Grobbelaar et al., 2003; ICG, 2003a*]?

The way in which the country has been governed and the powerful economic and political interests that have become established may legitimately lead us to consider the possibility of the occurrence of the peace dividend insecurity paradox. The aim to increase the exports of natural resources that is shared by the government and the multinational companies only presages an unfortunate example of the 'curse' of natural resources. Above all, it guarantees the continuation of the vested interests. The great motivation of rent-seeking seems to be too attractive for it to be abandoned lightly.

There are various indications that would seem to confirm this, such as a greater keenness to grant concessions of other natural resources (copper, iron, manganese, gold, phosphates, etc.), particularly to China, to authorise the entry of new operators into the oil sector – with a 50 per cent increase being estimated in the government's income from oil between 2004 and 2006 and an increase of roughly 100 per cent by 2010 [*IMF, 2005: 18*] – and to further exploit the diamond business, with the recent entry of some of the world's largest companies, such as Alrosa (Russia), BHP Hilliton, the Lev Leviev group (Israel), or the re-entry of De Beers, as well as official statements highlighting the strategic role for the 'economic growth of the country' played by the '*intensive use of labour, with unskilled labour being a particularly important productive factor*' [cf. *Santos, 2002*].

Against this backdrop, it is quite possible to witness an increase in the annual rate of economic growth. The GDP per capita may rise, just like the HDI, which includes a social dimension for development. But the value of the HDI is closely linked to the GDP, just as this is linked to the price of oil. By the same token, production in the agricultural sector is expected to increase. But if there is no economic diversification, no significant job creation or a fairer distribution of income, we may paradoxically witness an increase in the country's wealth together with the maintenance of, or even a decrease in, economic insecurity.

There is a second question (and once again this is an economic one, albeit with political overtones) that will also determine the evaluation that is made of the peace dividend: the reallocation of military spending. The high share of military

expenditure in terms of the budget, GDP or the utilisation of the available foreign currency has grown to even more absurd levels. It is patently not easy to redirect spending into other areas in a country where the military has always occupied a leading position. The top military and security hierarchies have always been, and still are, at the head of ministries and public companies, while at the same time they have converted themselves into entrepreneurs, enjoying the complicity and favour of the state, creating intricate webs of mutual collusion. Thus it will prove difficult to relegate such an institution as the armed forces to a secondary role, all the more so in a context of regional instability in which both the government and the international community are interested in ensuring that Angola is in a position to play an important role.

National security, highlighted by the examples of the country's interventions in the two Congos, as well as regional security, are two arguments that have been used for maintaining the status quo. This situation has become even more dramatic because of the prolonged nature of the steep oil price rise. For all of these reasons, it does not seem to have been an easy task to significantly reallocate military and security spending, thereby contradicting the traditional principle of the peace dividend.<sup>11</sup> And if we further add to this the 307 private security companies employing 35,715 men,<sup>12</sup> created by former and actual military officers, the very least that we can justifiably be afraid of is the maintenance of insecurity, both individual and collective. The reason for this lies in the fact that, in a situation of weak institutional control, as in the case of Angola, using private security forces instead of legal means to solve private business problems or to threaten political stability (since former and current high-ranking military figures are the heads of such companies) is very risky for the future of the country.

Another problem has to do with the conditions under which the last peace agreement was signed. Was it the result of a military capitulation or was it a political agreement? The consequences for political and social stability and security are not equivalent questions, as Lickelider [1995] has clearly pointed out. Everything suggests that it was a compromise. With military defeat imminent and the danger of being excluded from any share in the economic and political benefits, UNITA's choice seems to have been to accept a negotiation based on military defeat.<sup>13</sup> Following on from the Lusaka agreement signed in 1994, and renewed in 2002, in the *Luena Memorandum* awarding UNITA's companies the legal right to the exploitation of five diamond areas,<sup>14</sup> highlights the central idea of the general looting of the country, which had been divided between the two factions, preventing the legitimate economic participation of other national actors through the raising of barriers to their entry. In this way, the complicity between the business class and the political class made it difficult to distinguish between them. The same thing happened at the political level, with the creation of a bilateral committee designed to seek consensus and, once again,

excluding 'the others'. What guarantees does such a posture afford to the population in terms of security?

These examples highlight the serious challenges and threats to the peace dividend in Angola. But other aspects of human security must also be taken into account. Examples of this are: both rural and urban *food insecurity*, arising not only from the difficulty of returning to the rural villages and enjoying there the necessary conditions for food production, but also from the reluctance of people to leave the overpopulated areas on the outskirts of cities, particularly Luanda, which, surprisingly or not, became much more attractive with the conflict's end; *physical insecurity*, deriving from the existence of minefields and the growing crime rate in urban centres; *economic insecurity*, deriving from unemployment (more than 65 per cent in Luanda and mostly young men) or, for rural communities, from the impossibility of reoccupying their land, which has since been 'privatised' by the ruling elite; *social insecurity*, with the difficulty of integrating all the refugees, internal displaced persons and thousands of ex-combatants from UNITA and their families, who, in many cases, have encountered local animosity and a lack of public support [ICG, 2003b; HRW, 2005]; *environmental insecurity*; etc. The final outcome may well be a disillusion effect, a thwarting of people's expectations, with the population now feeling threatened by the insecurity generated by the end of the conflict. That would indeed be a paradoxical situation.

In this context, what part is played by the international community? It finds itself under pressure on two fronts: on the one hand, it has to keep on top of the government to ensure the introduction of economic reforms, good governance and transparency, openness and the consolidation of democracy. Yet, on the other hand, it does not seem to be interested in over-committing itself, not wishing to become jointly responsible for the potential failure of the peace dividend. Its active presence is, however, important, not only in political terms, in the sense of exerting pressure and ensuring vigilance, but also in financial terms. The *démarches* that were made at the time of the civil war have to be kept going to obviate the danger of the internal 'informal and soft' repression which continues to create personal, political and civic insecurity.

Although experiencing a period of financial euphoria due to the increased revenue from the oil sector, the Angolan government would like to be able to expand the room for manoeuvre that it currently enjoys. Foreign debt rescheduling by the Paris Club and the negotiation of an agreement with the IMF would not only be a sign of confidence for international investors, but would also afford the government greater legitimacy. As there is some mistrust on the part of the international community as to the government's true intentions in obtaining international aid within the context of a sharp increase in revenue from oil and diamonds, the international community can try to avoid being caught in the trap of 'moral hazard', which would subvert its commitment to providing help

for the economic and financial realisation of the peace dividend. One direct consequence of this is, in fact, to be found in the postponement of external funding through an International Donors' Conference, which has been promised ever since the signing of the Peace Agreements, firstly in Lusaka (1994), then the Brussels Conference, and more recently the Luena Memorandum (2002).

Thus, just as the civil war served as a justification for the country's poor performance, with its end being presented as an almost sufficient condition for the realisation of the peace dividend, so now the international community may be accused of a certain reluctance and lack of commitment that may also begin to be presented as the main reason for the appearance of the peace dividend insecurity paradox in Angola. But this would divert attention away from the truly essential internal issue: the maintenance of a policy of rent-seeking that is based on corruption, deepening the economic model based on natural resources and a strict control of the mechanisms of political and civic participation.<sup>15</sup>

## CONCLUSION

Peace dividend, development and human security cannot be dissociated from one another in the post-civil war context. In this way, the concept of the peace dividend that restricts itself to the reorientation of military and security spending into other areas, most particularly social ones, is in itself insufficient. Adopting a perspective based on the political economy of development, taking into account the economic, political and social dimensions, understanding them not only in the national context, but also in the regional and international context, may help us to better understand the conditions under which the peace dividend may in fact not occur. Human security may, paradoxically, deteriorate or, at least, not be substantially improved.

Angola may unfortunately and potentially turn out to be a case study in this particular area. The vested interests – both economic and political – that have become established over more than 25 years make it difficult to remain genuinely optimistic about obtaining a peace dividend. In fact, quite the opposite is true. The insistence on an economic model based on increasing the exports of natural resources, with oil in the forefront, the structuring of the economic and political system on the basis of an attitude of rent-seeking, and the 'legitimacy' afforded by the end of the civil war and the future holding of elections – all these may become ingredients from which the population feels no tangible effects whatsoever. And the key question must be asked about the multifaceted pay-off distributional effects arising from the potential peace dividend: who stands to gain from it? Yet, despite all these adverse circumstances, the country's per capita income may actually increase. In this way, substantial cuts in military and security spending may not now be quite so evident. It would be a tremendous mistake not to consider the political and economic importance that the military

has gained over all these years. The financial autonomy that Angola now enjoys, although it is insufficient for the population to be able to benefit from it, does at least serve the interests of the ruling elite. In this context, the international community cannot afford to distance itself from the situation and must continue to put pressure on the government to introduce reforms.

Nevertheless, there are definite restrictions as to the greater financial involvement of the donor community and its approval of the form of governance adopted. The danger of 'moral hazard' on the part of the Angolan government is a serious one. The postponement of both the international donor's conference and the promised agreement with the IMF is a clear indication of this very fact. But, while this is going on, the serious internal problems of economic insecurity, food insecurity and social, humanitarian, physical, political and environmental insecurity will still remain as issues that need to be resolved. In the face of the thwarted expectations arising from the end of the civil war, human insecurity and non-development know no bounds. This might be the nature of the peace dividend insecurity paradox in Angola.

#### ACKNOWLEDGEMENT

The author thanks Andrew Mold for his helpful comments and suggestions on an earlier version of this article. All errors and omissions are my sole responsibility.

#### NOTES

1. A synthesis of the most important empirical studies may be found in Sandler and Hartley [1995: 215–19].
2. Data used in this study cover 78 countries (21 industrialised countries and 78 developing countries) during the period 1972–90.
3. The study compares the experiences of a group of developing countries and transition countries during 1985–92, the sample being 80 countries.
4. This aspect has been less discussed, although it has serious implications in the long term. See, amongst others, Brauer [2000], Kirkby *et al.* [2001] or the 'environmental refugees' in Geisler and de Sousa [2001].
5. This author also notes that 'the principal challenges to political stability and national security in most African states have been shown to be internally generated' [Akinrinade, 1999: 237].
6. See Le Billon [2003] and his propositions to avoid that situation.
7. For a synthesis of the studies made about the causes and conditions for the outbreak of a civil war, see, amongst others, Humphreys [2002] and Sambanis [2003].
8. Taking into account five African countries as case studies, including Angola, see Addison [2003].
9. On the question of Angola's particular path of evolution, see, amongst others, Tvedten [1997]; Ferreira [1999; 2003] or Hodges [2002].
10. According to Munslow [1999], solve the political problems and the Angolan people is prepared to reap the benefits.
11. The post-conflict budgets from 2003 to 2005 did not undergo any substantial alteration in relation to these expenses.

12. According to the Lusa News Agency on 28 April 2005.
13. For a theoretical discussion on the acceptable limits for this type of power-sharing with a specific application to Angola, see Ferreira [2001].
14. According to *AfricaMonitor Intelligence*, No.10, 13 April 2005.
15. See, for instance, HRW [2004b] on media and political freedoms in Angola.

## REFERENCES

- Addison, Tony (ed.), 2003, *From Conflict to Recovery in Africa*, UNU/WIDER: Oxford University Press.
- Akinrinade, Sola, 1999, 'Democracy and Security in Africa: Towards a Framework of Understanding', *Journal of Contemporary African Studies*, Vol.17, No.2, pp.217–44.
- Ball, Nicole, 2005, 'Strengthening Democratic Governance of the Security Sector in Conflict-Affected Countries', *Public Administration and Development*, Vol.25, pp.25–38.
- Benoit, Emile, 1973, *Defense and Economic Growth in Developing Countries*, Boston: D.C. Heath.
- Benoit, Emile, 1978, 'Growth and Defense in Developing Countries', *Economic Development and Cultural Change*, Vol.26, No.2, pp.271–80.
- Brauer, Jurgen, 2000, 'The Effects of War on the Natural Environment', Paper presented at the Conference 'Arms, Conflict, Security and Development', London: Middlesex University Business School, 16–17 June.
- Brinkerhoff, Derick, 2005, 'Rebuilding Governance in Failed States and Post-Conflict Societies: Core Concepts and Cross-Cutting Themes', *Public Administration and Development*, Vol.25, No.1, pp.3–14.
- Cilliers, Jakkie and Christian Dietrich (eds.), 2000, *Angola's War Economy*, Pretoria: Institute for Security Studies.
- Clements, Benedict, Sanjeev Gupta and Jerald Schiff, 1997, 'What Happened to the Peace Dividend', *Finance and Development*, Vol.34, No.1, pp.17–19.
- Colletta, Nat, Markus Kostner and Ingo Wiederhofer, 1996, *The Transition from War to Peace in Sub-Saharan Africa*, Washington, DC: The World Bank.
- Collier, Paul, 1999, 'On the Economic Consequences of Civil War', *Oxford Economic Papers*, Vol.51, January pp.168–83.
- Collier, Paul and Anke Hoefler, 2001, *Greed and Grievance in Civil Wars*, Policy Research Working Paper, No.2355, Washington, DC: World Bank.
- Collier, Paul and Anke Hoefler, 2004, 'Greed and Grievance in Civil Wars', *Oxford Economic Papers*, Vol.54, October, pp.563–95.
- Cramer, Christopher, 2001, *Economic Inequalities and Civil Conflict*, Discussion Paper 1501, London: CDP.
- Cramer, Christopher, 2003, 'Does Inequality Cause Conflict?', *Journal of International Development*, Vol.15, No.4, pp.397–412.
- CRS (Catholic Relief Services), 2003, *Bottom of the Barrel: Africa's Oil Boom and Prospects for Poverty Reduction*, Baltimore: CRS.
- Ferreira, M.Ennes, 2001, The Economics of Conflict Resolution in a Two-Sided Grievance and Quasi-Greed Model of Civil War: The Case of Angola, Paper presented at the Fifth Annual Conference on Economics and Security, London: Middlesex University Business School, June.
- Ferreira, M.Ennes, 1999, *A Indústria em Tempo de Guerra: Angola, 1975–1991*, Lisboa: Edições Cosmos e Instituto da Defesa Nacional.
- Ferreira, M.Ennes, 2002, 'Angola: Civil War and the Manufacturing Industry, 1975–1999', in J. Brauer and J.P. Dunne (eds.), *Arming the South: The Economics of Military Expenditures, Arms Production and Arms Trade in Developing Countries*, New York: Palgrave, pp.251–74.
- Ferreira, M.Ennes, 2003, 'Angola: Conflict and Development, 1961–2002', *The Ecaar Review*, Vol.1, No.1, pp.57–70.
- Galtung, Johan, 1998, *After Violence: 3R, Reconstruction, Reconciliation, Resolution: Coping with Visible and Invisible Effects of War and Violence*, Gernika: Transcend.
- Geisler, Charles and Ragendra de Sousa, 2001, 'From Refugee to Refuge: The African Case', *Public Administration and Development*, Vol.21, No.2, pp.159–70.

- GW (Global Witness), 1998, *A Rough Trade: The Role of Companies and Governments in the Angolan Conflict*, London: Global Witness.
- GW (Global Witness), 1999, *A Crude Awakening: The Role of the Oil and Banking Industries in Angola's Civil War and the Plunder of State Assets*, London: Global Witness.
- Gold, David, 2000, 'Could We Have Done Better? A Retrospective on the 1990s Peace Dividend in the United States' Paper presented at the Council on Foreign Relations Arms Trade Conference, New York: Council on Foreign Relations, 14 June.
- Grobelaar, Neuma, Greg Mills and Elisabeth Sidiropoulos, 2003, *Angola: Prospects for Peace and Prosperity*, Johannesburg: SAIIA.
- Hartzell, Caroline, Matthew Hoddie and Donald Rothchild, 2001, 'Stabilizing Peace after Civil War: an Investigation of Some Key Variables', *International Organization*, Vol.55, No.1, pp.183–208.
- Hodges, Tony, 2002, *Angola From Afro-Stalinism to Petro-Diamond Capitalism*, Oxford: James Currey and Indiana University Press.
- HRW (Human Rights Watch), 2004a, *Some Transparency, No Accountability: The Use of Oil Revenue in Angola and Its Impact on Human Rights*, Vol.16, No.1 (A).
- HRW (Human Rights Watch), 2004b, *Unfinished Democracy: Media and Political Freedoms in Angola*, Report, 14 July.
- HRW (Human Rights Watch), 2005, *Coming Home: Return and Reintegration in Angola*, Vol.17, No.2 (A).
- Humphreys, Macartan, 2002, *Economics and Violent Conflict*, Harvard: Harvard University Press.
- ICG (International Crisis Group), 2003a, *Angola's Choice: Reform or Regress*, Africa Report No.61, Luanda/Brussels: ICG, April.
- ICG (International Crisis Group), 2003b, *Dealing with Savimbi's Ghost: The Security and Humanitarian Challenges in Angola*, Africa Report No.58, February, Luanda/Brussels: ICG.
- IMF, 2005, *Angola: Selected Issues and Statistical Appendix*, IMF Country Report No.05/125, Washington, DC.
- Intriligator, Michael, 1992, 'The Economics of Disarmament as an Investment Process', *Unidir Newsletter*, No.19, pp.7–9.
- Jensen, Nathan and Leonard Wantchekon, 2004, 'Resource Wealth and Political Regimes in Africa', *Comparative Political Studies*, Vol.37, No.7, pp.816–41.
- Kirkby, J., P.O. Keefe and C. Howorth, 2001, 'Introduction: Rethinking Environment and Development in Africa and Asia', *Land Degradation and Development*, Vol.12, pp.195–203.
- Kirschke, Linda, 2000, 'Informal Repression, Zero-Sum Politics and Late Third Wave Transitions', *Journal of Modern African Studies*, Vol.38, No.3, pp.383–405.
- Knight, Malcom, Norman Loyaza and Delano Villanueva, 1996, 'The Peace Dividend: Military Spending Cuts and Economic Growth', *IMF Staff Papers*, Vol.43, No.1, pp.1–37.
- Le Billon, Philippe, 2001, 'Angola's Political Economy of War: The Role of Oil and Diamonds (1975–2000)', *African Affairs*, Vol.100, No. 398, pp.55–80.
- Le Billon, Philippe, 2003, 'Buying Peace or Fuelling War: The Role of Corruption in Armed Conflicts', *Journal of International Development*, Vol.15, No.4, pp.413–26.
- Licklider, Roy, 1995, 'The Consequences of Negotiated Settlements in Civil Wars, 1945–1993', *American Political Science Review*, Vol.89, No.3, pp.681–90.
- Malaquias, Assis, 2001, 'Diamonds are a Guerrilla's Best Friend: The Impact of Illicit Wealth on Insurgency Strategy', *Third World Quarterly*, Vol.22, No.3, pp.311–25.
- Masi, Paulade and Henri Lorie, 1989, 'How Resilient Are Military Expenditures?', *IMF Staff Papers*, Vol.30, March.
- Munslow, Barry, 1999, 'Angola: The Politics of Unsustainable Development', *Third World Quarterly*, Vol.20, No.3, pp.551–68.
- Nafziger, Wayne and Juha Auvinen, 2002, 'Economic Development, Inequality, War and State Violence', *World Development*, Vol.30, No.2, pp.153–63.
- Nyang'oro, Julius, 1992, 'National Security and Defense Expenditure in Africa: A Political and Economic Analysis', *Africa Development*, Vol.XVII, No.4, pp.5–28.
- Ross, Michael, 2002, *Booty Futures: Africa's Civil Wars and the Futures Market for Natural Resources*, Los Angeles: UCLA Department of Political Science.
- Sambanis, Nicholas, 2003, *Using Case Studies to Expand the Theory of Civil War*, CPR Working Papers, No.5, Washington DC: World Bank.

- Sandler, Todd and Keith Hartley (eds.), 1995, *The Economics of Defense*, Cambridge: Cambridge University Press.
- Santos, José Eduardo dos, 2002, *Mensagem à Nação*, New Year's Message to the Nation from the President José Eduardo dos Santos to mark the transition from 2002 to 2003, 27 December, Luanda
- Shaw, Timothy, 2003, 'Regional Dimensions of Conflict and Peace-Building in Contemporary Africa', *Journal of International Development*, Vol.15, No.4, pp.487–98.
- Stewart, Frances and Valpy Fitzgerald, 2001, *War and Underdevelopment*, Oxford: Oxford University Press.
- Tvedten, Inge, 1997, *Angola: Struggle for Peace and Reconstruction*, Boulder: Westview Press.
- UN, 1993, *Economic Aspects of Disarmament: Disarmament as an Investment Process*, New York: United Nations.
- UNDP, 1994, *Human Development Report – New Dimensions of Human Security*, New York: Oxford University Press.
- Vines, Alex, 1998, *Peace Postponed, Angola since the Lusaka Protocol*, London: Catholic Institute for International Relations.
- World Bank, 1993, *Angola: Public Expenditure Issues and Priorities during Transition to a Market Economy*, Washington, DC: World Bank.