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Lev Leviev takes on De Beers

De Beers announced on 24 May that it was halting its diamond business in Angola. This is a triumph for Israeli-based tycoon Leviev, whose diamond interests spread across Africa and Russia.

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Ole Kufuor!

Coup rumours don't faze President John Kufuor. This week Kufuor flew into Valencia to speak at the African Development Bank's meeting alongside Mozambique's President Chissano. In his first major outing since taking over, Kufuor declared 'zero tolerance for corruption'. He told AC the coup talk was hype and there was broad support for military reform.

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Political eclipse

This month's solar eclipse worries President Ratsiraka. Yet it's unlikely to eclipse the Red Admiral, who first ruled his country in 1975. Like his counterparts in Malawi, Namibia, Zambia and now perhaps Kenya, he's seeking a third term in office – in the name of competence.

SENEGAL

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Wade's blue wave

An election landslide has given President Abdoulaye Wade a greater hold on power. Yet the days of Abdou Diouf are over: the word around Dakar is that if Wade doesn't fulfill some of the public's high expectations, his honeymoon will be definitely over.

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ANGOLA

Who blinks first?

Government and UNITA rebels edge reluctantly towards a ceasefire and new negotiations in one of Africa's longest-running wars

Rebel leader **Jonas Savimbi** has a cruel sense of timing. For 18 months, he has been calling on the ruling *Movimento Popular de Libertação de Angola* to start talking again to his *União Nacional para a Independência Total de Angola*. On 2 May, President **José Eduardo dos Santos** made his most conciliatory statement for a year, talking of a 'route to peace' and a dialogue with UNITA (AC Vol 42 No 9). Three days later, Savimbi's fighters killed at least 80 people in Caxito, abducting 60 children from a local orphanage.

Many in Luanda believe both leaders are inching towards new negotiations but want to save face and get the best negotiating position beforehand. Dos Santos is under pressure from the growing popularity of Luanda's peace movement and needs a ceasefire if he's to hold elections next year. Savimbi is feeling the pressure of sanctions, the government's military efforts and the factionalising of his UNITA organisation.

With the latest wave of attacks, Savimbi was making two brutal points: first, the MPLA cannot defeat UNITA militarily despite the growing imbalance of resources between the oil-fired government and the rebels; second, the government cannot keep the war in the hinterland (*Angola profunda*) leaving the MPLA's heartland along the western seaboard unscathed. Some UNITA cadres believe Savimbi is deliberately trying to ethnicise the war: to make it a crusade of UNITA's predominantly Ovimbundu forces against the Mbundu, *mestiços*, and Ovimbundu 'exiles' in the coastal cities.

A few days after the Caxito attack, Savimbi's forces killed two people near the northern town of Uige, another 20 when they ambushed a convoy near Cacusó, east of Malange, and three more at Belo Horizonte in central Bié Province. Next, ten passengers died when their truck hit an anti-tank mine near Menongue, Cuando Cubango Province. Up to ten children a day die of malnutrition in Camacupa, in Bié; aid agencies say 200,000 hungry people are trapped by UNITA nearby at Cuemba.

No ceasefire with 'armed bandits'

UNITA had shown its guerrilla prowess but won no new supporters by its brutality and by kidnapping children, probably to service its soldiers. Dos Santos said he had a responsibility not to declare a ceasefire with 'armed bandits'. This means more campaigns and more attempts to split UNITA and isolate Savimbi, despite new talk about talks. On 1 May, the army captured a key UNITA supply base at Mavinga in the south. Yet, as many Angolans in civic organisations point out, despite a 90,000-strong army under a freshly reshuffled command, with billions of dollars of weapons and equipment, the government is no closer to catching Savimbi or destroying UNITA's capability. They want a ceasefire and many believe that Dos Santos' determination to hold elections has given Savimbi a new objective – to prove the government can't protect voters.

The MPLA needs credible elections to establish a qualified legitimacy, abroad if not at home. At the presidential poll in October 1992, Savimbi was running behind Dos Santos, so UNITA returned to battle to disrupt voting. Today, Savimbi would poll much less than the 40 per cent attributed to him then, so he is not interested in the new elections for which, as Finance Minister **Julio Bessa** told **Ibrahim Gambari**, advisor to United Nations Secretary General **Kofi Annan**, US\$30 million has been approved.

UNITA believes its fighters can veto the election, and hopes to exploit the election plans by pushing Dos Santos into a dialogue. Even some MPLA parliamentarians argue for a ceasefire, including ex-Premier **Marcolino Moco**, a former head of the Lusophone Commonwealth organisation. He was quickly dressed down by MPLA Secretary General **João Lourenço**. Moco is accused of getting too close to the long-time MPLA critic, Portugal's Socialist former Premier, **Mario Soares**.

A more heavyweight advocate of dialogue is the MPLA's respected former Secretary General **Lopo do Nascimento**, whose advocacy is strong enough to win plaudits from the Luanda-based peace movement and nuanced enough to avoid rebukes from presidential apparatchiks. However, he is deeply unpopular in the Palace, Futungo de Belas, being seen as a major political threat.

Lev Leviev takes on De Beers

De Beers announced on 24 May that it was suspending its investment and prospection in Angola's diamond business. That is a triumph for **Lev Leviev**, whose diamond interests are worth over US\$1 billion and range from his base in **Israel** to Angola, **Congo-Kinshasa**, **Namibia**, **South Africa** and **Russia**.

Leviev has a 49 per cent stake in the Angola Selling Corporation (Ascorp), a joint venture with the Luanda government which is meant to control all diamond marketing in government-held territory. Industry sources say that this year, Ascorp could export some \$1 bn. worth of diamonds, while the rebel *União Nacional para a Independência Total de Angola* is unlikely to sell more than \$100 million of stones this year from the territory it controls.

De Beers says it has the legal right to market diamonds from the Cuango Valley, as part of a \$50 mn. investment agreement it signed with the government in 1991. Last August, De Beers Chairman **Nicky Oppenheimer** met President **José Eduardo dos Santos**, offering to set up a mining joint venture and to cancel a claimed \$85 mn. loan to the government. The offer was rejected, though De Beers insists negotiations will continue.

Although out of Angola for now, De Beers will continue to compete with Leviev elsewhere in Africa and Russia. Leviev is in business with **Arkady Gaydamak**, also based in Israel since **France** issued an international arrest warrant for him last December, in connection with the Angolagate investigation (AC Vol 42 No 3). Gaydamak has 15 per cent of Leviev's Africa Israel Group, one of Israel's fastest-growing holding companies, with interests in oil marketing, building, property and hotels in the Middle East, Europe, Africa and the **United States**.

Gaydamak has top-level political connections in Luanda: Dos

Santos publicly rebuked the Paris government for issuing the arrest warrant. Leviev, born in **Uzbekistan** and a member of the Jewish ultra-orthodox Chabad Lubavitch movement, has helped Russian President **Vladimir Putin** in his battle against oligarch **Vladimir Gusiinsky**. Leviev's and Gaydamak's political and business reach matches Russia's increasingly aggressive commercial operations in Africa.

An Africa Israel subsidiary, Africa Energy, last year bought 1,700 petrol stations in the USA from TotalFina (now merged with France's Elf). We hear AE is now looking at investments in Angola's oil production and marketing, which would put up a powerfully connected consortium to challenge Luanda's established oil companies. Gaydamak has links to Israel's Naphta Petroleum Corporation, which has a stake in Angola's Block 19. He also introduced the Israel-based Levdan security company to Luanda, where it ran a military training programme for government forces last year. There have since been disputes about who should control security in Angola's diamond sector.

De Beers suspended its Angola operations after it was taken over by a consortium of the Oppenheimer family, Anglo American and Debswana (a joint venture by De Beers and the **Botswanan** government). De Beers has de-listed from the Johannesburg Stock Exchange and is a now a private company, depriving the exchange of more than 10 per cent of its market capitalisation and one of its most attractive stocks. That could reduce South Africa's attractions for pension fund investors in Europe and the USA.

President **Thabo Mbeki** has endorsed De Beers' de-listing, saying that he is convinced that it will attract new foreign investment capital to South Africa.

Senior staff at the presidential palace claim their strategy has weakened Savimbi and fragmented his movement. This is true but doesn't help the government to win the war: it merely encourages Savimbi to fight rather than lose a free election. There is no 'military solution' to UNITA. The former Chief of Staff, General **João de Matos** said as much in December 1999 after his forces captured UNITA's former headquarters at Jamba and tacitly suggested political talks. Since then, the government's party line, especially from the presidency (backed by its allies in Western foreign ministries and major oil companies) has argued for a military solution: the annihilation of UNITA through total onslaught - using Luanda's military and diplomatic might, including sanctions, isolating UNITA and branding Savimbi a war criminal.

UNITA not united

● UNITA Savimbi: the mainstream, whose military forces and strategic planning are controlled by Savimbi with Gen. **Paulo Lukamba 'Gato'** as *de facto* deputy. Its penalty for personal aggrandisement is usually death and it controls almost all the movement's diamond revenues. The various estimates of those profits agree that they have fallen since UNITA moved out of the Cuango valley. De Beers reckons the revenues were \$75 mn. in 2000, \$150 mn. in 1999 and some \$700 mn. at the peak in 1997. A UN Security Council report in April put the 2000 figure at over \$100 mn., compared to over \$300 mn. in 1999. In January, President Dos Santos claimed UNITA had 8,000 fighters compared to 40,000 after its return to war in 1992; others point out that UNITA is still recruiting (and training child soldiers). Whatever

the exact figure, Savimbi has the armed strength to wreck the government's economic and political plans.

● UNITA Luanda: loyal in principle to the mainstream but in practice increasingly disaffected by Savimbi's militarism. A leading figure is Colonel **Almerindo Jaka Jamba**, once UNITA Secretary for Education and Culture and prominent among the parliamentarians elected in 1992, when UNITA won 34 per cent of the 220 seats (a minority has crossed over to UNITA *Renovada*). Jamba remains one of the most respected UNITA cadres in Luanda but he's steadfastly refused to defect or start up a UNITA front organisation on behalf of the government.

● UNITA *Autonome*: former UNITA Foreign Affairs Secretary **Abel Chivukuvuku** has not in theory broken with Savimbi but a group of party members and others would back his presidential ambitions. Savimbi says he doesn't know 'what Abel is up to'; Chivukuvuku is his most credible rival for UNITA's core Ovimbundu support and like him, calls for devolution of power to the regions.

● UNITA *Renovada*: an MPLA-sponsored group of UNITA members of parliament who have broken with Savimbi. They are led by **Eugenio Manuvakola**, who signed the 1998 Lusaka peace accord on Savimbi's behalf and was placed under house arrest on his return to UNITA headquarters. Weak and politically isolated, he has been politely criticising government strategy in **Congo-Kinshasa**.

● UNITA International: whose known coordinators - **Jardo Muekelia**, Washington; Brigadier **Isaias Samakuva**, Paris; **Marques Kakumba**, Côte d'Ivoire; plus a network of lesser

known political and financial runners – are under investigation by the government and the UN sanctions committee.

At the same time as pursuing a war strategy, the government wants Savimbi's fighters to stop fighting, turn in their weapons, follow the Lusaka Protocol and participate in general elections. Since November, it has somewhat weakened UNITA by offering deserters an amnesty (backed by the '*Fundo de Paz e Reconciliação*', itself controlled by Interior Minister **Fernando da Piedade 'Nando'** and one of the government's dubious pots of patronage). However, Savimbi would never trust a government amnesty and the government would never trust him; many believe his own psychology is a primary cause of the killing.

Chivukuvuku wants talks next year about a political settlement, aiming for a new constitution in 2003 and elections in 2004; he has suggested an agreement that would leave Savimbi safe in a UN-monitored enclave, while UNITA remakes itself as a party. Savimbi, though, used the UN as cover to rebuild his weakened army in 1992 and 1998 and his credibility in the West hit a new low after his former logistics boss, **Jacinto Bandua**, reported his order to shoot down two Western-owned transport aeroplanes shortly after the Lusaka accord collapsed at the end of 1998.

Slapping down the mediators

In an interview with *Voice of America* radio in March, Savimbi dropped his total opposition to the Lusaka accord but he refuses outright to disarm before discussions. The only obvious thing that Savimbi and Dos Santos agree on is hostility towards the UN. Annan's Special Representative in Luanda, **Mussagy Jeichande**, is unlikely to play a big role in restarting a peace process.

Outsiders who have questioned Luanda's military stance and have discreetly called for talks with UNITA – such as **Nigeria's** former Foreign Minister Gambari or **South Africa's** Foreign Minister **Nkosazana Zuma** – are quickly slapped down by Luanda. The apparent consensus about strategy on UNITA has meant that Angolans who disagree have had to do it for themselves – hence the growth of the Luanda-based 'peace movement'.

So far, it is less a movement than a disparate collection of individuals, such as publisher **William Tonet** and journalist and campaigner **Raphael Marques**. The public sees its activists as brave and honest and their protests have tapped a seam of profound opposition to both UNITA and the government. For now, the peace movement is limited to Luanda's middle-class salons and has little support or organisation beyond the capital. Yet as the government is so Luanda-centred, the peace movement looms as a political threat.

That is why the government has been trying to undercut the peace movement's agenda with measures such as an amnesty law, a fund for UNITA defectors, a peace consultation commission and the announcement of elections for 2002. The highly nuanced and qualified statements first from Interior Minister Nando and then from Dos Santos over the past month that they can conceive of talks with Savimbi under specific conditions are extremely significant.

Civil groups led by the Roman Catholic Bishops' Conference, the *Conferência Episcopal de Angola e São Tomé*, call for talks but don't agree on tactics. On 13 May, the bishops received a letter said to be from Savimbi (regarded as a hard-line Protestant) asking for their mediation. Another Luanda group, the *Amplio Movimento dos Cidadãos*, was founded in April as a multi-ethnic 'citizens' movement' calling for peace talks and more political rights for non-party organisations.

The AMC admits politicians but is not a political party. UNITA's

Jaka Jamba and Chivukuvuku have signed up, as well as economists and MPLA dissidents such as **Vicente Pinto de Andrade** and his brother **Justino**. Opposition activist **Filomeno Vieira Lopes** and the ageing **Holden Roberto** of the *Frente Nacional para a Libertação de Angola*, have also joined. The group is significant in Luanda but lacks the churches' nationwide networks.

The patchwork of 'civil society' organisations and church groups is small but increasingly self-confident. **Carlos Leitao's** PADPA organised demonstrations against a 1,600 per cent increase in fuel prices last year and another this February demanding Dos Santos' resignation unless he convincingly explained the 'Angolagate' arms scandal (AC Vol 42 No 3). Five years ago, such thoughts – let alone demonstrations – would have been treated as crimes; today, a government attempt to prosecute PADPA floundered in the courts.

Nobody suggests the newly emerging groups offer a solid alternative to the MPLA or UNITA. Yet they have pushed the issues of a ceasefire and peace talks into the open and are taken seriously both in Angola and by foreign companies and governments that want to do business there. In a society that has been dominated by two politico-military conglomerates, that must be progress.

GHANA

Ole Kufuor!

The President scores on his first major international trip

As a row simmered over security for former President **Jerry John Rawlings**, President **John Kufuor** jetted off to speak at the African Development Bank's 29-31 May meeting in Valencia, **Spain**, and to meet Prime Minister **José Maria Aznar**. Kufuor's first major international outing since taking over on 7 January demonstrated the President's confidence in his government's grip on events back home and his rapid elevation to the clique of African reforming leaders that includes **Mozambique's Joaquim Chissano** and **Senegal's Abdoulaye Wade**.

Addressing the ADB annual meeting alongside Chissano and the former Managing Director of the International Monetary Fund, **Michel Camdessus**, Kufuor said that he had declared 'zero tolerance for corruption' and was disappointed in the results of Ghana's economic reforms over the past decade. He blamed this on the Rawlings regime's lack of commitment to market economics and accountable government.

Kufuor was unfazed by the political row at home, sparked after his New Patriotic Party-led government insisted that Jerry Rawlings' 24 security guards, drawn from the 64th Battalion or commandos, should be replaced by 12 armed officers from the Ghana police force. Initially, Rawlings sent the police away saying he could not trust them as he didn't know them. The commandos, many of whom were trained in **Cuba** and **Libya**, were personally loyal to Rawlings but are more ambivalent towards Kufuor. Then Rawlings' party, the National Democratic Congress, now in opposition, boycotted parliament for four days to protest against the 'witch-hunt' of former government officials. The move won little popular support.

The previous week, Rawlings had said that he didn't think the Kufuor government 'would last long', a statement condemned by the governing NPP as 'treasonable'. Accra's newspapers reported that tracts were circulating forecasting a military coup on 4 June to mark the anniversary of Rawlings coming to power in 1979. It seemed

that some Ghanaians nostalgic for military rule believed they could capitalise on the financial crisis facing Kufuor's government. The coup rumours may have been floated to deter government efforts to probe and audit the Rawlings regime's financial management.

With the World Bank paying the fees, the government is to appoint forensic accountants to audit ten state companies, including the Ghana National Petroleum Corporation, Tema Oil Refinery, Social Security and National Insurance Trust fund, and Ghana Telecom, in which **Malaysia's** Telekom has a 30 per cent stake. This follows reports of much shredding of documents in government and state company offices after the second round of the election in January (AC Vol 42 No 2).

The GNPC has accumulated US\$95 million in debt from its 'hedging activities' which included the purchase of 8 oil rigs, all of which are still sitting in their original sites, ranging from Scotland to South America. The Accra press blames former GNPC managing director **Tsatsu Tsikata** for the debt but government officials are more cautious – at least until they have the result of the audit. The heaviest burden is the \$250 mn. debt accumulated by the Tema Oil refinery, resulting from the Rawlings government's subsidy of fuel prices in the run-up to the 2000 elections.

There are also reports of in-fighting between security and civilian officials prominent in the old regime about responsibility for major financial leakages. In a couple of cases, such as the arrest of former Deputy Finance Minister **Victor Selormey**, the government has been criticised for acting precipitately and without adequate evidence.

Yet few Ghanaians showed much sympathy for former Sports Minister **E.T. Mensah**, who was detained after he was linked to efforts to organise protests in the wake of the soccer tragedy on 9 May in which more than 100 spectators were killed at the Accra stadium. The police, who fired volleys of teargas into the crowd during a match between Accra's Hearts of Oak and Kumasi's Asante Kotoko, were widely blamed for the resulting crush which killed the fans. Mensah was widely seen as cynically trying to capitalise on the tragedy. The affair became the government's most serious test since taking over. Kufuor spoke on national television and radio but tried to dampen anti-police sentiment: he asked people not to jump to conclusions before the findings of a commission of inquiry are released.

Controlling the commandos

Reforming and restructuring Ghana's police force will be tougher than getting through the planned reforms of the military. Much of the police service has been starved of cash, except for some intelligence and surveillance units. It has also been a dumping ground for commandos loyal to Rawlings: they are harder to root out and redeploy in the police than in the military.

Kufuor told *Africa Confidential* that security matters were firmly under control in spite of local press speculation. His brother, **Kwame Addo-Kufuor**, had been working closely with senior officers to restructure the military and almost all the controversial 'commandos' had been reintegrated into the mainstream army. Kufuor would not comment on an *Africa Confidential* report that many of the commandos had been redeployed as part of Ghana's contribution of peacekeeping troops to the United Nations Mission in **Sierra Leone** (Unamsil). 'The commandos are now back under regular military command; that's the important issue'.

Kufuor insisted that relations with the military were good and there was no resistance to the restructuring strategy. The NPP got more than 50 per cent of the vote in the main barracks in Accra.

Alongside Senegal's, Ghana's armed forces are regarded as the most professional in West Africa. Kufuor and his Foreign Minister, **Hackman Owusu-Agyeman**, are seen as gentlemen rather than players in the diplomacy of the troubled sub-region. Most of their efforts are geared to shoring up the domestic economy and regional trade relations, rather than to taking on new regional projects.

Within days of taking power Kufuor made a much criticised visit to his autocratic neighbour, **Togo's** President **Gnassingbé Eyadéma**. The Kufuor/Owusu-Agyeman strategy is to consolidate Ghana's position in the region as fast as possible, not just with Ghana's traditional Anglophone ally **Nigeria** but also by improving ties with Togo and **Burkina Faso**, whose relations with the previous regime had deteriorated badly. Eyadéma and Rawlings repeatedly accused each other of trying to destabilise the other's country.

Ghana's focus would be to establish a track record for its own political and economic reforms, rather than preach to regimes with a record of tyranny and corruption, Kufuor said. Important in behind-the-scenes diplomatic efforts is the Secretary to the Presidency, **D.K. Osei**, a career diplomat who has served in Paris, Kinshasa, Conakry and Abidjan and was a confidant of Rawlings. He is also a nephew of Kufuor's and is seen as a key thinker in the government's cautious regional strategy.

Hard-headed economics

At the heart of the government's plans is its hard-headed economic strategy, which Kufuor and his Finance Minister **Yaw Osafo Maafo** were pushing in Valencia. Kufuor described the strategy as a tripod: the first leg is reform of the macro-economy, cutting interest rates, inflation and the budget deficit; the second leg is active government help to the private sector, cutting back bureaucracy and improving roads, communications and power supplies; and the third leg is a major boost to rural development and agriculture, encouraging investment in new export crops and providing inputs for the smallholder farmers who constitute the core of the economy.

Osafo Maafo sees agriculture as crucial to the government's growth strategy: 'Food makes up as much as a third of our imports, we are buying \$150 mn. of rice a year and \$110 mn. of sugar – these are both foods that we grew locally in the 1960s and 1970s.' The ADB has just lent Ghana \$12 mn. for a rice farming project. Osafo Maafo, a former bank director in Ghana, is a strong advocate of national food security: '95 per cent of our land is arable.'

However, the short-term concern is financial survival. Osafo Maafo won the argument in cabinet to apply for debt relief under the World Bank's and IMF's Heavily Indebted Poor Countries scheme. Ghana's request for rapid debt reduction was backed by **Britain, Germany** and the **Netherlands** at the IMF and World Bank boards. Ghana's policy performance this year is to be discussed at the IMF Board on 28 June. If the application goes through, the government will save \$175 mn. in debt service payments this year, Osafo Maafo says. Those payments will be made instead into a monitored investment fund for health services and education in Ghana.

Finance Minister Osafo Maafo is also that hopeful President Kufuor's government may reach an accommodation with the IMF about a \$40 mn. 'fine' (the return of wrongly disbursed funds) due to misreporting of the government's financial position to the IMF by the Rawlings regime. The legacy of 20 years of 'economic reform', which was often praised by both the IMF and the World Bank, under the Rawlings regime may haunt its successors for years to come.

MADAGASCAR

Political eclipse

The 'Red Admiral', sure of re-election, has a vision of the future

Anxious to show he cares about his people's welfare, President **Didier Ratsiraka** is worrying about the solar eclipse due in southern Africa on 21 June. He recently inaugurated the new 90-member Senate (30 senators nominated by himself) in which his *Association pour la Renaissance du Madagascar* (Arema) holds, along with its allies, an overwhelming majority. He had already summoned the press in March, not to reveal, as expected, that he would be a candidate at November's presidential election but to announce his fervent wish that all 15 million Malagasys should have special spectacles to protect them from the sun. Since his own poor eyesight (he once appeared almost blind) is a matter of electoral controversy, he demonstrated his recovery by reading aloud some extracts from this year's Nautical Almanac.

Ratsiraka's eye-protection programme is to be financed from a special budget of 23 billion Malagasy francs (US\$3.6 mn.), credited to the Solama drugs purchasing agency and funded mainly by foreign donors. Health workers from home and abroad find it impressive that the budget for solar specs is greater than that for a whole year's supply of essential medicines, in a country where plague, cholera, tuberculosis and malaria are endemic.

Astronomical

Every ministry has an eclipse committee. When the Labour Minister, **Alice Razafinakanga**, visited a textile plant in the Export Processing Zone in Antananarivo to check that workers' rights were being respected, she felt it necessary to mention the eclipse. The Admiral-President's supporters admire his skill in exploiting a natural phenomenon to his own advantage. The eclipse keeps him in the news and he hopes it may create a 'spontaneous' movement in favour of his re-election. He has not said he wants another presidential term but has denied saying, on **French** television in 1998, that he would not be standing again. He now claims that at that time he 'simply criticised the constitutional rule which permits only two terms.' The constitution was duly amended in 1998 to give presidents a third term. Ratsiraka added: 'Why limit a capable man to two mandates instead of three?' He neglected to mention that he had already done 18 years as a pre-democracy dictator in 1975-1993.

The ruling party is solidly behind him. In March, Arema Secretary General **Pierrot Rajaonarivelo**, who is also deputy Prime Minister, said it was in the name of party activists that he asked Ratsiraka to stand again. The party convention for Antananarivo at once voted unanimously for his re-election. This may be because nothing else holds the party together. 'If Didier Ratsiraka withdrew from public life, Arema would run the risk of implosion, wrote the weekly 'DMD' (*Dans les Média Demain*). Rajaonarivelo, suspected of presidential ambitions, announced that he was not **Judas** and therefore would not betray **Jesus**. On the other hand, when inaugurating the Senate, Ratsiraka said the opposition was like 'a chicken sitting on infertile eggs'.

The new policy of decentralisation has opened rifts in the party. One of its bosses, **Paraina Auguste** (a Betsileo, from the High

Plateau) has been in a rage since he heard that Arema would back not him but his rival **Emilson** (from the Coast) for the election on 10 June of a governor for the autonomous province of Fianarantsoa, the Betsileo homeland. Another man who would like the job is **Herizo Razafimahaleo**, Chairperson of the 'Leader Fanilo' party, whose 16 members of parliament support the 150-strong pro-Ratsiraka majority.

Coastal and highland rivalries

Arema, and much of the nation, remain divided by rivalry between the coastal peoples and the highland peoples, the Merina and Betsileo, who provide much of the educated elite. The split showed at the recent referendum on the creation of autonomous provinces: Antananarivo, Fianarantsoa and Mahajanga (kingdom of the Sakalava people) voted 'no' and Antsiranana, Toliara and Toamasina (where the Betsimisaraka, the President's people, live) voted 'yes'. Nobody can forget the 1972 pogroms against the Merina in the port city of Toamasina or the unsolved arson in 1995 of the 'Rova', the queen's palace and supreme symbol of Merina culture. There have been signs of growing tension in recent weeks. We hear that Merina civil servants and workers in state enterprises in the coastal towns have been told to go home to the Plateaux.

Ratsiraka's devolution was meant to calm the coastal peoples, who see foreign investment focusing on the area around the capital, by giving them hope that power will be more diffused. However, Ratsiraka, reared in the Imerina region which includes Antananarivo, and surrounded by officials of the same origin, took care to transfer no more than 10 per cent of the budget, and a similar share of state powers, to the provinces. Decentralisation could end up by increasing regional disparities between the Plateau towns, where most export-processing industries are situated, and the rest of the country.

Rivals for the presidency

Ratsiraka offers no opening to actual or potential rivals. One, businessman **Marc Ravalomanana**, who is Mayor of Antananarivo (and very popular there and elsewhere), has trouble implementing his plans for slum clearance and cholera eradication; the World Bank offers the money, the bureaucracy blocks it. The Mayor's dairy business, *Tiko*, normally supplies the Diego Suarez region by air but its freighter was stuck for weeks in May at Antananarivo's Ivato Airport because it was registered in **South Africa**. Re-registration took a long time. Many Merinas, including Arema members, would like to see Ravalomanana stand for the presidency but the presidential party is putting up its own local candidate, the singer **Rossy**; his real name is Paul Bert Rahasimanana, an advisor to the President who hopes to found a 'black people's movement' (i.e. mainly for coastal ethnic groups) and complains that the Mayor clears slums without providing new homes for their residents.

Another opposition figure, **Jean-Eugène Vonahitsy**, who is Vice-President of the National Assembly and a member of the *Rassemblement pour la Social-Démocratie* (part of the ruling majority), has been in gaol since just before Christmas. The official charge is that he issued cheques without sufficient credit - a sin committed by many politicians, including some in the President's entourage. But the accusation was changed after a few weeks to 'insulting the head of state' - the old-fashioned offence of *lèse-majesté*. He had in fact accused Ratsiraka of diverting to his own account the fares taken on a floating bridge presented by **Ukraine**. Vonahitsy's cause has been taken up by the French senator, **Christian Demuyneck**, Mayor of Neuilly-Plaisance and a

member of French President **Jacques Chirac's** *Rassemblement pour la République*.

In December 1996, Ratsiraka won the presidential election against **Albert Zafy**, former head of the *Forces Vives* ('life forces', the democracy movement) and briefly (1993-96) President of the country; Zafy, impeached in July 1996, presents no threat this time. Nor do the opposition parties grouped in the 'Crisis Cell', which now and then organise demonstrations in Antananarivo. A more serious opponent is **Patrick Rajaonary**, 'the man in a bow-tie' and President of the employers' *Syndicat des Industries Malgaches* (SIM), who campaigns against corruption and for cutting the size of the army. His dangerous game is to campaign against the 'Karana', traders of **Indian** origin whom he blames for smuggling.

Ratsiraka seems certain of another term, with the opposition divided and the people disillusioned by the failure of Zafy's brief period as President. The man once known as the 'Red Admiral' has never held so much power in his hands since he first lost power in 1993 – the presidency, the National Assembly, the Senate and probably soon the governorships of the new autonomous provinces. The Christian weekly newspaper '*Lakroa*' writes of a 'creeping dictatorship', as in the days when the dictator ruled a self-styled Marxist state. Among the 30 senators Ratsiraka appointed are what are called 'fossils' of the old regime such as the ex-Culture Minister, **Marie-Gisèle Rabesahala**, and **Pierre Simon**, an ideologist of the 'socialist revolution'.

Donors back the President. The International Monetary Fund has listed Madagascar as a 'highly indebted poor country', eligible for debt relief. The **United States** in March offered the benefits of the Africa Growth Opportunity Act, which should help encourage textile and clothing exports. A US defence attaché has just been appointed, along with 120 Peace Corps workers and the gift of six coast-guard boats. Conspiracy theorists among diplomats guess the USA is preparing an alternative naval base, in case **Britain** refuses to extend its lease on Diego Garcia in the Chagos Archipelago, which runs out in 2016. (**Mauritius**, of which the islands formed part, claims what is known as the British Indian Ocean Territory).

Yet Madagascar's regional inequalities and the perception of its skilled workers that they have not shared in the benefits of annual 5 per cent growth, cast shadows as dark as those of the coming eclipse. Officially, speech is free but nobody mentions senior people's business dealings.

SENEGAL

Wade's blue wave

The President now has a supportive parliament as well as government

The first year of 'transition' in partnership with Prime Minister **Moustapha Niasse** was difficult. Niasse's dismissal in March and now the parliamentary elections of 29 April have given President **Abdoulaye Wade** a much clearer hold on both executive and legislature. His coalition, known as *Sopi* (Change) or '*les Bleus*' (the Blues) and led by his own *Parti Démocratique Sénégalais*, won by a landslide, taking 28 of the 30 *départements* and 89 of the 120 seats in the *Assemblée Nationale*.

Opposition parties lodged several complaints with the

Constitutional Council about *Sopi's* campaign. There were allegations of fraud (notably in Kaffrine, 300 kilometres east of Dakar), of the use of state vehicles and of pre-poll distribution of rice and money in various parts of the country. Nevertheless, the victory stands largely unchallenged. The opposition's main grievance was Wade's own prominence as *Sopi* cheer-leader and crowd-puller: many said a head of state should not be so partisan.

Wade now has an overwhelmingly supportive parliament, with **Youssou Diagne**, a late recruit to the PDS in 1992, taking over the Assembly presidency. The new government has 24 instead of 28 ministers, with several ministries merging and the Communications Ministry disappearing altogether. As expected, Wade has mixed technocrats with party loyalists.

Mame Madior Boye, appointed *ad interim* in March, stays on as Premier, handing the Justice portfolio to **Basile Senghor**. Two senior newcomers are women who made their reputations outside party politics; international AIDS campaigner **Awa Marie Coll Seck**, who becomes Health Minister, and **Aïcha Agne Pouye**, at Commerce. The new Minister of Mining, Energy and Water, **Macky Sall**, is a PDS activist, as are **Aminata Tall**, who stays on as Social Development and National Solidarity Minister, and **Modou Fada Diagne**, who at 32 remains the PDS's rising star and heads an expanded Youth, Environment and Public Hygiene Ministry. **Ibrahima Wade**, Secretary General of the government, is 36, and **Abdoulaye Baldé**, Secretary General of the presidency, 37; they have the confidence of Wade, who is said to have been scathing about other members of his circle and formally dismissed all his special advisors on 18 May.

The rise and fall of Seck

The most notable hiccup so far was the nomination and resignation of **Mamadou Seck**, who was brought into the cabinet as Transport Minister in March and stepped down as Finance and Economy Minister on 23 May. His downfall was triggered by a letter of accusation published in the '*Walfadjiri*' daily newspaper. Seck denies any wrongdoing but admits that he was investigated concerning a cash payment by the Commissariat for Food Security while he was Director General of the Somicoa freight and transport company in the late 1980s.

Seck belonged to the *Parti de l'Indépendance et du Travail-Sénégal* (PIT) and later switched to the PDS. At Finance, he replaced **Makhtar Diop**, a former International Monetary Fund official who was better regarded there than by Wade. A notable absentee from the new government, **Abdoulaye Bathily**, has quit the Ministry of Mines, Energy and Water to concentrate on parliamentary activities; his *Ligue Démocratique-Mouvement pour le Parti des Travailleurs* (LD-MPT) remains firmly within the *Sopi* fold and played an important role in the elections.

Abdou Fall and **Lamine Bâ**, replaced as ministers of Health and Environment, had earlier run-ins with Wade's *dauphin*, **Idrissa Seck**. Both were among the '*frondeurs*' (grumblers) who disputed Seck's handling of the *Sopi* candidates' list in advance of the elections. Seck, still only 41, headed the *Sopi* coalition's national list at the election and ran a polished campaign. However, he has made enemies inside and outside the PDS, including Niasse. After the election victory, he upset his critics by using a *Sopi* trip to Touba, the stronghold of the Mouride Brotherhood, to lecture new members of parliament on their responsibilities.

The PDS has always been prone to splits and defections. **Ousmane Ngom** fell out with Idrissa Seck in 1998 and now awaits a rapprochement with Wade as the sole deputy of the *Parti Libéral*

Sénégalais (PLS). By the same token, **Serigne Diop** is now sole MP for the PDS-*Rénovation*, which he founded in 1985. Most of those who have quarrelled with Wade or Seck now face isolation and impotence.

Niasse, now opposition leader

Oddly, the main opposition party in parliament is Niasse's *Alliance des Forces de Progrès*, with eleven seats. Niasse talks confidently of a comeback, while concentrating on building structures for a party which is less than two years old. Yet his AFP already shows signs of division. Having held high office under three presidents and enjoyed lucrative consultancy work, Niasse may have little appetite for a long stint in opposition. He seems unimpressed by suggestions of a new opposition front with the formerly ruling *Parti Socialiste* (PS) and the *Union pour le Renouveau Démocratique* (URD).

The PS looks set for a bitter stock-taking. Ex-President **Abdou Diouf**'s former right-hand man, PS Secretary General **Ousmane Tanor Dieng**, ran a poor campaign and got only ten seats. The parliamentary casualties included former Assembly President **Cheik Abdoul Khadre Cissokho**, who lost in the party's eastern stronghold of Bakel, and former Agriculture Minister **Robert Sagna**, defeated in Ziguinchor. The PS suffered defections after it lost the presidential election last year and should brace itself for further setbacks.

The URD went from eleven seats to just three, a depressing result for its leader, **Djibo Leyti Kâ**, whose split with Diouf in 1995 helped change the political landscape. **Amath Dansokho**, sacked by Wade as a Town-Planning and Housing Minister in November 2000, holds the PIT's only seat.

Yet even an overwhelming parliamentary majority and a loyalist government may not enable Wade to carry through the reforms he says he wants. His presidency seems likely to be identified with high-profile projects, such as the renovation and privatisation of the Dakar-Bamako railway, a new international airport, a road from Dakar to Tangier, **Morocco**, via the **Mauritanian** capital, Nouakchott, and a new hospital.

Wade will continue to champion his Omega Plan for Africa, which involves a new system of loans for vast infrastructure projects, such as a railway to the port of Mombasa in **Kenya**. Omega is now said to compliment, rather than rival, **South African** President **Thabo Mbeki**'s Renaissance plan. President Wade is expected to ask for approval and cash when he visits **France** this month.

At home, Wade is likely to be constrained by the usual economic realities. Growth may hold up at 5-6 per cent a year but unemployment continues to spiral. Much of Senegal's good standing with the IMF and World Bank can be credited to the reform packages of the last six years of Diouf's presidency but donors will look carefully at further privatisation projects, since the state reappropriated electricity company Sénélec after serious managerial problems.

Support from abroad

Wade has good relations with the **United Kingdom** and **United States**, not least for the discreet support to British army operations in **Sierra Leone**. US soldiers will soon arrive to train Senegalese troops for peacekeeping missions. Paris has witnessed the disintegration of the PS and doubtless drawn appropriate lessons.

Wade followed his poll victory with a state visit to Mauritania, whose President **Maaouiya Ould Taya** visited him in April. Last

year's border row over Senegal's use of water from the shared Senegal River threatened to trigger a new wave of expulsions, as in 1989, but has now faded. Wade was scrupulously uncontroversial in Nouakchott (as elsewhere) and has been criticised for not raising the plight of black Mauritanian refugees living in Senegal or the case of Mauritanian opposition leader **Chebih Ould Cheikh Malainine**, currently facing charges of conspiracy against the state and defended by two Senegalese lawyers. Wade's critics suggest the softer approach to Ould Taya ties in with Senegal's interest in offshore oil discoveries in Mauritanian waters.

Last month's release of **Guinean** political prisoner **Alpha Condé** reportedly owed something to intervention by Wade, who still seeks a broader role in West Africa. Local difficulties may constrain him, including the Casamance conflict. Wade has stressed that he wants the Casamance issue to be treated as a Senegalese issue. This means that he wants less foreign intervention, not only in the war but also in peace negotiations. The peace agreement signed in Casamance in March this year has yet to yield much (AC Vol 42 No 5).

The Senegalese armed forces have since staged a series of offensives, supposedly targeting the forces of **Salif Sadio**, the hardline opponent of Abbé **Augustin Diamacoune Senghor**, who signed the peace accord on behalf of the *Mouvement des Forces Démocratiques de la Casamance* in March. His reservations notwithstanding, Wade will certainly need the support promised by **Gambian** President **Yahya Jammeh** (a traditional friend of the MFDC) and by **Guinea Bissau**'s President **Kumba Yale**. Wade and Yale appear to have found common ground as new, democratically elected presidents. This will be crucial as Bissau was previously a major source of landmines and other support for the MFDC. Bissau's army has hunted down MFDC bases in the north of the country. Meanwhile, reports of abuses by the Senegalese army are growing. Wade, a strong critic of Diouf's handling of the war (AC Vol 42 No 1), will be embarrassed if the Senegalese military is targeted by human rights organisations for its zeal, as often used to happen in the past.

On 26 May, the United Nations Integrated Regional Information Network reported that over 2,000 people from Casamance had fled to The Gambia after heavy fighting between the army and the MFDC. Commandos from Thies were deployed in the area after attacks against travellers by armed men believed to be MFDC separatists. By 28 May, the fighting had died down after the commandos were withdrawn. There are also reports of rebels planting landmines along major roads, to prevent farmers supplying the capital with food.

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Pointers

KENYA/USA

Follow me, follow

The United States fears East Africa may follow West Africa into chronic instability. Secretary of State **Colin L. Powell**, visiting Kenya last week, had two symptoms of regional sickness on his mind. One is the risk that President **Daniel arap Moi** will defy Kenya's constitution and stand at next year's election. The other is **Sudan**, which through slavery and oil has become what one US official called 'the most explosive' African issue in Washington (AC Vol 42 No 10). Powell's message was that President **George W. Bush's** government won't sideline either country.

Washington fears that instability in Kenya – because Moi stays put or because he goes – would have serious repercussions in **Burundi, Congo-Kinshasa, Rwanda, Sudan and Uganda**. A consultation group on Kenya's mounting crises (repression, runaway crime, corruption) has been set up at the Center for Strategic and International Studies, a Republican-leaning think-tank. It contains high-level academics and officials from State and Defense, chaired by **Stephen Morris**, a State Department Africanist under **Bill Clinton**.

Moi's ultra-loyalists, like their counterparts in **Malawi, Namibia and Zambia**, want him to go for a further unconstitutional term after his second is up in December 2002. Inscrutable as ever, he told a huge rally at Kipsigis in his Kalenjin homeland on 23 May: 'Wait and see what I will do, then follow me'. He is backed by a coalition of the Kenya African National Union and **Raila Odinga's** mainly Luo National Development Party. Resistance to a third term is led by parliamentarians of the Democratic Party, mostly from the economically dominant Kikuyu, Embu and Meru (collectively, GEMA) peoples of Central Kenya, who form the majority in Nairobi. Moi exploits the old bogey of Kikuyu domination to isolate the GEMA and their allies. Opposition rallies are met with arrests and firebombs: elections could be bloody.

Moi recently signed the Constitution of Kenya Review Act, under which he could mutate into a ceremonial (but powerful) head of state. Until mid-April two rival constitutional review commissions were at work – a KANU-NDP one guided by Moi and Odinga, and a rival 'all-faiths' *Ufungamano* (unity) group backed by the DP, church groups and NGOs. Professor **Yash P. Ghai**, a constitutional scholar brought in to conciliate, has cajoled the rivals to merge into a new commission, with 27 members whose nominations are vetted by Moi and whose recommendations are subject to parliament, where the KANU-NDP coalition dominates. Moi and Odinga hope that this will smooth their coalition into power.

Moi has been on the stump in DP-leaning regions such as Ukambani (Kamba), Western

Kenya (where the Luhya are divided) and will soon visit the Mijikenda and Swahili on the Coast. Powell went to listen; Moi, persuasive as usual, stressed his commitment to peace in the region. Though less brutally than to **Zimbabwe's** President **Robert Mugabe**, General Powell told Moi it was time to go.

LIBYA

Got your number

Oil industry circles are intrigued by an emerging Libyan-connected oil trading firm registered in Zurich. One Nine Petroleum (the numbers refer to the date of Colonel **Moammar el Gadaffi's** 1969 seizure of power on 1 September) is wholly owned by the Gadaffi International Foundation for Charitable Societies. A key player at One Nine, we hear, is the Colonel's son, **Seif el Islam**.

The firm's lawyers are Neupert & Partners, whose senior partner, **Dieter Neupert**, confirmed that it was pure coincidence that his firm also acts for another client with Libyan links, **Edwin Bollier**. Bollier is a **Swiss** national, whose Zurich company, Mebo AG, manufactured and possibly supplied Tripoli with the timing device for the bomb which killed 270 people at Lockerbie, **Britain**, in 1988. Bollier gave evidence to the Lockerbie trial in the **Netherlands**.

ADB

Mobile bank

Anti-globalisation demonstrators, worries about security at headquarters in **Côte d'Ivoire** and competition over rival African development plans intruded on the businesslike buzz of the African Development Bank's annual meeting in Valencia, **Spain**, on 29-31 May. ADB President **Omar Kabbaj** has been dragged into the contest between the Millennium Africa Plan, sponsored by **Algeria, Nigeria and South Africa**, and the Omega Plan, sponsored by **Senegal's** President **Abdoulaye Wade** and a Francophone group including **Morocco**. The Bank is urged to bridge the gap between the plans, to be presented to the Group of Seven countries in Genoa, **Italy**, this month.

This is the first time the ADB has met outside Africa; the choice of Valencia puzzled African delegates as well as protesters outside the city's Palacio de Congresos. The Vice-President of Valencia's regional government, **Luis Oliva Martinez**, pointed to cultural and economic ties with Africa; after waves of migrants and invaders – Romans, Visigoths, Arabs, Berbers and Africans – Valencia is now Spain's fastest growing regional centre, with African and Arab migration an important local issue. Spain has recently increased its share of ADB project contracts, hitting 12 per cent of the total in 1997 as part of a consortium with Italy and Morocco, and has doubled its capital subscription to the Bank to 1.1 per cent.

The mainly Spanish and peaceful protesters included anti-globalisation activists, radical trades

unionists and anarchists, denied their original target after the World Bank cancelled a meeting the previous week in Barcelona. Inside, delegates discussed a site for an emergency headquarters for the ADB in case Abidjan falls into chaos because of rivalry between supporters of President **Laurent Gbagbo** and opposition leader **Alassane Ouattara** (AC Vol 41 No 25). At least 14 countries have offered accommodation and the Bank will discuss a report by its inspection team this week.

The discussions included prominent Ivorians – **Charles Gomis** (former *chef de cabinet* to Kabbaj) and **Georges Ouegnin** (former advisor to ousted military leader General **Robert Gueï** and long-time head of Ivorian protocol). We hear that Ouegnin calmly said: 'I accompanied President **Félix Houphouët-Boigny** to his grave and President **Henri Konan Bédié** to his helicopter.' Konan Bédié fled Abidjan after the putsch of 24 December 1999 (AC Vol 41 No 1); Ouegnin stayed on as Gueï's head of protocol, and now works as a 'private consultant'.

EGYPT

Authoritarian urge

Prosecutions and convictions for expressing political opinions are nothing new for Egypt's military regime. But this time the main defendant was an internationally respected scholar of 62 who speaks as a liberal globalist and holds dual Egyptian-**United States'** citizenship. It is inconceivable that the seven-year gaol sentence passed by a High State Security Court on 21 May against **Saadeddin Ibrahim**, a sociologist at the American University in Cairo, plus gaol sentences against six colleagues, was not blessed by President **Hosni Mubarak** himself.

The US State Department and the European Commission all but declared the trial was rigged. The *New York Times* said Egypt was in danger of becoming a 'banana republic'; the *Washington Post* urged the US government to remember the verdict when next approving Egypt's annual US\$2 billion-plus in aid.

Ibrahim and 27 co-defendants faced two central charges: spreading false rumours to damage the reputation of the state and receiving funds without permission – exotic legal clauses, usually levelled only at the regime's foes. The court forbade the defence to cross-examine a key witness; it gave its verdict 90 minutes after the defence had finished, as if the verdict had been decided in advance.

Why? Ibrahim was not a 'dissident intellectual', as some have suggested. He had close ties to first lady **Suzanne Mubarak** and former first lady **Jihan al Sadat**. He reminded the court that in the early 1990s, he was given a prime-time TV spot to address the nation on confronting Islamist extremism – his best known research was on the social origins of radical groups. Yet he remained independent, speaking with unusual candour about the status of Egyptian Christians and the lack of democracy in the Arab world. He enjoyed official patronage but failed to deliver the usual apologia for the regime. That may have been his downfall.