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Poverty Grips Potentially Rich Marxist Angola

By Glenn Frankel
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LUANDA, Angola—On a ridge overlooking this port city sits a half-finished office building, a construction crane perched on its roof. The building and crane have remained frozen in time since 1975, the year the Portuguese abandoned this colony, a symbol of the paralysis gripping an economy that could have been one of Africa's richest.

Twenty-two years of continuous war have left Angola an economic cripple, shattering its once strong agricultural sector and stunting its industrial growth. Farm production has dropped an average of 10 percent a year over the last decade; Angola, which once exported food to Africa, Latin America and Europe, now imports 65 percent of its needs.

Manufacturing has fallen 12 percent each year.

The war against South Africa and antigovernment guerrillas is estimated to cost nearly $2 billion a year, and the government has put total damage to roads, railways, bridges, factories and refineries at $10 billion since 1975.

But the numbers don't begin to convey the full extent of deprivation in this capital, whose population has swelled in 13 years from about 500,000 to nearly 1.5 million, most of them refugees from the war and rural poverty.

The urban landscape is dotted with row after endless row of one-room shanties made from tin, cardboard and mud, where sanitation is primitive, running water sometimes a mile away, and where children play in mounds of uncollected trash.

The bright, pastel-painted shops and cafes downtown that once gave this city a reputation as the Rio de Janeiro of Africa are almost all shut down, their shelves barren and tables empty. People line up for hours each day outside the few open government shops where they wait with ration cards to buy the few necessities available here—bread, milk, soap, sugar, cooking oil.

Absenteeism as high as 85 percent has been reported in some government offices, because workers spend their days in food lines and because they are paid in virtually worthless Angolan kwanza whose official exchange rate is 15 to 20 times less than can be obtained on the thriving black market.

A woman who said she was a clerk at the National Bank of Angola waited in line four hours recently for three bottles of milk. Asked why she was not at her job she replied, "This is more important for my family."

Government officials, while laying most of the blame on South African-supported guerrillas and the world recession, have begun to publicly concede their own economic shortcomings. The Popular Movement for the Liberation of Angola, the faction-ridden Marxist party that has ruled this nation since independence, has announced a series of new programs to turn the economy around.

Although the Marxists came to power promising economic justice for Angola's poor masses, recent measures have a distinctly unegalitarian air about them. Skilled workers who contribute to the country's economic recovery have been promised priority in receiving scarce consumer goods and new cars and permission to travel abroad semiannually.

President Eduardo dos Santos, while denying that these new measures establish a privileged elite, conceded in a speech earlier this year that "priority must be given to the solution of the problems besetting those who can effectively contribute to a decisive solution of everyone's problems once and for all."

Angola's chief economist, Minister of Planning Lopo do Nascimento, also indirectly criticized the government for contributing to the country's chronic food shortages by moving too quickly to centralized state farms. In a recent interview with the national newspaper, Nascimento noted that most of Angola's food was produced by peasant farmers.

"Our mistake was not to have remembered this well enough," he said. "If we had concentrated more resources on supporting the peasants we would have greatly improved the food situation in the country." He said establishment of collective farms would continue "but at a lesser pace."

The irony is that Angola should have been one of Africa's economic success stories. It is the continent's second largest producer of oil after Nigeria, supplied one-ninth of the world's diamonds in the early 1970s, has bountiful supplies of other minerals and was once the world's fourth largest coffee exporter.

But Angola under the Portuguese was saddled with a top-heavy economy, with most of the wealth and skills belonging to the 350,000 Europeans who lived here. When they fled in 1975, following a 14-year liberation struggle by the MPLA and two rival black nationalist groups, they took everything from trucks to light bulbs and left behind only a handful of skilled workers.

At first, the MPLA turned to the Soviet Bloc for the arms and Cuban troops with which it defeated its rivals, who were supported by South Africa and the Central Intelligence Agency. But in recent years, Angola's government has more and more faced west for the capital it needs to develop its natural resources.

"We don't hide the fact that we want to build a socialist society," Foreign Minister Paulo Jorge said in a recent interview. But, he continued, "It's obvious that to revive our businesses and industries we have to establish relationships with western countries."

The West buys almost 90 percent of Angola's exports, while the Soviet Bloc accounts for only 8 percent. Angola's single major trading partner by a wide margin is the United States, which buys two-thirds of the country's oil despite the fact that three successive U.S. administrations have refused to grant diplomatic recognition because of the presence of Cuban troops. Angola's largest African trading partner is South Africa, the hated enemy that occupies part of its south.

There are other paradoxes as well. Perhaps the biggest is that revenues from oil sales to the United States go toward paying the bill for Soviet arms and for the Cubans, who are estimated to cost Luanda at least $350 million annually. One of the main concentrations of Cubans is in Cabinda, where they are assigned the important task of guarding western offshore oil installations.

But even oil has not lived up totally to its potential. Due to the present worldwide glut, production peaked at 180,000 barrels per day, according to analysts here, far below this year's 250,000 target.

Angola's other major export, diamonds, also has not matched expectations. The Diamond Co. of Angola recently reported that diamond production last year was 27 percent below its goal, and only 60 percent of its 1973 peak. The company blamed inefficiency and smuggling. Some analysts believe half the gems mined here leave illegally.

The MPLA has announced a broad crackdown on corruption. Numerous low-ranking officials have been suspended from their posts while others have fled the country. Dos Santos himself launched the drive earlier this year with a firm warning to those who "play the enemy's game."

Analysts here believe corruption begins near the very top, not with dos Santos himself but with some of his closest advisers. At least one key minister is reliably reported to maintain a home and bank account in Geneva. Other officials, including some reportedly close to the president, were implicated in a scandal this year in which they allegedly earned hard currency illegally by renting their homes to foreign executives.

"For years the MPLA leaders seemed absolutely incorruptible," one western source said. "They lived on the vision that they were building a new future for Angola. Now, with the future looking decidedly shaky and their confidence gone, some have decided it's time to look after themselves."

The allegations of corruption have reportedly shaken dos Santos, 41, a Soviet-trained engineer who has uneasily ruled his party since 1979. Analysts here believe dos Santos is still attempting to consolidate his hold and to steer a middle course between the MPLA's warring factions.

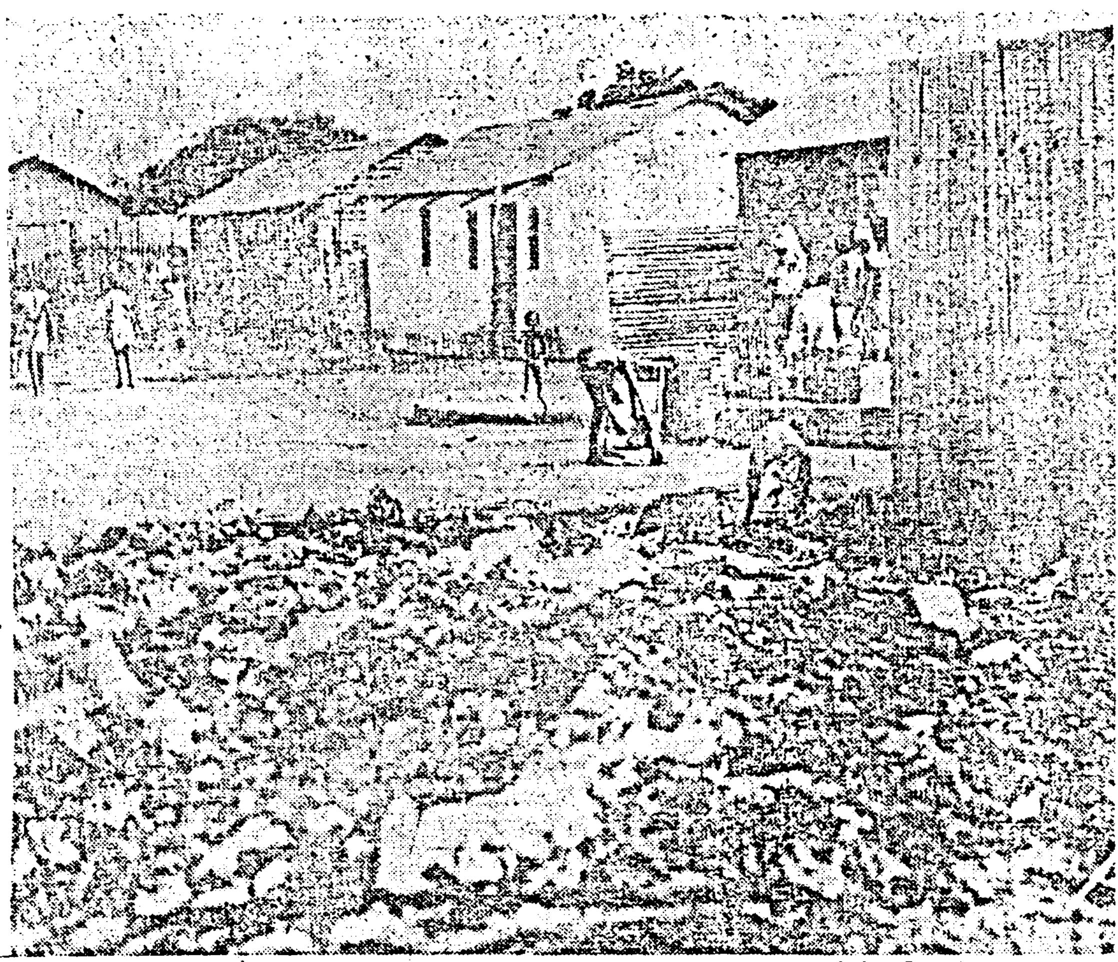
Those factions are said to roughly break down between hardliners who are pro-Soviet and committed to Marxist-Leninist ideology and moderates who argue for a pragmatic, more western-oriented approach.

Agostinho Neto, the founding father of the MPLA, was said to have been moving away from the Soviets before his death in 1979. Dos Santos, then planning minister, was the compromise choice to replace him. "He's not an ideological man," one western admirer said. "He doesn't think the answer to every problem can be found in Marxism."

But whether dos Santos can establish control over his feuding followers and stave off economic collapse remains an open question. Some conditions have improved—ships that once waited two months to unload goods at Luanda's port are now unloaded within two weeks, thanks to tighter management and increased benefits for dock workers.

But the food situation has actually worsened in recent months due to guerrillas' increasing stranglehold on Angola's prime agricultural regions. Hundreds of agricultural specialists from the Soviet Union and Eastern Europe have been evacuated from those regions to Luanda because their safety could no longer be assured.

Angolan leaders nonetheless defend their revolution. "We have achieved a lot of things already," said Foreign Minister Jorge, citing improvements in the country's literacy rate and in infant mortality. "Maybe it's not enough for what the Angolan people expected and what they are entitled to, but don't forget that since 1961 [the year the MPLA and a rival liberation group launched their struggle against the Portuguese] our people have not known one single day of peace."



By Leon Dash—The Washington Post

A sow and brood root through garbage in one of Luanda's shantytowns. In background, women draw water from well.