

**Diamond Politics in the Angolan Periphery:
Colonial and Postcolonial Lunda
1917–2002**

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ABSTRACT

Angola is currently the fifth-largest diamond producer in the world. Yet neither the politics nor the history of Angola's diamond trade receives much attention either in the Angolan scholarship or the thematic literature on the mining sector more generally. The gap in the literature is significant, for diamond companies produce far more than revenue and profits: for some one hundred years, the diamond sector has governed, policed, defended, and controlled the strategic, diamond-rich provinces of Lunda Sul and Lunda Norte.

This thesis explores the historical trajectory of the diamond sector in the Lundas. It concentrates on the powerfully symbiotic relationship between the diamond sector and the state from the colonial period to the present time. Drawing on a wide range of untapped official documents as well as interviews, it argues that the diamond sector has functioned historically as the conduit through which the state projects its power and secures its interests in a strategic but hostile territory. The thesis further shows how the politics of resource control both define the state's strategies towards the diamond sector and perpetuate the entrenched system of privatised governance that has existed in the Lundas for more than a century.

The thesis builds upon both the historical and contemporary literature on the mining sector and the literature on state formation. It challenges the conventional notion that the persistent power of private companies in Africa is the result of state weakness or state absence, underlining instead how state leaders instrumentalise and empower

companies according to their changing priorities. It also considers the implications of this case study more broadly through a cross-case analysis of mining politics elsewhere in Africa. In the process, this study provides an original approach to state–mining sector relations that is of relevance to scholars working on the politics and political economy of state-making and of resources extraction in Africa.

NOTE ON SOURCES

The issue of interviewee consent is a complex one under the best of circumstances. In a place like Angola, gaining informed consent to discuss politically sensitive topics was an exercise in trust. The majority of my interviewees expressed concern about being quoted, and rightly so. In keeping with their wishes, I have kept interviewees anonymous. As a result, interviewees are described in the body of the thesis in terms of occupation and other relevant but non-revealing information, and are identified in footnotes by number.

Most of my interviews were conducted in Portuguese. The quotations from interviews are my own. Where I cite published and archival sources in Portuguese or French, the translations are also my own. The map of Angola, below, is from the United Nations.

LIST OF ABBREVIATIONS

AEF – *Afrique Équatoriale Française*

AHU – *Arquivo Histórico Ultramarino*

AMC – *Arquivo Marcello Caetano*

ANHA – *Arquivo Nacional Histórico de Angola*

ANTT – *Arquivo Nacional da Torre do Tombo*

AOS – *Arquivo Oliveira Salazar*

ARB – *Archives Royales de Belgique*

ASCORP – Angola Selling Corporation

BCDC – British Congo Diamond Corporation

BSAC – British South Africa Company

CARBONANG – *Companhia de Combustíveis do Lobito-Purfina*

CAST – Consolidated African Selection Trust

CDA – *Companhia de Diamantes de Angola*

CFS – Congo Free State

CIDAC – *Centro de Informação e Documentação Amílcar Cabral*

CONDIAMA – *Consórcio Mineiro de Diamantes*

COTONANG – *Companhia Geral dos Algodões de Angola*

CSO – Central Selling Organisation

DAUC – *Departamento de Antropologia da Universidade de Coimbra*

DGE – *Direcção Geral da Economia*

DGS – *Direcção Geral de Segurança*

DIALAP – *Sociedade de Lapidação de Diamantes de Portugal*

DIAMANG – *Diamantes de Angola*

DOB – Date of Birth

DPOM – *Departamento para a Protecção do Objecto Mineiro*

DRC – Democratic Republic of the Congo

DSD – *Divisão de Segurança dos Diamantes*

EIC – East India Company

EMA - *Arquivo Ernesto Melo Antunes*

ENDIAMA – *Empresa Nacional de Diamantes*

EO – Executive Outcomes

FAA – *Forças Armadas de Angola*

FAPLA – *Forças Armadas Populares de Libertação de Angola*

FIDES – *Fonds pour l'Investissement en Développement Économique et Social*

FNLA – *Frente Nacional de Libertação de Angola*

FNLC – *Front National de Liberation du Congo*

FORMINIERE – *Société Internationale Forestière et Minière du Congo*

GÉCAMINES – *Générale des Carrières et des Mines*

GURN – *Governo de União e Reconstrução Nacional*

IGM – *Inspecção Geral de Minas*

IICT – *Instituto de Investigação Científica Tropical*

INT – Interviews

IPAD – *Instituto Português para o Apoio ao Desenvolvimento*

ITM – International Trade Mining

MATS – Mining and Technical Services

MPLA – *Movimento Popular de Libertação de Angola*

NGOs – Non-Governmental Organizations

OBS – Observations

OESTEDIAM – *Companhia de Diamantes Oeste de Angola*

PEMA – *Pesquisa e Exploração Mineiras de Angola*

PIDE – *Polícia Internacional e de Defesa do Estado*

PMF – Private military firm

PROESDA – *Programa para a Estabilização do Sector Diamantífero em Angola*

PRS – *Partido para a Renovação Social*

SAMIP – *service d’achat des substances minérales précieuses*

SAREMCI – *Société de Recherches et d'Exploitation Minières en Côte d'Ivoire*

SDM – *Sociedade de Desenvolvimento Mineiro*

SGB – *Société Générale de Belgique*

SGM – *Sociedade Geral Mineira*

SMC – *Sociedade Mineira de Catoca*

SML – *Sociedade Mineira de Lucapa*

SODIAM – *Sociedade de Comercialização de Diamantes*

SOGEMIN – *Société Générale des Mines*

SONANGOL – *Sociedade Nacional de Combustíveis de Angola*

SPE – *Sociedade Portuguesa de Empreendimentos*

UMHK – *Union Minière du Haut-Katanga*

UNAVEM II – United Nations Angola Verification Mission

UNITA – *União Nacional para a Independência Total de Angola*

UPA – *União dos Povos de Angola*

MAP OF ANGOLA



Base 801492 (546940) 4-90

INTRODUCTION

This thesis examines the relationship between the state and the diamond sector in Angola's northeastern provinces of Lunda Sul and Lunda Norte from the establishment of the diamond industry in 1917 to the end of the Angolan civil war in 2002.¹ Portuguese colonialism gave birth to the diamond mining industry in the 1910s; from the outset, the industry assumed an outsized role in the political economy of colonial Angola. But far beyond the diamonds they extracted or the revenue they provided, diamond companies conquered, administered, protected, and dominated every aspect of life in the Lundas. Throughout the twentieth century, the power of the diamond sector remained remarkably constant, withstanding one political upheaval after another: colonisation, decolonisation, and civil war. That power, and its persistence across time and myriad political configurations, provides the point of departure for this thesis.

Mostly concerned with its social and military underpinnings, existing studies on mining in Angola tend to analyse the diamond sector as ontologically distinct from the state, with little attention paid to how they are bound together and what these interconnections mean for the nature of politics in Angola. To fill this lacuna, this thesis offers a case study on the diamond sector and its impact on the state in Angola. It argues that the overarching control enjoyed by the diamond sector in the Lundas, rather than signalling the absence of the state, represents instead the product of a particular form of state-making: privatised political authority born of the mutually constitutive relationship between the state and the private sector.

¹ In this thesis, I refer to the district of Lunda between 1908 and 1975, to the province of Lunda between 1975 and 1978, and to the provinces of Lunda Norte and Lunda Sul from 1978 to the current date. I use the terms firm and company interchangeably.

Although it focuses primarily on Angola, this thesis is concerned with the political role of mining companies more broadly. Countries such as the Democratic Republic of the Congo (DRC), Mozambique and Zambia, have all experienced the mining sector as a structuring political actor in the hinterland at different levels since the advent of colonial rule.² These cases are brought into the analysis in the introductory and concluding chapters, and provide the necessary background for the arguments developed about the diamond sector in Angola. While this thesis does not seek to offer a fully structured comparative analysis of the diamond sector or a general theory of state–mining sector relations, it sheds light on a causal mechanism – the mutually constitutive character of state–mining sector relations – that is no less applicable to these other cases. So framed, this study is of relevance to scholars interested in state building and the politics and history of extraction more generally.

The Lunda provinces are central to the study of the relations between the state and the diamond sector. Home to the country’s diamond industry, currently the world’s fifth largest, the provinces feature among Angola’s most peripheral provinces in terms of geography, demographics, and the historical experience of relations with the central state. They are located beyond the commercial axis connecting coastal Luanda to the city of Malange which is central to the history of the country.³ Separated from Malange province by the Cuango River, both Lunda provinces are turned towards their border with the DRC in northeast Angola. Through this region runs the historical corridor of the Chokwe, the Lundas’ predominant ethnic group. The Chokwe had a relatively brief

² This is not an arbitrary domain restriction. Chapter 6 discusses the reasons for including some cases and excluding others.

³ Since the 1920s Angola has been counted among the ten largest diamond producers, along with South Africa, Botswana, the DRC, Namibia, Ghana, Russia, Australia, Brazil and Canada.

history of Portuguese domination.⁴ Although they fiercely opposed Portuguese colonial expansion, they were only marginally involved in either the struggle for independence or in the civil war. Political outcasts, they never attained in Luanda a role representative of their regional importance.

The overwhelming power of *Diamantes de Angola* (DIAMANG), the diamond company that reigned in the Lundas between 1921 and 1988, also explains the singularity of this region vis-à-vis the rest of Angola. The company dominated the political and social landscape, assuming almost all the functions commonly attributed to the state and transforming the Lundas into one of the most developed parts of Angola. Central to the provinces' history, the company's legacy continues to frame the relations between the state, the diamond sector, and the population until today. For practical reasons, this thesis limits itself geographically to the area of the Lundas where DIAMANG most consistently operated, namely the 170 mile long axis between the capital of Lunda Sul, Saurimo, and the capital of Lunda Norte, Dundo, as well as their respective surrounding regions.⁵ In the colonial period, while Saurimo, then named Henrique de Carvalho, served as the southern gateway to DIAMANG's concession, Dundo embodied the control of the company. The corporate-administered site hosted the company headquarters, acted as the de facto capital of the province, and served as the flagship of the Portuguese civilising mission in eastern Angola. Their roles reversed

⁴ Chokwe refers to the ethnolinguistic groups constituted of the Cacongo, Chokwe, Lunda, Lunda-lua-Chindes, Lunda-Ndembo, Mai, and Mataba. They are present in Zambia, the DRC and Angola; mostly in eastern Angola (also in Cuando Cubango and Moxico, but especially in the Lundas), and also in Bié province. They account for 8% of the population in present-day Angola. William Martin James, *Historical Dictionary of Angola* (Maryland: Scarecrow Press, 2004), p. 34. See also Isabel Castro Henriques, *Commerce et Changement en Angola au XIXe siècle. Imbangala et Tshokwe Face à la Modernité* (Paris: L'Harmattan, 1995), vol. 1.

⁵ Dundo is located right next to Luachimo, indicated in the map page 11.

in the postcolonial period: Dundo's power declined along with the company and Saurimo assumed the role of the Lundas' de facto capital. In the process, the Dundo–Saurimo axis remained the backbone of the provinces and the source of the diamond sector's power.

Despite the diamond sector's centrality in the history of the Lundas, the standard account of Angolan political history reveals a primary preoccupation with public forms of power, thus conflating the history of Angola's political development with the history of its formal institutions. It divides the former into three periods that track the travails of the central state based in Luanda. Thus, the standard account begins with the conquest and territorial occupation by the colonial state in the wake of the 1885 Berlin Conference. The second period opens with the transition from an extractive to a developmental colonial state and the near-simultaneous creation of the nationalist movements in the late 1950s, and ends with the take-over of the colonial state in 1975. The third period focuses on the decline of the postcolonial state following independence under the weight of the civil war that opposed the former liberation movements *Movimento Popular de Libertação de Angola* (Popular Movement for the Liberation of Angola – MPLA) and *União Nacional para a Independência Total de Angola* (National Union for the Total Independence of Angola – UNITA). From that vantage point, by the time of UNITA leader Jonas Savimbi's death in February 2002, the crippled Angolan state resembled its colonial predecessor before the latter's campaigns of effective occupation: it only existed in city-enclaves isolated from each other; roaming bands of rebels controlled the countryside; the administration, largely confined to Luanda,

accessed the hinterland by air or by long and uncertain road conveys if it reached the countryside at all.⁶

This account is empirically accurate yet limited. Rather than concentrate exclusively on state institutions, this thesis broadens the focus to include private forms of state power so as to provide an alternative account of Angola's political development. Toward that end, it proceeds from a simple insight: beginning in the early twentieth century, private diamond companies operating in the Lundas enabled the state to project power across the region despite myriad political conjunctures. Indeed, for all the transformations in formal institutions emphasised in the standard account, the state lost its hold over the Lundas only once during the period under consideration: between 1988 and 1998, the collapse of the diamond industry combined with UNITA's take-over of important mines and resources produced an environment of contested authority. But that exception only proves the rule: state power in the Lundas waned when private power did, the one being indispensable to the other. Successful in its own extractive focus, the diamond sector also enabled the state to maintain its grip on power throughout the colonial and long into the postcolonial periods.

That is not to suggest that the state's strategies toward the diamond sector did not change according to its own political configuration and changing sense of priority. They did change, and with significant implications for the privatised mode of governance in the Lundas. While a monopolistic and comprehensive mode of governance emerged under the disciplinary and authoritarian Portuguese colonial state, a fragmented and

⁶ Ricardo Soares de Oliveira, "O Governo Está Aqui": Post-War State-Making in the Angolan Periphery', *Politique Africaine*, vol. 130, no. 2, February 2013, pp. 165–171.

enclaved one developed under the reckless Angolan state, especially from the mid-1980s onwards. Throughout this time, however, the rationality of the state towards the diamond industry remained the same: the state always envisioned the sector as the only way to achieve territorial security and revenue control in a historically hostile region. The ways in which the state allowed the diamond sector to assume state-like functions, the reasons why the state changed its strategy towards the sector, and how these variations impacted the mode of governance in the Lundas, are central to this thesis.

The relevance of a study considering the politics of the diamond sector in the trajectory of Angola over the last century is undeniable. But the utility of a case study focussing on its relations with the state is, as in any other case study, ultimately contingent upon the state of the evidence.⁷ Colonial Lunda is one of the best-documented regions in Angola on account of DIAMANG's archival base, which is of extraordinary quality by the admittedly very low Angolan standards. Yet the scholarly work on the Lundas is both scarce and relatively restricted in focus. Existing studies are mostly narrowly defined enquiries that deal with the management of labour recruitment, the social conditions of Africans working in the mines, and the administrative, cultural, and medical policies implemented by the company.⁸ These works, while very useful in their

⁷ John Gerring, *Case Study Research: Principles and Practices* (Cambridge: Cambridge University Press, 2007), p. 27.

⁸ Jorge Varanda, "*A Bem da Nação*": *Medical Science in a Diamond Company in Twentieth-Century Colonial Angola*, unpublished PhD thesis (London: University of London, 2007); Todd Charles Cleveland, *Rock Solid: African Laborers on the Diamond Mines of the Companhia de Diamantes de Angola*, unpublished PhD Thesis (Minneapolis: University of Minnesota, 2008); Nuno Porto, *Modos de Objectificação da Dominação Colonial: o Caso do Museu do Dundo, 1940-1970* (Lisbon: Calouste Gulbenkian Foundation, 2009).

own right, have paid little attention to how the state and the diamond sector are bound together and to the enduring significance of these interconnections.⁹

With regards to the postcolonial Lundas, the literature is even more limited. It tends to deal with the diamond sector in the general context of the civil war, or in the context of comparative studies on the role of resources in African conflicts. For instance, the work edited by Jakkie Cilliers and Christian Dietrich, an indispensable guide for the diamond sector during the last decade of the war, does not consider whether the dismantling of DIAMANG in 1988 contributed to the intensification of the regional conflict, even though the company had been exercising state-like functions in the provinces until then.¹⁰ A similar concern is found in the comparative analyses on the role of diamonds in fuelling conflict in Angola, Sierra Leone and the DRC. These generalisations based on the cross-analysis of case studies tend to overlook the specifics of institutional and historical dynamics in the relationship between states and mining companies.¹¹

There are obvious practical reasons for the absence of a systematic study of the relations between the state and diamond companies in postcolonial Angola. Between the advent of independence in 1975 and the peace agreement that marked the end of the civil war in 2002, the Lundas faced various degrees of widespread violence, making it difficult, if

⁹ Only the study of Todd Cleveland consistently broaches the topic of relations between DIAMANG and the colonial state, but it does so from the perspective of labour policies.

¹⁰ Jakkie Cilliers and Christian Dietrich, *Angola's War Economy: the Role of Oil and Diamonds* (Pretoria: Institute for Security Studies, 2000).

¹¹ William Reno, *Warlord Politics and African States* (Boulder: Lynne Rienner, 1999); Philippe le Billon, 'Angola's Political Economy of War: the Role of Oil and Diamonds, 1975–2000', *African Affairs*, vol. 398, no. 100, July 2001, pp. 55–80.

not impossible, to conduct systematic fieldwork.¹² Since the end of the conflict, the Angolan government, which is broadly suspicious of academics and researchers, has been particularly discouraging of research in the Lundas, even in the urban areas. But the difficulties in gaining access to fieldwork sites do not fully explain the considerable research gap that persists even in the face of the Lundas' importance as a leading mining province.

The study of the diamond sector and its relations with the state is also hampered by a truncated understanding of the political economy of Angola and, by extension, of the role of extractive companies in political development more broadly.¹³ In 1966, Richard Hammond characterised Portuguese colonialism in the nineteenth and early twentieth century as an essentially 'uneconomic' nationalist pursuit by a weak and impoverished European state.¹⁴ René Pélissier and Basil Davidson, as well as other leading scholars, embraced this vision, which evolved into a mainstream assumption.¹⁵ Only in the mid-1980s did William Gervase Clarence-Smith challenge the 'uneconomic imperialism' thesis, calling it a 'myth'.¹⁶

Since then, scholars have broadly agreed upon the fact that economic considerations informed much of colonial-era decision-making in Angola. The ruinous economic

¹² Since the end of the war in 2002 only a handful of researchers have conducted in-depth fieldwork in the Lundas. I thank one of them, Todd Cleveland, for sharing his experience of fieldwork in Lunda Norte and for encouraging me to pursue this project.

¹³ In this section, I use a broad definition of extractive companies that includes companies involved in oil and mining.

¹⁴ Richard James Hammond, *Portugal and Africa, 1815-1910: a Study in Uneconomic Imperialism* (Stanford: Stanford University Press, 1966).

¹⁵ Basil Davidson, *In the Eye of the Storm: Angola's People* (London: Penguin, 1975); René Pélissier, *Les Guerres Grises: Résistance et Révoltes en Angola, 1845-1941* (Paris: Orgeval, 1977).

¹⁶ William Gervase Clarence-Smith, *The Third Portuguese Empire, 1825-1975: a Study in Economic Imperialism* (Manchester: Manchester University Press, 1985).

consequences of the First World War forced the Portuguese First Republic (1910–1926) to initiate the first developmental phase of the colony, known as the ‘regime of the High Commissioners’, which continued into the Dictatorship period (1926–1930).¹⁷ The monetarist policy imposed on colonial Angola during the first phase of the New State (1930–1942) did not impede the arrival and settlement of powerful foreign investors, in contradiction to the ‘economic nationalism’ promoted by Salazar in the 1933 Colonial Act.¹⁸ Even though Angola lagged behind other colonies as they engaged in massive social and economic development in the aftermath of the Second World War, Portugal nevertheless launched initiatives to promote economic growth and facilitate colonial exploration, its most visible consequence being the sizable expansion of forced labour in the opposite direction of other colonial empires. In the 1950s, the most modern sectors of the metropolitan society started to call for the end of a backward colonial economy founded on forced labour.¹⁹ The advent of the anticolonial struggle in 1961 finally pushed the colonial government to pursue consistent modernization policies verging from the abolition of forced labor and the promotion of commercial smallholder agriculture to the pursuit of industrial policies and an increase in the initially extremely low investment in education and health. Despite the war, this was met with great success. According to Ennes Ferreira, growth in nominal terms throughout the war years was 11.1% per year.²⁰ On the eve of independence, Angola was in possession of a relatively diversified economy with a nascent industrial sector that showed promise.

¹⁷ Francisco Bethencourt and Kirti Chaudhuri, *História da Expansão Portuguesa* (Lisbon: Círculo de Leitores, 1998), vol. 4 and 5.

¹⁸ Clarence-Smith, *The Third Portuguese Empire*.

¹⁹ Miguel Bandeira Jerónimo, ed., *O Império Colonial em Questão (Sécs. XIX - XX)* (Lisbon: Edições 70, 2013).

²⁰ Manuel Ennes Ferreira, *A Indústria em Tempo de Guerra: Angola, 1975–91* (Lisbon: Editora Cosmos), p. 143.

Yet, despite recent efforts to underline the economic character of Portuguese exploitation of colonial Angola, little has been done to bring into new light a crucial sector in colonial Angola's political economy: the mining industry.²¹ Historical works do not consider whether the early colonial period offers lessons for the study of relations between the colonial state and extractive companies in the long duration.²² In his critique of the 'uneconomic imperialism' thesis, Clarence-Smith underlines the importance of extractive companies for the viability of colonial Angola in the early New State period, especially in the 1930s. But he does little more than scratch the surface of their relations with the state.²³ The literature on the late colonial period pays greater attention to extractive companies in the context of colonial developmentalism. Fernando Tavares Pimenta, Jeremy Ball and Alexander Keese added new information to social and labour issues of the late colonial situation in Angola, issues that, as Chapter 3 argues, relate directly to extractive companies and to DIAMANG in particular.²⁴ However, while these works deal in one way or another with DIAMANG, they only do so superficially, even though diamonds accounted for one of the three most important sources of state revenues during this turning point of Angola's modern history.

²¹ This statement does not necessarily apply to other Portuguese colonies. In Mozambique, for instance, authors have studied the political economy of concessionary companies in great depth. Allen Isaacman and Barbara Isaacman, *Mozambique: From Colonialism to Revolution, 1900–1982* (Boulder: Westview Press, 1983); Anne Pitcher, *Politics in the Portuguese Empire: the State, Industry, and Cotton, 1926–1974* (Oxford: Clarendon Press, 1993); Leroy Vail and Landeg White, *Capitalism and Colonialism in Mozambique: a Study of Quelimane District* (Minneapolis: University of Minnesota Press, 1981).

²² Works on the period that do not address extractive companies in detail or at all still provide important elements for an understanding of the context in which DIAMANG emerged. For instance, Ricardo Roque offers a unique window into the rationale of the colonial state in eastern Angola, important in its own right for an understanding of the political and military context in which DIAMANG emerged in Lunda. Ricardo Roque, 'The Razor's Edge: Portuguese Imperial Vulnerability in Colonial Moxico, Angola', *International Journal of African Historical Studies*, vol. 36, no. 1, 2003.

²³ Clarence-Smith, *The Third Portuguese Empire*.

²⁴ Alexander Keese, "'Proteger os Pretos' – Havia uma Mentalidade Reformista na Administração Portuguesa na África Tropical (1926–1961)?" *Africana Studia*, no. 6, 2003, pp. 97–125; Jeremy Robert Ball, *"The Colossal Lie": the Sociedade Agrícola do Cassequel and Portuguese Colonial Labor Policy in Angola, 1899–1977*, unpublished PhD thesis (Los Angeles: University of California, 2003); Fernando Tavares Pimenta, *Branços de Angola: Autonomismo e Nacionalismo (1900–1961)* (Coimbra: Minerva, 2005).

Likewise, the most important works on the war of independence do not fully incorporate the extractive companies into their analyses of the conflict. The two volumes of John Marcum are nonetheless an indispensable resource, along with Jean-Michel Mabeko-Tali's monograph on the history of the MPLA that contains rare information on eastern Angola, as well as the works of military historian João Paulo Borges Coelho, whose work is mostly dedicated to colonial Mozambique, but also touches on the conflict in colonial Angola.²⁵

The dearth of historical accounts of the extractive sector in colonial Angola partly explains why scholars have overlooked the impact of independence on their relations with the state, a regrettable lacuna that obscures the pivotal importance of DIAMANG in the early postcolonial period. No scholar has paid attention to the important role the company played in the 1976 territorial division of Lunda into the current Lunda Norte and Lunda Sul provinces. Only Manuel Ennes Ferreira has looked at the politics of DIAMANG's nationalisation in 1977 and at the process of its integration into *Empresa Nacional de Diamantes* (ENDIAMA), the company founded by the Angolan state to manage the diamond sector, between 1981 and 1988.²⁶

The other, more evident explanation for the lack of studies on DIAMANG in the postcolonial period is the concentration of attention by scholars on the 'rise and rise' of

²⁵ John Marcum, *The Angolan Revolution, vol 1: the Anatomy of an Explosion (1950–1962)* (Cambridge: MIT Press, 1969) and *the Angolan Revolution, vol. 2 : Exile Politics and Guerrilla Warfare (1962-1976)* (Cambridge: MIT Press, 1978); Jean Michel Mabeko-Tali, *Dissidências e Poder de Estado : o MPLA Perante Si Próprio*, (Luanda: Nzila, 2001); João Paulo Borges Coelho, 'African Troops in the Portuguese Colonial Army, 1961–1974: Angola, Guinea-Bissau and Mozambique', *Portuguese Studies Review*, vol. 10, no. 1, 2002, pp. 129–50.

²⁶ Manuel Ennes Ferreira, 'Realeconomik e Realpolitik nos Recursos Naturais em Angola', *Relações Internacionais*, vol. 6, 2005, pp. 73–89.

the *Sociedade Nacional de Combustíveis de Angola* (SONANGOL), the national oil company and *raison d'être* of the Angolan state since independence. The leading contributions on the political economy of extractive industries in postcolonial Angola by Manuel Ennes Ferreira and Ricardo Soares de Oliveira, are mostly limited to the oil sector.²⁷ The interest of these scholars in all things oil is understandable considering the overwhelming importance of the sector for contemporary Angolan politics. Indeed, the characterisation of diamonds as the second largest source of revenue for the postcolonial state is, while factually accurate, somewhat misleading, as the immense, and still growing, disparity between oil and diamond revenue in the past decades is undeniable. Between 1986 and 2008, Angola's oil production surged from 200,000 to almost 2 million barrels per day. In the process, the viability of the state came to be defined by the oil industry, with the diamond sector being relegated to a secondary role.

Nevertheless, this thesis posits that an analysis that places the diamond sector at its centre represents an important contribution to our understanding of the political economy of the extractive industries in Angola. Throughout the colonial and the postcolonial period, DIAMANG and its successor, ENDIAMA, proved central – albeit in different ways – to the political strategies of the state elite. Together, the two companies provided the means for the colonial Portuguese and postcolonial Angolan states to accumulate revenues, to distribute rents, to defend territories, and to reinforce Angola's place in the international system. Even as the diamond sector lost its

²⁷ See Appendix 1 for a graph on the importance of the diamond and oil sector in the Angolan economy over time. See also, for example, Christine Messiant, 'The Eduardo Dos Santos Foundation: Or, How Angola's Regime is Taking Over Civil Society', *African Affairs*, vol. 100, no. 399, pp. 287–309; Ricardo Soares de Oliveira, 'Business Success, Angola-style: Postcolonial Politics and the Rise and Rise of Sonangol', *Journal of Modern African Studies*, vol. 45, no. 4, 2007, pp. 595–619. Oil is an important part of Ennes Ferreira's analysis of Angola's postcolonial industry: see Ennes Ferreira, *A Indústria em Tempo de Guerra*.

predominance to the oil sector as the state's fiscal lifeline, it remained instrumental as the state's holder of the monopoly of power in the diamond-rich territories. It also played a vital role in the patronage strategies of the postcolonial state. Hence, the oil sector represents only part of the story of the extractive industries' role in the projection and consolidation of state power.²⁸

In order to understand the relationship between the state and the diamond sector, it is imperative to situate the diamond sector in the Lundas within a larger context, to look at it comparatively, and to avoid the perception of it as essentially different from the patterns of state-firm interactions prevalent in the rest of sub-Saharan Africa. As John Gerring notes, there is no such thing as a case study 'tout court', as any case study implies the consideration of a broader set of cases across the period studied in this thesis.²⁹

Understanding the mining sector of the colonial period and presenting it in a comprehensive analytical manner gives rise to a major challenge: the way in which the historical literature on the mining sector is structured limits its applicability to other cases. Indeed, as Miles Larmer aptly argues, two distinct knowledge production processes that shape the literature on mining companies in Central Africa seldom

²⁸ That said, because this thesis argues that the state has maintained an instrumental relationship with the diamond sector regardless of its political configurations, it will take into account the obvious importance of the oil sector in explaining the state's policy choices towards the diamond sector. For that purpose, the thesis will draw on the literature on 'petro-states' that touches on relevant cases in Africa, including Angola: Terry Lynn Karl, *The Paradox of Plenty: Oil Booms and Petro-States* (Berkeley: University of California Press, 1997); Ricardo Soares de Oliveira, *Oil and Politics in the Gulf of Guinea* (London: Hurst, 2007); Atul Kohli, *State-Directed Development: Political Power and Industrialization in the Global Periphery* (Cambridge: Cambridge University Press, 2004).

²⁹ Gerring, *Case Study Research*, p. 13.

interact with each other.³⁰ On the one hand, the Zambian Copperbelt is usually studied by Anglo-American academics, influenced by their own experiences of colonialism and their own intellectual traditions in American and British universities. On the other hand, the vast majority of studies on the Katangese copper and diamond companies in the DRC come from the French and Belgian scholarly tradition.³¹

Together, the Anglophone and Francophone works form the body of historical literature on the extractive sector in Africa. It yielded numerous studies of colonial mining companies, and their relations with the colonial state. The Anglophone literature documents how mining companies, in the first phase, opened up frontier territories, establishing control over populations, and developed, in a second phase, mining communities that came to play major roles in the colonial society.³² The French–Belgian literature, on the other hand, is rich in descriptions of how the mining companies emerged, who formed them, and how these companies related with the metropolitan state.³³ Most notably, Coquéry-Vidrovitch’s landmark monograph on the relations between the state and mining companies in French Equatorial Africa is an irreplaceable intellectual guide for this thesis.³⁴ On the other hand, more recent generations of

³⁰ Miles Larmer developed this argument in a talk at the Oxford Central Africa Forum in June 2012. He argues for the development of comparative, historically informed analysis of Africa's different mining regions to explain how the development of African states and societies has defined the ways in which mineral possessions are explored.

³¹ Throughout this thesis, the study of the mining industry in the DRC is limited to the cases of Katanga and Kasai provinces.

³² Peter Slinn, ‘Commercial Concessions and Politics During the Colonial Period: the Role of the British South Africa Company in Northern Rhodesia 1890–1964’, *African Affairs*, vol. 70, no. 281, 1971, pp. 365–84; Ralph Austen, *African Economic History: International Development and External Dependency* (Oxford: James Currey, 1987).

³³ Jean-Luc Vellut, ‘Hégémonies en Construction: Articulations Entre État et Entreprises dans le Bloc Colonial Belge (1908–1960)’, *Canadian Journal of African Studies*, vol. 16, no. 2, 1982, pp. 313–30; Jean-Philippe Peemans, *Le Congo-Zaïre au Gré du XX^e Siècle État, Économie, Société, 1880-1990* (Paris: L’Harmattan, 1997).

³⁴ Catherine Coquery-Vidrovitch, *Congo au Temps des Grandes Compagnies Concessionnaires, 1898-1930* (Berlin: Walter de Gruyter, 1973).

scholars have given relatively little attention to these themes. In the face of the retreat of the central state from the periphery in the aftermath of the structural adjustment programmes imposed across Africa by international financial institutions, most scholars have turned their attention to the local dynamics of mining politics, and specifically to the relations between companies and communities. In such circumstances, the statement made by Anthony Hopkins almost thirty years ago that facts in the history of business in Africa had ‘the status of beliefs rather than knowledge’, remains applicable to much of the literature on the relations between the state and mining companies.³⁵

Attempts to bring together the various bodies of knowledge produced on Africa's mining sector remain few, but they have nevertheless opened avenues of cross-fertilisation between history and the social sciences. Notable attempts are the on-going research of Miles Larmer and Benjamin Rubbers on the impact of nationalisation and structural adjustment programmes in the Zambian Copperbelt and the Katanga province of the DRC respectively.³⁶ But the reference work comes from an anthropologist whose expertise is not in the mining sector. In his analysis of the ‘structures of knowledge’ of the Copperbelt, James Ferguson deconstructs the modernisation hypothesis via a micropolitical analysis of mineworkers.³⁷ This ‘ethnography of decline’ examines their engagement with the mining industry, the expectations they developed, and the experiences that ‘rocked their lives’.³⁸ By offering this non-linear understanding of the

³⁵ Antony Hopkins, ‘Imperial Business in Africa Part I: Sources’, *Journal of African History*, vol. 17, no. 1, 1976, p. 2.

³⁶ Benjamin Rubbers, ‘L’Effondrement de la Générale des Carrières et des Mines’, *Cahiers d’études africaines*, vol. 1, no. 181, 2006, pp. 115–33; Alastair Fraser and Miles Larmer, *Zambia, Mining, and Neoliberalism: Boom and Bust on the Globalized Copperbelt* (London: Palgrave Macmillan, 2010).

³⁷ James Ferguson, *Expectations of Modernity: Myths and Meanings of Urban Life on the Zambian Copperbelt* (Berkeley: University of California Press, 1999).

³⁸ Ferguson, *Expectations of Modernity*, p. 15.

Copperbelt across time, and linking it to other experiences of economic marginalisation around the world, Ferguson underlines the failure of the modernist interpretation to represent these distinctive patterns of social change or to provide an account for Zambia's historical trajectory.

An additional body of literature seeks to understand the contemporary dynamics of the mining sector in Africa. It draws on the premise that the post-structural-adjustment period represented a 'turning point' in African mining regimes, as states were deprived of institutional capacity and power and evolved into regulatory authorities.³⁹ Since the turn of the 1990s, Africa emerged as a new mining frontier, and the encounter between mining companies and local populations has renewed the interests of scholars in the mining sector.⁴⁰ This expanding literature focuses chiefly on the agency of African actors, and the historicity of their social modes.⁴¹ It seeks to scale down the focus of analyses from the macro-level of the state to local arenas or to socio-economic areas, such as mines or borders. This literature can be divided into three main themes: the first concerns the interactions between artisanal miners, company workers, and politicians, with the state, the mining companies, as well as the network of negotiators that links them to the global economy.⁴² It approaches African actors from a socio-anthropological perspective, drawing on the socio-anthropology of development of Olivier de Sardan as

³⁹ Bonnie Campbell, *Mining in Africa: Regulation and Development* (London: Pluto Press, 2009), p. 13. For a discussion of the post-structural adjustment mining sector in Africa, see Chapter 6.

⁴⁰ Ray Bush, 'Scrambling to the Bottom? Mining, Resources and Underdevelopment', *Review of African Political Economy*, vol. 35, no. 117, 2008, pp. 361–366.

⁴¹ Benjamin Rubbers, 'Les Sociétés Africaines Face aux Investissements Miniers', *Politique Africaine*, vol. 131, no. 3, 2013, pp. 5–50.

⁴² Filip de Boeck, 'Garimpeiro Worlds: Digging, Dying & 'Hunting' for Diamonds in Angola', *Review of African Political Economy*, vol. 28, no. 90, 2001, pp. 549–62.

well as the anthropology of mining exploitation by Glenn Banks.⁴³ The second theme revolves around changes in labour regimes: how Africans are adapting to new working conditions, the evolution of forms of organisation, and the impact of labour on demographics and urban patterns.⁴⁴ Finally, the third theme concerns the role of mining companies, and the involvement of African actors, in the process: how local populations enable or disable the establishment of mining companies; how political leaders instrumentalise the legal framework in the negotiation of contracts with foreign investors.⁴⁵

This body of literature offers several elements that are important for the study of the diamond sector in the Lundas. Most importantly, it suggests that the current mining boom, and the interactions between the state and companies that it entails, is not the consequence of circumstantial changes, but rather the product of a broader process of state formation in the mining-rich regions.⁴⁶ This thesis takes fully on board the insight that state–mining relations form part of a broader state formation. It seeks, however, to avoid the trap of localism. It is equally important to consider the role of the diamond sector in the history of state building and to explore how the sector affects and limits state action in the making and shaping of the periphery as a whole. To achieve this goal, this thesis traces the story of the diamond sector in the Lundas within the broader

⁴³ Thomas Bierschenk, Jean-Pierre Chauveau and Jean-Pierre Olivier de Sardan, eds., *Courtiers en Développement. Les Villages Africains en Quête de Projets* (Paris: Karthala, 2000); Chris Ballard and Glenn Banks, 'Resource Wars: the Anthropology of Mining', *Annual Review of Anthropology*, vol. 32, 2003, p. 287–313.

⁴⁴ Deborah Fahy Bryceson, Eleanor Fisher, Jesper Bosse Jønsson and Rosemarie Mwaipopo, eds., *Mining and Social Transformation in Africa: Mineralizing and Democratizing Trends in Artisanal Production* (Routledge: London, 2013).

⁴⁵ Sara Geenen and Francine Iragi Mukotany, "'Les Grands Poissons Mangent les Petits': Multiples Aspects d'un Conflit Autour d'une Concession Minière au Sud-Kivu', *Politique Africaine*, vol. 3, no. 131, 2013, pp. 85–108.

⁴⁶ Benjamin Rubbers, 'Les Sociétés Africaines Face aux Investissements Miniers'.

process of the state's trajectory in Angola. The point is not to return to a reading of state formation caught within the teleological framework of the rise of the nation state. It is instead to broaden the important current debate on the mining sector in Africa through an analysis of how the diamond sector in Angola consistently acted together with the Angolan state to establish and maintain control over the Lundas.⁴⁷

The literature on state building is therefore as relevant to this thesis as the literature on the mining sector. Of special importance is the literature that deals with weak states in situations of contested power, as well as the literature that explores how African states instrumentalise non-state actors to compensate for their own deficiencies as 'modern' states.⁴⁸ Considering the instrumental character of Angola's interventions in the diamond sector, it is important to treat the latter as an actor in its own right – one to which the state delegates its functions via the instrument of 'discharge', a practice defined by Max Weber as the delegation of state powers to non-state actors in contexts of weak institutional capacity, a concept brought into African studies by Béatrice Hibou.⁴⁹ Moreover, considering that the diamond sector assumes state-like characteristics in the regions under its control, it is also necessary to examine diamond companies through the perspective of Achille Mbembe's concept of private indirect government.⁵⁰

⁴⁷ See Chapter 1 for a definition of state building and state formation in Africa, and the application of these concepts in the study of state-diamond sector relations.

⁴⁸ Robert Jackson, *Quasi-States: Sovereignty, International Relations and the Third World* (Cambridge: Cambridge University Press, 1993); Christopher Clapham, *Africa and the International System: the Politics of State Survival* (Cambridge: Cambridge University Press, 1996); Jeffrey Herbst, *States and Power in Africa: Comparative Lessons in Authority and Control* (New Jersey: Princeton University Press, 2000).

⁴⁹ Béatrice Hibou, ed., *Privatizing the State* (London: Hurst, 2004).

⁵⁰ Achille Mbembe, *On the Postcolony* (Berkeley: University of California Press, 2001).

These concepts have in common the goal of shedding light on structures and continuities in the face of complexity.⁵¹ The concepts of discharge and private indirect government allow for an appreciation of how the seemingly disparate experiences of colonial and postcolonial diamond companies are tied together by the character of their relations with the state. These lenses are inevitably selective: this thesis does not seek to provide either an exhaustive account of the history of the mining sector in Angola or a historical sociology of the mining communities in the Lundas. Rather, this thesis is chiefly concerned with recognising patterns in state intervention that have shaped past and present dynamics and distributions of power. The regionally focused literature has failed to bring these patterns to light. In contrast, the approach adopted in this thesis reveals the co-constitutive relationship between the state and the diamond sector.

Archives and research

In a country such as Angola, where the shortage of, and lack of access to, primary sources is a problem for every research topic, the diamond sector stands out for its evidence-rich environment, with primary sources available in quantity and quality. The next section provides an overview of the public and private sector archives used in this thesis. When exploring these archives, I took into consideration the comments made by influential researchers on Portuguese and Angolan history and politics such as Alfredo Margarido and Christine Messiant on the use of sources from the Portuguese colonial period.⁵² I was aware when using these archives that their narrative of events was

⁵¹ Jean-François Bayart, *The State in Africa: the Politics of the Belly* (Cambridge: Polity, 2009); Frederick Cooper, *Africa Since 1940: the Past of the Present* (London: Cambridge University, 2002).

⁵² Alfredo Margarido, *Estudos Sobre Literaturas das Nações Africana de Língua Portuguesa* (Lisbon: A Regra do Jogo, 1980); Christine Messiant, “‘Chez Nous, Même le Passé est Imprévisible’: l’Expérience

produced in the very specific context of Portuguese colonial ideology. The officials in charge of writing these documents were driven by the need to impress their superiors and were influenced by their own biases, such as the belief in widespread Communist infiltration in the Angolan territory in the 1960s and early 1970s. For reasons that become clear later in this thesis, all these caveats are applicable to the DIAMANG archives.

The DIAMANG archives are the property of the University of Coimbra, and are divided into two bodies of documents. The Centre for African Studies of the *Faculdade de Ciências e Tecnologia* acquired the first group in association with the Museum of Anthropology at the University of Coimbra. Professor Manuel Laranjeira Rodrigues organised the first group of archives in the 1995 publication *Diamang, Estudo do Património Cultural da ex-Companhia de Diamantes de Angola*. This body of documents contains materials belonging to DIAMANG's cultural services, in particular those of the Dundo Museum.⁵³ In 1998, the *Sociedade Portuguesa de Empreendimentos* (SPE), the company that took over the Portuguese assets at DIAMANG after the Angolan state nationalised it in 1977, donated the second body of documents to the University of Coimbra. It consists of a wide variety of documents ranging from social and cultural services of the company, such as education, healthcare and urban planning,

d'une Recherche Sur le Nationalisme Angolais, et Particulièrement le MPLA: Sources, Critique, Besoins Actuels de la Recherche', *Lusotopie*, Paris, Karthala, 1998, pp. 157–160.

⁵³ In 1936, DIAMANG named José Rédinha, a former state administration official in Chitato, who had been collecting African art works long before DIAMANG commenced its operations in Lunda, to build the Dundo Museum, which he led until 1953. In 1956, the Museum created an office for ethnographic studies in association with the *Musée Royal de l'Afrique Centrale* in Tervuren, Belgium. Between 1956 and 1970, a young Belgian researcher, Marie Louise Bastin, consolidated the work of José Rédinha, who had no scientific formation, organising and systematising the collection according to methods in social anthropology. Between 1970 and 1974 a new generation of anthropologists, such as Mesquitela Lima and Manuel Laranjeira, took over Bastin's work. The Dundo Museum suffered significant damage during the civil war and is currently undergoing a thorough restoration led by the Angolan Ministry of Culture.

to documents from the shareholders of the company, namely the *Banco Nacional Ultramarino*, as well as documents on companies in which DIAMANG invested, namely Angolan Oil (ANGOL) and *Companhia Geral dos Algodões de Angola* (COTONANG). The project *DIAMANG digital*, led by the Museum of Anthropology of the University of Coimbra and funded by Portuguese and Angolan private companies with interests in Angola, is in the process of triaging, documenting and categorising the archives, and has been making documents available on the internet over the past few years. However, by the time archival research was conducted, between August 2010 and August 2011, the website still had limited research tools, such as indexes, as well as incomplete resources, such as finding aids. While references have been updated as the researchers of *DIAMANG digital* make them available online, all the archival material cited in this thesis was consulted in situ at the Museum of Anthropology.

The *Arquivo Nacional da Torre do Tombo* (ANTT) is the oldest and largest archive of the Portuguese state and holds different collections of archives that are relevant to this thesis. The *Arquivo Oliveira Salazar* (AOS), open to public consultation since 1991, regroups the official correspondence of Oliveira Salazar during his time as Prime Minister of Portugal (1932–1968). The AOS includes three boxes on colonial companies in Angola that contain files on DIAMANG. The files hold several restored copies of documents available at the University of Coimbra, including the annual reports of the company and documents on DIAMANG's day-to-day management and cultural publications. Also important are the files compiling the exchanges between Oliveira Salazar and Ernesto de Vilhena, DIAMANG's Delegate Administrator,

between 1927 and 1966, which provide unique insights into the relations between the Portuguese state and the company.

The *Arquivo Marcello Caetano* (AMC) contains a box with several files with valuable information on the relations between Prime Minister Marcello Caetano, who succeeded Oliveira Salazar in 1968, and remained in post until the end of the New State on 25 April 1974, a period during which the relations between the Portuguese state and DIAMANG underwent significant changes.

The ANTT added in 2003 a box of 11 files specifically on DIAMANG, with documents dating from 1949 to 1966, mainly on the relations between Ernesto de Vilhena and the colonial as well as the metropolitan government. These files, which include information on DIAMANG's administration, the anticolonial movements in Angola and the civilian as well as military administration of the colony, came from a Portuguese company that invested in the Angolan diamond business after decolonisation, the SPE.

The archives of former Portuguese military officer and politician Ernesto Melo Antunes (EMA), who was a major decision-maker in the crucial revolutionary period in 1974 and 1975, contain an important and unexploited source, the 'Memorandum on the situation of the Portuguese cooperation in the Angolan Diamantiferous Zone', from 1986. It is a rare testimony of the long and contentious process of transferring the diamond industry from the Portuguese colonial state to the Angolan independent state, a process that has been on-going since 1976.

Another set of valuable archives were those belonging to the *Polícia Internacional e de Defesa do Estado* (PIDE), the regime's secret police. The PIDE controlled anything pertaining to territorial, maritime and aerial borders, the emigration of Portuguese to the colonies and the authorisation of foreigners into Portuguese territory. Following a revision of its functions in 1954, the PIDE extended its power over the colonial provinces. In addition to its political control of the urban setting, PIDE also played a major role in military intelligence and repression against the liberation movements during the anti-colonial war that started in 1961. In 1969, the *Direcção Geral de Segurança* (General Directorate for Security – DGS) replaced the PIDE, but maintained its operations in the colonies.

Outside the ANTT, the Ministry of Foreign Affairs has two archival centres that are of relevance to this thesis. The first is the archives of the Ministry of the Colonies (1911–1951) and its successor the Overseas Ministry (1951–1976). This centre does not have much information on DIAMANG specifically, but holds reports from Portuguese diplomats on the mining industry in other European colonies, which are instructive as to how Portugal perceived their rivals in the diamond industry, and on business relations between the Portuguese and the Belgians. The second is the *Instituto Português para o Apoio ao Desenvolvimento* (IPAD), which regroups documentation from the institutions that managed the extractive industry in Portugal in the late colonial period. It contains a great deal of untapped information on projects related to mining and other natural resources that unevenly succeeded in their implementation but are insightful when it comes to Portugal's colonial grand designs in the late colonial period.

The *Arquivo Histórico Ultramarino* (AHU), created by the Overseas Ministry but transferred to the *Instituto de Investigação Científica Tropical* (IICT) after 1973, contains boxes on Lunda and DIAMANG in French and Portuguese on the activities of the company in Africa and Europe between 1926 and 1933, the period during which DIAMANG operated in tandem with the Belgian mining industry. The AHU also holds a file on the relations between DIAMANG and one of its shareholders, the Fonseca Santos & Viana bank.

The *Arquivo Nacional Histórico de Angola* (ANHA), based in Luanda, suffered from a lack of funds and qualified staff during the civil war. As further discussed in the paragraphs about fieldwork conditions in Angola later in this section, access to the archives requires bureaucratic procedures that can be long and frustrating. The poor organisation and material conditions in which the documents are kept pose an additional challenge to systematic research. Its current administration is in the process of organising the numerous documents and materials available and making them accessible to the public. However, there was still no inventory for documents on DIAMANG at the time of research, only for the sources available on colonial Lunda. These date from before the advent of DIAMANG and are therefore of limited use to this thesis.

In addition to Portuguese colonial archives, Belgian colonial archives contained a number of documents that helped to situate colonial Angola in the international relations of the diamond industry. The *Archives Royales de Belgique* (ARB), located in Brussels, contain important and original primary sources on DIAMANG, which

maintained an operations office in Antwerp until World War II. The archives in Angola, on the other hand, offered little compared to those available in Portugal and Belgium. The combination of all archives allowed for a comprehensive and original review of the relations between the Portuguese state, the diamond sector and the Lunda provinces, which served as the foundation for this project.

Finally, it is important to underline the importance of two unusual evidentiary sources. The first is a legal case available to the public, which offers unique insights into the activities of two pivotal characters in the diamond politics of 1990s Angola.⁵⁴ In June 2012, the Russian-born Israeli billionaire Arkady Gaydamak brought a lawsuit in a London court to enforce an alleged written agreement regarding shareholdings of Angolan diamond resources with Uzbek-born Israeli diamond magnate Lev Leviev, who denies having signed the agreement and argues that another agreement dismisses these claims. This source offered unique descriptive and analytical material on diamond companies, their leading actors and their practices in Angola and beyond starting in the early 1990s. These are particularly valuable insights, as the functioning of diamond markets remains especially difficult to research because of the opacity of their structure and the complexity of operations on the ground. Primary sources are largely inexistent, and testimonies rarely convincing.

The second evidentiary source is Wikileaks. The international, online organisation published the 'Kissinger cables' in 2013. These diplomatic and intelligence records contain crucial information on Angola, as the dates of publication, from 1973 to 1976,

⁵⁴ 'Arkady Gaydamak and Lev Leviev', *Royal Courts of Justice*, case number HC11C00192, London, 26 June 2012.

correspond to the transition from colonialism to independence. The information contained in the cables used in the thesis has been triangulated with other secondary sources and interviews.

With respect to research locations, I conducted the initial review of the Anglophone literature during a visiting student fellowship at the University of Cape Town and a visiting scholar fellowship at the University of the Witwatersrand. The main library at Witwatersrand and the library for African Studies at the University of Cape Town hold an array of secondary sources on the mining industry essential for a larger understanding of relations between De Beers and the Portuguese colonial state.⁵⁵ Also important were the vast resources available at the different libraries in Oxford, namely the Rhodes library, the Instituto Camões Centre for Portuguese Language and St Antony's library, whose volumes of the Portuguese journal *Análise Social* proved most valuable. Finally, in Lisbon, the Portuguese National Library provided important secondary sources on the economic history of Angola, which complemented the press sources available at other research centres, such as the *Centro de Informação e Documentação Amílcar Cabral* (CIDAC).

⁵⁵ The creation of De Beers in 1888 marked the beginning of the international diamond market. In alliance with two large finance houses, the Anglo-American Corporation and Charter Consolidated Ltd, De Beers took control of South African mines with an investment of no more than 10% in any single company. De Beers sold the exclusivity of their diamond production to the London-based Central Selling Organisation (CSO) via its national companies. Throughout the colonial period, the CSO distributed about 80% of the world's diamond production. The link between De Beers, the national companies, and the CSO is colloquially, but aptly, known as 'the diamond cartel'. See the last section of Chapter 1 for references.

Doing research in Angola

While archives provide most of the information used for the colonial period, interviews form the core of the research for the postcolonial period. These interviews are the product of research carried out in Angola and abroad over a period of three years. I used the capital of Lunda Sul, Saurimo and the capital of Lunda Norte, Dundo, as bases to conduct fieldwork in the provinces. I also conducted interviews in Luanda, the capital of Angola. Since the end of the war in 2002, Angola has been changing in an accelerated manner. Doing fieldwork in such an environment poses a number of challenges for researchers and interviewers, which are addressed in this section.

Angola counts among one of the most difficult countries to conduct academic research in Africa. The process of obtaining the necessary visa is a long and arduous one. The local institutions normally contacted for help in establishing the conditions for fieldwork – universities, non-governmental organisations (NGOs) and the representatives of international organizations – are reluctant to sponsor foreign researchers. In addition, Angola's costs in terms of housing, food and transportation are some of the highest in the world.⁵⁶ As opposed to other former Portuguese colonies such as Mozambique and Cape Verde, postcolonial Angola has treated scholars with suspicion. The general reluctance by high-ranking Angolans to share any information, however anodyne, complicated the task of scheduling interviews, as people tended to conflate academic research with journalism or political activism. Political surveillance of individuals working on 'sensitive issues' – a broad and ever-shifting concept – is also

⁵⁶ Luanda often ranks as one of the most expensive cities in the world. Louise Redvers, 'Living in the world's most expensive city', *BBC news*, Luanda, 2 February 2012.

an open secret, and foreign researchers have occasionally been arrested during fieldwork or forbidden from entering the country.

These sorts of problems tend to worsen outside the relative pluralism of Luanda, and are particularly exacerbated in the remote context of eastern Angola. In setting out to conduct research in the Lundas, several interlocutors noted the general lack of knowledge, or even indifference, of the Luanda-based civil society towards the current situation of the diamond-rich provinces.⁵⁷ Because of the recent history of the diamond industry, the Lundas are among the most controlled and politically fraught provinces of Angola, on par with the oil-rich province of Cabinda. In addition, authorities have a long tradition of suspicion and discrimination against Angolan and foreign visitors that began in the colonial period and worsened in the Marxist-Leninist postcolonial period. Before boarding the plane from Luanda to Saurimo, border agents ask local and foreign travellers to present a 'letter of invitation', a requirement only applied to travel in the Lundas.⁵⁸ More than an ordinary attempt at extortion, the letter of invitation is a bureaucratic relic from the DIAMANG era, suggestive of how the surveillance apparatus in the capital continues to perceive the 'Wild East'.⁵⁹

In addition, the start of my fieldwork coincided with the publication of the book by journalist and human-rights activist Rafael Marques on post-war human rights abuses in

⁵⁷ Justin Pearce, who also completed his DPhil at Oxford, shared with me his precious experience in the Lundas and in the Huambo region as a journalist and an academic.

⁵⁸ To my knowledge, agents of the state do not require a letter of invitation to enter any other province.

⁵⁹ Journalists used the term 'Wild East' to designate the war-ridden Lundas in the 1990s. For instance, see: Judith Matloff, 'Going for the glint: diamonds keep the war in Angola alive', *The Christian Science Monitor*, 18 October 1995.

the Lundas.⁶⁰ At first, I feared the publication would render my fieldwork even more difficult. By simply looking at my business card, interlocutors from the government and the mining companies could make the association between my research and that of Marques, himself a former MSc student at Oxford. Aware of this risk, I emphasised at all times the historical and academic nature of my research. To my knowledge, I was never followed in my activities in the Lundas, even when interviewing people on potentially sensitive issues or going to problematic areas, but I am nonetheless mindful that my fieldwork has been under state scrutiny in one way or another. Significantly, the local police and Interior Ministry staff immediately approached me the first time I visited a province in eastern Angola other than the Lundas.⁶¹ Fieldwork only made me more appreciative of the risks that Marques, an Angolan national, faces doing research in the Lundas, as well as of the importance and quality of his writings, and I hope this thesis offers a modest tribute to his efforts.

It is worth noting that the publication of Marques' work only made more evident the neglect of local and international NGOs towards the Lundas. International attention on the Lundas peaked when informal diamond trade became central to the Angolan civil war, and in particular to UNITA's war effort, in the last decade of the twentieth century. But since then activists and policy-minded researchers have deserted the provinces. With the 'blood diamonds' campaign worn out, organisations and scholars alike shifted their attention elsewhere, and especially to the oil business. The more diamonds became

⁶⁰ Rafael Marques, *Diamantes de Sangue: Corrupção e Tortura em Angola* (Lisbon: Tinta da China, 2011).

⁶¹ Luena, Moxico province, September 2012.

secondary to the Angolan economy, the more the situation of the people in the Lundas became irrelevant in the eyes of the international community.⁶²

Before I proceed with a detailed analysis of the fieldwork, it seems appropriate to clarify my own position as a researcher, and how those whom I interviewed perceived me. This is particularly relevant in light of my personal history: I am a Brazilian-Portuguese citizen educated in both countries and my accent in Portuguese varies according to when I address Brazilian and Portuguese individuals. This is important because Portuguese and Brazilians are perceived differently in Angola for historical reasons, and therefore affecting my interactions by whether interlocutors perceive me as a Brazilian or a Portuguese. On some occasions Brazilians invited me and treated me as a member of the Brazilian community. On other occasions, I lived with Portuguese nationals and spoke with a Portuguese accent. When alone with Angolans, I opted for the Portuguese accent, to ensure the fluidity of dialogue. For some Angolans, particularly those who live in rural areas, the Brazilian Portuguese accent remains an oddity, to the point that Brazilians often have to adapt their manner of speaking to navigate the country. Therefore, I took note when my nationality could have influenced an interview. In all circumstances, I noted in the first instance my affiliation with a university in the United Kingdom.

The Lunda provinces cover an area the size of Portugal and Ireland put together, making a research project around the entire territory unrealistic.⁶³ This thesis therefore focuses

⁶² Only a few international organisations, such as Partnership Africa Canada and Human Rights Watch, continued to monitor developments in the diamond sector after the end of the civil war.

⁶³ The area of Lunda Sul is 77,637 km² and Lunda Norte is 103,760 km². The combined area of Portugal and Ireland is 175,000 km².

on the axis between Saurimo and Dundo, crossing the municipalities of Saurimo, Capemba-Camulemba, Lucapa and Chitato-Dundo. The study of these two capitals and their surrounding region aims to cover the political arena of the Saurimo–Dundo axis in its totality.

Lunda Sul (population 125,000) is a compact and well-organised province, divided into four municipalities – Saurimo, Cacolo, Dala and Mucomba – which are all easily accessible from the capital, Saurimo. Lunda Norte (population 250,000), the most underdeveloped province of eastern Angola, is constituted by nine municipalities – Xá-Muteba, Cuango, Capemba-Camulemba, Lubalo, Caungula, Cuilo, Chitato-Dundo, Lucapa and Caumbo – some of which are not accessible by road from the capital, Dundo.⁶⁴ Although the provinces share a common history of diamond exploration, their relations with the Angolan state have taken different paths since decolonisation, a trend that has accelerated since the end of the conflict. Accordingly, the thesis systematically takes into account elements unique to each province that are relevant for a common understanding.⁶⁵

It takes between two and eight hours to complete the 170 miles separating Dundo and Saurimo, as vehicles have to navigate through lunar-sized craters. In addition there was no easy air route to Dundo from Luanda until November 2012 so the round trip to Luanda by road could take 24 hours or more.⁶⁶ Dundo residents suggest that the dismal condition of the infrastructure is deliberate, because the government wants to isolate

⁶⁴ Data from the website of the Angolan Ministry for Territorial Administration, from March 2014.

⁶⁵ Chapter 4 deals with the specifics of the partition of Lunda into Lunda Norte and Lunda Sul.

⁶⁶ The airport has since been inaugurated, on the eve of the legislative elections in 2012. As at September 2014, persistent problems at the airstrip continued to impede the ability of airlines to make regular flights.

Lunda Norte. Poor infrastructure functions as a sanitary cordon that, they argue, helps contain the spread of artisanal mining and foreign immigration. Whatever the veracity of these claims, they are revealing of the scepticism and defiance of the population of Lunda Norte towards the Angolan state.

The empirical basis of this analysis, while not exhaustive, is representative of the Lundas as a whole. The Saurimo–Dundo axis has historically been the industrial and commercial spine of the diamond industry. The centre of DIAMANG operations for six decades, the axis is currently home to two of the three largest diamond companies, the *Sociedade Mineira de Catoca* (SMC) and the *Sociedade Mineira do Lucapa* (SML). The practical reasons that led to the exclusion of the Cuango Valley, a central region in the history of Angola's diamond sector, and still today one of its key production sites, are addressed later in this chapter.

Saurimo, formerly Henrique de Carvalho, is the entry point for any visit to the Lundas. Located on the border between the provinces of Lunda Sul and Lunda Norte, it is a relatively orderly town undergoing an intense process of renovation. The Angolan state has turned Saurimo into a laboratory for allegedly developmental experiences in postwar eastern Angola. Chaotic and uncertain, but nonetheless real, the opening up of the province in terms of infrastructure and services improved research conditions in significant ways. Daily flights to Luanda, different options for accommodation, restaurants and basic medical services make long-term stays feasible and relatively affordable. The city is home to sizeable contingents of different social groups that are important to this project, namely war veterans, former DIAMANG employees, and

artisanal miners. The periphery of Saurimo is likewise relevant to this project: Located about 30 kilometers north of Saurimo on the Saurimo–Dundo axis, the SMC is the fourth largest kimberlitic diamond mine in the world and the largest revenue and employment generator of eastern Angola.⁶⁷

Lunda Norte's Dundo, which stands for 'rubber' in Chokwe, offers a wholly different experience. The city is a relic of the past, still waiting to enter the postwar and even the postcolonial period. Postwar state development only materialised in a paved main road, a bank, a phone shop, and a hotel with pretensions to attract professionals and tourists, although the latter remain to be seen. The state administration finds shelter in imposing but derelict buildings of the colonial period, and political parties, state bureaus and the private homes of notables occupy the once sprawling houses of Portuguese DIAMANG employees. State police and private companies jointly, if carelessly, watch over the public space and the diamond comptoirs are the only animated points of an overall sleepy town.

Methodology

As stated earlier in this Introduction, the purpose of this thesis is the intensive study of one unit – the diamond sector in the Lundas – for an understanding of a larger class of similar units: the mining sector in Africa. The thesis seeks to generate a hypothesis – that the diamond sector and the state in the Lundas are mutually constitutive across the colonial and postcolonial periods. Because the subject in question is being encountered

⁶⁷ 'Angola: Catoca announces six million carats production this year', *AllAfrica*, 7 February 2014.

for the first time and considered in a fundamentally new way, via the analysis of the diamond sector's historical trajectory from the prism of state formation in eastern Angola, an approach based on qualitative forms of analysis appeared from the outset as the most appropriated method.⁶⁸ Following Creswell's statement that multiple methods minimise the biases inherent in any single method, I considered different methods according to the practical limitations and specificities of the research project.⁶⁹

The practical challenges alluded to in the previous section limited the choice of qualitative methods. Participant observation methods would have been constrained by the relatively short duration of stays and the logistical difficulties to access certain sites, let alone to reside there for a long time.⁷⁰ The use of ethnographic tools would have been limited by the risks that they posed to the interviewee, but also to the interviewer.⁷¹ While the use of tape recorders could compromise the safety of the informants, a video camera could draw attention from the police. Likewise, the use of systematic surveys would have been constrained by the limited background information available on the provinces and its residents. This would have complicated the task of forming a relevant set of categories and of casting the questions in a form that corresponded to the respondent's view of how the world works.

⁶⁸ Norman Denzin and Yvonna Lincoln, *The Sage Handbook of Qualitative Research* (Thousand Oaks: Sage Publications, 2005), p. 4.

⁶⁹ John Creswell, *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches* (Thousand Oaks: Sage Publications, 2003), p. 15.

⁷⁰ The purpose of participant observation is to establish a long term relation with the studied environment. John Lofland and Lyn Lofland, *Analyzing Social Settings: a Guide to Qualitative Observation and Analysis* (Belmont: Wadsworth Publishing, 2004).

⁷¹ According to Fetterman, the use of a tape or voice recorder allows the researcher and the interviewee to have an uninterrupted conversation that is continuous, to capture quotations and other language elements. David Fetterman, *Ethnography: Step-by-Step: 17 Applied Social Research Methods* (Thousand Oaks: Sage Publications, 2009).

Under the circumstances, intensive interviews and elite interviews quickly emerged as the most suitable choices. In this thesis, intensive interviews are defined as a guided conversation the goal of which is to elicit from the informant material that can be used in qualitative analysis.⁷² Elite interviews are defined as conversations with informants who were chosen for the position they occupy, i.e. traditional authorities, provincial administrators, company managers, and operators of diamond comptoirs.⁷³ To conduct these interviews, I applied Patton's three approaches to qualitative interviewing: Informal conversational interview, guided interview, and open-ended interview.⁷⁴

The intensive interviews method allowed me to conduct a continuing and cumulative analysis of the fieldwork process, despite the breaks between visits. The method also appeared as the most appropriate for the historical approach of the project, and the need to address as many topics as possible with the informants. It permitted direct solicitation and collection of information from subjects, rather than the development of inferences based only on observation. This allowed individuals to offer their worldviews while I intervened for clarification in case of misunderstandings or to further explore information obtained from previous interviews.⁷⁵ As I adjusted the interview approach according to the informants, I also addressed different topics according to the background of each individual, an important element in a land of intense migratory flows such as the Lundas. Finally, intensive interviews are also recommended for

⁷² John Lofland and Lyn Lofland, *Analyzing Social Settings*, p. 18.

⁷³ Jennifer Hochschild, 'Conducting Intensive Interviews and Elite Interviews', *Workshop on Interdisciplinary Standards for Systematic Qualitative Research*, [Internet], 2009.

⁷⁴ Michael Quinn Patton, *How to Use Qualitative Methods in Evaluation* (Thousand Oaks: Sage Publications, 1987), p. 133.

⁷⁵ Sharlene Nagy Hesse-Biber and Patricia Leavy, *The Practice of Qualitative Research* (Thousand Oaks: Sage Publications, 2005), pp. 93–119.

approaching sensitive participants and operating in contexts where it is important to assess the environment before engaging.

The elite interviews method provided a way to interact with authorities and to enquire about the effects of major historical events on the relations between the state and the diamond sector, as well as to understand the role of memory among decision-makers, their perception of political or social activity and, more broadly, the role of elites in the political, social, and economic environment in which this thesis takes place. Prior to elite interviews, I followed Hochschild's advice to gather as much information as possible about the context, stance and past behaviour of the informant. For obvious reasons, this task was easier to achieve in the interviews with notable members of the state or the diamond companies than with party officials and traditional authorities in the Lundas.⁷⁶

I carried out the interviews in the Lundas, Luanda and abroad. I used the time between each visit to work on my findings, gather information about potential interviewees, and build a solid network of contacts. The first trip to the Lundas took place between October and December 2010. It aimed to establish initial contacts with the state and diamond sector representatives in the province of Lunda Sul. I travelled under the auspices of the SMC, which provided accommodation and a vehicle to visit Saurimo.⁷⁷ On my second visit, in February–May 2011, I stayed independently in Saurimo, from where I studied the Saurimo–Dundo axis. My third visit took place between August and

⁷⁶ Hochschild, 'Conducting Intensive Interviews and Elite Interviews'.

⁷⁷ The SMC is a consortium owned by ENDIAMA (32.8%), Alrosa (32.8%), OMS (16.4%) and the Diamond Finance Group (18%). It is considered to be the world's fourth largest kimberlite mine.

November 2012, when I covered Dundo and the surrounding area. Before and after each trip to the Lundas, I spent time in Luanda and Lisbon to interview the colonial and postcolonial administrators and the managers of diamond companies.

Before the section proceeds to the analysis of elite and intensive interviews, it is important to note that all precautions were taken to protect sources, an indispensable task in a precarious fieldwork environment such as the Lundas. I informed the staff of the provincial governors, the party offices and, where available, the local NGOs of each of my visits. I contacted the different mining companies to explain the purpose of my research and solicit their assistance. At all times I took care in informing interviewees of the nature of my research and in eliminating, to the fullest possible extent, the risks of exposing them to suspicion from the community or the police, by avoiding sensitive topics, conducting interviews in public spaces, and encrypting their identities in my notes. Hence, I am aware of how the circumstances of fieldwork – for instance when I travelled under the auspices of a mining company – restricted my ability to critically analyse the situation in one way or another. I am also aware of how the position and the location of the interviewee influenced the interview.

Interviews

In light of the difficulties of finding safe housing and developing contacts for my first research trip to the Lundas, I contacted the SMC, the largest and most developed diamond company in the Lundas, co-managed by the Brazilian firm Odebrecht, to arrange a first fieldwork trip to the region. Under the auspices of the diamond company,

I conducted the first leg of my research from the guesthouse of the mining site. The company assigned a public relations official to introduce me to expatriate and Angolan employees of the company, visit the surrounding area and travel to Saurimo to meet Cândida Narciso, the Governor of Lunda Sul. According to the status of each interviewee, I proceeded with intensive interviews with questions flowing from the immediate context, and elite interviews based on the information I gathered from my informants.

However, it became obvious from the first day that the use of the company as a facilitator would bring forward people with the overt intention of expressing sympathy for the company, people who became noticeably uncomfortable when discussing potential criticisms of company policies. Moreover, when travelling outside the company's site, the reliance on the logistics of the mining company – and the insistent presence of the public relations official – hampered rather than facilitated my contact with the local population as it intimidated potential interviewees. It also limited the scope of my interviews with elite informants, as they sought to provide a vision of events friendly to the company they supposed I was somehow affiliated with. My two-week stay at the mining site yielded a series of interviews that reveal a strong corporate bias and which are therefore not to be trusted as records of fact but which strongly contributed to an understanding of how the company is organised from within, the ways in which workers embrace the corporate discourse, and how the company relates to and dominates the surrounding regions. In the following weeks, I moved to the former DIAMANG station in Saurimo, located behind the provincial government headquarters. The station serves as a guesthouse for individuals coming and going to Dundo – an

ideal location to establish a base for participant observation fieldwork, learn about the social norms of the region, explore topics for investigation and assess the availability of informants to discuss sensitive topics.

During my second visit to Saurimo, I conducted mostly intensive interviews. I used the guided interview method to ensure the coverage of all topics I identified as relevant during in the first visit. I elicited information about specific topics while giving space to explore, probe and ask questions depending on the availability of the interviewee. I looked for people who have lived in or around the Saurimo–Dundo axis for more than two decades, with preference for those who have memories of the colonial period and of DIAMANG in particular. Elite interviewees consisted of civil servants, traditional authorities, and managers of diamond companies and comptoirs. I conducted the interviews in neutral areas, such as hotels or restaurants. Intensive interviews with current or former workers in the diamond sector proved to be challenging to organise. My first trip made me aware that most interviewees could have some sort of bias when coming from a state or company representative. I therefore tried to secure independent intermediaries who could explain the purpose of my research to locals. I greatly benefited from the assistance of a history teacher from the local university, Lueji A. Nkonde who, sadly, fell ill and passed away between visits two and three. Even so, the ways in which the community is organised influenced the guided interviews with former DIAMANG workers. While discussions on the colonial period would carry on without intervention, authority figures, such as chiefs, elders or party activists, would often interrupt individuals who spoke about more recent developments. Opting for a study that ended in 2002 allowed me to avoid these types of situations and leave aside

what interviewees and their communities were likely to perceive as the most politically charged issues of the present. Sometimes reluctant interlocutors only accepted to be interviewed collectively. In some occasions, I realised that the head of the group organised this so that he could demand a sum of money for the interview. At all times, I refused to pay but made efforts to explain the reason for my refusal.

Finally, it is important to note that while interviews in Saurimo tried to establish the role of these individuals when a diamond company governed the Lundas, they took place at a time when a powerful postwar state has been furthering its control over the province. This undoubtedly influenced local perceptions of the past. People are now more likely to endorse the official narrative of the ruling MPLA as defender of the population against an exploitative colonial diamond mining company or a predatory rebel group. This narrative fits to a certain extent with the history that the MPLA has been propagating since the end of the conflict. I therefore took into account the fact that the city of Saurimo is undergoing significant transformation and that the state is by far the main provider of employment and services. This doubtless influenced most interviews.

After concluding my fieldwork in Saurimo, I moved to Dundo to research the social and political developments in Lunda Norte since the end of the colonial period. In this emblematic location, I sought to understand how the DIAMANG experience continued into independence and how the population experienced the emergence of other diamond companies since the dismantling of DIAMANG in 1988. I conducted mostly intensive interviews with urban dwellers in Dundo – mainly former workers from DIAMANG and ENDIAMA – who had been living in the provinces continually at least since the

end of the conflict, preferably since independence. I conducted standardised open-ended interviews, preparing a set of open-ended questions arranged to minimise the variations of questions posed to the interviewees. The method provides less flexibility but allows for the interview to be kept within the parameters traced out by the aim of the study.⁷⁸ I opted for this methodology because the situation in Dundo is far more restrictive than in Saurimo. Dundo is smaller, more policed, and the presence of a foreigner raises immediate suspicion. The provincial administration is known for dedicating more time to surveillance than ‘development’, and even though state officials ignored all my interview requests – an attitude at odds with Lunda Sul administration’s conciliatory approach – I could sense that they closely monitored my presence. In this context, I tried to protect my sources as much as possible, for instance by limiting our discussions to historical events.

The last decade of the civil war, and the rollback of DIAMANG-era welfare services, had an immense impact on the quality of life in Lunda Norte in respect to the colonial and early postcolonial periods. Residents blame the administration of ENDIAMA, and by extension the central Angolan state, for doing nothing to improve the situation of the province. In interviews, I took into account that the fact that relations between mining companies and the population are no longer what they once were in the colonial period had an impact on any attempt to record the political experience of the previous period. For instance, I took note of the different moments when former DIAMANG employees depicted their lives in the colonial and early postcolonial period favourably in an attempt to emphasise the problems of the current situation. These interviews revealed a

⁷⁸ Hochschild, ‘Conducting Intensive Interviews and Elite Interviews’.

broadly shared ‘mythico-history’ of diamonds in the Lundas, a kind of biblical pathos of a region cursed by the wealth of diamonds.⁷⁹ As discussed in detail later in the thesis, these narratives have been internalised to the extent that Lunda Norte residents see themselves as outsiders in postwar Angola. I arrived in Dundo after the global financial crisis in 2008 and the subsequent collapse in diamond prices, which temporarily almost wiped out the revenues of artisanal mining, a factor that contributed to an increase in the already significant social tensions.⁸⁰ The crisis in the diamond sector further aggravated the sense of disparity of treatment between the province and Lunda Sul by the Angolan state, a sense that appears in the interviews. Even though these discussions provided rich elements for my research, I tried to limit them as much as possible. If discussed improperly, certain themes could expose my interviewees to the very real threat of political repression.

Finally, the expatriates manning the diamond comptoirs in Dundo provided an unplanned addition to the pool of elite interviewees. They had no concern about sharing their experiences from their bunkers or the small comptoir front garden, which is as far as they go in meddling with Angola’s contemporary reality. They welcomed the visit of a researcher as a change in their routine, and offered a safe environment to discuss sensitive topics, namely the politics of informal diamond trade. Although limited by their knowledge of Angola and their condescension, and sometimes racism, towards Africans, these interviews offered rare insights into Angola’s diamond politics.

⁷⁹ Liisa Malkki uses the term ‘mythico-history’ to discuss how individuals collectively produce the memories of their past. Liisa Malkki, *Purity and Exile: Violence Memory, and National Cosmology Among Hutu Refugees in Tanzania* (Chicago: University of Chicago Press, 1995), p. 106.

⁸⁰ Demand for diamonds fell as countries with most consumers slid into recession, with prices per carat dropping from \$2,512 to \$1,382 in 2008 alone. Prices returned to pre-2008 levels only in 2012. Since then, the diamond market has been alternating between recovery and collapse. Julia Kollewe, ‘Gem diamonds shares lose their allure’, *The Guardian*, 17 November 2008.

Any research on diamond politics in the Lundas begins and ends in Luanda. The capital of Angola is home to the Ministry of Geology and Mines and the headquarters of ENDIAMA. More importantly, it is where all the ‘diamond technocrats’ have been based since the intensification of the civil war in the Lundas in the early 1990s. I use ‘diamond technocrats’ as an ironic expression to describe in Chapters 4 and 5 the technical staff of the diamond sector turned middleman and beneficiaries of the sector’s fragmentation and elite capture. Catapulted to important positions during a critical period, they ended up, in most cases, joining the private diamond companies they helped to create while working for the state-owned company. This is a deliberately narrow definition of the individuals involved in the diamond business: other members of the Angolan political establishment with different backgrounds also play a significant role in diamond politics, but these individuals are the only ones who forged their political and economic careers in the sector.⁸¹

As Feagin, Drum and Sjoberg note, ‘many social researchers lament, directly or indirectly, the fact that powerful organizational elites are uncooperative, but they fail to realize that secrecy is a fundamental means of sustaining power and influence.’⁸² The diamond technocrats were reluctant to discuss their experience in the diamond sector in the first place: the sector has the deserved reputation of being one of the most crime-ridden in Angola, not simply in terms of external legal rules, but in terms of Angola’s own laws. During the war period, the Angolan elite paid little attention to their image overseas. As discussed in Chapter 5, they barely hid their presence in private companies

⁸¹ See Chapters 4 and 5 for a detailed discussion of the origins and development of the diamond technocrats, and their place within Angola’s state elite more generally.

⁸² Joe Feagin, Anthony Orum and Gideon Sjoberg, eds., *A Case for the Case Study* (Chapel Hill: University of North Carolina Press, 1991), p.56.

created to divert public resources. Not much has changed since then in terms of accountability, but much has changed in terms of reputational risks. Like most of the Angolan elite, the diamond technocrats are undertaking important efforts to rebrand themselves as serious and respectable entrepreneurs. They are therefore very protective of their past, especially those who have moved on or expanded to areas other than mining. For all the interviews, full anonymity – no recording, no citation of name – came as a precondition. I opted to accept this, rather than seeing all my demands for interviews deferred to the *Fundação Brilhante* (the shining foundation, in reference to diamonds) a dubious branch of ENDIAMA staffed with public relations bureaucrats only vaguely concerned about corporate social responsibility.

I opted to interview the diamond technocrats in the final stages of my fieldwork, even though I had been meeting its members for some time, as I had to be familiar with their mentality, and more specifically with their eagerness to discuss certain sensitive subjects. The diamond technocrats are a compact community that has been together since the 1970s and one mishandled interview would have sufficed to block my way into the whole group. After completion of the fieldwork, I could use my accumulated knowledge to obtain the most accurate and insightful information possible. In the end, I managed to interview most key figures among the diamond technocrats. Some of them contacted me to share their experiences on their own volition after I interviewed their colleagues.

Talking to the diamond technocrats allowed me to go beyond the common discourse of state officials about the privatisation of the diamond industry. It soon became apparent

that behind the ‘private does it better’ label that several of these interviewees repeated as a mantra to justify the liberalisation of diamond activities in the 1990s, lies a story of elite formation. Furthermore, owing to their experience inside the diamond sector, these interviewees had enough knowledge to speak about the importance of the diamond sector in the civil war. But the diamond technocrats refused to discuss certain subjects at all times – the private military firms and the involvement of state and mining companies in the informal diamond trade.

All the relevant offices to the diamond sector, the Ministry of Geology and Mines, ENDIAMA, De Beers and other private companies, are located in the city centre. I took advantage of the multiple cafes and hotels in Luanda to engage in informal conversations. Luanda offered a far better environment for conducting in-depth interviews than Saurimo and Dundo, where meetings are only possible in a handful places, and corporate as well as social norms prevail. I relied on chain referral sampling, the most appropriate for research on sensitive topics, which requires knowledge of insiders to locate people for study.

Outside Angola, the most important interview pool consists of individuals born or raised in Dundo to Portuguese parents. They consider themselves the ‘*família da DIAMANG*’ (the DIAMANG family) and even though most never returned to Lunda after decolonisation and have pursued careers in areas unrelated to the diamond sector, they have strong memories from their time there as children or as young adults and are important sources regarding the sector, and Lunda more generally, during late colonialism. I opted to preserve their anonymity. They are all attached to the community

of former DIAMANG members, which, like many families, is very divided over political issues. As in the rest of this thesis, quotations are assigned to the individual I interviewed, a limited description of whom is available in the appendix. I had the pleasure of benefitting from their knowledge at different events, including the yearly DIAMANG get-together in Portugal, which I attended in 2012.⁸³

Some clarifications

While covering close to eight decades of diamond sector development in a great degree of detail, the purpose of this thesis is not to give an exhaustive empirical account of events or description of all the actors involved. Rather, the thesis seeks to trace the intertwined development of the two sets of actors that shaped the provinces over the past century: the state and the diamond sector. Some important topics for a general comprehension of the Lunda provinces, but not central to the research question, are therefore addressed only secondarily in this thesis.

First, I use ‘sector’ and ‘industry’ interchangeably as generic terms to designate part or the totality of formal mining activities. This can include, among other things, public and private institutions, companies, concessions and comptoirs. This thesis understands ‘concessions’ as the transfer of rights from the state to private actors who together form a company to explore mining resources in a certain spatial unit limited in time. While the term ‘company’ can refer to concessions, it can also refer to state companies, such

⁸³ ‘XXVII DIAMANG social gathering’, Santarém, Portugal, 30 June 2012.

as ENDIAMA, or private companies, such as De Beers. Comptoirs are the formal or informal diamond comptoirs where artisanal miners trade their diamonds.

In colonial Angola, DIAMANG held a monopoly over alluvial and kimberlite mining conducted between 1917 and 1988, with the exception for the period between 1971 and 1974, when the state authorised other diamond companies in Lunda. During these years, the company explored alluvial and eluvial deposits found in riverbeds, former river courses and valley hillsides in the Lunda region. After the Second World War, the improvement of the infrastructure and the mechanisation of mining equipment led the company to expand activities to riverbed diversion techniques, involving dykes and canals, to drain rivers and mine the diamond bearing gravel on the river beds and banks. In the postcolonial period, DIAMANG operations continued, albeit with a constant decline in the quality and availability of infrastructure and equipment. After the dismantling of DIAMANG in 1988, diamond concessions gradually restored operations. The level of industrialisation varied according to each concession and is discussed in Chapter 5.

Only one kimberlite mine has ever been operated in the Lundas, the Catoca kimberlite pipe. It was opened in the late 1950s by DIAMANG, shut down in the early postcolonial period, and re-opened in the early 1990s by the SMC. By their nature, kimberlite mines require a greater degree of industrial equipment than alluvial mines, and the SMC is currently the most advanced industrial project that is not related to oil in Angola.

Second, the term ‘artisanal mining’ refers to the diamond mining activities that existed outside the control of diamond companies. I declined to use the term ‘diggers’, which, even though a commonplace in mainstream and academic literature, is derogatory towards workers in the informal sector and misleading, as the image of individuals ‘digging’ in the mines is a very reductive vision of artisanal mining activities. ‘Informal trade’ means the activity of selling diamonds acquired from artisanal mining. I opted for this term rather than terms such as ‘diamond theft’, ‘diamond smuggling’ or ‘diamond trafficking’, all of which recall the language used by private security firms. Both activities are connected in complex ways and existed in the Lundas throughout the period studied in this thesis. Until 1992, the Angolan colonial and postcolonial state strictly forbade artisanal mining outside the control of diamond concessions. The 1994 Diamond Law authorised artisanal diamond mining, the so-called *garimpo*.

The history of artisanal diamond mining in Angola is a long one that has only recently gained attention from scholars. Accounts of the sociological and economic organisation are scarce and most studies focus on the contemporary period.⁸⁴ This thesis brings to light significant original archival and oral sources, but they are examined in relation to the research question, i.e., the character of relations between the colonial and postcolonial state and the diamond sector in the Lundas.

Third, ‘conflict diamonds’, or ‘conflict mining’, defined as mining activities conducted in the context of a conflict between two or more factions, only applies to the Lundas for

⁸⁴ The only literature available deals exclusively with the post-1992 period. See, for example, the important work of Cristina Udelsmann Rodrigues, ‘Youth in Angola: Keeping the Pace Towards Modernity’, *Cadernos de Estudos Africanos*, vol. 19, no. 18, 2013, pp. 165–79.

the period between 1991 and 2002, when UNITA competed with the Angolan armed forces for control of diamond mines. Conflict diamonds can involve large-scale mining, since UNITA occupied vast and well-equipped diamond concessions in the Cuango Valley.

I address the question of conflict diamonds from the perspective of the PMFs, in association with the Angolan state or the mining companies, and not from the perspective of UNITA. The international politics of conflict diamonds are alluded to when relevant, but not thoroughly dealt with, in this thesis, as it falls outside the scope of this study, even though the coverage from the ‘blood diamond’ campaigns put Angola at the centre of international efforts to reign in the trade of conflict gems.⁸⁵

Fourth, the Cuango Valley region (population: 140,000), located roughly 217 miles west of Dundo, is central to the mythico-history of the diamond industry in Angola. While I had the opportunity to carry out research in this region in September 2012, the absence of in-depth fieldwork is noteworthy. But considering the specific risks and difficulties of the region, fieldwork would have required a wholly different approach and set of skills, which would have in turn limited my time to conduct research elsewhere in the Lundas. The area is occupied by Angolan PMFs, namely Teleservice and Alfa-5, which are extremely hard to engage from a research perspective.⁸⁶ The two largest cities, Cafunfo and Cuango, consist mostly of slums with minimum services. These are areas of high migratory flows, especially from the DRC, and most of the

⁸⁵ A ‘blood diamond’ (a secondary alluvial diamond) is often framed as the ‘rebel’s best friend’, since it is easy to exploit by untrained and poorly equipped (forced) labour.

⁸⁶ See Chapter 5 for a discussion of the origins of these two companies.

individuals who had come to the Cuango Valley in the 1990s have since moved to other regions. While in-depth research in the region would have been indispensable for a project focused on artisanal diamond mining, it did not seem as relevant for a project on diamond companies, which have had a more consistent presence in the Saurimo–Dundo axis since the beginning of the postcolonial period.

Thesis structure

This thesis argues that the relationship between the state and the diamond sector in Angola is best conceived as a co-constitutive one. Toward that end, Chapter 1 considers the historical trajectory of the modern state. It reviews the relevant literature on African statehood and African mining politics, respectively, and critically assesses that segment of the literature which sees the transition from the colonial to the postcolonial periods primarily in terms of rupture rather than continuity and, therefore, which focuses almost exclusively on the ‘collapse’ of formal state institutions in the postcolonial period. The chapter then situates itself within another strand of literature, one that conceives of non-state actors as important and persistent projectors of state power. In line with this literature, it draws attention to the continuous, and continuously powerful, role of non-state actors as conduits through which African colonial and postcolonial states have attempted to achieve their objectives in the periphery. The chapter highlights the particularly symbiotic relationship between a number of African states and mining companies.

Chapter 2 examines the origins and evolution of the diamond sector in Angola. It begins in 1921 with the creation of DIAMANG and ends in 1961 with the outbreak of the liberation war. It argues that throughout this period (and beyond) the colonial state and the diamond sector shared a complex but ultimately co-constitutive relationship: the state granted DIAMANG the necessary ‘licence to operate’, while DIAMANG built a ‘state inside the state’ on the former’s behalf. To explain the emergence – and the persistence – of this relationship, the chapter explores the reasons why the colonial state empowered DIAMANG to perform state functions in Lunda in the first place, highlighting the institutional incapacity of the early colonial state to broadcast its power directly in the hinterland. It then shows how DIAMANG furthered the financial and other interests of Portuguese colonial officials and other influential individuals in the colony as well as in the metropolis, and vice-versa. Finally, it analyses the privatised mode of governance that DIAMANG erected in Lunda on the state’s behalf, underscoring the transition from a purely extractive and military corporate colonialism to one that also embraced the ‘civilising’ and welfarist mission of the emerging developmental colonial state. Despite such changes, this privatised mode of governance, as subsequent chapters show, would proceed in one way or the other to dominate the region for the next 80 years.

Chapter 3 confronts a paradox: why, at the height of developmental colonialism, when the colonial state was intervening directly in most domains of in life of the colony, did colonial authorities continue to allow a private diamond company to exercise virtually unfettered control over the diamond-rich periphery? Building upon the insights and conclusions of Chapter 2, this chapter argues that the state’s continued – though by no

means unanimous – preference for privatised governance in Lunda reflected a number of factors, including the importance of diamond revenues for the state’s developmental goals. Yet perhaps no factor mattered more than the state’s dependence on DIAMANG to maintain security in the province in the face of the rise of nationalist movements and illicit mining. With a powerful administrative and security apparatus already in place, DIAMANG was poised to defend not only its concessions but, in alliance with state forces, the whole of the region. The company funded and controlled a private military force, erecting stations and checkpoints across Lunda. In keeping with its role as ‘the state inside the state’, it even administered a prison. Indeed, DIAMANG represented itself as the defender of the state in the region, and largely lived up to the self-image. However, as Chapter 4 proceeds to show, the company never lost sight of the fact that its fortunes depended on its beneficial relationship with the central Angolan state, and not necessarily with the Portuguese one.

Chapter 4 shows how, in the wake of independence, the relationship between DIAMANG, a diamond company founded and run by European colonialists, and the Luanda state, now governed by Marxist-Leninist African nationalists, remained, incredibly, a co-constitutive one. That is, the chapter argues, the division of labour established in the colonial period – according to which DIAMANG enjoyed near-monopoly rights to Angola’s diamond fields in exchange for its commitment to defend and govern the province on behalf of the state – persisted into the postcolonial period. Even the formal nationalisation of DIAMANG in 1977 did not fundamentally alter this balance. Indeed, if anything, it preserved the balance for another few years: the state nationalised DIAMANG at the administrator’s own request, following the ruinous

withdrawal of Portuguese capital; it did so, at least at first, without interfering in the operation of DIAMANG on the ground. However, the state succeeded only in slowing the company's inevitable collapse. To fill the void, it created ENDIAMA, a publicly-owned diamond company whose subsequent failure to revitalise the diamond sector rather proved the exception that confirmed the rule: in the Lundas, public power flourishes in private, not public, hands.

Chapter 5 explores how the Angolan state responded both to the collapse of the diamond sector in the Lundas and to the consequent loss of its only real means of projecting and defending its power there. It shows how, in the midst of a brutal civil war, the state went out of its way to restore its relationship with private mining companies and their private military counterparts. The state did so for two reasons. First, the diamond sector – together with PMFs – represented, as always, an important military partner, one that could aid the state to restore and maintain its foothold in a hostile but strategic region. Second, and perhaps more importantly, the diamond sector could provide the state with the rent necessary to fund its vast patronage networks, thereby keeping its allies satisfied and under control at a time of extreme political instability. In exploring both reasons, Chapter 5 highlights the ways in which the state hollowed out its own diamond company in order to restore the privatised 'state inside the state' in the Lundas. Far from a passive actor in the resurgence of the diamond sector, it shows, the state – and the Presidency, in particular – actively courted the private sector in a bid to defend and expand its power beyond the reach of its war-torn formal institutions.

Chapter 6 draws on the insights that this thesis provides to consider the past and future of mining politics in Africa. It argues that the co-constitutive relationship between the state and the diamond sector in Angola is similar in nature to the relations between states and mining companies in other mining-rich regions on the continent. The chapter highlights, for instance, countries like the DRC and Zambia, in which the state was and remains a powerful regulatory force throughout the mining-rich periphery despite its thin presence, or even material absence, there. It concludes that the enormous power of the mining industry in Africa is not necessarily indicative of state weakness, but instead often reflects the conscious decision of state elites to harness the power of mining companies to suit their own goals. The chapter then examines the implications of this conclusion for the future of mining politics in Africa, stressing, in particular, the obstacle to a more emancipatory politics that the instrumental, grossly undemocratic relationship between states and mining companies will likely continue to pose.

CHAPTER 1: AFRICAN STATES, NON-STATE ACTORS, AND MINING COMPANIES

Introduction

This chapter critically reviews the relevant scholarly literature on African states; underlines the continual role of non-state actors as projectors of state power; and examines the history of mining companies' relations with African states from this perspective. Its purpose is to provide a critical but agnostic understanding of state-building in modern and contemporary Africa – one that highlights the crucial, but largely neglected, role of the mining sector in that process.

The first section considers the historical trajectory of the modern state and examines the ways it has structured non-Western societies in general and postcolonial states in particular. It proceeds to discuss the assumptions behind an influential segment of the literature on the origins and evolution of the modern, post-scramble, African state. Much of this literature focuses on the decline of formal state institutions in the postcolonial period, overemphasising both the rupture between the colonial and postcolonial periods and the 'primitiveness' or 'crisis' of postcolonial states relative to an ideal-type of modern state. As the section shows, this literature does so precisely because it overlooks, or gives insufficient attention to, the expansive political role of non-state actors as conduits through which African colonial and postcolonial states have attempted to defend, consolidate, and project their power. This section then situates itself within another strand of literature, one that sees in the powerful and enduring partnership between African colonial and postcolonial states and non-state actors

important elements of a broader, largely continuous state-building process. In line with this literature, the section concludes that, in given circumstances, non-state actors have consistently reinforced, and not merely challenged or diluted, the power of the central state.

The second section elucidates this important public-private symbiosis by examining the specific historical relationship between African states and mining companies. It argues, first and foremost, that this relationship is best understood as a co-constitutive one: mining companies provide the necessary fiscal, technical, and administrative means for the *mise en valeur* (improvement) of vast mining-rich peripheries, and in some cases assume direct responsibility for the governance of the hinterland; states, meanwhile, provide the formal and legal consent necessary for the mining sector to operate on the ground in the first place and to secure its properties and profits in the second. The section then provides a historical account of this co-constitutive relationship, honing in on the history of diamond companies in Central and West Africa so as to emphasise not only the prevalence but also the persistence of the state–mining sector partnership. It notes that state rulers in resource-rich countries have consistently discharged state-like forms of authority to mining companies – often, but not always, to compensate for the inadequacies of their own institutions. In the process, it highlights the powerfully symbiotic, if not always successful, relationship between African states and mining companies – a relationship that persists across time as well as space.

Approaches to the modern state and the state in Africa

This section explores the European origins of the modern state and its expansion via colonialism to non-western societies.¹ It notes that the association of nation and state in Europe that defined the modern understanding of statehood, based on bounded territories, social homogeneity, and monopolisation of violence by a single centre, did not obtain in the very different circumstances of colonial and postcolonial Africa. The section then scrutinises the historical trajectory of the African state, calling into question the longstanding – though by no means unchallenged – tendency on the part of historians and analysts of Africa to emphasise political rupture over continuity in the transition from the colonial to the postcolonial state. Instead, it highlights the crucial role of non-state actors in the largely continuous political development and evolution of the state in Africa.

The international state system and the African state

Inquiries into state-building almost invariably begin with the ideal-type of the modern state.² For Max Weber, the state held ‘the monopoly of the legitimate use of physical force within a given territory.’³ In a process he described as ‘rationalisation’, the state transforms voluntary, spontaneous social action into behaviour regulated by formal,

¹ Emulation of successful western successful arrangements was also attempted by a number of states, such as Japan and the Ottoman Empire, but this review concentrates on instances of direct expansion via the imperial powers.

² Karl Schlichte, *The State in World Society: Political Authority in Asia, Africa and Latin America* (Frankfurt and New York: Campus, 2005), p. 6.

³ Max Weber, *On the Methodology of the Social Sciences* (New York: Free Press, 1949), p. 43.

impersonal rules and motivated by ‘rationally pursued and calculated ends’.⁴ In his assessment, the state is eminently functional: it consists of a series of bureaucratic institutions – military, extractive, productive, administrative – that dictate social action according to rationally created rules.

Yet the state institutions that arose in the non-western world call into question this functional, ideal-type account of modern statehood. Implemented, often by force, in societies that shared little in common with European societies, these institutions assumed important teleological, not merely functional, dimensions – so much so, in fact, that the ideal of the state as the ultimate form of organised political life often mattered as much or more than its actual realisation. Throughout the colonial period, it served as a kind of ‘standard of civilisation’ against which to assess the fitness of non-western societies for self-rule and for inclusion into – or, more often, exclusion from – the society of so-called ‘civilised’ states. Soon enough, the imperative to satisfy that standard took on a life of its own: although western powers imposed the modern state mostly through violence and direct occupation, even in un-colonised societies, domestic authorities found themselves with little choice but to ‘import’ the modern state – or else risk eternal exclusion from the European international states system.⁵ Eventually, the standards and interventions of European societies demanded that every society mimic the state model, thereby accelerating the demise of supposedly less successful forms of political organisation even in places untouched by European colonisation. Over time,

⁴ Max Weber, *The Theory of Social and Economic Organisation* (Eastford: Martino Fine Books, 1947), pp. 150–154.

⁵ Thus, in the Ottoman Empire, a military and administrative ‘class of importers’ emulated the modern state to gain entry into the international system. Other non-western leaders followed suit for the same reason. Miles Kahler, ‘Rationality in international relations’, in Keohane Katzenstein and Miles Krasner, eds., *Exploration and Contestation in the Study of World Politics* (Cambridge: MIT Press, 1999), p. 68.

this so-called ‘mutual empowerment’ between western and non-western societies produced the first truly global order under European auspices.⁶

Thus, by the time colonial states reached independence in the second half of the twentieth century, the possibility of other forms of political organisation had all but disappeared. Postcolonial leaders had no choice but to endorse the existing structure, dispensing with, for instance, doctrines of postcolonial unity, in exchange for the active support of western international institutions. When former colonies joined the ranks of independent states through the 1960s and 1970s, they, too, could not but play by the rules of the international state system, a system formatted to deal exclusively with states and to provide a legal, diplomatic, and financial framework to postcolonial leaders on that basis alone.⁷

Critical voices immediately pointed out the limits of the independence conferred to postcolonial states, confined as they were to the periphery of the world political economy. Such critics argued that the new states were independent in name only, and that they remained locked from the outset in a relationship of exploitation and oppression and neocolonialism with western countries.⁸ This dependency theory approach provided a compelling critique of modernisation theory – a dominant approach of the 1960s that implicitly held postcolonial states ultimately responsible for

⁶ Bertrand Badie, *L'État Importe: Essai sur l'Occidentalisation de l'ordre Politique* (Paris: Fayard, 1992), p. 71.

⁷ Jeffrey Herbst, ‘The Creation and Maintenance of National Boundaries in Africa’, *International Organization*, no. 43, 1989, pp. 688–89. Herbst notes that, by the time African states became independent, sovereign territorial statehood had become an ‘information economizer’, with preference given to domestic hierarchies rather than to territorial integrity.

⁸ See, e.g., Fernando Henrique Cardoso and Enzo Faletto, *Dependency and Development in Latin America* (Berkeley: University of California Press, 1979).

their poverty and economic underdevelopment, regardless of the persistence or legacy of colonial degradations.⁹

Whatever its cause, the subjugated position of postcolonial states within the international system quickly became undeniable: by the 1970s, many postcolonial states had become ‘lame leviathan[s]’ lacking not only in terms of economic autonomy but also in terms of sovereignty, legitimacy, and representation.¹⁰ Robert Jackson defined postcolonial states in Africa as ‘quasi-states’, in that they consisted not of ‘self-standing structures with domestic foundations – like separate buildings – but of territorial jurisdictions supported from above by international law and material aid’.¹¹ Vested with this ‘negative sovereignty’, they lacked empirical statehood, or the ‘positive sovereignty’, required to build an ‘effective and civil government’.¹² While international legitimacy conferred on state leaders a decisive advantage against internal opponents, the continuous ‘crisis’ of postcolonial states, limited in their size and scope to a bare minimum and unable to embody an idea of state shared by its people, raised concerns about their ‘collapse’ and ‘failure’.¹³

Of course, as noted above, postcolonial states were said to have ‘failed’ in relation to an ideal-type of statehood – a ‘standard of civilisation’ that lasted well into the postcolonial period – that emerged in Europe and reflected its idiosyncrasies. While it is

⁹ See, for example, Walt Whitman Rostow, *The Stages of Economic Growth* (Cambridge: Cambridge University Press, 1962).

¹⁰ Thomas Callaghy, ‘The State as Lame Leviathan: the Patrimonial Administrative State in Africa’, in Zaki Ergon, ed., *The African State in Transition* (London: Macmillan, 1987), p. 102.

¹¹ Robert Jackson, *Quasi-States: Sovereignty, International Relations and the Third World* (Cambridge: Cambridge University Press, 1993), p. 5.

¹² Robert Jackson, ‘Quasi-States, Dual Regimes, and Neoclassical Theory: International Jurisprudence and the Third World’, in *International Organization*, vol. 41, no. 04, 1986, p. 529.

¹³ See, for example, Robert Rotberg, *When States Fail: Causes and Consequences* (New Jersey: Princeton University Press, 2010).

undeniably true that postcolonial states departed from that ideal-type, the notion that such a departure inevitably or in itself deprived them of their capacity to broadcast power remains debatable. To demonstrate as much, the following pages review the trajectory of African states from the prism of the ideal-type, highlighting the consistent role of private companies in consolidating and projecting state power. As argued below, the fact that private companies played such a role is evidence not of collapse but of continuity: just like their colonial predecessors, postcolonial leaders in Africa instrumentalised and empowered private companies to achieve their domestic interests and to defend their otherwise marginalised place within the global political economy.

The state in Africa: extraction, developmentalism, and failure

For a long time, historians and analysts of Africa presented the end of colonial rule, which had occurred in most states by the mid-1960s, as the key historical divide in the history of the continent. Recent discussions, however, have sought to articulate the modern trajectory of the African state as a largely – though by no means entirely – continuous historical project, calling into question the sharply drawn division between the colonial and postcolonial periods and underlining instead how colonial order produced enduring state patterns of domestic administration and external relations. From this perspective, the continuities that unite the late colonial and early post-independence era are as important as the major shifts identified by earlier scholars. For instance, the Second World War represents, on this account, a more important departure than independence for the political economy of African states. Such an approach has the merit of underlining, among other things, the institutional continuity of African colonial

and postcolonial states; the role of Africans as agents who partly defined their destinies even before independence; and the importance of Africa's link to the global economy for the internal evolution of African states.

This section – and this thesis more broadly – adopts a similar emphasis on continuity. In particular, it highlights the crucial, and the *continuous*, role of non-state actors in processes that, as I will argue, amount to state-making in Africa. By tracing the recurrent role of non-state actors in the survival and development strategies of African states across time, it demonstrates that the flawed conception of statehood in Africa, shown above to be based on a European-centric understanding of the state, produced an equally inaccurate conception of the behaviour of African states vis-à-vis non-state actors. Finally, it touches on the literature that focuses on the deliberate choices of colonial and postcolonial rulers to control their territories via the actions of non-state actors.

The extractive state

Some scholars see the legacy of pre-colonial forms of political organisation as crucial, for reasons varying from a contestable understanding of an African 'culture' to the continent's resource endowment and the enduring realities of political geography, in making sense of the subsequent trajectory of Africa's modern states. However, the birth of the modern state in Africa is invariably associated with the advent of colonialism, which mostly replaced the pre-existing African political arrangements. While varying enormously in their arrangements, from stateless societies to large-scale political units, it is fair to say that the African continent had a limited degree of stateness when

compared with other regions of the globe.¹⁴ In this context, colonial powers defined territorial limits and built up the administrative edifice, while establishing the social and economic divisions within each colony as well as the external linkages through which colonial and subsequently postcolonial states were connected with the international system.

Colonial authorities at this early stage of occupation spoke grandly of their efforts to open up African territories, implementing formal institutions and reaching out to the ‘lesser developed’ populations, but their often-repeated European discourse of state-building bore little similarity to the actual process of state-building in colonial Africa.¹⁵ Limited by the rules of the ‘fiscal pact’ – the commercial exclusivity that insisted that colonies be self-sustainable and restricted their commerce with other partners in order to favour metropolitan interests – colonial administrators had to adapt their policies according to the realities of African political geography and the available very meagre fiscal, coercive, and administrative means.¹⁶

Consequently European colonialism in Africa, as shown by scholars such as Crawford Young, produced states that differed greatly from the ideal-type of the modern state. Administrators in the early decades after the establishment of colonial rule kept the scope and size of the state to a bare minimum, and broadcasted state power in a

¹⁴ Jean-François Bayart, ‘L’Afrique dans le Monde: une Histoire d’Extraversion’, *Critique Internationale*, vol. 5, no.1, 1999, pp. 97–120; Jeffrey Herbst, *States and Power in Africa: Comparative Lessons in Authority and Control* (New Jersey: Princeton University Press, 2000).

¹⁵ John Lonsdale, ‘States and Social Processes in Africa: a Historiographical Survey’, *African Studies Review*, vol. 24, no. 2, 1981, p. 181.

¹⁶ Most colonial powers concluded such a pact, except Italy and, to a lesser extent, Portugal. Crawford Young, *The African Colonial State in Comparative Perspective* (New Haven: Yale University Press, 1997), p. 108.

‘gradient’ manner: ‘formal control was exercised in the cities or in the spaces of vital economic importance, while authority was highly variable in the rural areas’.¹⁷ The policies of European colonialists focused primarily on coercion and extraction. For instance, although they varied in their approaches, colonialists often accorded particular attention to the designing of a labour system that encouraged cheap wages for Africans, so as to ensure sizeable profits for colonialists and, therefore, the financial viability of the colonial state apparatus.¹⁸

The policies and agents of the colonial state were important players in the social transformations of early colonialism, but non-state actors also had a central role. While they did not hesitate to deploy military might to contain revolts, and employed a skeletal civil service in the major cities, colonial rulers repeatedly delegated administrative, fiscal, and military functions to non-state actors, such as private companies, missionaries, and African local power-holders. While British colonialism erected this practice into a theory of indirect rule, explicitly referring to the empowerment of traditional authorities, all other colonial powers engaged in this process to a significant extent. In fact, this period, ranging from the territorial conquest of the last quarter of the nineteenth century to the Second World War, came to be associated in the historical literature with a period of ‘quasi-systematic’ delegation of state functions to non-state authorities.¹⁹

¹⁷ Herbst, *States and Power in Africa*, p. 94.

¹⁸ Frederick Cooper and Ann Laura Stoler, *Tensions of Empire: Colonial Cultures in a Bourgeois World* (Berkeley: University of California Press, 1997), pp. 1–56.

¹⁹ Bruce Berman, ‘Ethnicity, Patronage and the African State: the Politics of Uncivil Nationalism’, *African Affairs*, vol. 97, no. 388, 1998, p. 332.

Max Weber, in his theoretical formulation of the state, took into account attempts by states to achieve control through the use and empowerment of non-state actors: in situations of weak bureaucratisation and weak management apparatuses, Weber argued, states could proceed with ‘discharge’ – a technique of rule in empires and feudal states that worked through the delegation of coercive and extractive authority from central rulers to local power holders.²⁰ Indeed, Weber himself gave a *central* role to non-state actors, at least in the context of weak state institutions.²¹ Applying this concept to the African context, Achille Mbembe argues that the extensive use of discharge led to ‘original modes of power’, which he characterises as ‘private indirect government’. Mbembe sees such private indirect government as the main characteristic of those colonial African states that lacked substantial administrative capacity but nonetheless controlled the territory indirectly through the actions of the non-state actors to whom they delegated tasks. Indeed, in colonies across Africa, private indirect government became a favoured mode of power – particularly in regions hostile to formal state presence, where the costs of building an administrative apparatus were prohibitive, or which were host to international competition.²² It did so precisely because it prevented the colonial state from devolving into a ‘superstructure of hegemony’, unable to effectively raise taxes or maintain authority.²³ In the discharge of state authority to

²⁰ For a discussion on Weber’s use of discharge, see Schlichte, *The Dynamics of States: the Formation and Crises of State Domination*, p. 82.

²¹ Ian Copland and Michael Godley, ‘Revenue Farming in Comparative Perspective: Reflections on Taxation, Social Structure and Development in the Early-modern Period’, in John Butcher and Howard Dick, *The Rise and Fall of Revenue Farming: Business Elites and the Emergence of the Modern State in Southeast Asia* (London: Palgrave Macmillan, 1993), p. 45.

²² Achille Mbembe, *On the Postcolony* (Berkeley: University of California Press, 2001), pp. 66–80.

²³ Young, *The African Colonial State in Comparative Perspective*, p. 138.

foreign extractive companies, as I shall argue, colonial states found the means to do both.²⁴

In an important concept that allows for further understanding of the foundational role of the private sector for the evolution of the colonial state, Cooper describes the African state as a ‘gatekeeper’, or interlocutor, between external and domestic realms: while the state lacked the institutional might of its European counterpart, it nevertheless retained the ability to authorise, or prohibit, the entrance of foreign capital into its territory. With that ability came considerable power: in providing security to European capital, the colonial state also created and enforced the legal framework under which such capital could, or could not, operate. Within its territory, the state empowered European capital, and vice-versa: it granted the latter access to its territory and property rights over its land and natural resources, and intervened, often ruthlessly, in the mobilisation of African labour and the repression of occasional dissent. In return, the state received not only revenue but, in some occasions, ‘governance’ in a vast and otherwise ungovernable, but resource-rich, periphery.

All three of these overlapping concepts – discharge, private indirect government, and the gatekeeping state – capture the crucial role, noted above, of non-state actors in the origins and development of the extractive state. Yet their relevance is by no means confined to situations of minimal direct state intervention. In fact, these same concepts

²⁴ See, for example, the concept of “decentralized despotism developed by Mahmood Mamdani in *Citizen and Subject: Contemporary Africa and the Legacy of Late Colonialism* (New Jersey: Princeton University Press, 1996), p. 37.

remain no less essential to an understanding of the interventionist or developmental state that succeeded the extractive one.

The developmental state

The shift away from the purely extractive colonial state entailed two interrelated dynamics that started on the eve of the Second World War and ended with the commodity crisis of the late 1970s.²⁵ The first concerns the activist turn of the colonial state, while the second relates to the attempt by African postcolonial leaders to maintain and deepen the developmental state inherited from late colonialists.

Defined by Cooper as a ‘a framing device bringing together a range of interventionist policies and metropolitan finance with the explicit goal of raising colonial standards of living’, state development evolved into the central organising concept characterising the relationship between European metropolitan and colonial states from the late 1930s, and especially from 1945 onwards, until the independence of African colonies.²⁶

During this period, virtually every colonial power engaged in substantial economic reforms, laying the foundations of a developmental state in colonial Africa. Programmes in the vein of the British Colonial Development Welfare Act of 1940 and the French *Fonds pour l’Investissement en Développement Économique et Social* (Funds for Investment in Economic and Social Development – FIDES) of 1946 aimed to deepen the linkages between the colonies and the metropolitan economies, with the

²⁵ Lonsdale, ‘States and Social Processes in Africa’. Chapter 3 provides an extended discussion of the origins and evolution of the developmental state in the context of colonial Angola.

²⁶ Frederick Cooper, *Africa Since 1940: the Past of the Present* (Cambridge: Cambridge University Press, 2002), pp. 38–65.

expectation that they would contribute towards the postwar financial and material reconstruction of the metropolis.²⁷ Importantly, this much more activist phase of state-led development meant the circumscribing, in many cases, of discretionary powers previously conferred to non-state actors. In many colonies, a centralised and bureaucratic administration gradually extended across the whole territory, sidelining African middlemen and claiming the monopoly of power on violence, labour recruitment, and tax collection. In addition, the emerging developmental state compelled certain private companies to embrace values and laws common to the rest of the territory, thus opening fissures in their erstwhile insulated private indirect governments. Crucially, though, while the modalities of discharge began to change, these companies never became fully indigenous and continued to operate with foreign capital and the power that came with it.

Although the process of modernisation brought about by what Lonsdale termed the ‘second coming of colonialism’ played out unevenly across different colonies and regions, inside each colony, the degree of economic and social transformation that it unleashed allowed for a much greater involvement of the African population.²⁸ An emerging generation of African elites eventually filled the political space made available to them, and increasingly imposed the terms of a demand for independence.²⁹ European powers, concerned with their own economies and aware that a ‘flag independence’ of their colonies might better preserve their economic interests than continued direct intervention, eventually conceded the idea of formal sovereignty.

²⁷ Gavin Williams, ‘Why Structural Adjustment Is Necessary and Why It Doesn’t Work’, *Review of African Political Economy*, vol. 21, no. 60, p. 217.

²⁸ Cooper, *African Since 1940*, p. 31–33.

²⁹ Cooper, *Africa Since 1940*, p. 20–22.

However, at least in some cases, best exemplified by France's continuing clout in its former colonies, the European powers made sure to grant independence only on the condition that the relationship between the state and the foreign private sector would remain untouched. While postcolonial developmentalism would continue to entail direct state intervention in certain areas, no such intervention in the workings of European capital would be tolerated.

As scholars such as Cooper have come to emphasise, despite important political differences among the various parties during this period, postcolonial states largely emulated – or were made to emulate – their late colonial predecessors when it came to their treatment of the private sector. African elites of all stripes, from Socialist Ghana to conservative Côte d'Ivoire, adopted the vision of the modernising and interventionist state from the departing colonial administrators. The ideology of the modern developmental state was itself a product of their socialisation into metropolitan education as well as or locally available European schooling, and African leaders assimilated in important ways the approaches to governance of their colonial forbearers. Even when some states adopted a model of national development in the mold of the Soviet Union – a country that transformed itself into an industrial superpower in a matter of decades, and therefore held particular fascination for the new leaderships of developing African states – they did so in an attempt to legitimise the intensification and deepening of the developmental state inherited from colonialists. More important for our purposes here, this institutional continuity carried over into the relations between independent states and mining companies, as developed in the next section.³⁰ Despite

³⁰ Cooper, *Africa Since 1940*, p. 178.

the apparent modernising drive, when it came to the mining sector, state developments in the post-independence period continued to reproduce the ‘distant, extractive and imposing character’ of the colonial states.³¹

But postcolonial leaders did not merely accommodate European capital. They survived on the basis of the revenues it provided. As in the colonial period, external rents drove the strategies of the nascent postcolonial states to achieve their domestic goals. Jean-François Bayart describes this dependence upon externally derived resources in the construction of internal politics as ‘extraversion’.³² The need for external revenues – domestically extracted in the case of the mining industry, but only enabled by foreign capital and technology – continued to structure the political decisions of African postcolonial leaders, who found themselves at the helm of a state that was essentially a bridge between the African and the global economy, a precarious position that, in the eyes of Bayart, has consistently defined African states over time. Indeed, as noted above, postcolonial leaders were limited in their means to carve out a different path, for the international system at the time of independence limited their space to pursue projects seeking to alter the subordinate position of developing countries in the international economic and political system. At the same time, these leaders were also confronted with short-term priorities – their own lack of domestic legitimacy being chief among them – that were simply not compatible with the developmental mission that they assigned themselves at independence. In their attempt to reconfigure the institutions they inherited from colonialists according to their quest for legitimacy, these leaders found in the ever-increasing, and seemingly infinite, flow of revenues from

³¹ Cooper, *Africa Since 1940*, p. 97.

³² Bayart, ‘L’Afrique dans le Monde: Une Histoire d’Extraversion’, p. 3.

commodity exports a faster and more secure valve to fuel a vast patronage system: state funds, institutions, offices, and even entire public companies were put at the service of a broad set of clienteles that would guarantee, by force if necessary, political stability at the top. It is therefore not surprising that postcolonial leaders overall ignored the prospects of a pluralist society that movements of the late colonial period demanded, just as they ignored the instruments for democratic competition ambivalently inserted at the last minute by British and French colonialists. Rather, they turned to single-party structures where most of the power remained in the hand of small elites who gladly channeled rents to fuel their patronage machines. Far from expelling foreign capital, these elites – some of them ‘radical’ while others represented a continuity with the late colonial state itself – proceeded to renegotiate and reinforce the relationship in a manner that advanced their interests.

The African state in crisis

The importance of extraversion, and the persistence of discharge, explains why the precarious edifice African leaders erected in the early years of the postcolonial period ‘collapsed’ when faced with their first major commodity crisis. The international economy, once enabling of African states’ rent-seeking needs, became increasingly hostile throughout the 1970s, eventually forsaking those states still dependent on the abundance of credit to operate their domestic apparatuses.³³ The flow of foreign exchange reserves declined precipitously alongside already feeble foreign direct

³³ Note that the volatility of global commodities prices did not have the same impact in all states. It was calamitous in copper-rich Zambia, but exhilarating in the oil-rich states of the Gulf of Guinea, which saw their revenues multiply by four in the space of two years during the 1973–74 Organization of the Petroleum Exporting Countries (OPEC) price hike, and again later in the decade on account of the Iranian Revolution. For states dependent on a different set of commodities, variations in market prices also altered the importance of these same commodities to their leaders, altering by extension their strategies towards these sectors.

investments. Running out of the resources that were key for regime sustenance, African states could find money only in the form of compromising, though at the time apparently affordable, loans. When interest rates rebounded in the early 1980s, these same governments found themselves unable to pay for the imports or cover the interests on their foreign debts, raise new loans, or secure commercial trade credits.³⁴

Wracked with debt, African states found themselves under the draconian tutelage of the international system from 1981 onwards. The Bretton Woods institutions imposed structural adjustment programmes to transform the economies and patterns of state-society interaction in African states. The creation of these programmes was informed by a nascent paradigm of international economic policy that privileged recommendations to tackle what was defined as internal mismanagement at the expense of efforts to address the structural inequalities of the international economy. To a significant extent, the policies pursued in this context not only failed to advance the developmental programmes of the early postcolonial period but in fact constituted a direct attack against them.³⁵

Focused on economic problems and indifferent to political realities, the international technocrats that concocted structural adjustment programmes promised to liberate African economies and civil societies from what they considered ‘bloated’ and

³⁴ Within a vast literature see, for example, Paul Mosley, Turan Subasat and John Weeks, ‘Assessing Adjustment in Africa’, *World Development*, vol. 23, pp. 1459–1473; Ed Brown, Bob Milward, Giled Mohan and Alfred Zack-Williams, *Structural Adjustment Theory, Practice and Impact* (New York and London: Routledge, 2000). See also Nicolas van de Walle, *African Economies and the Politics of Permanent Crisis, 1979–1999* (Cambridge: Cambridge University Press, 2001).

³⁵ Alex Thomson, *An Introduction to African Politics* (London: Taylor & Francis, 2010), pp. 204–205.

overbearing states.³⁶ The successes of these programmes, however, were few, and the overall balance was dismal, for reasons as diverse as the failure of implementation, the inappropriateness of policy prescriptions, or simply because it was unrealistic to demand that state leaders surrender the very resources that enabled their political survival.³⁷ Ironically, while claiming to pull the carpet from under the feet of the heads of state in crisis-ridden Africa, these programmes provided a blueprint for local elites to bring about ‘new kinds of rents’, as well as ‘discretion over the evolution of rents within the economy’.³⁸ They also provided the conditions for ‘new forms of power and authority’ to emerge across the peripheries – though ‘new’ only in the sense that they replaced existing formal institutions, as the debacle of structural adjustment rather saw the *return* to power of non-state actors whose prerogatives had been contested in earlier decades.³⁹

Thus, as African economies declined and formal state structures weakened or withered, Africa’s relations with the world acquired a substantially privatised character. The state was no longer deemed the sole locus of African international relations, and a variety of new local and international actors came to the fore.⁴⁰ In the extreme, warlords, once thought to be a relic of a long-lost past, returned with a vengeance, seizing control over resource flows and over access to markets to provide a foundation for mobilising power

³⁶ David Keen, *Complex Emergencies* (Cambridge: Polity, 2008), p. 190. As the author notes, the idea of a ‘bloated’ African state is inaccurate. Even at the height of African developmental states, the ratio of civil servants to population remained significantly lower than in European states.

³⁷ For a seminal analysis of the economic approach adopted by international institutions, see Christopher Clapham, ‘Governmentality and Economic Policies in Sub-Saharan Africa’, *Third World Quarterly*, vol. 17, no. 4, 1996, pp. 818–820.

³⁸ van de Walle, *African Economies and the Politics of Permanent Crisis*, p. 159.

³⁹ James Ferguson, *Global Shadows: Africa in the Neoliberal World Order* (Durham: Duke University Press, 2006), p. 102.

⁴⁰ Christopher Clapham, *Africa and the International System: the Politics of State Survival* (Cambridge: Cambridge University Press, 1996), p. 256.

in de-centred, regionalised political economies. These ‘shadow states’, or ‘informal commercially orientated networks’, operated alongside or in the stead of bureaucracies, their importance at the national and international level testing the limits of state theory. Indeed, amid the ‘permanent crisis’ produced by structural adjustment, traditional authorities, warlords, and rebels established informal institutions that competed with and often surpassed their formal counterparts, developing their own means of governance away from the central state and, in the process, achieving a level of autonomy, from the provision of security and welfare to the collection of taxes and administration of justice, that was thought to have been made impossible by the centralising advances of the developmental epoch.⁴¹

This decline of formal state institutions was felt across Africa. It reflected a continual degradation of state sovereignty, economic decay, debt suffocation, draconian and counterproductive tutelage from international institutions, meddling of foreign actors in domestic affairs, and widespread illicit trade of goods. Hopes of reversibility declined along with the general acceptance of policy-makers that the crisis of African state institutions was a permanent, rather than an extraordinary, condition. A symptom of this supposedly extraordinary state of affairs, non-state authorities thrived in this ‘failed state’ environment. This combination of quasi-permanent formal state decline with the re-emergence of non-state forms of governance gave full meaning to Crawford Young’s claim that the ‘postcolonial moment has passed [...] [D]eeper continuities with pre-colonial social and political patterns, and novel experiences of coping with the realities

⁴¹ William Reno, *Warlord Politics and African States* (Boulder: Lynne Rienner, 1999), pp. 434–435.

of state decline in recent decades, combine to close a set of parentheses'.⁴² Yet the decline of formal state institutions did not necessarily entail a concomitant decline in state power.

The central state survives

While empirically accurate, an exclusive focus on the decline of formal state institutions impoverishes our understanding of politics in late twentieth-century Africa. The still dominant image of the state as 'singular, dominant, bounded and representative' does not fully capture how state power can and often does continue beyond the formal structures of the state.⁴³

In line with Crawford Young's call for an emphasis on continuities over ruptures, a subset of literature points to the rationality of those at the helm of African states in explaining the way in which they instrumentalised local and private actors to cope with economic decline, drawing parallels between the current 'privatisation of the state' – a process involving not merely the transfer of public assets into private hands but also the transfer of vital sovereign functions such as the monopoly over taxation and coercion – to the historical practices of state discharge.

As noted, discharge was a widespread practice in the early decades of the state in Africa, taking myriad forms – administrative, fiscal, security – and involving a variety

⁴² Crawford Young, *The Postcolonial State in Africa: Fifty Years of Independence, 1960–2010* (Madison: University of Wisconsin Press, 2012), p. 339.

⁴³ I mostly refer to the work of Jean-François Bayart, Béatrice Hibou, and Achille Mbembe, who are associated with the journal *Politique Africaine*.

of actors – local authorities, agricultural companies, and mining concessions – with varying degrees of success.⁴⁴ Max Weber saw in this practice a necessary evil for pre-modern states and modern states in the early stages of their formation, which would be rendered obsolete with the progress of the state's direct control over the territory. Such a transitory process has been identified in several studies on the formation of state.⁴⁵ In Africa, however, the discharge to non-state actors never fully ceased to inform the strategies of state leaders.

Facing the crumbling of the formal institutions imported in the colonial period, postcolonial African states devised 'new organisational solutions' by reinvigorating old techniques of rule.⁴⁶ As before, these techniques involved the 'privatisation' of state power only in Beatrice Hibou's sense, in which the state transferred its responsibilities as well as its assets to non-state actors, thereby deploying private force to achieve state ends. Indeed, the return to power of non-state actors, described above, often entailed the extension, rather than the collapse, of state authority: as warlords, private firms, and traditional authorities replaced declining formal state institutions, they became agents, not just competitors, of state leaders, exercising rather than undermining state power. Like the leaders of the 'primitive states' that Max Weber described in his analysis of discharge, enterprising postcolonial African leaders projected and defended their power

⁴⁴ They also resorted to a technique of rule 'as old as antiquity': tax farming, which involved vesting local power holders with a virtual monopoly on the extraction of revenues for a fixed period of time. See, for example, Copland and Godley, 'Revenue Farming in Comparative Perspective', p. 59.

⁴⁵ As Charles Tilly puts it, 'banditry, piracy, gangland rivalry, policing, and war making all belong on the same continuum' of state-building. Charles Tilly, 'War Making and State Making as Organized Crime', in Peter Evans, Dietrich Rueschemeyer and Theda Skocpol, eds., *Bringing the State Back In* (Cambridge: Cambridge University Press, 1985), p. 70.

⁴⁶ Achille Mbembe, *On the Postcolony*, 2001, p. 78.

in large part by empowering and partnering with non-state actors capable of securing state interests even in contexts of extreme institutional fragility.⁴⁷

Put differently, the persistent power of non-state actors in contemporary Africa is perhaps best understood as the result of conscious and deliberate state decision-making within circumscribed circumstances. Beginning in the colonial and continuing well into the postcolonial period, African states maintained and perpetuated a system of privatised governance. They did so not out of any irrational urge to divest themselves of their own powers, but instead out of a keen sense that privatised governance provided the means by which to exert state power in ways and in places beyond the reach of flawed formal state institutions. That is, even though the direct relationship between state power and material presence, a defining consequence of the fabrication of modern states, did not evolve into a defining feature of the African state, that does not mean that these states proved incapable of broadcasting ‘infrastructural power’ over the whole of their territories.

For precisely that reason, the enduring power of non-state actors is best conceived not as a consequence of what went wrong with African states, but as part and parcel of, in Berman and Lonsdale’s words, a ‘historical [...] and contradictory process of conflicts, negotiations and compromise between diverse groups’, which amounts to ‘state formation’.⁴⁸ While the African state is neither static nor monolithic, its policies towards non-state actors reveal a surprising consistency in the rationality of otherwise distinct

⁴⁷ Béatrice Hibou, ‘Retrait ou Redéploiement de l’État?’, *Critique Internationale*, vol. 1, no. 1, 1998, p. 153.

⁴⁸ Bruce Berman and John Lonsdale, *Unhappy Valley: Conflict in Kenya and Africa* (Columbus: Ohio University Press, 1992), p. 5, cited in Hibou, ‘Retrait ou Redéploiement de l’État?’, p. 153.

and diverse states to treat non-state actors as vehicles for the extension and consolidation of state power.⁴⁹ From extractive to developmental to ‘failed’, the African state maintained a coherent set of approaches towards non-state actors.⁵⁰ As this section, and this thesis more generally, demonstrates, that remarkable continuity persisted even in the face of massive changes in the formal composition and capacities of African states. Drawing on these lessons, the next section reveals how this persistent, if counter-intuitive, symbiosis between seeming antagonists reached its peak in the case of mining companies. Perhaps more than any other non-state actor, the mining industry enabled the state in Africa to protect its power and to secure its interests in strategic but hostile realms.

Before exploring that symbiosis, it is important to recall that the Angolan state differs in important ways from other states in Africa, and so too does its relationship to the mining sector. Indeed, the remarkable symbiosis between the Angolan state and the mining sector outlined in this thesis owes, in no small measure, to the power of the presidency in Luanda. Within the wider spectrum of state-types that variously describe the African state system, I understand the Angolan state as a particularly strong version of a Presidentialist system, in which the head of state instrumentalizes both the public and the private sector to concentrate authority in his hands. While not conforming to the Weberian ideal-type of monopoly of force within a bounded territory, the Angolan

⁴⁹ Herbst also embraces a long duration perspective in the way he observes continuity between the way pre-colonial forms of authority deployed across space and African states’ approach territoriality. Herbst, *State Power in Africa*.

⁵⁰ Axel Paul, ‘Reciprocity and Statehood in Africa: from Clientelism to Cleptocracy’, *International Review of Economics*, vol. 55, no. 1–2, 2008, pp. 209–27. As Péclard and Hagmann put it: ‘rather than assuming a priori distinctions between the pre-colonial, colonial and post-colonial periods, one has to be aware of African states’ historical trajectories through these different periods’. Tobias Hagmann and Didier Péclard, ‘Negotiating Statehood: Dynamics of Power and Domination in Africa’, *Development and Change*, vol. 41, no. 4, 2010, pp. 548.

Presidentialist state is nevertheless stronger than most poorly institutionalized states in Africa. It bears noting that, while the case of the Lundas is not reflective of state practices in Africa, or even in Angola, as a whole, the Lundas, due to their territorial extension and the economic relevance of their diamonds, are indispensable for a broader understanding of the Angolan state and provide important insights for the understanding of statehood in Africa more broadly.

Mining companies and the making of the state

The previous section explored how and why African states have often instrumentalised private actors to make up for, and even to transcend, their own formal limitations. This section applies those insights to the historical relationship between the state and the mining sector in Africa. It argues that, perhaps more than any other sector, the mining sector enjoys a powerfully symbiotic relationship with the African state.

To demonstrate as much, this section proceeds as follows: it begins with a discussion of the relationship between mining companies and African states, emphasising that in many ways this relationship is a co-constitutive one. To better elucidate this point, it situates the state-mining sector relationship in the specific contexts of Zambia and the DRC, case studies chosen both because of the abundant literature available on them and because the experiences of these two countries informed important decisions taken by colonial and postcolonial leaders in Angola. The section moves on to consider aspects of the state-mining sector relationship that are specific to diamond corporations. Drawing on the literature concerning the diamond industry in Central and West Africa,

it analyses the international structure of diamond corporations, their relations with African states, and the mechanisms they use on behalf of the latter to control revenues, territories, and populations.

State–mining sector relations in Central and West Africa: a history

As demonstrated below, the relationship between states and mining companies in Africa is a co-constitutive one. African states seek to overcome the limitations of their formal institutions, which often lack the capacity, or the capital, to intervene directly in the strategic but hostile periphery, by deliberately discharging certain state functions to private mining companies. Indeed, across the continent, the need to unleash the capital, technology, and administrative knowhow of mining companies remains essential in places outside or beyond the control of formal state institutions. Meanwhile, in return for expanding and consolidating state power in the hinterland, mining companies receive license to extract resources and property rights in their investments. For the capital-intensive industry, the need to obtain the consent of a sovereign entity remains a *sine qua non*. As the complex mining politics of post-1997 DRC show, this does not preclude informal arrangements between non-state actors and extractive companies, but these tend to be precarious and short-term. They also do not tend to occur in contexts where companies need to sink substantial investments into the ground before extraction begins, or where profits can only be realised on the basis of years, if not decades, of involvement. For such large-scale investments by major global corporations, formal contractual arrangements between firms and states, however ‘weak’, remain the rule. After all, rebel groups cannot be so easily taken to court.

The history of the relationship between African states and mining companies confirms this symbiosis. From the outset, mining companies proved essential to political and economic consolidation throughout much of Africa. From the late nineteenth century to well into the twentieth century, colonial authorities discharged to actors linked to the mining sector particular tasks that, in other contexts, one would expect the state to perform itself. This discharge of state functions to the mining sector was not systematic: it involved different degrees of delegation and varied significantly across time and space. Although the record is uneven, in many contexts the mining sector provided a crucial conduit through which the state consolidated and projected power. Across Africa, mining companies made state power ‘transposable’.⁵¹

The previous section noted that governments presiding over internationally recognised states are accorded specific rights, privileges, and resources which are not available to non-state powers.⁵² Among the privileges of sovereign entities is the role of granting exploration and operation rights to mining companies. Chartered colonial companies pre-date European colonial engagement in Africa. They trace back to the seventeenth century and the emergence of the emblematic English East India Company (EIC). Established in 1600, this joint stock company gradually asserted its direct rule over most of west India and the south of Punjab by taking up arms against local states.⁵³ Vested with a charter from the English Crown conferring a monopoly of trade rights between Britain and Asia, the EIC enjoyed most of the privileges commonly attributed

⁵¹ Rebecca Hardin, ‘Concessionary Politics: Property, Patronage and Political Rivalry in Central African Forest Management’, *Current Anthropology*, vol. 52, no. 3, 2011, p. 11.

⁵² Clapham, *Africa and the International System*; Reno, *Warlord Politics and African States*.

⁵³ Janice Thomson, *Mercenaries, Pirates, and Sovereigns: State-Building and Extraterritorial Violence in Early Modern Europe* (New Jersey: Princeton University Press, 1994), p. 32.

to states, including the right to ‘run mints, raise an army, make treaties, and exercise civil as well as criminal justice’.⁵⁴ Until the British government decided to assume the direct administration of India in the aftermath of the Indian Mutiny in 1857, the EIC acted as the legal sovereign in the subcontinent.

By the mid-nineteenth century, the age of chartered companies ended in India but its deployment had already commenced in Africa, where they held minimum operations before gaining traction when European powers sought to establish control over strategic trade regions, thereby contributing to the formation of the colonial states that would emerge later in the century.⁵⁵ Constrained by the refusal of European parliaments to spend public money in the colonies and by the negligence of European financial capital which found many other regions of the world more attractive than Africa, colonial administration was often confined to larger conurbations, limiting to a bare minimum investment in infrastructure, such as roads and railways.⁵⁶ To balance the absence of public funds, European governments resorted to concessionary companies in an attempt to develop the basic infrastructure of the colonies in exchange for commercial rights in resource-rich areas. As the next paragraphs show, the outcome of these attempts was not always successful – to the contrary.⁵⁷

⁵⁴ Sudipta Sen, *Empire of Free Trade: the East India Company and the Making of the Colonial Marketplace* (Philadelphia: University of Philadelphia Press, 1998), pp. 80–81.

⁵⁵ Ralph Austen, *African Economic History: International Development and External Dependency* (Oxford: James Curry, 1987), p. 123.

⁵⁶ Austen, *African Economic History*, pp. 123–124.

⁵⁷ Catherine Coquéry-Vidrovitch, *Congo au Temps des Grandes Compagnies Concessionnaires, 1898–1930* (Berlin: Walter de Gruyter, 1973), p. 72.

Ralph Austen describes two models of engagement between private companies and states.⁵⁸ Companies could, first, obtain charters that gave them the right to rule vast swaths of territory. That was the case of the British South Africa Company (BSAC), which allowed Cecil Rhodes to explore the territories north of South Africa, extending the British colonial possessions in the process.⁵⁹ The British Royal Charter left to the discretion of the BSAC the relations with African authorities, enabling the company to enter into agreements with local power holders for the control of vast resource-rich territories.⁶⁰ The BSAC remained a governing body until 1923, linking gold and copper mines in Southern and Northern Rhodesia together by railway and administering as well as policing the region via a highly destructive but efficient and cost-effective indirect rule.⁶¹ The British Colonial Office continued to rely on the BSAC in Northern Rhodesia well past the restitution of Northern Rhodesia from the company to British colonial authority in 1923.⁶² Importantly, all these private companies extensively relied on private policing. For instance, a paramilitary of mounted infantry forces escorted the BSAC; the East Africa Trading Company set up the first police force in Kenya; and, later, the Sierra Leone Consolidated African Selection Trust contracted a private police force to protect the Kono region.⁶³

The second model of engagement described by Austen is the partial allowance of colonial territory to concessionary companies. The metropolis held control over the

⁵⁸ Austen, *African Economic History*, p. 124.

⁵⁹ Austen, *African Economic History*, p. 169.

⁶⁰ Peter Slinn, 'Commercial Concessions and Politics During the Colonial Period: the Role of the British South Africa Company in Northern Rhodesia 1890–1964', *African Affairs*, vol. 70, no. 281, 1971, p. 365.

⁶¹ Austen, *African Economic History*, pp. 163–169.

⁶² Slinn, 'Commercial Concessions', pp. 365–84.

⁶³ Rita Abrahamsen and Michael C. Williams, *Security Beyond the State: Private Security in International Politics* (Cambridge: Cambridge University Press, 2011), p. 10.

central administration, but concessionary companies received full authority over certain regions to form private indirect governments.⁶⁴ The Congo Free State (CFS) developed the most predatory alliance of this kind. King Leopold II created a *État Holding*, in which he controlled part of the territory and leased the rest to concessionary companies.⁶⁵ The system allowed for the rapid construction of basic road and rail networks and a relatively prosperous commodity market at the expense of brutal violence against Africans – violence so savage that it even sparked European rows about the exploitation of Africa by colonists.⁶⁶

In her analysis of the concessionary companies in Afrique Équatoriale Française (AEF)⁶⁷ from their creation at the turn of the nineteenth century (1899) to their progressive elimination, Catherine Coquéry-Vidrovitch underlines that while more than two dozen companies spread over the region, they never fulfilled their purposes of *mise en valeur* of the territory.⁶⁸ The different concessions exposed their deficiencies as early as 1905, with several companies collapsing before their operations started.⁶⁹ The concessionaires were organised in such a way as to maximise short-term benefits, limiting investments to vital infrastructure such as the Congo–Ocean Railroad. With the state renegotiating the rights of companies never actually engaged in production after the 1910s, the number of concessions diminished, with the most successful evolving

⁶⁴ Austen, *African Economic History*, p. 124.

⁶⁵ Jean-Luc Vellut, 'Hégémonies en Construction: Articulations Entre État et Entreprises dans le Bloc Colonial Belge (1908–1960)', *Canadian Journal of African Studies*, vol. 16, no. 2, 1982, p. 74.

⁶⁶ Austen, *African Economic History*, p. 125.

⁶⁷ The AEF included not only French Congo but other French colonial possessions in Central Africa: namely, Chad, Gabon, and Obangi-Chari.

⁶⁸ In 1898 the French Congo encompassed the lands France acquired in Equatorial Africa during the nineteenth century. In 1910, after further expansion, the French organised their territories administratively as the Federation of French Equatorial Africa.

⁶⁹ Basil Davidson, 'Le Congo au Temps des Grandes Compagnies Concessionnaires, 1898–1930', *Revue Belge de Philologie et d'Histoire*, vol. 51, no. 3, 1973, p. 3.

into commercial or industrial enterprises of non-monopolistic, but still privileged, nature.

Although the production of wood and export of cacao gave the concessionaires in AEF a new breath in the 1920s, they all fell apart with the world depression of 1930.⁷⁰ By then, their draconian modes of taxation and trading resulted in repeated African revolts, and to the denunciation of Europeans, via the works of André Gide in the 1920s and, even earlier, the Brazza inquiry of 1905. While their existence was relatively ephemeral, their effects were lasting for the peoples of AEF in economic and, most importantly, demographic terms. The modern sector of the economy was built over the ashes of the calamitous concessionary experience, which although not entirely defining of the states that resulted from the break-up of AEF at independence, established the basis upon which economic exploitation would continue for the rest of the colonial period and beyond.

Broadly speaking, concessionary companies in the early colonial period quickly proved ruinous. They produced great damage – enormous violence, a surge in African resistance, and metropolitan criticism – all for low economic returns. Isaacman goes so far as to say that the *Companhia de Mozambique*, which reigned in the central part of the colony of the same name between 1891 and 1942, seriously compromised the prospect of state development for subsequent decades.⁷¹ Nevertheless, some of the concessionary companies that did not collapse in these years ended up surviving and

⁷⁰ Coquery Vidrovitch, *Le Congo au Temps des Grandes Compagnies Concessionnaires*, p. 125.

⁷¹ Allen Isaacman and Barbara Isaacman, *Mozambique: From Colonialism to Revolution, 1900–1982*, (Boulder: Westview Press, 1983). See also the work of Leroy Vail and Landeg White, *Capitalism and Colonialism in Mozambique: a Study of Quelimane District* (Minneapolis: University of Minnesota Press, 1981).

thriving in the subsequent period. Created in 1906, two years before the end of the CFS, the *Union Minière du Haut-Katanga* (UMHK) made use of its exclusive rights over the exploration of mining deposits – mostly copper – in Katanga province to erect what came to be known as a comprehensive administration of people and resources.

Controlled by the bank *Société Générale de Belgique* (SGB) and Tanganyika Concessions Limited, the UMHK extracted massive amounts of metals and exported them to Belgium.⁷² In order to incentivise African workers to settle with their families at the concession, the UMHK developed a network of compounds connected to the mines in the late 1920s. In alliance with religious authorities, the administrators of the compounds established an authoritarian form of rule within the concession that aimed at ‘modernising the workers’.⁷³ This involved the creation of a capitalist work ethic via the imposition of modern management theory, Catholic obedience, and primary schools, all supervised by a private military force working hand in hand with the colonial state.⁷⁴ In his analysis of the Zambian Copperbelt, James Ferguson argues that the ‘business of mining – as exploitative as it undoubtedly was – entailed a very significant broader social project’.⁷⁵ With the legalisation of labour organisations in 1949, miners had enough bargaining power to negotiate substantial rises in wages and living standards.⁷⁶ Mining companies erected entire towns where hundreds of thousands of workers were

⁷² Jean-Luc Vellut, ‘Les Bassins Miniers de l’Ancien Congo Belge’, *Les Cahiers du Centre D’Études et de Documentations Africaines*, no. 7, 1978, p. 41.

⁷³ Jana Hönke, ‘New Political Topographies: Mining Companies and Indirect Discharge in Southern Katanga (DRC)’, *Politique Africaine*, no. 4, 2010, p. 113.

⁷⁴ John Higginson, *A Working Class in the Making: Belgian Colonial Labor Policy, Private Enterprise, and the African Mineworker, 1907–1951* (Madison: University of Wisconsin Press, 1989).

⁷⁵ Ferguson, *Expectations of Modernity*, p. 379.

⁷⁶ Alastair Fraser and Miles Larmer, *Zambia, Mining, and Neoliberalism: Boom and Bust on the Globalized Copperbelt* (London: Palgrave Macmillan, 2010), p. 43.

subjected to comprehensive corporate-paternalism that included housing, schools, and hospitals, in addition to coercive forms of labour and exploitation.

Independently of spatial and temporal considerations, these mining companies established dense networks of patronage that linked together local, colonial, and metropolitan hierarchies. This private link between the international economy and African economies became an essential characteristic of mining rich regions of Central Africa, and private firms an inevitable interlocutor for postcolonial leaders in their relations with domestic and international forces.

The paragraphs above show that, first, whether they succeeded or failed economically, the presence of companies at an early stage offered colonial states the chance to claim control over territories where they lacked the resources to establish a direct presence. Second, in certain occasions companies incorporated vast and often strategic territories into the colonial framework, and turned them into ‘legible’ and ‘taxable’ state spaces, as James Scott would have it.⁷⁷ Third, and perhaps most importantly, in all circumstances the states’ strategies towards mining companies ultimately dictated their success or failure. The objectives of the states in place, and their ambitions, ultimately defined the success or failure of the private modes of government. France’s unwillingness to continue the concessionary experience in colonial Congo in the face of public protests led to the collapse of the concessionary project in the 1930s.⁷⁸ In British Africa, on the other hand, the decision of colonial powers to involve the private sector in the

⁷⁷ James Scott, *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed* (New Haven: Yale University Press, 1998).

⁷⁸ On the opposition to the concessionaries in Europe, the most notable author is André Gide. André Gide, *Voyage au Congo* (Paris: Gallimard, 1927).

reorganisation of the state after the Second World War guaranteed the continuity of mining companies, but under different terms. While in colonial Mozambique concessionary companies failed due to their incapacity to materialise foreign investment as they operated in poorly-endowed territories, in colonial Angola the colonial state overcame this challenge, allowing the diamond sector to emerge as a stalwart of the colony and the Portuguese Empire as a whole, as Chapters 2 and 3 go on to analyse in detail.

Shortly after independence, many African states furthered control over mining companies – which had already increased considerably in the last two decades of colonialism – via the instrument of nationalisation. In many cases, behind the rhetoric of resource nationalism and apparent commitment to state-led development, African postcolonial leaders maintained relations with mining companies, a vital source of revenue stream, in an attempt to preserve vital sectional interests. This is particularly clear in the cases of Zambia and Zaire. In Zambia, President Kenneth Kaunda responded to the increasing pressure from Bemba-speaking radicals by assuming management and sales responsibility from private mining companies in 1975.⁷⁹ In former Belgian Congo, the Zairian state stripped UMHK of its concessions in 1966 and turned them over to the state-owned *Générale des Carrières et des Mines* (GÉCAMINES) in 1971, which used them as a source of revenue for nurturing patrimonial networks. The company, which at the time of nationalisation comprised vast steel plants and employed more than 20,000 workers, entered a period of chaotic reorganisation involving the creation of a new public enterprise, the *Société Générale*

⁷⁹ Fraser and Larmer, *Zambia, Mining, and Neoliberalism*, p. 36.

des Mines (SOGEMIN), to run the company in lieu of the SGB, the rapid incorporation of African workers and a development programme for processing minerals.⁸⁰

In both cases, the state maintained at least part of the paternalistic system in the years following nationalisation, not for any greater sense of social responsibility, but to ensure the support of the well-organised and politically significant mining community. But this short period of ‘expectations of modernity’ for mining communities ended shortly after, with the spiral of decline of the late 1970s.⁸¹ In Zambia, structural adjustment programmes forced the dismantling of national mining companies. In Zaire, on the other hand, the GÉCAMINES underwent a dismantling from the inside rather than from the outside. The downfall of the company is best understood as a series of developments within the company and within Zairian politics, namely the system of alliances among domestic actors and between domestic and international actors.⁸²

At any rate, the debt crisis that started in the late 1970s sealed the fate of the developmental state in both countries and, by extension, of public control of mining companies. While the mining sector provided, to a certain degree, ways for postcolonial states to circumvent the pressure from donors and multilateral organisations, a question remains as to how the state–mining sector alliance coped with the infrastructural, bureaucratic, and political decline. Compelled by structural adjustment programmes to accelerate the transfer of public assets to private hands, African rulers revived discharge

⁸⁰ Benjamin Rubbers, ‘L’Effondrement de la Générale des Carrières et des Mines’, *Cahiers d’études africaines*, vol. 1, No.18, 2006, pp. 115–116.

⁸¹ Crawford Young and Thomas Turner, *The Rise and Decline of the Zairian State* (Madison: University of Wisconsin Press, 1985), pp. 288–96; Rubbers, ‘L’Effondrement de la Générale des Carrières et des Mines’, pp. 117–118.

⁸² Rubbers, ‘L’Effondrement de la Générale des Carrières et des Mines’, p. 123.

to instrumentalise the privatisation of mining companies in an attempt to maintain their capacity to access resources and broadcast power over the mining-rich territories. They instrumentalised mining companies for what Bayart termed their ‘extraversion’ strategies in three particular ways.⁸³

Firstly, the state, and the elites at its helm, remained a central regulatory authority. Through the legal ownership of resources, the state remained the entity with which foreign actors needed to cultivate relations as a condition for access to concessions.⁸⁴ In what has been understood as a massive fragmentation of the administrative structure, African governments turned a number of public institutions into patronage machines. They multiplied agencies and ministries, to diversify veto points and sources of revenues, in an attempt to maximise the benefits of revenue streams following the near-collapse of tax payments.⁸⁵ Secondly, in the context of massive privatisation, elites, as in the DRC, appropriated mining companies for their own benefit, and that of their associates, friends and family. Thirdly, these newly constituted companies performed vital administrative, fiscal, and security functions, securing the monopoly of power of the state in the mining rich peripheries. Even more than their colonial counterparts, the private indirect government of mining companies over the last three decades emphasised security over welfare.

Throughout the last quarter of the twentieth century, multinational extractive companies gave up on the practice of ‘cultivating’ large labour forces and maintaining on-site

⁸³ Denis Tull, *Weak State and Successful Elites: Extraversion Strategies in Africa*, research paper, Stiftung Wissenschaft und Politik, Berlin, 2011, pp. 7–8.

⁸⁴ Hönke, ‘New Political Topographies’, p. 116, p. 126.

⁸⁵ Miles Larmer, ‘Reaction & Resistance to Neo-liberalism in Zambia’, *Review of African Political Economy*, vol. 32, no. 103, pp. 31–32.

compounds within and around their concession sites.⁸⁶ With the specialisation of staff and the mechanisation of activities, companies no longer had any incentives to replicate the model based on vast infrastructure, huge labour forces, and the extensive provision of social services. Rather, they replicated the model of capital-intensive but labour-scarce oil companies, fencing off and shielding their concessions from the turbulent social and political tensions within the host states.⁸⁷ After the 1990s, the resurgence and re-legitimation of private security became among the most emblematic elements of this new form of private indirect government: PMFs, often of mixed national and foreign ownership, became integral accompaniments of practically every mining company operating in Africa.⁸⁸

The paragraphs above suggest that the relationship between the state and the mining sector is a consequence not only of pre-existing conditions but also of deliberate decisions of state leaders. First, these states lacked the structural prerequisites to set the basis for sustainable economic development – such as a balanced economy, an optimal fiscal base, and reasonably efficient institutions – from the outset. This situation did not improve over time, as empowered political actors lacked the necessary resources to transcend their reliance on the mining sector. It is therefore unsurprising that the state’s relationship with the extractive sector was disappointingly path dependent. But while the importance of the context in which the extractive sector developed means that decision-makers did not always have leeway to make consequential choices about state–firm relations, in addition to structural factors, such as the limitations of African

⁸⁶ Hönke, ‘New Political Topographies’, p. 120.

⁸⁷ Ferguson, *Global Shadows*, p. 198.

⁸⁸ Abrahamsen and Williams, *Security Beyond the State*, pp. 123–126.

economies and the world market prices for commodities, the performances of individual mining sectors in different African states were fundamentally contingent on the priorities of state leaders. It is that combination of pre-existing conditions and deliberate choices that produced this complex but co-constitutive relationship.

State–diamond companies relations

Building on this broader analysis of the mining sector in Africa, the following paragraphs discuss both the nature of the international diamond market and the specificity of the relationship between African states and diamond companies. They seek to shed light on: the cartelised system that governed the diamond sector; how the diamond sector spread across colonial Africa; and how the diamond cartel competed with postcolonial African states to maximise their revenues.

The creation of De Beers in 1888 marked the beginning of the international diamond market. In alliance with two large finance houses, the Anglo-American Corporation and Charter Consolidated Ltd, De Beers took control of South African mines with an investment of no more than 10% in any single company. De Beers sold the exclusivity of their diamond production to the London-based Central Selling Organisation (CSO) via its national companies. Throughout the colonial period, the CSO distributed about 80% of the world's diamond production. The link between De Beers, the diamond companies, and the CSO is colloquially, but aptly, known as 'the diamond cartel'.

The expansion of the cartel across the African continent followed upon the discovery of alluvial deposits in Central and West Africa in 1908. In part for reasons of national

pride, Belgian producers attempted to remain independent of the diamond cartel for as long as possible. In the Belgian Congo, the SGB, Belgium's largest investment bank, acquired the majority of diamond mining rights and vested the *Société Internationale Forestière et Minière du Congo* (FORMINIERE) with the management of the mining business. FORMINIERE sold diamonds directly to the Antwerp market and established marketing agreements with the Consolidated African Selection Trust (CAST) based in West Africa. The cartel initially responded by bidding for specific lots to maintain their grip on prices, but soon moved on to negotiate exclusivity contracts for diamond concessions.⁸⁹

By 1926, De Beers had acquired monopolistic stakes in the largest outside producers – FORMINIERE, the CAST and DIAMANG – sharing an average of 50% of the revenue with the home state. Each of these companies held a virtual monopoly over diamond production in their respective territories and enjoyed the support of the diamond cartel, which provided companies with consulting engineers and purchasing agents. Hence there emerged an alliance between home states – which provided the legal ownership – and the cartel – which provided the technical expertise and access to markets. On the basis of this mutually beneficial relationship, one of the most successful monopolistic systems emerged and remained shatterproof for the majority of the twentieth century.⁹⁰

Cooperation with the cartel offered many advantages to mining companies. The cartel kept prices high by controlling the caratage, the origin – kimberlitic or alluvial – and the

⁸⁹ David Gibbs, *The Political Economy of Third World Intervention: Mines, Money, and U.S. Policy in the Congo Crisis* (Chicago: University Of Chicago Press, 1991), pp. 282–284.

⁹⁰ Peter Greenhalgh, *West African Diamonds, 1919–1983: an Economic History* (Manchester: Manchester University Press, 1985), pp. 133–150.

supply of diamonds that each country produced. In exchange for access to the markets and the financing of diamond stocks in low price periods, companies guaranteed the delivery of the entire production to the cartel. For instance, during the Great Depression, national companies received compensation for the significant disruptions in diamond production.

A number of minor companies, however, thrived whilst operating outside the diamond cartel. Some opted to sell diamonds directly to the Antwerp market while others started production in smaller diamond fields of African colonies outside the aegis of the cartel. The *Société de Recherches et d'Exploitation Minières en Côte d'Ivoire* (SAREMCI), in French West Africa, established an exclusive agreement with the French market. Other companies attempted to share production between the diamond cartel and private buyers, such as the CAST. Another opened a system of individual mining: the Precious Stones Act of 1927 made the Namaqualand deposits the reserve of individual miners, but 60% of all diamonds found went to the government, which bore responsibility for marketing them. However, this arrangement did not last long. The sharp fall in diamond prices during the Great Depression and increasing trade outside the cartel forced the mine to shut down. The company re-opened a few years later under the diamond cartel.⁹¹ Owing to its specific land law, which forbid the creation of a monopolistic system, the Gold Coast never established a partnership with the diamond cartel. Each company could market its own production and the colonial government limited its intervention to an export duty.

⁹¹ Janine Farrell-Robert, *Glitter & Greed: the Secret World of the Diamond Cartel* (Newburyport: Red Wheel Weister, 2007), p. 94.

Relations between home states and De Beers were strained significantly in the late years of colonialism. Colonial rulers protested against the excessive benefits enjoyed by De Beers, noting that operational expenses consumed most state revenues. De Beers faced contract renegotiations from most of the home states, as they considered the option of leaving the diamond cartel in the wake of the decision by independent Ghana to open the first African diamond market in 1954, and challenged the monopolistic system.⁹²

When they achieved power, African leaders added nationalist rhetoric to the already well-established friction between colonial and metropolitan administrations and the diamond cartel. But while they effectively made De Beers into a symbol of colonial exploitation, African leaders opted to adopt a resolutely conservative stance in negotiations with the diamond cartel, especially compared to the radical postures of their counterparts in other industries, such as copper. The particularities of the diamond sector explain the difference between nationalist discourse and accommodating practice. While the evidence that African states lacked the technology, skills, and capital to undertake nationalisation did not intimidate the leaders of copper-rich states, who proceeded to commit costly mistakes in this regard, the prospect of losing access to world markets added one risk too many for the leaders of diamond-rich states. Although in theory African states participated in the diamond cartel on a voluntary basis, states that dared to leave it faced the immediate extinction of revenues. The best example is Joseph Desirée Mobutu's decision to break away from the diamond cartel in 1981, only to see De Beers respond by saturating the market with diamonds of the same kind

⁹² Peter Greenhalgh, *West African Diamonds, 1919-1983: an Economic History*, p. 32.

produced in Zaire. In no time, Mobutu initiated negotiations to re-enter the cartel, but in the position of beggar rather than chooser.⁹³

Postcolonial leaders thus discarded nationalist alternatives, but they engaged in different kinds of relations with De Beers. The case of Botswana is perhaps the most telling. The state received a significant percentage of De Beers' stock and a seat on the board of directors, which nevertheless translated into very little influence in the diamond cartel, in exchange for ceding monopolistic control of diamond reserves to the cartel. Namibian nationalist leaders initiated negotiations with De Beers years before independence, in 1984, and opted for a controlled transition in 1990.⁹⁴ Zaire and especially Angola, as we shall see, acted in a more assertive manner. While the former used informal diamond trade as leverage in negotiations with De Beers, Angola's attitude towards the company hardened as the country grew less dependent on diamond revenues over the 1980s.

In the early 1990s, the emergence of large and small competitors and the difficulties faced by certain states in controlling their own resources, marked the beginning of the end for the diamond cartel's dominance over African diamonds. Freshly arrived in power, Russian post-Communist leaders and their business allies broke the agreement between the then defunct Soviet Union and De Beers and thereby became competitors

⁹³ Debora Spar, *The Cooperative Edge: the Internal Politics of International Cartels* (Ithaca: Cornell University Press, 1994), p. 62.

⁹⁴ David Pallister, Sarah Stewart and Ian Lepper, *South Africa Inc: the Oppenheimer Empire* (New York: Simon & Schuster, 1987), pp. 166–167.

in the diamond market.⁹⁵ A number of small diamond traders, mainly from Israel, accompanied them and acted as individual brokers. African governments and rebel leaders, taking advantage of the collapse of the formal diamond industry, funneled diamonds into the informal market, forcing De Beers into a race to the bottom for the control of diamond prices.⁹⁶ Combined with the emergence of new competitors outside Africa, such as Canada and Russia, the diamond market became too dispersed and erratic for De Beers to bully African leaders in the way it had done with Mobutu a decade earlier.⁹⁷

Controlling diamond revenues

For the diamond cartel, the control of diamond prices in the international market depended on the limitation of the informal diamond trade. The whole structure depended on the commitment of each diamond-rich state to control the diamond revenue. Disruption in one nodal point could cause the collapse of the entire system.

As noted earlier in this chapter, tax or revenue farming means the sub-contracting by the state of private actors to collect taxes. In the context of early colonial rule, the fiscal capacity of certain colonial states depended almost exclusively on tax farming. While diamond-rich states began to farm out the taxation of diamonds to diamond comptoirs as early as the 1940s in West Africa, states only adopted this practice in Central Africa in the postcolonial period. This has to do with the association between tax farming and labour migration. In Sierra Leone, the diamond boom in the Kono region over the 1950s spurred major migrations and produced a floating population. Restrictions on artisanal

⁹⁵ Spar, *The Cooperative Edge*, p. 68; Daniel Kempton and Robert Levine, 'Soviet and Russian Relations with Foreign Corporations: the Case of Gold and Diamonds', *Slavic Review*, volume 54, no. 1, 1995, p. 85.

⁹⁶ See generally, Chapter 5.

⁹⁷ Kempton and Levine, 'Soviet and Russian Relations', p. 589.

mining led to growing confrontations between private police and the population. With artisanal mining rampant, representing up to two-thirds of the total value of diamond production, the state had no alternative but to authorise diamond comptoirs in frontier regions.⁹⁸ In Central Africa, on the other hand, the compound system kept Africans in the colonial era under tight control, thus limiting the spread of artisanal mining. Under these circumstances, states opted to severely repress independent diamond traders instead of authorising their settlement.

Diamond comptoirs started to develop in Central Africa during the decline of diamond companies in Zaire and Angola. By the early 1990s, they dominated the diamond trade along the Angolan–Congolese border, with bases close to alluvial mines and border cities. Often funded and supervised by Lebanese and West African traders, the diamond comptoirs remained largely outside the political organisation of local states, and given their establishment in isolated areas, they controlled entire commercial networks and accumulated significant power in strategic economic regions.

To tap into these organisations that had the numbers, the organisational networks, and the capital, the Congolese and Angolan states legalised, and then taxed, the activities of comptoirs in the late 1990s. Governments could not only secure a steady income stream from the informal diamond economy, but could also extend their control over peripheral and often hostile areas. In addition to the resilience of tax farming in the diamond sector, it is important to bear in mind its core function in the absence of formal institutions: to enable states to extract revenues to provide for elite networks and to extend control over these important areas. This is particularly true in the case of

⁹⁸ Alfred Zack-Williams, *Tributors, Supporters and Merchant Capital: Mining and Underdevelopment in Sierra Leone* (Brookfield: Avebury, 1995), pp. 199–201.

diamonds, as they remain an efficient way of sustaining the patronage machine, even in contexts of extreme dereliction of the state and minimal tax revenues.

This section has explored the trajectory of mining companies, and of diamond companies in particular, and the accrual of state-like power to these private entities for the purpose of extraction of resources. While Hibou points out that similar arrangements between state and non-state actors are an ‘age-old phenomenon’, in Africa these processes have been intrinsic to the development of the state throughout time.⁹⁹ The persistent presence of diamond companies with highly visible and important functions in the postcolonial period should therefore not be perceived as a reflection of state decline. Several African governments developed their state ambitions around the mining sector, although they did not hesitate to alter the terms of engagement with foreign investors according to their internal priorities and changing senses of relative power vis-à-vis the corporate sector, especially in the optimistic years that followed independence. While these alterations in the content of state–mining company relations have led to changes in the mode of private governance in the resource-rich peripheries, it did not alter the fundamental role of mining companies vis-à-vis the state: the broadcasting of state authority over peripheral territories and the provision of rent and revenue to state elites.

⁹⁹ Béatrice Hibou, ‘The “Privatization” of the State: North Africa in Comparative Perspective’, in Klaus Schlichte, ed., *The Dynamics of States: the Formation and Crises of State Domination* (London: Ashgate, 2005), p. 91.

CONCLUSION

This chapter explored the historical relationship between the state and the mining sector in Africa. The first section highlighted the crucial but often-neglected role of private actors as conduits through which the state has attempted to defend and project its power. Toward that end, it called into question the tendency of certain scholars and analysts of the African state to focus almost exclusively on the rise and fall of formal state institutions, and instead emphasised how state power can and often does continue beyond formal state structures, through practices such as discharge. It then argued that the persistent power of non-state actors in Africa is perhaps best understood not so much as a challenge to state authority but as a product of deliberate state decision-making. For many state leaders, it concluded, discharge was not a second best solution, as Weber had conceived it, but a primary instrument for enabling and defending state power.

The second section then considered the historical relationship between mining companies and African states from the perspective of non-state actors as projectors of state power. It drew on the historical literature that pays attention to how states articulated their relations with non-state actors; the extent to which African states have prolonged these practices in comparison to more robust states, which have resorted to them less frequently in the modern era; and the implications of the political role of non-state actors for the history of the African state in the periphery. It concluded by noting the mutually constitutive character of states and mining companies in the sense of the functions they share and the powers they broadcast jointly. The section went on to

analyse the history of relations between the state and mining companies from this perspective. It argued that: state-making in the mining rich African periphery was essentially a private-sector affair with varying degrees of success; that mining companies – but especially diamond companies – companies assumed a significant number of state-like functions; and that states and diamond companies have maintained their instrumental relationship in the face of major political and institutional changes throughout the period studied in this thesis. Overall, this analysis provides the theoretical structure and broader historical context for the study of relations between the state and the diamond companies in the Angolan provinces of Lunda Norte and Lunda Sul, to which this thesis now turns.

CHAPTER 2: PRIVATE INDIRECT GOVERNMENT IN LUNDA, 1917–1961

Introduction

This chapter traces the establishment and development of the diamond sector in Angola, highlighting, in particular, its complex but ultimately co-constitutive relationship with the colonial state in Luanda, as well as the metropolitan government in Lisbon. It begins with the creation of DIAMANG in 1921, and ends with the outbreak of the liberation war in 1961. With the emergence of the diamond industry, the state discharged to DIAMANG significant authority over colonial Lunda for the prospection of diamonds. Over time, colonial leaders allowed that authority to include a variety of state-like powers, erecting a comprehensive private indirect government, administered by DIAMANG, which came to be known as a ‘state inside the state’. In the process, diamonds evolved into a leading source of revenues for the colonial and the metropolitan states alike. The diamond industry, meanwhile, became an indispensable partner in the expansion and consolidation of state power in the periphery.

Drawing on a considerable number of untapped archival sources, this chapter addresses two crucial aspects of diamond politics in early colonial Angola. The first is the role of DIAMANG in the relations between the metropolis and the world economy: the company played an instrumental part in the enrichment of the elite in the metropolis and beyond. The second is the role of DIAMANG in building the state in colonial Angola. During the period studied in this chapter, DIAMANG shrewdly adapted its mode of governance to the realities and ideals of the colonial state. In the process, the company

moved from a corporate colonialism of essentially military and extractive character to one of a scientific and welfarist character, leading to the emergence of a private indirect government that proved as powerful and all-encompassing in Lunda as it was useful and profitable to Luanda.

The chapter proceeds as follows: the first section examines the reasons why the Portuguese colonial state empowered DIAMANG with a number of state functions, in the first place, and the ways in which this changed the character of state-making in eastern colonial Angola, in the second place. The second section discusses how DIAMANG partnered with, and furthered the interests of, state representatives at the level of the district and the capital of the colony as well as with representatives of the metropolis and the diamond cartel. The third section addresses the specifics of DIAMANG's private indirect government, with an emphasis on its build-up of a large administrative and security apparatus. It shows how, for all intents and purposes, DIAMANG was the state in Lunda.

Colonial politics and the diamond boom in Lunda

This section begins by considering the politics of foreign investment in early colonial Angola to provide an insight into the context in which the diamond sector emerged in Lunda. It moves on to analyse how and to what end DIAMANG assumed state-like functions in eastern Angola.

Extractive companies in early colonial Angola

The development of extractive companies in colonial Angola took longer than in other African colonies, on account of strong resistance from the metropolitan elites. At the outset, the idea of opening up the colony to foreign capital via the introduction of extractive companies appealed to only a small strand of the metropolitan elite in Lisbon, which advocated on behalf of such companies as a means to achieve effective occupation and to satisfy increasing international pressure for expansion.¹

Short on incentives for the *mise en valeur* of the territory, colonial rulers repeatedly put a spanner in the works of foreign investors. There were some emblematic cases: the *Companhia de Mossâmedes*, formed in 1894, failed to obtain rights common to extractive companies elsewhere in Central Africa, including the right to levy taxes and police the territory or to develop the agricultural business in the southwest.² At the turn of the century, in 1902, the *Companhia de Benguela*, created to build a strategic railway between the Atlantic coast and the mining outlets in the east, was preyed upon by conflicts between investors and the colonial administration for more than a decade.³ In 1899, the colonial administration charged a commission of agents with finding investors for a company in Lunda, the *Companhia da Lunda*, on the grounds that Lunda's 'sovereignty and peace' were at risk. The company would assume control of informal

¹ Valentim Alexandre, *O Império Africano: Séculos XIX e XX* (Lisbon: Colibri, 2000), pp. 22–3.

² William Gervase Clarence-Smith, *The Third Portuguese Empire, 1825–1975: a Study in Economic Imperialism* (Manchester: Manchester University Press, 1985), p. 103.

³ Clarence-Smith, *The Third Portuguese Empire*, pp. 129–39. Spearheaded by the British investor Robert Williams and a group of Belgian and Portuguese investors, the railway aimed to connect Lobito Bay to the Katanga border by way of the Angolan highlands. On the eve of the First World War, the line was only at 310 miles inland and the Portuguese government was unable to support the increasing costs. Competition between foreign investors and the Portuguese government blocked further investment for many years. When the line finally reached the Belgian frontier in 1929 another access route for Katanga had already become available.

rubber plantations and would compete with the prosperous Belgian rubber market. But reports from the commission shed light on the colonial administration's abiding reluctance to negotiate with foreign investors to accomplish those ends: instead of an agreement along the lines of the CFS model, involving commercial exclusivity and low interest rates for companies, the commission pushed for an alternative in the form of a 'popular credit' – contributions from individual Portuguese investors only. Even that proved a step too far: the plan never materialised, and the colonial administration dissolved the commission in 1902.⁴

Meanwhile, within the colony those with means proved unable or unwilling to challenge the status quo imposed by colonial authorities. The Afro-Portuguese Creole elite found itself starved economically and politically by the abolition of the slave trade, the colonial plans to foster a settler community had not materialised at this stage of Angola's development, and other identifiable groups of white immigrants – British and American Baptist missionaries and the Boers of the Huíla highlands – distinguished themselves through their indifference, and at times hostility, towards colonial politics.⁵

The colonial state's reluctance to accept foreign investment, coupled with its weak bureaucratic structure, ensured that Portugal's occupation of Angola's interior proceeded sluggishly at best.⁶ The first military expeditions to Lunda began as late as

⁴ *Arquivo Histórico Ultramarino (AHU)*, Box 2070, 1902, p. 7.

⁵ Malyn Newitt, 'Angola in Historical Context', in Patrick Chabal and Nuno Vidal, eds., *Angola: the Weight of History* (London: Hurst, 2007), p. 51. While Portugal abolished the slave trade in 1836, Portuguese colonies would remain involved in slavery until 1869.

⁶ René Pélissier, *Les Guerres Grises: Résistance et Révoltes en Angola, 1845–1941*, (Paris: Orgeval, 1977), pp. 276–278. At the time of the Berlin conference, Portuguese authority was confined to the coastal areas of the old Angolan kingdoms (current Luanda) and Benguela, Mocâmedes, Ambriz and

1884, and even then they failed to yield a permanent Portuguese presence for another three decades.⁷ The complexity and dynamism of the region at the time only compounded Portuguese difficulties. In the aftermath of the 1884 Berlin Conference, external intervention fuelled an internal transition in Lunda.⁸ Seeking to expand its territory, resource base, and labour pool, the CFS began a series of incursions into the region.⁹ At the same time, the Chokwe began to exploit their surging trade with the Belgians to acquire weapons and to consolidate their authority in Lunda, posing an unprecedented military challenge to the Portuguese colonial army.¹⁰ In 1912, when the Belgian FORMINIERE confirmed the existence of mining resources in the region, the Chokwe continued, quite successfully, to push back against Portuguese colonial forces in the western part of Lunda.¹¹

A colonial resurgence soon appeared on the horizon, however. The advent of the Portuguese First Republic (1910–1926), in particular, represented a watershed moment in the relations between colonial Angola and foreign investors.¹²

Golungo Alto. The occupation of the whole territory was the materialisation of what had been idealised as the Third Portuguese Empire, or the Africa Empire.

⁷ Maria da Conceição Neto, 'Angola No Século XX (até 1974)', in Valentim Alexandre, *O Império Africano (séculos XIX e XX)* (Lisbon: Colibri, 2000), pp. 175–78.

⁸ Jean-Luc Vellut, 'Notes sur le Lunda et la Frontière Luso-Africaine (1700–1900)', *Études d'Histoire Africaine*, vol. 3, 1972, pp. 61–89. Lunda was at the crossroads of three different imperial strategies: the historical project of a transcontinental union between Angola and Mozambique, the expansionary drive of the British South Africa Co. (BSAC) and the Congo Free State.

⁹ Vellut, 'Notes sur le Lunda', 1972, p. 64.

¹⁰ The Chokwes asserted their authority over the Lunda via inter-marriage and conquest following the take over of the capital of the Lunda Kingdom and the overthrowing of its ruler, the Mwata Yamvo. This initiated the process of assimilation of the Lunda with the Chokwe culture, which came to dominate the region. The Chokwe took advantage of the fact that the Portuguese colonial state banned the trade in firearms later than any other colonial power and the prolonged duration of rubber trade in Lunda, which continued until 1900 despite reaching a 'structural low' in 1900. Malyn Newitt, *Portugal in Africa: the Last Hundred Years* (London: Hurst, 1981), p. 70.

¹¹ FORMINIERE was a Belgian Congo mining company created by Jean Jadot in 1906. As this chapter shows, the company exercised enormous influence within Angola's nascent diamond sector.

¹² Clarence-Smith, *Third Portuguese Empire*, p.12. The origins of the First Republic, which began with the 5 October 1910 revolution and ended with the coup d'état of 28 May 1926, and its place in Portugal's

Portuguese republicans firmly believed in the systematic exploitation of the colonies. In his two tenures as the ruler of colonial Angola, first as Governor General (1912–1915) and then as High Commissioner (1921–1923), Norton de Matos, a former chief of staff of the military with a long career in the colonial administration, spearheaded administrative decentralisation, economic investment, and military occupation.¹³

It is in this context that the Minister of the Colonies, Arthur R. de Almeida Ribeiro, in Portugal's first effort to launch the modern exploration of natural resources, launched, through a decree dated 11 September 1912, the *Pesquisa e Exploração Mineiras de Angola* (PEMA) to prospect for minerals in colonial Angola.¹⁴ A scarcely capitalised company with few foreign shareholders, PEMA was vested with precarious rights for exploring natural resources, limited in time and unilaterally revocable by the colonial state.¹⁵ The fragile organisation of the company reflected its operations in the field. Accounts from the Portuguese army escorting PEMA in Lunda give full meaning to the concept of 'vulnerability' that Ricardo Roque uses to describe the ordeal of Portuguese

contemporary history, remain a matter of debate in the historiography. While the conventional understanding sees the First Republic as a progressive and democratic interregnum between the Monarchy and the New State, Vasco Pulido Valente argues that the republican regime, driven by its Jacobin and urban roots, evolved into a de facto dictatorship. At any rate, the Republican period produced profound fractures within Portuguese society, in particular between the rural and urban populations, and a discredited party that rendered the country ungovernable. As argued in this section, the regime's social and economic tribulations paved the way for the coup d'état and the advent of the New State. Vasco Pulido Valente, *O Poder e o Povo. A Revolução de 1910*, 2nd edn. (Lisbon: Moraes, 1982).

¹³ The regulatory framework for circumscriptions in Angola (*Regulamento das circunscrições da província de Angola*) published in 1913 marks the beginning of this process. High Commissioner is the designation of the Governor General during the last decade of the First Republic. Gann Lewis and Perguignan, *The Rulers of British Africa, 1870–1914* (Stanford: Stanford University Press, 1978), pp. 455–466.

¹⁴ *Archives Royales de Belgique* (ARB), Box 'A. Farde', Folder 175, p. 2. PEMA obtained the rights to prospect all sorts of natural resources, and not only diamonds. The company also prospected for oil.

¹⁵ ARB, Box 3348, Folder 447, 17 December, 1930, p. 4. FORMINIERE found small diamonds on the border with colonial Angola on 4 November 1912.

forces engaged in the effective occupation of eastern Angola.¹⁶ According to Brandão de Mello, who took part in one of the first Portuguese military contingents dispatched to support the diamond sector in Lunda:

When a small group of prospectors crossed into Lunda territory to search for minerals [In 1911], they found themselves under constant attack from the indigenous population, who controlled the region crossing the rivers Cuilo and Chicapa. 'In the years that followed, our control over Lunda ended at 300 km from the Cassai, was limited at two positions in Cuilo and Luxico [...] The actual control of these positions did not go longer than a gunshot and only with heavy escort was it possible to connect the two'.¹⁷

Nevertheless, PEMA succeeded in discovering the first potentially rich diamond mines in 1916, after which the expansion of the industry greatly accelerated. The following year, PEMA transferred its diamond exploration rights, along with vehicles, equipment, and workers, to DIAMANG. The latter signed a contract for mining exploration that extended to the whole of Lunda with the colonial government in 1921. That same year, the Diamond Syndicate entered the capital structure of DIAMANG, bringing its financial might and technical expertise to the new company. A flow of investment from world leaders in the mining industry soon followed – investments, in particular, from those involved in the Belgian Congo: the SGB, *Mutualité Coloniale*, *Banque de l'Union Parisienne*, the Anglo-American Corporation, the Morgan Bank, the Oppenheimer

¹⁶ Ricardo Roque, 'The Razor's Edge: Portuguese Imperial Vulnerability in Colonial Moxico, Angola', *International Journal of African Historical Studies*, vol. 36, no. 1, 2003, p. 106.

¹⁷ Department of Anthropology of Coimbra University (DAUC), Folder 84K31, Letter to Lt. Col. Duarte Silva from G.H. Newport, 15 January 1921, p. 3.

Group, and the Ryan and Guggenheim group.¹⁸ Within a matter of years, some 80% of DIAMANG's shares would accrue to South African, American, French, Belgian and English entities, while the Portuguese state retained only 20%. As a result, DIAMANG's initial capital of £20,000 (90,000 *escudos*) surged to £2 million (9 million *escudos*) in less than a decade.¹⁹

The dearth of administrative and transportation infrastructure in colonial Angola's hinterland meant that DIAMANG had to rely heavily on the neighbouring and more comprehensive Belgian mining industry to connect it with the Atlantic coast. A short railway was built to connect Dundo, DIAMANG's headquarters, to Charlesville and the commercial hub of Matadi in the Belgian Congo. Short of human and material resources in colonial Angola, DIAMANG subcontracted managers, engineers and a private army from the Belgian FORMINIERE to assist DIAMANG.²⁰ FORMINIERE played an instrumental role, in particular, in thwarting Chokwe resistance throughout the 1920s. The resulting marginal role of the Portuguese provoked the first contentious cases between the Portuguese metropolitan state and the mining company. After DIAMANG terminated the contracts of four Portuguese workers in 1921, the *Banco Nacional Ultramarino* complained in a letter to the colonial administration that the company had

¹⁸ Ryan, along with his fellow Guggenheims and Alfred Chester Beatty, assisted Leopold and the *Société Générale* in 1906 in the formation of FORMINIERE to develop and exploit diamond and other resources in the Kasai region. Beatty later formed the Consolidated African Selection Trust (CAST), which, along with Anglo-American, opened up Northern Rhodesia's Copperbelt. Simon Katzenellenbogen, 'Financial Links between the Congo and Its Southern Neighbors', *African Economic History*, no. 12, 1983, pp. 183–193.

¹⁹ *DIAMANG: Relatório Anual* (Lisbon: DIAMANG, 1950), pp. 43–44; Todd Cleveland, *Rock Solid: African Laborers on the Diamond Mines of the Companhia de Diamantes de Angola (DIAMANG)*, unpublished PhD Thesis (Minneapolis: University of Minnesota, 2008), p. 24.

²⁰ *Arquivo Marcello Caetano* (AMC), Box 51, Folder 79, 1948, p. 1.

treated nationals 'with indifference and a lack of interest in their adaptation to their working environment'.²¹

Unsurprisingly, the Portuguese soon started to perceive the company as an 'extension' or an 'appendix' of the Belgian industry, and to regard with concern Belgium's grip on the District.²² For instance, the investment bank SGB constituted the largest foreign investor in Angola, in areas ranging from banking to infrastructure. Belgian financial investors were particularly involved in the oil market: The Belgian Petrofina group began its activity in Angola in 1926 with the creation of the distribution branch *Companhia de Combustíveis do Lobito-Purfina* (CARBONANG) to provide energy to Belgian Congo's mineral rich regions of Saba and Zaire. This omnipresence of Belgian interests caused such political discomfort that Portuguese intermediaries concealed the participation of Belgian investors, including in the mining industry.²³ With little financial and technical means to influence DIAMANG's decisions on the ground, the Portuguese colonial state tried to strengthen its control over the company via the colonial laws. Elaborated on an ad hoc basis between 1921 and 1928, and reviewed multiple times during the 1930s, a legal framework set the boundaries of DIAMANG operations in colonial Angola for the decades to come.

The first pillar of the legal framework concerned the labour code. Norton de Matos authorised the company to use the *shibalo*, the Portuguese forced labour legislation introduced in 1907 to regulate the work of Africans in the colonies. In addition, he

²¹ DAUC, Folder 84K31, Letter to Lt. Col. Duarte Silva from G.H. Newport, 15 January 1921, p. 1.

²² *Arquivo Oliveira Salazar* (AOS), Folder UL-8A2, 9 February 1938, pp. 40–55.

²³ Clarence-Smith, *Third Portuguese Empire*, pp. 1–13. Strategic reasons also informed the preference of the Portuguese colonial administration for Belgian foreign investors. Like Portugal, Belgium was a small neutral country threatened by the expansion of other imperial powers.

repealed the prohibition against enforcing taxes on Africans, allowing DIAMANG to charge the *cubata*, a mandatory tax for Africans introduced in 1919.²⁴ Matos also compelled *chefes de posto* (station chiefs) based in neighbouring regions and *cipaios* (African policemen) to work exclusively for the company.²⁵ DIAMANG was put under a different labour regime than the rest of colonial Angola, the *Estatuto do Indigenato* (Indigenous Status) – the legal status that defined the rights of the majority of Africans, with the exception of *assimilados* who enjoyed the status of Portuguese, including their legally required labour provision after 1926. The second pillar referred to the penal code, which the colonial state adapted to the particular necessities of the diamond company. Finally, the third pillar related to the commercial code. The colonial state gave the monopoly of trade and commerce to DIAMANG in an area called the *Zona Única de Protecção*.²⁶ Overall, the legal framework institutionalised the labour, penal, and commercial privileges that came to define DIAMANG. As Couto Rosado, a contemporary who wrote extensively about DIAMANG, remarks: ‘Never in the Empire did a company enjoy so many advantages’.²⁷

It would be misleading, however, to approach DIAMANG as a novelty in Portuguese colonialism. Leading legal scholar and future Prime Minister Marcelo Caetano, in a legal opinion on the status of the company published in the 1960s, underlines that the principle of an ‘exclusionary zone’ existed in colonial law since the gold and diamond mines of the Brazilian Empire, and compares DIAMANG to a ‘domain of the crown’.

²⁴ Clarence-Smith, *Third Portuguese Empire*, p. 103.

²⁵ DAUC, Folder 84K31, 24 April 1921, pp. 3–4. Replacing slavery, the *shibalo* imposed on Africans the moral and legal obligation to work. Codified through a series of colonial decrees, it was adopted in the late nineteenth century and extended into the early twentieth century.

²⁶ AOS, Folder UL-8A2, 9 February 1938, p. 45.

²⁷ AOS, Folder UL-8A2, 9 February 1938, p. 45.

New to colonial Angola, the legal framework of the company was rooted in the Empire's history.²⁸

DIAMANG stands out as Norton de Matos' most remarkable – though not altogether helpful – contribution to colonial Angola. It is a matter of agreement that his tenure is the origin of the economic crisis that consumed the First Republic: the hazardous legal activism and fiscal largesse helped to bankrupt the colony as well as the metropolis, and paved the way for regime change in Lisbon itself. But without his brief and chaotic attempt at developing the colony via extractive companies, it is possible that the colonial state would never have created the conditions for DIAMANG, the Empire's soon to become leading revenue generator, to prosper.²⁹

Corporate state-building in eastern Angola

The paragraphs above show how the colonial state, under the leadership of Norton de Matos, conferred to DIAMANG extensive privileges that fortified the once vulnerable diamond mining enterprise. The establishment of the National Dictatorship in 1926,

²⁸ AMC, Folder 51, 27 January 1947, pp. 20–23. Published in 1963 by future Prime Minister Marcelo Caetano, in his role as a leading legal scholar.

²⁹ Authors such as Clarence-Smith are virulent critics of Norton de Matos' legacy. The historical Afro-Portuguese elite that mediated between colonial and rural authorities in the nineteenth century disappeared under Norton de Matos. Alexander Keese, "'Proteger os Pretos' – Havia uma Mentalidade Reformista na Administração Portuguesa na África Tropical (1926–1961)?"', *Africana Studia*, vol. 6, 2003, p. 100. The literature on colonial Angola, however, also weighs the fiscal consequences of his initiatives against the structural changes it produced. Newitt, for instance, notes that Norton de Matos was the only colonial administrator who was interested in the colony and tried to invest in its infrastructure. Newitt, *Portugal in Africa*, p. 79.

followed by the New State, however, signified the end of colonial decision-making autonomy vis-à-vis the metropolis.³⁰

Lisbon imposed tight budgets and financial controls on colonial administrators, strictly regulating immigration and ensuring that the Angolan currency – the *angolar* – remained artificially undervalued relative to the metropolitan *escudo*. Vested with a ‘commercial straightjacket’ and unable to enact any meaningful local initiative, Luanda’s colonial administration tolerated corruption to run rampant in a number of departments.³¹ The draconian limits imposed by Lisbon on the colonial state quickly led to the disengagement of foreign investors. In the oil industry, for instance, foreign prospecting slowed down throughout the 1930s, coming to a virtual halt by the time of the Second World War.

But while metropolitan authorities pushed the colonial state to the verge of irrelevance and mostly discouraged foreign investors, they took decisive steps to turn DIAMANG into the fiscal lifeline of the colony. In the process, Lisbon transformed the company into a financial and political powerhouse – one that undertook the development, administration, and ‘civilisation’ in the eastern regions of the colony, in place of an increasingly marginalised colonial state apparatus.

³⁰ The National Dictatorship (*Dictadura Nacional*) accounts for the short period between the collapse of the First Republic and the institution of the *Estado Novo* (New State). The regime’s colonial policies were embodied in the Colonial Act, promulgated in 1930, which defined the status of Portuguese colonies and paved the way for their social and economic reorganisation under the subsequent regime. The New state, a corporatist and authoritarian regime, would remain in power until the Carnation Revolution in Lisbon, on 25 April 1974.

³¹ Newitt, ‘Angola in Historical Context’, p. 57.

As a continuation of the National Dictatorship, the New State, under the leadership of Antonio de Oliveira Salazar, combined pragmatic and nationalist policies to consolidate DIAMANG and to strengthen its involvement in Angola.³² It favoured investment in the administration and transport grid in order to divert the activity of the company from the Belgian to the Portuguese colonial space. It completed a 400 mile road connecting Henrique de Carvalho to Luanda in 1929. The company took charge of maintenance, including the administration posts located alongside the road.³³ The New State likewise continued the company's tax exemption on profits, imports, and exports and spared it from the fiscal clampdown in the colony. In exchange, the state required the company to buy supplies from the colony whenever possible.³⁴ By 1935, DIAMANG began to acquire the totality of its supplies in the colony, as opposed to a mere 20% in the mid-1920s.

As a direct result of these measures, the economic relevance of the company to the otherwise marginalised colonial state surged beyond its obvious fiscal role. Between 1917 and 1929 the amount delivered to the government of Angola, in compliance with contractual dispositions, including dividends portions of profits and loans, totalled £989 million. During the Great Depression, it gave upwards of 50% of its profits to the colonial state. After the Second World War, it opened a series of credit lines at a generous interest to the colonial state, which began at £2 million in 1946 before reaching £3 million in 1963.³⁵ The contributions to the colonial state's coffers continued

³² António de Oliveira Salazar, a professor and politician, ruled over the New State for decades. After a stint as Minister of Finance in the National Dictatorship, he served as Prime Minister of Portugal between 1932 and 1968, while occupying several other key positions in his governments.

³³ AOS, Folder UL-8A1, 9 February 1938, p. 71.

³⁴ AHN, Box 3894, 4 January 1916, p. 52.

³⁵ *DIAMANG, Breve Notícias Sobre a Sua Actividade em Angola* (Lisbon: DIAMANG, 1963), pp. 12–15.

to increase, reaching an estimated £14.5 million in 1955.³⁶ Although coffee exports overtook those from diamond exports in 1946, DIAMANG remained a primary revenue generator for the New State until the end of the period studied in this chapter.³⁷ DIAMANG's special currency regime, which consisted in the contractual obligation of the company to pay the Angolan Change Fund 25% of the exports revenues and 50% of the benefits (participation of colonial Angola in the revenues of the company), was a main source of foreign currency for the New State.³⁸

Moreover, the New State encouraged the near total take-over by Portuguese interests and personnel – or ‘Lusitanisation’ – of the company. In 1937, the state stipulated that at least 70% of the European staff should be Portuguese.³⁹ By the end of the war, Portuguese nationals accounted for the quasi-totality of DIAMANG staff. Although they initially assumed non-managerial and non-technical positions due to the lack of skilled workers available, the Portuguese, empowered by ‘lusitanisation’, eventually swept into the top positions within DIAMANG – a veritable corporate coup that had a profound impact on the structure and operation of the company, as well as on its relationship with Lunda, Luanda, Lisbon and beyond. Indeed, lusitanisation moulded the corporate culture within DIAMANG – a company hitherto dominated by Belgian FORMINIERE officials recruited in the early 1920s – in the image of distinctly Portuguese colonial values. In particular, the new influx instilled in DIAMANG Portuguese colonialism's emphasis on the civilising mission in relations with African

³⁶ DIAMANG, *Notícia Succinta Sobre a Sua Constituição, Concessões Obtidas e Trabalhos Realizados em Angola*, (Lisbon: DIAMANG, 1929). Cited in Cleveland, *Rock Solid*, p. 32.

³⁷ Carlos Rocha Dilowa, *Contribuição Para a História Económica de Angola* (Luanda: INA, 1978), p. 267. Coffee was itself surpassed by the exports of the incipient petroleum industry in 1973.

³⁸ Edgar Rocha, ‘Colónias e Exportação de Mão-de-Obra Como Fonte de Divisas’, *Análise Social*, vol. 18, no. 72, 1982, pp. 1053–1075.

³⁹ DIAMANG: *Relatório Anual* (Lisbon: DIAMANG, 1963), pp. 12–15.

workers, the necessity of organising workers and communities around Catholic values, and the importance of celebrating patriotic and nationalist values and of commemorating Portuguese historical characters and dates.⁴⁰ This inculcation of Portuguese values did not occur in a vacuum: the society that emerged within the company during these years differed in several important ways from the mainstream Portuguese colonial society. As discussed later in this chapter and in the subsequent one, a bizarre combination of Portuguese Catholic beliefs, British racial ideology, and Belgian management combined to create a distinct, and distinctly hybrid, corporate culture – but one that nevertheless proved uniquely well-suited to the Portuguese civilising mission and to the interests and ideology of the Portuguese metropolitan state.⁴¹

No longer purely an extractive machine, DIAMANG quickly became *the* vehicle through which Portuguese colonialism occupied and developed the hinterland. Far more than a revenue-generator, DIAMANG provided the metropolitan state with the means to occupy, develop, regulate, and ‘civilise’ large swaths of the Angolan periphery. In parallel with the roll back of the colonial state, the metropolis, where decision-making power would henceforth reside, entrusted DIAMANG with the responsibility – and the authority – to integrate Lunda into colonial Angola. In Lunda, the company embraced its new-found state-building function, providing fiscal revenues to state officials, paying for state infrastructure, and administering as well as policing vast swaths of the territory.

⁴⁰ Although this emphasis also existed in Belgian companies, it did not take on importance in DIAMANG until the arrival of the Portuguese.

⁴¹ Todd Cleveland’s thesis provides the most compelling analysis of how DIAMANG tried to project the Portuguese civilising mission in colonial Lunda. See Cleveland, *Rock Solid*.

The sources available do not make clear whether the metropolitan state initially intended to divert state control from the hands of colonial administrators to DIAMANG administrators. A level of agency is clearly discernible on the part of Lisbon but a complex phenomenon such as state control cannot be accounted for by one cause alone. State discharge to DIAMANG did, however, corroborate the general strategy of the New State towards colonial Angola. After the brief experience of Republican colonial autonomy, which was perceived poorly after 1926, Lisbon sought to unequivocally subordinate the colonies to the interests of the metropolis. By giving DIAMANG the leading role in state-building and by cultivating direct links with the company that bypassed Luanda, it marginalised its own colonial administration and, by extension, the insubordinate bourgeoisie of Luanda. At any rate, the continued transfer of state-building responsibilities from the colonial state to the diamond company in eastern Angola provides clear evidence that, whatever their initial intentions, New State authorities – like their First Republic predecessors – found in DIAMANG a welcome and advantageous partner for governing the colony.

This leads to three important observations. The first concerns the continuity of relations between the centre and the periphery in colonial Angola. The study of the early years of state–DIAMANG relations demonstrates that discharge was the chief tool of colonial state intervention in the hinterland. Although they differed widely in their general approaches to the colony, especially in terms of how much power they conceded to the local administration, both the First Republic and the New State relied on a non-state actor – a diamond company – to consolidate and project state power in the periphery. As noted in the previous chapter, discharge need not imply a retreat or a loss of state

power – rather, discharge enables the state, whether weak or strong, to accumulate additional resources by empowering and co-opting non-state actors, producing a multiplication of the points where it exercises power. That multiplication effect is precisely what DIAMANG provided to the state in Angola.

The second observation concerns the implications of state discharge for DIAMANG. In light of the immense power handed to it by the metropolitan state, DIAMANG expanded far beyond its initial scope of extracting diamonds. Vested with the de facto role of state-builder, DIAMANG in Lunda embodied Achille Mbembe's idea of private indirect government.⁴² Under the rule of the company, the mode of production and the mode of governance became all but indistinguishable in the District, blurring the lines between the public and private spheres of power in myriad and complex ways.

The third observation relates to the contrast between the success story of the New State–DIAMANG partnership and other cases of state–mining companies relations in Central Africa. The actions of the company placed the New State in a comfortable position, with DIAMANG providing the necessary infrastructure for Portuguese colonisation of eastern Angola, generating rent for the elite and strengthening Portugal's position in the international system via its alliance with the global mining industry. This is at odds with the turbulent, and sometimes counterproductive, contributions of extractive companies to colonial states elsewhere in Central Africa or in other Portuguese colonies, such as Mozambique. Remarkably, Portugal, the European colonial power most reluctant to

⁴² Achille Mbembe, *On the Postcolony* (Berkeley: University of California Press, 2001), p. 80.

embrace extractive companies, yielded one of the most successful public–private partnerships of the entire colonial era.

Nevertheless, changes in colonial politics in the aftermath of the Second World War brought new challenges to the all-powerful DIAMANG. First, a gradual process of limited decentralisation arose in 1951, again involving the partial transfer of power from the metropolis to the colonial administration. Second, the colonial economy engaged in a broader economic diversification, including the onset of industrialisation.⁴³ Third, the New State sought to restore its colonial legitimacy via the ideology of Lusotropicalism, a ‘useful ideological veneer’ that imbued colonial exploitation and colonisation more generally with claims to the existence of a post-racial and even post-imperial Lusophone community.⁴⁴ Third, increasing international and domestic competition compounded tensions between the traditional segments of the settler bourgeoisie, the commercial and nascent industrial businessmen of the coast, and the emerging bourgeoisie, the wealthy coffee barons in the northwest.⁴⁵ The implications of this slow but steady opening up of the colony in the 1950s for relations between the state and DIAMANG are considered in the next section.

⁴³ For an account of colonial Angola’s turn to developmentalism, see Chapter 3.

⁴⁴ Jeanne Penvenne, *African Workers and Colonial Racism: Mozambican Strategies and Struggles in Lourenço Marques, 1877-1962* (Portsmouth: Heinemann, 1995), p. 81.

⁴⁵ Alexander Keese, “Proteger os Pretos”, p. 98. The *assimilados* were the urban Europeanised black Angolans, who formed the colony’s middle class along with white civil servants, small city traders, farmers and the upper echelon of the middle class, such as skilled railway and port workers.

DIAMANG, the Empire and the diamond cartel

The previous section showed how DIAMANG assumed a number of state functions in eastern colonial Angola. This section considers the kinds of relationships that DIAMANG established with interlocutors in the colony, the metropolis, and the international diamond market, and what these relationships meant for the company, in the period between 1930 and 1961.

Colonial politics

In a context of sparse financial means and limited power, the different strands of the colonial administration had in DIAMANG a major interlocutor. As Todd Cleveland aptly explains, the reason why the company was so influential in colonial politics had less to do with the importance of diamond exports for the colonial state's coffers which, though always very substantial, lagged behind the total values of the colony's coffee and maize exports, than with the fact that it had a monopoly over diamond exports. Other powerful but more fragmented industries such as coffee and maize, had a weaker bargaining power with the colonial administration, for they were constituted of hundreds, if not thousands, of producers. The diamond industry negotiated with one voice, that of DIAMANG's Delegate Administrator Ernesto de Vilhena.⁴⁶ Their attitude towards DIAMANG reveals the company's enduring importance in colonial Angola's power relations during the period under scrutiny.

⁴⁶ In 1927, for example, diamonds (£383,984) were the third most important export behind coffee at £471,276 and corn at £424,567. No other export was even close. For example, sugar exports were valued at only £129,776. *DIAMANG, Angola: Breve Monografia Histórica, Geográfica, e Económica, Elaborada para a Exposição Portuguesa em Sevilha* (Luanda: DIAMANG, 1929), pp. 52–53. Cited in Cleveland, *Rock Solid*, p. 33.

Traditional authorities

Demand for local labour, and the negotiations with local authorities this entailed, can be seen as a prime mover of the whole chain of power relations in colonial Angola. Throughout the 1930s, DIAMANG employed an average of 26,000 African workers per year, including 1,000 skilled Africans.⁴⁷ Chokwe composed the majority of the workforce, while Balubas from Belgian Congo accounted for another 20%. The company divided workers into two categories: the first group included the *voluntários* (volunteers), who generally lived on the concession's premises and joined the workforce of their own volition. The *contratados* (recruited), forcibly recruited with the active collaboration of colonial state and African leaders, formed the second group. Although the company vowed to recruit the core of its workforce from *voluntários*, it grew increasingly dependent on *contratados*, especially those originating in Belgian Congo, for their experience in the Belgian mining industry.⁴⁸

In the first years of diamond exploration, DIAMANG engaged in a fierce battle against *sobas* – the general term used to define a wide array of African traditional authorities – to access African labour. Once indispensable partners at the beginning of the effective occupation campaigns, the *sobas* quickly became an obstacle to the imposition of company rule in eastern Angola.⁴⁹ Upon DIAMANG's request, the Portuguese army carried out targeted strikes against *sobas* who blocked operations or attacked European

⁴⁷ Cleveland, *Rock Solid*, p. 137.

⁴⁸ While the division between *contratados* and *voluntários* is used here for descriptive purposes, I take into consideration Cleveland's critique of the company's claim that the latter engaged freely with the enterprise, considering that they were submitted to a level of coercion similar to that of *contratados*. Cleveland, *Rock Solid*, p. 44.

⁴⁹ For a general perspective on the relations between the colonial state and traditional authorities, see Heywood, *Contested Power in Angola, 1840s to the Present* (Suffolk: Boydell & Brewer, 2000) and Beatrix Heintze and Achim von Oppen, *Angola on the Move: Transport Routes, Communications and History* (Frankfurt: Lembeck, 2008).

employees. This promiscuity, with state authorities advancing private sector goals while the private sector secured state interests, became – and remains – an integral feature of Angola’s political development.

Yet, as Cleveland argues, DIAMANG soon realised the hazards of suppressing traditional authorities: such suppression drove away African populations, compromising recruitment in the long run. The company thus shifted tactics, opting to induce *sobas* into taking part in the process of labour procurement, rewarding them with gifts ranging from cloth and seeds to uniforms and new accommodation for those most committed. Those who remained reluctant, meanwhile, were simply forced to aid recruitment, with *sobas* who failed to provide the company with workers made to work the mines themselves.⁵⁰ Not surprisingly, few resisted. ‘Far from the stalwarts against colonial encroachment’, Cleveland notes, ‘*sobas* were vital cogs in the *contratado* machine’.⁵¹

DIAMANG’s relations with African *cipaios* (African policemen) and European *chefes de posto* (colonial officials) evolved much in the same way. Working under the command of *chefes de posto*, *cipaios* rounded up and transported *contratados* to the company. The colonial state ordered them to work exclusively for the company in 1921 but, fearing the loss of revenue and power, the *cipaios* took part in the company’s activities with extreme reluctance. Early reports show how the company regularly complained to state authorities about the indiscipline and lack of engagement from both *cipaios* and *chefes de posto*. Nevertheless, the latter eventually grew dependent on the revenues generated by the company, to the point that they would later fiercely oppose

⁵⁰ DAUC, Folder 84K3 1, 24 April 1921; DAUC, Folder 84K31, 15 January 1921.

⁵¹ Cleveland, *Rock Solid*, p. 58.

any modifications to the system.⁵² Finally, DIAMANG created a new class, the *capitas* – African overseers – to operate as intermediaries between the company and its workers. These were former *voluntários* educated and trained by the European staff to survey European and African workers, as well as to deter informal diamond trade. *Capitas* showed extreme loyalty to the company, upon which their income and status depended.⁵³

In sum, DIAMANG co-opted African leaders to conduct some of the company's core activities, while creating a new class of authority – a strategy borrowed from the colonial administration, which frequently gave a measure of limited power to African authorities as a way to advance its own goals.⁵⁴ In several cases, DIAMANG co-opted the same African agents as the colonial state, leading to a further overlapping between public and private activities.

Relations between DIAMANG and district governors reflected broader trends in colonial politics. Successive district governors in Lunda accounted for some of the company's closest allies. Crucial regulatory authorities, they managed *chefes de posto* and *cipaios*. District governors took advantage of the infrastructure and services of the company to such an extent that their dependence on DIAMANG for the basic functions of the state was unequivocal. The company built and maintained their accommodations and offices in Portugália, the colonial state's minimalist administrative outpost located

⁵² DAUC, Folder 86 18, 19 October 1929.

⁵³ Cleveland, *Rock Solid*, p. 135.

⁵⁴ This said, it is important to note that Portuguese colonialism as a rule gave less status and deference to traditional authorities than its British equivalent.

in the outskirts of Dundo.⁵⁵ It also actively supported the nomination of friendly individuals to the post and the subsequent careers of Lunda's governors in order to ensure the presence of loyalists in important posts within the broader colonial administration.

Outside Lunda, DIAMANG did not enjoy such good relations with district governors. Aware that their *chefes de posto* spent most of their time rounding up *contratados*, tracking deserting workers, and monitoring the informal diamond trade, the district governors from neighbouring Malange District imposed on DIAMANG an additional payment for the privilege of operating in the district.⁵⁶ They often protested against the overarching powers of the company to the Governor General in Luanda. In 1934, the District Governor Figueiredo de Barros complained to Governor General Vasco Lopes Alves that DIAMANG provided free services for African agents. This, the District Governor argued, compromised the colonial state's credibility and authority.⁵⁷ The administrators of the coffee-rich district of Uíge also criticised DIAMANG for monopolising both state officials and the labour force available in the colony.⁵⁸ As the next chapter shows, the conflict between the district governors from Uíge and DIAMANG reflected the broader conflict between modernisers and conservatives in colonial politics over the following decades.⁵⁹

⁵⁵ Portugália (present-day Chitato), located about five miles away from Dundo, was the village where the colonial administration had its offices, which included a police station and a civil registry. It was the only enclave of public administration in the north of Lunda, and it depended completely on DIAMANG as the only road connecting the enclave to the rest of Angola belonged to the company.

⁵⁶ DAUC, Folder 86 18, 19 October 1929.

⁵⁷ DAUC, Folder 86 27, 5 December 1934.

⁵⁸ Keese, "Proteger os Pretos", p. 100.

⁵⁹ Gerald Bender, *Angola Under the Portuguese: the Myth and the Reality* (Trenton: New Jersey, 1978), p. 155.

As mentioned above, the First Republic (1910–1926) conferred a great deal of discretionary power to governors general, also termed high commissioners, which the latter used that power to strengthen the state's ties with the diamond sector. The New State, by contrast, stripped governors general of their discretionary power. Lisbon would now veto their administrative appointments, define and implement policies from above, control the army and, crucially, put the administration of DIAMANG at the forefront of state development in the hinterland.⁶⁰ Under these highly restrictive circumstances, governors general became exceptionally weak and DIAMANG could make or unmake their careers as it saw fit.

For instance, when Governor General Eduardo Ferreira Viana (1931–1935), expressed criticism of the company, the delegate administrator of the company promptly reported to Salazar: 'Our [DIAMANG's] relations with the Governor General are declining', he wrote, 'presumably because he thinks that the company does not share enough of its profits with the colony'.⁶¹ Things returned to normal shortly after: António Lopes Mateus (1935–1939), a Salazar devotee, replaced Ferreira Viana and governed in complete harmony with the company.⁶² His successor, Vasco Lopes Alves (1943–1947), is another example of a prominent member of the colonial bureaucracy that started his

⁶⁰ Frederick Cooper, *Africa Since 1940: the Past of the Present* (London: Cambridge University Press, 2002), p. 971.

⁶¹ DAUC, Folder 86 27, 5 December 1934.

⁶² Lopes Mateus, a pure product of the New State, was a former Minister of War and the Interior (1930 to 1932), founding member of the *União Nacional* (National Union Party), and a Commander of Lisbon's Police between 1932 and 1935. He presided over the administration of DIAMANG and the *Comissão das Colónias na União Nacional* (National Union Colonies Commission). It is also worth noting that a revolving door existed between the colonial administration and other extractive companies. Governor General Bento Roma (March–July 1920) joined the *Companhia de Moçambique* in colonial Mozambique after completing his mandate. Governor General António Lopes Mateus (1935–1939), an enthusiast of foreign investment, joined the administration of DIAMANG. Even the Delegate Administrator of DIAMANG, Ernesto de Vilhena, whose career is discussed in the next section, came to the company after different spells in the colonial administration and in other extractive companies.

career as District Governor of Lunda in the late 1920s (1928–1931), before becoming Governor General between 1943 and 1947 and assuming the Overseas Ministry in 1958, until 1961.⁶³

However, after the Second World War, the transfer of a certain amount of power from Lisbon to Luanda previously outlined, coupled with Angola's improved economic performance – fuelled largely by the emergence of the coffee industry – emboldened governors general in their relations with DIAMANG.⁶⁴ Governor General Silva Carvalho (1947–1955) turned his attention to the forced labour scheme, a crucial dimension of colonial state–DIAMANG relations. He associated the difficulties of the Catholic Church in colonial Angola with the contract labour system, noting that the demand for labour made 'the work of the missionaries difficult and created a situation of suspicion' among Africans, and began inquiring about the *capitas* working for DIAMANG and the conditions of Africans more generally.⁶⁵ In 1951, he accused the company of pressing African workers to accept long-duration, low-wage contracts far away from their hometowns. In his efforts to end the forced labour scheme – at least as far as DIAMANG's operations were concerned – Silva Carvalho found an important ally in the coffee-producers, who resented DIAMANG's huge intake of forced labourers, which reduced the numbers available for the coffee sector. By the end of his mandate, he, in an unforeseen demonstration of force against the diamond company,

⁶³ Filipe Ribeiro de Meneses, *Salazar: a Political Biography* (New York: Enigma, 2009), p. 469.

⁶⁴ Colonial Angola started to show signs of economic recovery in the early 1950s, with the coffee exports (40% of all exports, making Angola the world's fourth largest producer) assuming a leading role and with sugar cane, sisal, cotton and, of course, diamonds, behind. The commercial balance of the colony became positive after 1957.

⁶⁵ Heywood, *Contested Power*, p. 104.

ordered the administrators of Congo District – a stronghold of coffee-producers – to abolish the specific form of forced labour recruitment used by DIAMANG.⁶⁶

The metropolis and the diamond cartel

Metropolitan authorities

The metropolitan state was central to the development of the diamond industry in eastern Angola, working alongside DIAMANG to devise and implement ambitious commercial and administrative strategies for Lunda throughout most of the colonial period. This close working relationship revolved around the Delegate Administrator Ernesto de Vilhena, the chief architect of DIAMANG and administrator of the company between 1919 and 1966. Born on 4 July 1876 to a dynasty of metropolitan politicians with interests in the colonies, the *Comandante* (he was a frigate captain in reserve) came from a background of prestigious colonial civil servants. He began by serving as the secretary-general for the Society of Geography, a highly influential institution that played a key role in formulating the Portuguese colonial civilising mission. He then moved to Mozambique, joining the concessionary company, the *Companhia de Nyassa*, and serving as District Governor of Zambezia. A committed monarchist, he nonetheless briefly headed the Ministry of the Colonies and the Ministry of Foreign Affairs in the 12th government of the First Republic led by Afonso Costa (25 April to 10 December 1917). The fall of his close friend and ally Norton de Matos a few years later did not stop him from developing a strong and long-lasting personal relationship with de Matos' antagonist, Oliveira Salazar.

⁶⁶ Keese, “Proteger os Pretos”, pp. 109–11.

Vilhena's keen knowledge of the political arena and his personal relationships with nationalists, politicians, and businessmen allowed him to keep the bond between the state and the company alive and well.⁶⁷ He received domestic and foreign dignitaries at his luxurious company offices in Lisbon and made the tour in Lunda and the stay in Dundo an inescapable ritual for those visiting colonial Angola.⁶⁸ He also sustained relations with the Portuguese establishment via an exchange of quid pro quo: during his extremely long tenure he consistently rewarded the most loyal defenders of DIAMANG in Lisbon with highly remunerated and hassle-free positions on the company's board.

Unavoidably, the self-enriching and increasingly plutocratic nature of relations between DIAMANG and the New State drew criticism from DIAMANG's opponents, with episodes of tension multiplying after the Second World War. In 1948, the company paid exceptional dividends to its shareholders, ignoring a settlement in 1935 that limited the latter to 10% of state revenues. Critics of the Salazar regime underlined the contrast between the nationalist discourse of the New State and the financial largesse of the company.⁶⁹

The regime responded that same year by declaring the company to be under public jurisdiction and by assigning DIAMANG administrators to the same salary scale as

⁶⁷ Vilhena was also a notable art collector, and probably the most renowned collector of sculptures in the first half of the twentieth century in Portugal.

⁶⁸ AOS, Folder UL-8A4, 9 April 1952, pp. 16–9.

⁶⁹ Henrique Galvão was the most visible critic of DIAMANG during the colonial period. A former colonial Angola administrator turned into a political agitator during the anti-regime mobilisation briefly tolerated around the 1949 elections, he attacked in numerous publications the government of the metropolis and in particular the colonial labour regime. His publications on the company were consulted for this chapter but they are not the most reliable, as he deliberately inflated statements and figures to bolster his claims. Henrique Galvão, *Santa Maria: My Crusade For Portugal* (Cleveland: The World Publishing Company, 1961) and *Por Angola: Quatro Anos de Actividade Parlamentar* (Lisbon: self-published, 1949).

state officials. Infuriated, shareholders ordered Vilhena to cut ties with the Portuguese state. In January 1949, he reacted to a request from the Ministry of the Colonies to promote the regime's official candidate in the non-competitive Presidential elections (which the Portuguese Dictatorship continued to hold) in these terms:⁷⁰

It seems to me illogical that the Ministry of the Colonies thinks of using the influence of our Company, whose administrators they accused of practicing illegal acts [...] Those accusations damaged the credibility and reputation of the Company that the Ministry of the Colonies now seeks to benefit from.⁷¹

In the same correspondence, the Ministry of the Colonies showed concern over the voting behaviour of DIAMANG officials in Luanda and Lunda who were perceived as supporters of the opposition candidate for president. This was none other than the now very old General and former Angola High Commissioner Norton de Matos, personal friend of Vilhena and a strong initial ally of DIAMANG. In his response, Vilhena associated the popularity of de Matos with the deterioration of relations with Governor General Silva Carvalho:

If Mr Norton de Mattos reaches an appreciable vote among DIAMANG employees, do not attribute this to the political ideas of our personnel. If they vote

⁷⁰ While an authoritarian state, the New State had a limited electoral franchise and held rigged elections throughout most of its existence until 1974. Presidential elections, though never really competitive, allowed for the occasional emergence of dissenting candidates, particularly in 1949 and 1958.

⁷¹ AOS, Folder UL-8A2, 16 June 1955, p. 35.

this way, they do so because they find it a useful way to protest against the Governor General of Angola. They do not vote for that one, but against this one.⁷²

Yet Vilhena's explanations did not quell concerns regarding DIAMANG's fiscal and territorial might.⁷³ In 1955, as the Portuguese state began to rethink the role of colonial Angola within the Empire, Lisbon's MP Cancellia de Abreu and polemicist Cunha Leal reignited the quarrel over the revenues regime of the company. Both argued that shareholders' annual yield reached excessive levels following the post-war boom in diamond prices. In February of that year, DIAMANG agreed to lower shareholders' revenues from 10% to 6% of the company's annual sales.⁷⁴

Lastly, a significant challenge to Ernesto de Vilhena came in the form of famous Brazilian sociologist Gilberto Freyre, whose critique of the company in *Aventura e Rotina: Sugestões de uma viagem a procura das constantes portuguesas de character e acção*, a travel account, was first published in 1953. Widely known for his contributions to Brazil's historiography, Freyre travelled to the African colonies at the expense of the New State to develop his intellectual inquiry into the supposedly post-racial nature of Portuguese colonialism. In *Aventura e Rotina*, he develops the concept of Lusotropicalism – a hazy intellectual construct according to which the Portuguese were uniquely adapted to life in the tropics through their penchant for miscegenation and

⁷² AOS, Folder UL-8A2, 20 July 1957, p. 36. Norton de Matos withdrew from the election a month later.

⁷³ Vilhena's support of Norton de Matos must be understood as a form of protest against the colonial administration, not a questioning of his ties with Salazar and the New State more generally. AOS, Folder UL-8A2, 20 July 1957, p. 36.

⁷⁴ Cunha Leal made two noticed interventions in the General Assemblies of 1957 and 1958, which he published in two books in 1957 and 1959. His publications were censored by the New State but were popular among opponents of the regime. Artur Cunha Leal, *Coisas do Tempo Presente*, 2 vols. (Lisbon: self-published, 1957–1959).

absence of racist exclusion – which became the stalwart of the New State’s ideological reconversion in the late 1950s and 1960s. Colonial Angola formed the most important part of his work, as the Portuguese territory that best suited Lusotropicalism. He dedicated an entire chapter of his book to DIAMANG, in which he underlined the contrast between the company and the rest of the colony. Freyre saw in the influence of Belgian Congo the reason why Lusotropicalism did not apply to the company. In this strongly critical analysis, Freyre made a distinction between the transitory character of the state of Africans in the patriarchal Luso-Brazilian system and the permanent character of the state of Africans at DIAMANG:

[Africans living at DIAMANG were] sociologically condemned to death. Based on the conception that he is inferior to the white, not transitorily [...] but in the race. Biologically. Fatally.⁷⁵

Freyre’s analysis felt like a personal attack to Vilhena, who responded by emphasising his success in instilling the Portuguese civilising mission into the workings of the company. He published a response book that same year, called *Aventura e Rotina, Crítica de uma Crítica*, in which he made a clumsy attempt at conciliating DIAMANG with Lusotropicalism, arguing that Freyre overstated the role of miscegenation in the achievement of racial harmony, and that in its own way DIAMANG was compatible

⁷⁵ Freyre, *Aventura e Rotina: Sugestões de uma Viagem à Procura das Constantes Portuguesas de Carácter e Acção* (Rio de Janeiro: José Olympio, 1953), pp. 357–358. It has long been established that the Lusotropical generous assimilation was wishful on the part of Portuguese colonial authorities. Bender, *Angola Under the Portuguese*, pp. 148–149. Freyre’s distinction between the colonial state and DIAMANG was based on a fallacy, as only 0.7% of Africans were considered ‘civilised’. Rémy Lucas, “‘Aventura e Rotina’; Gilberto Freyre et l’Afrique”, *Lusotopie*, 1997, pp. 237–245.

with the Portuguese colonial paradigm.⁷⁶ Yet, his initiative did not halt the rise of Lusotropicalism as the flagship ideology of the Portuguese Empire, nor the growing wariness among the Portuguese administration of DIAMANG's power and prosperity.

Hence the arrangement between the New State and DIAMANG that had witnessed several decades of unproblematic acceptance was now, finally, being questioned. As discussed in Chapter 3, by the time the New State began to revisit its approach to the colonies, DIAMANG had perpetuated so many grievances at the colonial and metropolitan level that it naturally emerged as a symbol of the colonial system's anachronisms.⁷⁷ This included disputes with the colonial authorities over recruitment, with coffee-producers over the labour regime, and with metropolitan critics who advocated against the company. It is therefore not surprising that the very existence of the political project involving DIAMANG – i.e. the discharge of state-making in the periphery to the company, with the formal state apparatus having a small and clearly subsidiary presence – evolved into a matter of public controversy in subsequent years, as the next chapter will explain.

International relations

Throughout much of the twentieth century, DIAMANG maintained loyal relations with the international diamond cartel. This is especially so when compared to the more volatile relations between other diamond companies and the diamond cartel mentioned in the previous chapter. The available correspondence between Vilhena and Ernest

⁷⁶ Ernesto de Vilhena, *Aventura e Rotina: Crítica de Uma Crítica* (Lisbon: Império, 1955), p. 8.

⁷⁷ See the first section of Chapter 3 for a discussion of the colonial society's growing animosity against DIAMANG.

Oppenheimer, who ran the diamond cartel until his death in 1957, reveals that they shared a respectful relationship.⁷⁸ Likewise, the correspondence between Salazar and Oppenheimer, though less abundant because Vilhena dealt with most of the everyday issues, further confirms that relations remained cordial throughout their respective reigns at the head of the Portuguese state and the diamond cartel.

Domestic factors explain why DIAMANG showed such loyalty to the diamond cartel. The governing agreement with the diamond cartel legitimised DIAMANG in its role as policy planner, tax collector, and political negotiator in eastern Angola. On a number of occasions, both Salazar and Vilhena underlined the importance of their alliance with the diamond cartel, which they considered the only way to keep diamond production away from the hands of colonial bureaucrats whom, as Salazar once put it, showed a lack of ‘commitment towards the Nation’.⁷⁹ In addition, a good relationship with De Beers, in particular, served as a reminder to other foreign investors of the reliability of the Portuguese state and provided a direct channel to strategic allies in London and Pretoria.

Nevertheless, the quality of relations between the diamond cartel and DIAMANG suffered from the increasing demands of the Portuguese state towards the company in the last decade of the period studied in this chapter, even before the liberation war heralded further social transformations in Angola, and a concomitant set of new demands on DIAMANG. First, in 1954, the Portuguese state started conversations with Harry Winston, an American diamond entrepreneur, to divert the export of colonial

⁷⁸ Correspondence between Vilhena, Salazar, and his successor Marcello Caetano covers the period between 1949 and 1966 and touches on matters related to DIAMANG entrepreneurial activity, and the war in colonial Angola. AOS, Folder UL-8A5, Box 720 UL-61, Folder 855.

⁷⁹ AOS, Folder UL-8A2, 9 February 1950, p. 61.

Angola's diamonds away from the diamond cartel.⁸⁰ This was in direct contradiction to the loyalty towards De Beers cultivated by DIAMANG. More than seeking a rupture with the cartel, the state approached Harry Winston to push De Beers into signing a more favourable agreement, concluded a year later. Second, in 1955, the Portuguese state named Lisbon as a mandatory stop for all diamonds produced in Lunda, in an unprecedented effort to integrate the colonial economy with the world capitalist economy and, above all, with the metropolitan economy. This led to the establishment of a triangular route: DIAMANG would send diamonds from Lunda to Lisbon for registration, before they proceeded to the London office for price evaluation.⁸¹ Third, in 1957, the Portuguese state compromised a crucial component of the arrangement between DIAMANG and the diamond cartel. Since 1921, the diamond cartel handled the diamond circuit completely, with diamonds figuring as an export of Britain rather than Portugal. The creation of the diamond cutting fabric *Sociedade de Lapidação de Diamantes de Portugal* (DIALAP), via Law Decree 41,004, meant that a company in Lisbon cut and polished the diamonds before they went on to London. In many ways, the New State allowed the creation of DIALAP to appease the protests of those who preferred formal state control over company control. Ernesto de Vilhena observed these developments with apprehension, fearing not only a strain in the relations between DIAMANG and De Beers, but also a loss of political leverage in the high-echelons of the New State.⁸²

⁸⁰ AOS, Folder UL-8A4, 31 July 1954, pp. 430–450.

⁸¹ Rocha, Edgar, 'Colónias e Exportação', *Análise Social*, vol. 28, no. 72, 1982, p. 1054; Ennes Ferreira, *A Indústria em Tempo de Guerra: Angola, 1975–91* (Lisbon: Cosmos, 1999), p. 44.

⁸² AOS, Folder UL-38, Box 833, 30 August 1954, pp. 320–330.

The metropolitan government–DIAMANG–diamond cartel nexus is key to understanding the politics of all three power centres as they relate to Angola: while the origins of the company lie in the emergence of the mining industry in Belgian Congo, DIAMANG quickly became a vehicle for the expansion of Portuguese state power and a conduit between the Portuguese colony, the metropolis, and the global economy. The mutually beneficial partnership formed between DIAMANG, the Portuguese metropolis, and the cartel allowed the company to outlive most of its early twentieth-century counterparts.⁸³ It enabled the metropolis, meanwhile, to control and monopolise one of the world's largest diamond reserves.

DIAMANG as private indirect government

This section examines the ways DIAMANG managed its private indirect government in Lunda, as well as the means it used to coerce and control the African population there, with the aim being to highlight the state-like functions of the diamond company.

At no time during the colonial period did the metropolitan or the colonial state attempt to operate its own extractive company. Even at the height of their power, state authorities consistently declined to intervene directly in Lunda. Instead, they chose to empower DIAMANG to create and maintain its own private government, in which the company controlled, administered, policed, and taxed an area that encompassed not only the diamond-rich portions but in most of Lunda. Soon enough, DIAMANG employed one of the most sophisticated administrative apparatuses among mining

⁸³ See the discussion of the mostly failed experience of mining companies in Central Africa in the early colonial period in the last section of Chapter 1.

companies in Central Africa. Clarence-Smith uses the expression ‘state inside the state’ to describe the company’s way of operating:

Running practically every aspect of life in the remote north-eastern corner of Angola, with its own police, roads, dams hydro-electric installations, radio, schools, health service, agricultural stations, rural extension services, missions and museum, DIAMANG had become a state within a state, referred to as the ‘ninth colony of the empire’ by wits in Lisbon.⁸⁴

This section begins with an overview of the administrative grid, before looking in detail at the overall private government of DIAMANG and its effect on Europeans and Africans living in Lunda. The first attempt of the diamond sector to install a privatised mode of governance in Lunda, this administrative grid had a lasting impact on the functioning of the diamond sector, and the way in which Lunda was integrated into colonial Angola. I argue that DIAMANG developed an administrative grid that gave its rulers a ‘bird’s eye view’ over the whole of the territory. They surveyed ‘uses and customs’ of ethnic groups and catalogued the flora and fauna, making it the most ‘legible’ region of the colony.⁸⁵ The extremely strict, near total control that the company exerted made the life of Europeans and Africans within the concession significantly different from those who lived under colonial state rule.

⁸⁴ Clarence-Smith, *Third Portuguese Empire*, p. 70.

⁸⁵ James Scott, *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed* (New Haven: Yale University Press, 1998).

Seeing like a diamond company

Geared toward the exploration of diamonds and the security of nodal points, such as mines, settlements, and roads, the administration of DIAMANG entered a transition from military to scientific colonialism in the 1930s.⁸⁶ After it renegotiated the contract signed in 1921 for mining exploration in Lunda in 1937, the company engineered a dense and widespread administrative grid linking together hospitals, nurseries, roads, radio stations, weather stations, warehouses, urbanisations, and hydroelectric centrals.

Changes within both colonial Angola and the company explain this transition. The Colonial Act of 1930 placed science at the heart of the Portuguese colonial project but, short of financial resources, the colonial state delegated to DIAMANG much of the everyday cultural life in eastern Angola. Taking colonialism by proxy very seriously – as a way to root the legitimacy of the company – DIAMANG seized this opportunity with a proactive spirit, placing a stronger emphasis on cultural services than the colonial state itself. Without a doubt the most remarkable cultural achievement of the company, the Dundo Museum adopted practices of categorisation and classification, exhibiting native cultures as traditional, ‘authentic’ and ‘not contaminated’ by the presence of western modernity.⁸⁷ It studied the archaeology and pre-history of Lunda as well as the musicology, physical anthropology, botanic, zoology, medicine and many others. Over the years, the Museum accumulated an extraordinary collection, to the point that it

⁸⁶ Nuno Porto, *Modos de Objectificação da Dominação Colonial: o Caso do Museu do Dundo, 1940–1970* (Lisbon: Calouste Gulbenkian Foundation, 2009), pp. 5–7.

⁸⁷ While DIAMANG tried to import the ‘civilising mission’ to Lunda and develop the image of a company committed to the nation, it did very little to educate the population, as discussed later in this section.

became known as arguably the most important in Africa, second only to Cairo's.⁸⁸ At a time when the New State lacked the economic means to meet the administrative needs of the colony, an extractive company a projected version, albeit twisted, of the civilising mission in colonial Angola. As Nuno Porto puts it:

[...] while in the rest of the colony the situation is one of crisis, with protests against the oppressive centralism of the metropolis and unimpressive social development, DIAMANG goes beyond mere effective occupation towards what the company calls 'scientific occupation': The demographic and sanitary control of the population; livestock investigation and applied agriculture, research in the field of biology, ethnography and pre-history as well as, corollary of this attitude, a museum and a scientific publication devoted to an international audience.⁸⁹

But the administration always sought to 'know [in order] to control' Lunda in a context of capitalist action.⁹⁰ It became clear in the 1920s that the demographic limits of Lunda presented a major hindrance for the development of a labour-intensive company. Poorly populated, DIAMANG's concession needed a supply of migrant workers greater than any other mining company's in the region, forcing the administrators to spend much of their time negotiating the recruitment of Africans with opportunistic state and non-state actors. After 1936, the company allowed Africans to settle in the concession with their

⁸⁸ Cristina Sá Valentim, 'Um Som que Silêncio. Ciência e Colonialidade nos Estudos Musicológicos da Música Cokwe da Lunda, 1961 e 1967', *Revista de Estudos AntiUtilitaristas e PósColoniais*, vol. 2, 2013, p. 133; Omar Ribeiro Thomaz, 'Tigres de Papel: Gilberto Freyre, Portugal e os Países Africanos de Língua Oficial Portuguesa', in Cristiana Bastos and Miguel Vale de Almeida, *Trânsitos Coloniais: Diálogos Críticos Luso-brasileiros* (Lisbon: Imprensa de Ciências Sociais, 2001), p. 61; Jorge Varanda, 'Health and Angola's Companhia de Diamantes', *História, Ciências, Saúde-Manguinhos*, vol. 11, 2004, pp. 261–68.

⁸⁹ Porto, *Modos de Objectificação*, p. 14.

⁹⁰ Porto, *Modos de Objectificação*, p. 153.

families and created an office to attend to the needs of the African workforce, which launched agriculture and stock breeding programs to create a base of food supplies.⁹¹ The office fielded an array of welfare services – education, urbanism, propaganda, and workforce support – with the company constantly investing in new facilities, personnel, and equipment. The well-documented campaigns against sleeping sickness in the remote areas of Lunda significantly reduced labour absenteeism.⁹² The administration also used the Dundo Museum, which transformed Africans into objects of study and, ultimately, of development, in its broader strategy to strike a balance between coercive and welfarist control.⁹³ This assemblage of different sets of knowledge of the region enhanced the ability of the company to develop efficient methods of coercion and welfare.

At the same time, the administration dedicated a great deal of attention to security and the restriction of competition within its zone of operations. From its inception, DIAMANG involved the colonial state in the fight against artisanal mining and informal diamond trade. Established in 1925, the penal code underlines that the fight against ‘diamond theft’ is ‘of public interest’ and requires ‘exceptional measures’ on behalf of the state to make the diamond company the ‘perfect administration’.⁹⁴ In practice, the penal code allowed the company the right to create ‘zones of temporary exclusion’ anywhere in the colonial territory, but in practice the company only

⁹¹ Porto, *Modos de Objectificação*, p. 171.

⁹² According to Jorge Varanda, DIAMANG services are more in particular a legacy from FORMINIERE’s early influence. The Belgian company, which initiated operations five years prior to its counterpart in colonial Angola, stood out among mining companies in central Africa for its willingness and capacity to maintain a healthy workforce. Jorge Varanda, ‘Health and Angola’s Companhia de Diamantes’, 2004, p. 13.

⁹³ Porto, *Modos de Objectificação*, p. 153.

⁹⁴ AHN, Box 4100, 16 May 1925, pp. 20–22.

exercised this right in Lunda. The prospecting chief could declare a specific area as a ‘zone of protection’ that, later confirmed through a decree from the district governors, would compel the evacuation of European and African residents. The company had control over the entrance and exit of any and all individuals in DIAMANG’s special zone, as well as the right to search any individual, house, or equipment as it saw fit. Africans took part in the control of other Africans; yet only ‘whites could search other whites’.⁹⁵

In addition, the company created, funded, and controlled a *força especial*, a ‘task force’ that included state policemen trained by employees of the company.⁹⁶ It mobilised a network of informants and investigators to uncover competing networks of trade that involved Africans and Europeans in Lunda as well as in the rest of the colony and even in the metropolis. The task force was also empowered to act in case of ‘revolts or rows’ in the region.⁹⁷ References to the task force in the archives remain elusive, and information on its composition, organisation, and activity are scarce, suggesting that it may have conducted operations in secrecy even from European workers at DIAMANG. Officially, after all, the company did not have its own security force until the creation of the private militia in reaction to the war of independence.

In sum, the focus on a so-called civilising mission and the absence of state power in the region provided additional opportunities for control and surveillance in a society where

⁹⁵ AHN, Box 4100, 16 May 1925, pp. 20–22.

⁹⁶ DIAMANG did not officially create a private militia until 1961, but the archives cited in this section mention the existence of an operational team working under DIAMANG’s responsibilities. Information corroborated by Interviewees 4 and 6. AHN, Box 4100, 16 May 1925, pp. 33–35.

⁹⁷ AHN, Box 4100, 16 May 1925, pp. 30–35.

the securitarian character of the diamond industry meant such opportunities were already plentiful.⁹⁸

White compound and black musseques

DIAMANG recruited European workers from Lisbon or from other concessionary companies in the colony such as the Benguela railway. Throughout the initial years, working at DIAMANG meant undergoing a veritable adventure: The trip from Vila Lusó, capital of Moxico District, to Dundo would take several days; employees could not bring their families and squatted camps around the mines. By the Second World War, however, a position at DIAMANG had become one of the most coveted in Portugal: high wages and material advantages meant a standard of living close to those in European countries far richer than Portugal.

Emblematic of the extraordinary quality of life that Europeans enjoyed in Lunda was the meticulously organised Dundo. Known as the ‘garden city’ for its trees, or ‘the compound’ for the fact that only Europeans could live and circulate in the area, Dundo consisted of a sprawling suburb with swimming pools, a movie theatre, a zoo and the aforementioned Museum, organised around paved roads and walkways, quiet streets and houses with enclosed internal gardens. For the Portuguese, moving to Dundo meant the adoption of an American way of life that was non-existent in the metropolis. But the company compelled its employees to accept a ‘golden rule’: no individual ownership.

⁹⁸ This monitoring of European workers grew more sophisticated along with the organisation of the colonial state’s security structure in the 1950s and particularly after 1960s and the advent of the war of independence. This important aspect of DIAMANG’s security apparatus is discussed in more detail in Chapter 3.

Everything – the houses, the furniture, the shops and their supplies, the jeeps and their repair shops, the greenhouses, the cattle, and, of course, all the infrastructure – belonged to the company.⁹⁹

In the white-only Dundo, the ordeal commenced for most African *contratados*. Cleveland describes the city as ‘a transitional time and space, full of foreign stimuli and behavioural norms that new employees needed to absorb in order to adjust to their new milieu’.¹⁰⁰ Stories about the march of Africans from *postos* to Dundo are omnipresent in the collective memory of the population. Interviewees recall how Africans faced fatal accidents in river crossings and even lion attacks.¹⁰¹ The journeys from their villages to Dundo could last between a week and a month, depending on the season, and they would often run short of the supplies allocated by the *chefes de posto*. In the face of recurrent accidental deaths, runaways, and delays, the company reduced the toll of the march by introducing truck transportation in the 1940s.

The company forced Africans into dependence on its welfare programs and supplies. Before the war, in 1960, a annual tax confiscated a tenth of workers’ salary and children cleaned the houses of Europeans for the equivalent of one kilogram of meat. In the settlements, women laboured the land, extracting the manioc and groundnut that fed the families. The golden rule also applied to them – all the land and whatever they produced on it belonged to the company. In Lunda, the company raided villages, beating Africans that missed work and arresting *vadios* (vagabonds) in complete violation of Portuguese

⁹⁹ Jorge Pinto de Sá, *Conquistadores de Almas, – Memórias de uma Militância e de Prisões Políticas (1970-1976)* (Lisbon: Guerra e Paz), p. 10. Interview 37, June 2012.

¹⁰⁰ Cleveland, *Rock Solid*, p. 88.

¹⁰¹ Interview 1, April 2011.

law. They authorised the sale of liqueur only at European markets.¹⁰² Catholics missionaries concentrated their attentions on educating Europeans and the overwhelming majority of the African population remained illiterate, with the exception of a few taught by a handful of Protestants missionaries.¹⁰³ Finally, the repression of animist practices and African languages was also integral to the disciplinary regime of the company.

DIAMANG also replicated the strategies of divide and rule favoured by colonial rulers, by privileging a minority ethnic group over the majority. Facing resistance from Chokwes and the general dearth of men in Lunda, the company encouraged the immigration of Belgian Congo's Balubas, who brought with them precious work experience at FORMINIERE. Balubas operated as intermediaries between Europeans and Chokwes, in the position of mine overseers and *capitas*. Their privileged treatment and prominent role raised protests, particularly from *chefes de posto* in Malange District, pushing the colonial state into ordering the replacement of Balubas with Africans from colonial Angola. But DIAMANG never enforced the order until the anticolonial uprising in 1961, after which the fear of potential links between Balubas and Congolese enemies made their departure inevitable.¹⁰⁴

For *contratados*, DIAMANG envisaged the compound system detested by workers in South African mines until the end of the 1920s, but the successful military campaigns and the slump in desertion and absenteeism steered the administration towards a

¹⁰² Pinto de Sá, *Conquistadores de Almas*, p. 23.

¹⁰³ Pinto de Sá, *Conquistadores de Almas*, p. 23.

¹⁰⁴ Todd Cleveland, 'Minors in Name Only: Child Laborers on the Diamond Mines of the Companhia de Diamantes de Angola (Diamang), 1917–1975', *Journal of Family History*, vol. 35, no. 1, pp. 91–110, 2010.

solution that privileged social stability – the construction of *bairros* within a mile from Dundo or close to the largest diamond sites, where workers could settle with their families in the model of the UMHK.¹⁰⁵ These *bairros* created a sustainable pool of African workers and eventually absorbed the *voluntários* who migrated of their own will, or the last wave of *contratados* brought by force to the concession. The administration presented the *bairros* as exemplary African housing in colonial Angola: clean and well guarded, made of adobe structures, wooden floors and decorated interiors, ‘surrounded by hedges’ and organised in ways that workers’ families could produce their own food.¹⁰⁶ However, the reality likely differed greatly. According to the oral testimonies of former DIAMANG workers, families continued to live in temporary houses made of bushes and wood until at least the 1960s.¹⁰⁷ This disparity serves as a reminder of the risks of relying exclusively on corporate documentation, as well as of the centrality of corporate propaganda to DIAMANG’s mode of operating.

Conclusion

This chapter has provided insights into the relations between the state and the diamond sector in the period spanning the discovery of diamonds in Lunda to the 1961 outbreak of war and the advent of the developmental state in colonial Angola. These insights, relevant in their own right for an analysis of firm–state relations, are also important for an understanding of developments in the late colonial period and beyond. The establishment of DIAMANG in colonial Angola reflected a combination of events,

¹⁰⁵ Cleveland, *Rock Solid*, p. 188; AOS, Folder UL-8A1, 7 January 1938, pp. 105–110.

¹⁰⁶ In 1936 DIAMANG formalised a one-week ‘acclimation period’ for workers constructing their own houses. AOS, Folder UL-8A, 8 March 1934, pp. 17–21. See also Cleveland, *Rock Solid*, p. 139.

¹⁰⁷ Interview 1, April 2011; Interview 3, April 2011.

including a desire to counter the expansionary ambitions of the Belgian mining industry as well as the legal activism of the Portuguese colonial state. Outside the brief Republican period between the end of the Monarchy and the advent of the New State, it is unlikely that the colonial state would have created the conditions for a company such as DIAMANG to emerge as an overarching force not just in eastern Angola but also, through its fiscal strength, in the colony more generally.

The study of DIAMANG sheds much-needed light on the economic character of the early New State, especially in the colonial setting. Even though the New State confiscated the discretionary powers of Luanda's colonial administration and sought to rule from Lisbon, it continued to grant this private company an extraordinary mandate. DIAMANG evolved from an appendix of the Belgian mining industry to a powerful company, fully integrated into the Portuguese colonial space yet aloof from the colonial authorities in Luanda. Like the First Republic before it, the New State exerted its power in the periphery via the diamond company and at the expense of the colonial administration. The diamond company, in return, enjoyed state-like powers throughout its domain.

Indeed, in Lunda the diamond company developed a comprehensive private indirect government, penetrating every aspect of life via a strong emphasis on social engineering and through a corporate culture imprinted with the values of a self-styled civilising mission. The company contributed not only to the extraction of resources, but also to the reinforcement of the infrastructural power of the state in a remote territory where the state exercised only notional power before the advent of the diamond sector. As the next

chapters show, the immense power acquired by the company during this period shaped the relations between the state and the region in important, and enduring, ways.

CHAPTER 3: STATE DEVELOPMENT AND WAR: THE DIAMOND SECTOR, 1961–1974

Introduction

The purpose of this chapter is to analyse the relationship between the state and the diamond sector during the ‘second colonial occupation’ of Angola, from 1961 until 1974.¹ The chapter argues that this relationship remained a mutually constitutive one – revolving, as ever, around state discharge and private indirect government – despite the considerable political and military upheavals during this period.

The chapter begins in 1961 with the advent of a multi-faction struggle for the control of colonial Angola among three nationalist movements, a separatist movement, and the colonial government. It ends with the withdrawal of the Portuguese from the colony after the overthrow of the New State regime by a military coup in Lisbon in April 1974. During this time, Portuguese colonial power, while refusing a political opening up to the nationalist movements, engaged in a series of legal and economic reforms that put the colony on a fast-track to industrialisation.² More than a decade later than most of its European counterparts, the Portuguese developmental colonial state had finally arrived.³

¹ Lonsdale’s expression refers to the late colonial period of developmental activism in sub-Saharan Africa more broadly. John Lonsdale, ‘States and Social Processes in Africa: a Historiographical Survey’, *African Studies Review*, vol. 24, nos. 2 and 3, pp. 139–225.

² Among other things, a combination of sustained investment in infrastructure, administrative optimisation, and lower of tax barriers empowered the domestic economy, boosting and diversifying the industrial sector and attracting foreign direct investment.

³ William Gervase Clarence-Smith, *The Third Portuguese Empire, 1825–1975: a Study in Economic Imperialism* (Manchester: Manchester University Press, 1985). As argued in the Introduction, the ‘truncated understanding’ of the extractive sector in colonial Angola led scholars to overlook the important economic transformations of this period and focus on political-military developments.

As the last chapter showed, the colonial state had already allowed DIAMANG to transform into an all-powerful authoritarian centre that performed the majority of state functions in the diamond-rich Lunda. While this arrangement made sense in the context of stern fiscal measures, it lost its pertinence when the colonial state embraced the developmental mission.⁴ Yet the state continued to uphold the discharge to the diamond sector throughout the second colonial occupation. This chapter explains why: the company remained essential to the defence of state power in a strategic but hostile area – an area that remained, as stubbornly as ever, beyond the reach of formal state institutions.

The argument unfolds as follow: in continuity with the period covered in the last chapter, DIAMANG, one of the colony's leading revenue generators, played a key role in the administration of colonial Angola in the aftermath of the Second World War. However, during this period, various political segments in Lisbon, as well as business actors in colonial Angola, began to challenge decades-long arrangements between the state and the diamond company. As noted in the last chapter, DIAMANG came under considerable scrutiny during the 1950s. By the early 1960s, it had evolved into a symbol of colonial rigidity and anachronism for the new wave of modernising bureaucrats to emerge in that era. The retirement of Ernesto de Vilhena, the long-running Delegate Administrator of the company, in 1966 portended the end of the company's easy arrangement with the Portuguese state, and the restructuring of the mining industry as a whole.⁵

⁴ Clarence-Smith, *Third Portuguese Empire*, pp. 130–132.

⁵ While Ernesto de Vilhena abandoned his functions as delegate administrator of DIAMANG in November 1966, only months before passing away in February 1967, Oliveira Salazar died in July 1970, but had been too debilitated to govern since September 1968.

Nevertheless, state discharge of crucial functions to DIAMANG continued unimpeded. Although war constrained DIAMANG's efforts to maintain and reinforce the physical apparatus of its private indirect government, it also provided further opportunities for the company to reaffirm its role as the principal representative and defender of the state in Lunda. The regional patterns of the military conflict in eastern Angola, especially after 1966, and the historical tendency of the state to discharge authority in the region, meant that the state continued to task DIAMANG with an essential coercive role in Lunda.

This chapter is divided into two sections. The first section examines the developmental state in colonial Africa generally and in colonial Angola specifically. In regards to the latter, it pays particular attention to the mining sector.⁶ The second section assesses the emergence of nationalist movements in eastern Angola and examines the role of DIAMANG in suppressing and repelling them on behalf of the state. It also looks at artisanal mining, and specifically at how the state and the company jointly attempted to suppress or co-opt it, and why they failed.

State activism and the diamond sector

Although the late colonial experience in Angola is in many ways distinct from that of other European colonies, an understanding of the later policies of the New State involves an understanding of the broader history of developmental colonialism in

⁶ Contrary to other chapters that focus exclusively on the diamond sector, this chapter also covers other extractive industries in colonial Angola. Industrialisation achieved a significant level of density and diversity unique to the period studied in this chapter, rendering it unwise to examine the diamond sector in isolation from the broader economic developments of the period. However, the main focus remains on the diamond sector.

Africa. This section expands the analysis conducted in chapter one to situate the origins of the developmental colonial state in British and French Africa before addressing the emergence of developmental colonialism in Portuguese Africa and colonial Angola in particular. The section then considers the complicated but ultimately co-constitutive relationship between the Luanda state and DIAMANG during this period.

The developmental colonial state

The roots of the developmental state trace back to the fallout of the world economic crisis of the early 1930s. Until then, European colonial powers largely refused to use metropolitan funds for development purposes in the colonies.⁷ Investment, such as it was, went mostly towards infrastructure to satisfy the extractive needs of the metropolis – mainly the exploitation of natural resources – and little to none went toward the welfare of Africans. For its administrative operations, the colonial state relied on the taxation of exports and of African labour – the French *prestation* policy and the British communal labour.⁸ However, in the aftermath of the Great Depression there was a change in the perspective of European powers towards the colonies – the empires were suddenly perceived as secure markets and sources of raw materials, which could be exploited via neo-mercantilist and autarkic policies.⁹

Social factors taking place at the colonial level complemented these economic considerations. As Cooper notes, ‘colonial rule in Africa choked on the narrowness of

⁷ Frederick Cooper, *Africa Since 1940: the Past of the Present* (London: Cambridge University Press, 2002), p. 14.

⁸ Crawford Young, *The African Colonial State in Comparative Perspective* (New Haven: Yale University Press, 1997), pp. 212–45.

⁹ Crawford Young, *The African Colonial State in Comparative Perspective*, pp. 174–6.

the pathways it had created'.¹⁰ In a context of rapid economic change, the role that colonial rulers had assigned to Africans proved too limited, insecure, and oppressive. That became especially clear in light of widespread labour unrest and strikes that erupted in the nodal points of European empires between 1935 and 1950 – ports, mines, railways, and commercial centres saw a profusion of confrontations between Africans and colonial rulers. Primarily an attempt to secure greater rights within the boundaries of the colonial system, these social movements eventually became tied to the anticolonial movements and independence struggles of the 1950s.¹¹

The response of European colonial powers took the form of an ambitious program to expand the scope and size of the colonial state. This new approach would hopefully vest the colonial state with a new legitimacy, which would in turn allow it to re-assert its claim for power. State leaders mobilised advisers and consultants to create agencies of social welfare and economic cooperation; they tackled monopolies, abolished the circumscription of labour, pushed for the opening of markets to exports, and lifted restrictions on foreign investment. They made room for representative institutions in the autocratic colonial bureaucracies and handed Africans a stake in expanding production within the imperial economy. 'Growth', in the words of Crawford Young, 'moved to a more central position in the policy calculus'.¹²

¹⁰ Cooper, *African Since 1940*, p. 20.

¹¹ Frederick Cooper and Ann Laura Stoler, *Tensions of Empire: Colonial Cultures in a Bourgeois World* (Berkeley: University of California Press, 1997), pp. 65–75.

¹² Crawford Young, 'Zaire: the Shattered Illusion of the Integral State', *Journal of Modern African Studies*, vol. 32, 1994, pp. 215–16. For a discussion of developmental colonialism in Africa, see also Kenneth Pomeranz, 'Imperialism, Development, and "Civilizing" Missions, Past and Present', *Daedalus*, April 2005.

After the Second World War, the Portuguese Empire tried to delay via superficial changes, or to prevent through the propagation of the Lusotropicalist ideology, the paradigm of state-led development that had arisen elsewhere in colonial Africa. Yet developments internal to the colonies, combined with the wave of independence in British, French and Belgian Africa, turned the involvement of the African population in the colonial economy and the integration of the latter in the world economy into a condition for the political survival of the New State.

One of the leading ideologues of Portugal's colonial developmental state, Adriano Moreira, joined the Portuguese government in 1960 as a sub-secretary of the Overseas Territory administration and quickly rose to power. His brief mandate as Overseas Minister (April 1961–December 1962) made a strong imprint on colonial Angola.¹³ Moreira abolished the second-class indigenous status in September 1961, establishing formal political equality between all Portuguese – a status that now included the African populations –, and promulgated the rural labour code in April 1962 forbidding forced labour, in response to violent uprisings in the cotton plantations.¹⁴

Although styles and leadership varied, subsequent Governors General Venâncio Deslandes (1961–1962), Silvino Silvério Marques (1962–1966), and Camilo Rebocho Vaz (1966–1971 and 1971–1972) likewise personified Frederick Cooper's modernising

¹³ However, Adriano Moreira, via his decentralising measures, exposed the New State to the demands of Euro-African nationalists and the Federalist movement, drawing opposition from conservative segments in Lisbon and Luanda. Moreira was finally dismissed after a bitter quarrel with colonial Angola's Governor General Venâncio Deslandes over colonial Angola's educational system. Tom Gallagher, *Portugal: a Twentieth-century Interpretation* (Manchester: Manchester University Press, 1983), p. 154.

¹⁴ The abolition of the Indigenous Status allowed Africans other than the *assimilados* to claim full Portuguese citizenship. Tavares Pimenta, *Branços de Angola: Autonomismo e Nacionalismo (1900–1961)* (Coimbra: Minerva, 2005), pp. 185–190.

bureaucrats, importing the rituals, practices, and discourses of the modern state to colonial Angola.¹⁵ They readjusted the colonial bureaucracy to their own priorities, creating new economic agencies and breaking with long standing arrangements between the colonial state and non-state actors.¹⁶ They gained widespread support from Luanda's and Lisbon's elite interested in the opening up of the colony. As this section will show, they soon emerged as DIAMANG's greatest rivals since the company's creation.

Over the following long decade, Portugal laid the fundamentals of countrywide market economies in the colonies, in a major rupture with the minimalist and extractive practices of the early colonial period. The state revised the legislation governing foreign investment operations in the Portuguese Overseas Territories. Law Decree 46,312 of April 1962 formally opened colonial Angola's economy to all types of foreign investment, except in public utilities, property of the public domain, and areas related to the defence of the state. While it accounted for less than 15% of the gross fixed capital formation before 1964, foreign investment rose to close to 25% by 1966. Coming on the heels of the coffee boom in the 1950s, the influx of foreign investment invigorated the Angolan economy, producing growth rates equal to or in excess of those of other African colonies.¹⁷

Hence, the Portuguese colonial regime, which had lagged behind until the 1950s, eventually followed suit, and even surpassed, its counterparts in its emphasis on state-

¹⁵ Cooper and Stoler, *Tensions of Empire*, pp. 60–70.

¹⁶ As Keese notes, the empowerment of colonial Angola's Governors General has its origins in the arrival of Portuguese settlers in the early 1950s. Alexander Keese, "“Proteger os Pretos” – Havia uma Mentalidade Reformista na Administração Portuguesa na África Tropical (1926–1961)?", *Africana Studia*, no. 6, 2003, pp. 108–111.

¹⁷ Michael Chapman, 'Foreign investment laws are loosened', *Financial Times*, 23 July 1969.

led development. Portugal turned to development planning in the early 1950s, but it was the advent of the liberation war in 1961 that effectively unleashed a developmental project in Angola. The combination of competent technocratic management and ruthless counter-insurgency confined the war to the margins of the colony, allowing the central parts of the territory to grow on an average of 4.7% during this period. In the process, late colonial Angola shifted from the 'old' Colonial Pact – in which the colony served as a commodity provider in a protectionist economy – to the 'new' Colonial Pact: an industrialised colony with a sizable settler population of 350,000, the second largest in sub-Saharan Africa after South Africa, and a thriving market economy of sisal, maize, coffee, cotton, iron ore, and, of course, diamonds. 'The spurt of late colonial development in the 1960s and the early 1970s', as Clarence-Smith puts it, 'brought Angola and Mozambique well within the average range of sub-Saharan Africa', even if it took the nationalist challenge to spur it.¹⁸ The next section considers the implications of the advent of the developmental colonial state for the mining industry.¹⁹

¹⁸ Clarence-Smith underlines the role of the cotton sector, in which competition from developing countries and demand for high quality products forced Portugal to industrialise. Clarence-Smith, *Third Portuguese Empire*, p. 19.

¹⁹ Via the promotion of overseas immigration, the white population increased from 71,521 in 1940 to 514,000 by 1973. In the mid-1960s, migratory flows had already changed the face of the colony. Eduardo de Sousa Ferreira, 'A Lógica da Consolidação da Economia de Mercado em Angola, 1930–74', *Análise Social*, vol. 21, 1985, pp. 83.

The developmental state and the mining industry

*Angola has until recently been virtually a closed shop.*²⁰

Concomitant with the rise of the developmental model in Lisbon came the transformation of the mining industry in Angola. That transformation began with the gradual centralisation of decision-making in the hands of a bureaucratic and professional structure. At the outset, state bureaucracy had marginal control over the industry, which enjoyed virtually unfettered powers.²¹ But in June 1966, the *Direcção Geral da Economia* (General Directorate for Economy – DGE) launched a research group to develop a new regulatory framework, compiling and studying legislation. Created in 1970, the *Inspeção Geral de Minas* (General Inspection for Mines – IGM) completely revamped the mining industry.²² Thereafter, the IGM oversaw all strands of decision-making, empowering a new cast of bureaucrats with influence over prospecting and trading contracts. As Michael Chapman wrote at the time, the IGM stood out as ‘one of the most effective Angolan government agencies’.²³

Far from being deterred by the changing political winds, several companies began to explore the potential of colonial Angola’s mining-rich territories. The *Companhia de Fosforitos de Angola* discovered phosphates in the Cabinda and Congo Districts and the

²⁰ Michael Chapman, ‘Foreign investment laws are loosened’. Quote from 1969.

²¹ In the colonial administrative structure, the Overseas Ministry’s control over the diamond-mining sector was limited to two weak government agencies in charge of geographical and financing services, the *Repartição dos Serviços Geográficos, Geológicos e Cadastrais* and the *Direcção Geral de Fomento Colonial*.

²² Decree-Law number 32/70 of 17 January 1964, modified by Decree-Law 398/70 of 13 August 1964. *Instituto Português de Apoio ao Desenvolvimento* (IPAD), Folder G7/4/41, 17 July 1971, pp. 46–44.

²³ Michael Chapman, ‘Foreign investment laws are loosened’.

Empresa do Cobre de Angola, financed by the Portuguese *Companhia da União Fabril*, resumed its search for copper reserves in Congo District. Funded with Swiss and Japanese capital, the *Sociedade de Investigações Mineiras* explored deposits located close to Mocâmedes in Namibe District.²⁴ Finally, the *Companhia Mineira do Lobito* found gold near the iron mine of Cassinga and another company funded by Anglo-American discovered copper in the Cazombo region. Between 1964 and 1968, mining projects in the northern districts, with mining exports soaring from £87 million in 1964 to £120 million in 1968. When the mines in Cassinga came to full operation, they exported an average of £17 million. The *Companhia do Manganês* also exported a few hundred thousand tons of iron ore from deposits located between the cities of Salazar and Malange.²⁵

However, DIAMANG remained the pivotal actor in the mining industry, as well as the leading provider of mining exports to the colonial state, throughout this period. IPAD archives show that the state bureaucracy continued to privilege DIAMANG, despite the social tensions that surrounded the company. For instance, the *Companhia de Minas Angolana*, which held prospection rights for diamonds, gypsum, and sulphur in coastal areas, complained in its 1972 annual report that it remained difficult, ‘if not impossible’, to establish activities independently from DIAMANG.²⁶ This is unsurprising given the company’s importance relative to other mining industries. Between 1966 and 1971,

²⁴ Encouraged by the rise in diamond prices and the discovery of diamond reserves in the Namibian coast, the Overseas Minister moved on to concede a great deal of licences between 1965 and 1970, both in the coast and the continental platform, but maintained the control artisanal mining, in a system similar to South Africa’s diamond mining sector. The state divided its reserves in different blocks of 770m² and licenced to a great deal of foreign and national companies. Jorge Augusto da Cunha Gouveia et al, *Riquezas Minerais de Angola* (Lisbon: Cooperação Portuguesa, 1993).

²⁵ Michael Chapman, ‘Foreign investment laws are loosened’.

²⁶ IPAD, Folders 1–8, 5 March 1973, pp. 83–85,

diamond exports doubled to total £35 million, with iron ore and oil following behind at £23 million and £21 million, respectively.²⁷

However, the more the mining industry diversified its activities and involved new investors, the more DIAMANG's monopolistic system came under scrutiny.²⁸ The licence awarded to DIAMANG in 1921 to mine over some 90% of the territory, as well as its exclusive right to trade in diamonds, had already been limited at the time of its second renewal in 1951. Speculation over its status increased as the twenty-year deadline loomed closer and foreign as well as national investors urged the colonial state to shift from a monopolistic to a competitive concessionary system. When the agreement between the state and DIAMANG expired in 1971, the colonial state put an end to the monopoly and considerably reduced the concessionary area of the company.

In place of the monopoly system emerged a mining consortium, the *Consórcio Mineiro de Diamantes* (CONDIAMA), a joint venture between Portugal, DIAMANG, and De Beers. Created in 1971, CONDIAMA quickly became the most important consortium to emerge in the post-monopoly period. From every point of view, the colonial state obtained far more advantageous terms with CONDIAMA than with DIAMANG. For instance, the former required state authorisation before it could sell its assets, something that DIAMANG did not need. The colonial state could also request loans from CONDIAMA at rates below those of the Bank of Portugal. A sovereign fund, the *Fundo*

²⁷ Michael Chapman, 'Contrasting picture in mining', *Financial Times*, 19 July 1971.

²⁸ The Overseas Ministry started to test the waters for the opening of the colony's diamond sector to other companies and foreign capital as early as in the mid-1960s, mainly in an attempt to expand diamond production beyond Lunda. The Decree-Law 89 of 9 March 1928 established all diamond-mining areas outside DIAMANG's concession as state reserves. In April 1964 the economic department awarded prospecting licences to two prospectors and allowed the creation of the *Companhia de diamantes do Oeste de Angola* (OESTEDIAM).

de Fomento Mineiro, received two thousand *contos* on a yearly basis. In addition to a 12.5% corporate tax, CONDIAMA paid the state according to the number of diamond reserves explored and owed a success tax for each new discovery. Finally, the colonial state could claim back the unexplored diamond reserves after a period of five years, and had the right to oversee production from the mine to the market.²⁹

These developments influenced state–DIAMANG relations in important ways in the late colonial period. Most importantly, they saw the state’s approach towards the mining industry change steadily and significantly, with the system based on DIAMANG’s monopoly of power and Vilhena’s personal leadership giving way to a more competitive, diversified, and bureaucratised system. However, these changes did not put an end to the company’s domination of the diamond sector or to its state-like control of Lunda. Even at the height of the developmental and interventionist turn, the diamond-rich region remained outside the scope of formal state institutions. Moreover, the importance of DIAMANG in fiscally sustaining the developmental colonial state constrained the reformist ambitions of the state’s bureaucracy.

The modernising bureaucrats challenge DIAMANG

While the previous section examined the reasons why and the ways in which the metropolitan state pushed for greater control of the mining industry, this section analyses how the colonial administration mobilised political forces to rein in

²⁹ Gouveia et al, *Riquezas Minerais de Angola*, p. 190.

DIAMANG, how the company responded to these pressures, and how these events changed the lives of the Europeans working at the company.

As suggested in the previous chapter, tensions in colonial state–DIAMANG relations gained momentum during the 1950s, as the growing ambitions of Portuguese settlers clashed with the company’s monopoly over all forms of commercial trade and credit in Lunda.³⁰ Despite the nationalistic rhetoric, settlers believed that the Portuguese state favoured foreign over national interests and that the company best illustrated this prejudice.³¹ The settlers’ protests provided ammunition for colonial bureaucrats, whose long-simmering conflict with the company took a passionate turn in the 1960s.

During his mandate as District Governor in coffee-rich Uíge, home of the most influential resistance against DIAMANG, Rebocho Vaz confronted the company via the colonial press. The *Jornal do Congo*, the coffee barons’ press organ, published a series of articles making the case for the liberalisation of the diamond sector. In 1962, the Governor General named an ally of Rebocho Vaz, Colonel Araújo Ferreira, as Lunda’s District Governor – a position of profound importance to DIAMANG, as noted in the previous chapter. The District Governor increased importing restrictions on heavy equipment and authorised the presence of non-DIAMANG shops in the area surrounding Dundo, including Portugália, in a bald attempt to challenge the company’s control over Lunda.

³⁰ According to Tavares Pimenta, DIAMANG was a ‘source of latent tension between Lisbon and white Portuguese settlers’. Pimenta, *Branços de Angola*, p. 43.

³¹ As discussed in the Introduction and in Chapter 2, the fact that Salazar enforced metropolitan over settlers’ interests was a continual source of tension in colonial Angola. Behind the nationalist facade, foreign capitals dominated most of the economic sectors that emerged in the 1930s and the 1940s. This was not only valid to the diamond mining sector but also to the cotton and coffee plantations, as well as the Benguela railway and the international Atlantic port of Lobito.

But the actions of the modernising bureaucrats did not reflect a consensus in colonial Angola. A strand of the colonial administration saw the developmental frenzy as disruptive of their authority over the society. For some of its departments, such as the *Serviços dos Negócios Indígenas* and the *Administração Civil de Angola*, the end of second-class indigenous status meant the end of their regulatory power.³² Unsurprisingly, DIAMANG's Delegate Administrator Ernesto de Vilhena spearheaded the reactionary charge. He explained his revolt in correspondence with his long-time friend Salazar in these terms:

Whoever gives himself the trouble to reflect on the measures taken against the company, and the situation from which they occur, will have the impression that the official Portuguese authorities have struck a sort of alliance with our external enemies to take down what was most solid and traditional in our strong colonial organisation, in which the native and the colonialist lived fraternally.³³

In his vast correspondence with Salazar, Vilhena attempted to illustrate how the modernising bureaucrats had been leading Angola towards moral decline. He portrayed Rebocho Vaz as a young, inexperienced administrator, 'guilty of demagoguery and parochialism (*compadrio local*)'. 'Delegates and secretaries perpetuated fantasies and intrigues, each one aiming, above all, at particular interests.' They instilled a 'climate of persecution' against DIAMANG, taking 'anti-large companies' measures. Although mindful that colonial Angola faced significant internal pressure, he considered that the modernising bureaucrats would only accelerate its collapse:

³² Keese, "Proteger os Pretos", p. 114.

³³ AOS, *Companhia de Diamantes de Angola* (CDA), Folders 1–9, 10 November 1965, p. 80.

He [the Governor General] did not realise the importance that measures of social progress and political elevation of the native needed to be conducted gradually, to delay an event that we should have predicted: that pushing forward African elites will inevitably lead to a transition to independence.³⁴

The final straw for Ernesto de Vilhena came with the appointment of Rebocho Vaz as Governor General. Citing his declining health, the once all-powerful *Comandante* announced his retirement. In his resignation letter to Salazar, Vilhena described himself as ‘tired and sick, struggling to endure – with no official support – the pretences and stupidities (*disparates*) of Angola’s [outgoing] Governor General Silvério Marques’.³⁵ He accused Silvério Marques of ‘active complicity’ with Rebocho Vaz, and of ‘concrete violations of the spirit and the letter of the contract celebrated between the state and the diamond company of Angola’. He called for the nomination of a ‘widely intelligent’ governor general, without ‘the *hate* (this is the appropriate term) to everything that reveals high, distinct, and of *horizontes rasgados* [shredded horizons]’. Despite his lyrical protestations, Rebocho Vaz took over as colonial Angola’s Governor General three months after Vilhena’s resignation.³⁶

More than the outcome of a bitter personal quarrel, Vilhena’s defeat at the hands of Rebocho Vaz marked the end of DIAMANG’s wide autonomy within colonial Angola.

³⁴ CDA, Folders 1–9, 8 September 1964, p. 42.

³⁵ CDA, Folders 1–9, 15 September 1964, p. 44. Ernesto de Vilhena was 90 years old when he wrote his resignation letter to Oliveira Salazar, on 8 August 1966, three months before Rebocho Vaz was nominated Governor General (27 October 1966). Vilhena was elected administrator of DIAMANG in November 1919. He was named delegated-administrator a few days after and president of the administration board in 1955. He formally resigned from these functions in February 1967, a few weeks before passing away.

³⁶ CDA, Folders 1–9, 20 September 1964, p. 46. My emphasis.

The relationship between Vilhena and Salazar had for decades guaranteed the favourable arrangement of the company with the Portuguese state. As argued in the previous chapter, although Vilhena shared political ties with Norton de Matos, the anti-Salazar Republican High Commissioner of the 1920s, he bonded with Salazar over common objectives: limiting the power of Luanda's colonial elite and administration, organising the extraction of diamonds from the colony, and furthering the mutually constitutive character of relations between the company and the state. But as the pillars of the 'old' Colonial Pact crumbled under the pressure of the modernising bureaucrats, new interests and power centres challenged DIAMANG's *pré-carré*. The correspondence shows Salazar increasingly turning a deaf ear to Vilhena: Leaving behind his usually committed and supportive tone, Salazar explained in one letter that he was 'deeply saddened' and 'displeased that the acts of the Angolan administration may be interpreted as those of enmity or persecution' but he did 'not have sufficient knowledge on the issue' and trusted that Vilhena would 'make the best decisions', signifying that his willingness to act on behalf of DIAMANG was no longer what it used to be.³⁷

In the face of Vilhena's resignation, DIAMANG had no choice but to engage in its own developmental period in order to adjust to the new political and social reality of the colonial state. By the time the war of independence began in colonial Angola, in 1961, the DIAMANG community, which counted with a majority of Portuguese and a handful of nationals from other countries, had attained maturity.³⁸ Scientists, doctors, and

³⁷ CDA, Folders 1–9, 1 January 1966, p. 58.

³⁸ Fernando Tavares Pimenta, 'Angola's Euro-African Nationalism: the United Angolan Front', in Éric Morier-Genoud, ed., *Sure Road? Nationalisms in Angola, Guinea-Bissau and Mozambique* (Leiden: Brill, 2012), pp. 59–85.

engineers led the community, and nurses, priests, and teachers formed the rest of the ‘family’.³⁹ The community impressed for its capacity to administer Lunda. ‘In an area nearly 20 000 square miles’ a *Financial Times* correspondent visiting Lunda notes, ‘this is one of the best developed parts of the territory’.⁴⁰

The retreat of Ernesto de Vilhena left the community exposed to the rough world of colonial politics. For many of these Portuguese individuals and their families, life at DIAMANG was unlike life in colonial Angola and Portuguese Africa. They would only see Luanda from the airport, in the layover between Lisbon and Portugal, where the closest airport to Dundo was located. They viewed the Portuguese settlers in the colony with contempt; they spent their yearly holidays in Portugal, and sent their children to Lisbon following the latter’s junior secondary schooling in Dundo, even though they could pursue their studies in Malange or Henrique de Carvalho.⁴¹ Many of these children only knew Dundo and never travelled beyond the city’s surroundings, let alone Lunda. In *Aventura e Rotina*, Gilberto Freyre depicts the DIAMANG community as a group of Europeans that avoid any attempt to understand or to adapt to their local environment:

[The European community at DIAMANG] individuals who, so to not be contaminated by tropical ambient, lived like rich sick men in hospitals or care houses.⁴²

³⁹ Interview 3, April 2011 and interview 4, June 2012.

⁴⁰ Michael Chapman, ‘Foreign investment laws are loosened’.

⁴¹ Interview 7, September 2012.

⁴² Gilberto Freyre, *Aventura e Rotina: Sugestões de Uma Viagem à Procura das Constantes Portuguesas de Carácter e Acção* (Rio de Janeiro: José Olympio, 1955), p. 350.

The successors of Vilhena lacked the same political leverage to defend the interests of the company. A major incident took place in 1968, when the colonial state briefly imprisoned Vilhena's successor, Delegate Administrator José Bexiga. A Boer *chefe de posto* complained that DIAMANG kept illegal prisons in Lunda and an opportunistic colonial administration detained Bexiga for weeks before forcing his departure from colonial Angola. The fact that DIAMANG had long operated prisons in Lunda was an open secret, and the colonial administration used the complaint to take down the administration. This episode dealt a major blow to the community, which saw it as a message from the colonial state that the company now had to abide by Portuguese rules after decades of living in comfortable autonomy.⁴³ However, the replacement of Bexiga, Delegate Administrator António Viegas, understood that the survival of the company depended on its pragmatic adaptation to the new social context. He launched a developmental plan for the company that took seriously the opinions and grievances of those on the ground, to the astonishment of both Europeans and Africans. An interviewee remembers:

In the morning of his second day in office, there was a line of African employees at the door of K-18 [the house of the general-director], from the most humble to the most assimilated.⁴⁴ They were waiting to inform the director of their demands. We [the Europeans] were totally shocked.⁴⁵

⁴³ Interview 3, April 2011.

⁴⁴ As noted in Chapter 2, *assimilado* referred to a relatively small number of Europeanised, mostly urban black Angolans, who formed the colony's non-white middle class until 1961.

⁴⁵ Quote from Interview 2, January 2014. Interviewee 65 and Interviewee 3 also related the same events. Interview 65, January 2014; Interview 3, April 2011.

Viegas continued to take down the social barriers of DIAMANG over the following years. Working, as well as housing, conditions for Africans improved dramatically, followed by successive pay raises. The most skilled workers, who accounted for 29,000 in 1967, could join the category of *indigenas especializados*.⁴⁶ In 1968, the *especializados* could leave the peripheral neighbourhoods and move closer to the European compound. In 1970, they moved into houses hitherto exclusive to Europeans, right in the centre of Dundo. By that time, several African children shared classrooms with European children, and African workers walked around freely in the once ‘white only’ compound at night, joining Europeans in the queue for the movie theatre.⁴⁷ Major improvements in the infrastructure accompanied these reforms, especially in the mechanisation of equipment and the expansion of the road and communication networks. Together, these reforms aligned the company with the developmental missions of the state. This alignment, against which Ernesto de Vilhena resisted until his departure, safeguarded the survival of the company during this transformative period and beyond, as the next chapter shows.

Colonial war, corporate warfare⁴⁸

The liberation war not only did not affect the colonial economy, but it acted as a major economic stimulus. This was so because the Portuguese successfully contained the war to peripheral regions. One could therefore assume that the diamond industry, located in eastern colonial Angola, where some of the worst violence took place, would have been

⁴⁶ Nuno Porto, *Modos de Objectificação da Dominação Colonial: o Caso do Museu do Dundo, 1940–1970* (Lisbon: Calouste Gulbenkian Foundation, 2009), p. 194 and p. 670.

⁴⁷ Interview 4, June 2012; Interview 5, July 2012.

⁴⁸ Although several companies were active in the diamond sector after 1971, this section keeps a focus on DIAMANG, which remained the most influential and well documented of them all.

affected by the conflict. However, in the mid-1970s, the diamond sector demonstrated remarkable profitability and stability, as every other major domain of the economy.

This section argues that DIAMANG successfully insulated Lunda from the liberation war, leading the developmental colonial state to uphold the discharge of state-like functions to the company. It shows how DIAMANG, in alliance with the Portuguese army, limited the infiltration of nationalist movements in the corporate-controlled region. It then examines how the state and the diamond company likewise joined forces in the fight against artisanal mining and the informal diamond trade. Toward that end, the section, after a brief characterisation of the nationalist movements, begins by examining the nationalist mobilisation across eastern Angola, before looking in detail at the joint defence of Lunda by the state and the company against threats both external and internal.

Nationalist mobilisation and conflict in eastern Angola

To understand how the rise of nationalist movements in colonial Angola affected the politics of diamond mining there, it is important to examine the development of nationalist movements in eastern colonial Angola more generally. Throughout the period in question, the nationalist movements that developed in colonial Angola remained dispersed; none had anything close to a national reach.⁴⁹ The *Movimento Popular de Libertação de Angola* (MPLA) was formed in 1956 by the privileged,

⁴⁹ Christine Messiant, *1961: l'Angola Colonial, Histoire et Société: les Prémisses du Mouvement Nationaliste* (Bale: Afrika Bibliographien, 2006), p. 17. See also Justin Pearce, *Control, Ideology and Identity in Civil War: the Angolan Central Highlands 1965–2002*, unpublished PhD thesis (Oxford: University of Oxford, 2011), p. 58.

educated, urban sectors of society in Luanda and in exile. Borrowing from European leftist ideologies, the party claimed to transcend the narrow racial and ethnic boundaries of Angolan society but initially only reached urban intellectuals and the Mbundu of the Luanda hinterland. The *União dos Povos de Angola* (Union of the People of Angola – UPA), which later became the *Frente Nacional de Libertação de Angola* (National Front for the Liberation of Angola – FNLA), was also formed in the mid-1950s, by African migrant workers who had seen their lands taken over by settler coffee planters. The movement was organised around the Bakongo ethnicity and envisaged national politics exclusively from the prism of its constituency. Finally, *União Nacional para a Independência Total de Angola* (National Union for the Total Independence of Angola – UNITA), emerged as a breakaway group from the FNLA in 1966, drawing heavily on Angola’s majority Ovimbundu ethnic group. From the outset, these three movements shared a penchant for internal dissensions and a tendency to combat each other instead of their common enemy, the Portuguese.⁵⁰

The war of independence gained traction in eastern Angola only after 1966, five years into the national conflict. From its early years, the MPLA was confined to exile, for the colonial state in the late 1950s ‘was so successful that the nationalists were not able to maintain more than the most rudimentary organization inside the colonies and could not communicate with those cells that did exist’.⁵¹ With its central structure operating from Brazzaville, the MPLA struggled to build constituencies in Angola or simply to develop

⁵⁰ John Marcum, *The Angolan Revolution Volume 1: the Anatomy of an Explosion* (1950–1962) (Cambridge: MIT Press), pp. 125–140.

⁵¹ Malyn Newitt, *Portugal in Africa: the Last Hundred Years* (London: Hurst, 1981), p. 190.

bases among the rural population. It was not until the opening of its second front from Zambia that the promise of success would come.⁵²

Following two years of attempts to mobilise in the east, mostly in Moxico and Cuando-Cubango, the MPLA opened its *Frente de Leste* (Eastern Front) in 1966. Drawing on new subversive techniques, it finally began to make inroads. Of course, it still had to contend with the effects of the developmental state: many populations found little appeal in the nationalist discourse at a time when they were experiencing economic prosperity. Not only that, it had to contend with competing movements: although it managed to prevent the FNLA from acquiring a stronghold in the east, the MPLA found less success in its battles with UNITA, which entered into a non-aggression pact with the Portuguese in 1971 and thereafter aimed its activities in the east exclusively at its rival movement.

The Portuguese colonial state responded to the rise of nationalism by establishing the *Zona de Intervenção Leste* (Eastern Intervention Zone) covering Lunda, Moxico and Cuando-Cubango and extending to the perimeter of the *Zona de Intervenção Norte* (Northern Intervention Zone) created in 1961 to protect Cabinda, Zaire, Uíge, Luanda, Cuanza Norte and Malange. By the time the war had moved eastward, significant ‘Africanisation’ of all bodies of the armed forces and the widespread use of irregular

⁵² Northern Rhodesia was granted independence and became the Republic of Zambia on 24 October 1964. The landlocked country quickly became home to several Angolan nationalists movements. Two years into independence, Zambia was already a sanctuary and a launching pad for both the MPLA and UNITA. Army supplies and trained insurgents connected the 1,000 km from Lusaka to the eastern Angolan border, and another 400 for those entering the Cazumbo Salient, the large, approximately square geographical protrusion bounded by the Congo and Zambia.

units had come to characterise the Portuguese military approach.⁵³ Although Africans played a relatively marginal role in the Portuguese army when the conflict began, they accounted for more than half of the military forces on the eve of the military coup of 25 April 1974.⁵⁴ Initially a cheap alternative to the regular army, this extensive use of African troops evolved into a leading form of military engagement in eastern Angola, more so than anywhere in colonial Angola or, indeed, in any other Portuguese colony at war.⁵⁵

The Portuguese defence of eastern Angola involved three kinds of irregular units: the army-controlled *Grupos Especiais* (Special Groups), the PIDE-controlled *Tropas Especiais* (Special Troops), and the private ethnic armies known as *Flechas*.⁵⁶ Formed in 1968, the *Grupos Especiais* were comprised of local volunteers trained as a regular military branch and controlled by one or two Portuguese battalions. They mostly operated in eastern Angola and at their peak consisted of 99 units of 31 men each. The *Tropas Especiais* consisted of 1,200 members of the UPA guerrilla that joined the Portuguese army and fought in Cabinda between 1964 and 1966. One of the four battalions, consisting of 16 combat groups of 31 men each, fought in the eastern front. Finally, and perhaps most importantly, the *Flechas*, composed of locally recruited individuals and former guerrilla members, assumed a vital role, to the point that most

⁵³ João Paulo Borges Coelho, 'African Troops in the Portuguese Colonial Army, 1961–1974: Angola, Guinea-Bissau and Mozambique', *Portuguese Studies Review*, vol. 10, no. 1, 2002, p.130. Africanisation was the term used at the time. Coelho terms it the 'African involvement as strategy'. He also notes that the main driver of this strategy was the recruiting problems that Portugal faced in the metropolis: the exhaustion of human resources, desertion, adaptation and financial difficulties.

⁵⁴ Clarence-Smith, *Third Portuguese Empire*, p. 217; Borges Coelho, 'African Troops', p. 141.

⁵⁵ Borges Coelho, 'African Troops', p. 142. The author underlines three factors: difficulties of the regular army in covering this vast and unknown area, the dissensions within the national liberation movements that facilitated African recruitment, and the cooperation between the military and the PIDE, which pioneered in military discharge.

⁵⁶ Borges Coelho, 'African Troops', p. 140.

PIDE sub-delegations had their own private unit by the end of the conflict.⁵⁷ After 1963, the Portuguese army also counted with Katanguese gendarmes recruited under what was known as Operation Fidelity (*Operação Fidelidade*).⁵⁸

The structural fragilities of the nationalist movements in the region facilitated the task of the Portuguese army in eastern Angola. In the face of limited overseeing from the party's central political direction in Brazzaville, the MPLA's structure in the east obtained a great degree of autonomy. Local political-military leaders grew increasingly authoritarian and prone to abuses of power. Even though the MPLA guerrillas in the east progressed in the period between 1966 and 1969, it increasingly suffered from dissension within its ranks. The Portuguese forces exploited this instability through the creation of *senzalas da paz* (peace settlements), which prevented the local population from joining the guerrilla and attracted defectors.⁵⁹ By the end of the liberation war most of the MPLA guerrilla members in the east had either disbanded or joined the Portuguese forces of their own volition.⁶⁰

⁵⁷ Borges Coelho, 'African Troops', p. 141. Under the guidance of inspector Oscar Cardoso, PIDE developed ethnic armies with the bushmen in Cuando-Cubango, who excelled in the tasks of scouting and gathering information. In Luso, the ethnic army was mostly composed of groups over which the MPLA failed to gain a grip.

⁵⁸ In the early 1960s, Moise Tshombé, the Premier of Katanga province, created a force of gendarmes in reaction to widespread instability in early independent Congo. He then engaged in a failed Portuguese-backed attempt to secede from Congo, after which a significant part of the gendarmes crossed into colonial Angola and became involved in the liberation war.

⁵⁹ Jean Michel Mabeko-Tali, *Dissidências e Poder de Estado: o MPLA Perante Si Proprio* (Luanda: Editora Nzila, 2001), p. 53.

⁶⁰ Mabeko-Tali, *Dissidências e Poder de Estado*, p. 54. Drawing on the growing malaise among the eastern population against the authoritarian behavior of the MPLA, Daniel Chipenda would launch the 1974 *Revolta do Leste* (Eastern Revolt) to challenge the party's leadership. The revolt ended on the eve of independence as Daniel Chipenda lost to the Agostinho Neto faction at the decisive MPLA congress in Zambia. This episode left tangible traces in the relations between the MPLA and its forces in eastern Angola.

It is in this military context of opposition to a Portuguese army with a heavy reliance on irregular units that the engagement of nationalist movements with DIAMANG must be analysed. For nationalist movements successfully infiltrated Moxico and Cuando-Cubango Districts in ways that they never infiltrated Lunda. DIAMANG shielded Lunda from the conflict, and the Portuguese community only experienced the war through their interactions with Portuguese soldiers based in Dundo. On account of its peaceful situation Lunda was an important stop of Portuguese soldiers before the end of their military service in colonial Angola. The safe, clean and well-organised Dundo served as a place to transition from the horrors of war in the colony to the normality of life in the metropolis. Aged 14 at the time, an interviewee remembers:

My parents would not let me go outside when a new contingent of soldiers arrived. It was too dangerous and terrifying for us: soldiers would drive recklessly around the city, screaming, breaking beer bottles. I remember seeing some eating the glass of the broken bottles. Others would offer strange gifts to the children, such as necklaces made from ears of Africans. I think that for the military the stay at Dundo was a kind of therapy, where soldiers could walk around drugged (*ganzados*) freely and give wing to their euphoria.⁶¹

A question naturally arises from their observations: why did Lunda remain at the margins of the war of independence, more so than the neighbouring districts, and how did the company contribute to this?⁶²

⁶¹ Interview 2, January 2014; Interview 8, May 2011.

⁶² Most of Angola – its inhabited, urban and populated regions – was not at all at war. Important areas such as the Highlands, Huila, and the coast did not witness any war-related violence between 1962 and 1974.

Extractive companies at war: DIAMANG in Lunda

There were pre-existing reasons as to why the Lunda did not become an active front in the liberation war. Chokwes historically held little national influence, even though they were the country's fourth largest ethnic group and the major ethnic group in Lunda. Confined to one of Angola's remotest corners, the Chokwes participated only marginally in the commercial and military interactions involving Portuguese colonialists and other ethnic groups of Angola.⁶³ As argued above, no nationalist movement had its cradle in Lunda.⁶⁴

But there is also an obvious association between the absence of nationalist mobilisation and the comprehensive system of surveillance that was geared towards of nationalist movements. The control of individuals entering and circulating within the concession provided an insulated environment that made it easier to monitor and suppress nationalist movements. The company-run prison nearby Dundo, used only for Africans involved in informal diamond trade, was filled with suspected members of the nationalist movements. Recruitment of workers focused on individuals already living in Lunda, on whom DIAMANG could run background checks. But perhaps the best example of such repression is the way in which DIAMANG's security forces became obsessed with radios, as recounted in different interviews.⁶⁵ For a long time, the *Rádio Angola Combatente*, based in Brazzaville, was the MPLA's most important means of

⁶³ Tony Hodges, *Angola: From Afro-Stalinism to Petro-diamond Capitalism* (London: James Currey, 2001), pp. 163–65.

⁶⁴ As Basil Davidson notes: 'when, in the middle 1960s, the people of the east began responding to the national movement, their experience of the colonial system was often less than forty years old.' Basil Davidson, *In the Eye of the Storm: Angola's People* (London: Penguin, 1975), p. 109.

⁶⁵ Interview 4, June 2012; Interview 17, May 2011.

broadcasting anti-colonial ideas. To stop the spread of those ideas, and thereby neutralise the MPLA, DIAMANG went to great lengths to find and destroy every unauthorised radio within Lunda.⁶⁶

Yet DIAMANG managed to keep the war at bay in Lunda not only through repression. It is claimed by interviewees, including on the nationalist side, but untraceable in the archives, that DIAMANG paid a 'war tax' to nationalist movements from the early stages of the conflict: some of its administrators kept in direct contact with the movements' leaders to ensure that they steered clear from the company's operational area. 'Of course there are no documents proving this', an interviewee notes, 'but this was an open secret for all the European community. For us it has always been the only plausible explanation why a strategic region like Lunda was never put in danger'.⁶⁷ As the next chapter shows, the fact that DIAMANG administrators already had a relationship with nationalist leaders by the time of independence strongly influenced later developments.

Another explanation concerns the security strategies of the company and of the colonial state and is the most relevant for the general argument of continuity in this thesis. These strategies would prove enormously successful. The independence of Congo in 1960 informed much of the company's military strategy for the decade to come.⁶⁸ It marked the beginning of the decline of the Katangese mining industry, instrumental for its role

⁶⁶ Pearce, *Control, Ideology and Identity in Civil War*, p. 76.

⁶⁷ Interview 43, October 2012; Interview 41, August 2012.

⁶⁸ The collapse of the mining industry in Belgian Congo had an additional impact on DIAMANG in terms of loss of financial investment. In 1966, Albert Parmentier, President of INTERFOR (Society International, Commercial and financial of FORMINIERE) communicated to the Portuguese government that his company would reduce investment in colonial Angola by half. IPAD, Folder E-4-15, 22 July 1966.

in protecting the border and providing commercial outlets. Furthermore, the stories of persecution and humiliation of Belgian settlers, who fled from Katanga to Lunda during the Congo crisis, fuelled the collective fear of the DIAMANG community.⁶⁹ As an interviewee notes:

For many of us [DIAMANG workers] the arrival of other mining industry workers from Belgian Congo was the first contact with the ongoing violence, in the region, more so than the conflict in colonial Angola, from which we felt relatively spared due to the company's particular status.⁷⁰

DIAMANG adopted a twofold approach to the military conflict: the creation from scratch of a private military force and the co-optation of the *Flechas* units.⁷¹

First, DIAMANG funded and controlled a private militia, known as *milícia* and *corpo de voluntários* (volunteer corps) in the early 1960s. With its headquarters in Cacanda, near to a well-known DIAMANG agricultural project, and bearing its own uniform and flag, the militia consisted of former Portuguese soldiers recruited during their stay in Lunda or else in Luanda at the end of their military service. Once formed, the militia acquired equipment from the Portuguese colonial state and from South Africa. It erected stations and checkpoints in the key nodal points and – in keeping with DIAMANG's state-like authority over Lunda – it managed its own prison next to the Cacanda agricultural settlement located near to Dundo. While it was initially built for

⁶⁹ The Congo crisis refers to the period of intense social turmoil between the national independence from Belgium in 1960 and the arrival of Joseph Mobutu in power in 1965.

⁷⁰ Interview 5, July 2012.

⁷¹ José Pinto de Sá, *Conquistadores de Almas – Memórias de Uma Militância e de Prisões Políticas (1970-1976)* (Lisbon: Guerra e Paz, 2006), p. 10.

imprisoning individuals involved in informal diamond trade, the prison also housed individuals suspected of involvement with nationalist movements.⁷²

Second, DIAMANG actively participated in the management of the Portuguese army's irregular units. In 1964, three battalions of Katangese *Flechas* moved to colonial Angola following the debacle of Moise Tschombé's secessionist adventure in Katanga, which they actively supported. One of the battalions was housed by DIAMANG in Veríssimo Sarmento, a town located at the heart of the Dundo–Henrique de Carvalho axis.⁷³ While initially focused on securing Portuguese building crews in the region, the *Flechas* evolved into a strong military force and were converted into a political movement in 1969, when the Portuguese regime gave refugee status to another wave of Katangese, encouraging them to form a new front against the Mobutu regime, the *Front National de Liberation du Congo* (National Front of the Liberation of the Congo – FNLC).⁷⁴ The FNLC found shelter at DIAMANG, which allowed them to work in the company and to resettle in the concession with their families in exchange for border patrol. This arrangement suited both sides: the Katangese, who, unwilling to recognise Portuguese administrative and judicial authority, found space to replicate their traditional society in DIAMANG-controlled Lunda, and the company which gained the protection of a force with inestimable knowledge of the territory.⁷⁵

⁷² Interview 3, April 2011.

⁷³ Miles Larmer's work on Katanga is the most recent and compelling assessment of this period. Miles Larmer, 'Local Conflicts in a Transnational War: the Katangese Gendarmes and the Shaba Wars of 1977-78', *Cold War History*, vol. 13, no. 1, 2013, pp. 89–108.

⁷⁴ Coelho, 'African Troops', p. 142. Also known as project *Fidelidade* (Fidelity), the Portuguese army offered shelter for their activities against Mobutu's Zaire in exchange for support in counter-insurgency operations in colonial Angola, particularly against the MPLA.

⁷⁵ Gregory Saunders, *The Foreign Policy of Angola Under Agostinho Neto*, unpublished Masters thesis (Annapolis: Naval Postgraduate School, 1983), pp. 26–27.

In essence, whatever the changes in the ambitions of the state and the internal policies of the company, what really maintained the bond between the colonial state and DIAMANG was the indispensable role of the latter in defending a strategic region on behalf of the state. The security situation of eastern Angola meant that the Portuguese colonial state had little choice but to uphold the discharge of state functions to the company in order to preserve its control. This led to coordination between the state and DIAMANG in a way that complemented the general strategy of both actors towards the territory. The corporate-driven military apparatus succeeded in keeping Lunda on the margins of the conflict, even as elsewhere in eastern Angola experienced some of the worst violence of the war. But state–diamond sector collaboration also involved internal issues for DIAMANG, particularly those concerning the fight against artisanal mining.

Fighting nationalists, camanguistas, and immigrants

This section argues that the fight against artisanal mining and informal diamond trading enhanced public–private collaboration after 1961. Such collaboration expanded beyond intelligence-sharing based on surveillance and information exchange – as established under the penal code – to include a comprehensive military system based on joint interventions and co-occupation of sensitive areas. The line between public and private security, already blurred, grew even more opaque in the process, producing a style of governance dominated by security politics that has reigned in Lunda ever since.

Kept relatively under control since the early 1920s, criminal activities related to diamonds became a source of intense preoccupation for the state as well as for

DIAMANG in the mid-1960s. Until the early 1960s, state officials deemed artisanal mining and informal trading as regional issues with few ramifications at the national level. Artisanal mining, they thought, took place in regions difficult to access, far away from populated areas. Only loose informal networks existed and traders offered low prices. Both the state and the company believed that welfare measures and transport surveillance sufficed to deter most would-be traders.

However, state modernisation disturbed this calculation. At the regional level, DIAMANG's development of infrastructure and transport networks ended the isolation of diamond-rich regions and, more importantly, the mechanisation of mining activities sent a significant number of Africans to unemployment. Of the 1,000 Africans working in Cuango in 1968, only 200 remained employed by 1973, the rest forming a contingent of potential '*camanguistas*' with extensive knowledge of the territory.⁷⁶ At the regional level, Belgian Congo's independence and the subsequent establishment of diamond comptoirs in Kasai's capital, Tshikapa, opened commercial outlets for Lunda's stones. Finally, at the national level, the deregulation of commercial trade created the conditions for informal diamond trading to develop in Lunda. As corporate and state borders became more porous, merchants began to bribe border guards and to sell illegal products, such as alcohol, to Africans, creating a prosperous market of internal and black market trade that involved African as well as European workers.

Thus, the seeds of artisanal mining and informal diamond trading that had been germinating since the early 1920s came into bloom in the early 1970s. In Lunda's

⁷⁶ *Camanguista* is the term used in the region for Africans involved in informal diamond trade.

capital Henrique de Carvalho alone, police reports on these activities leapt from ten to 56 a year between 1964 and 1972. In Lunda, the number of ‘diamond theft’ cases nearly doubled in the course of a single year, moving from 533 in 1972 to 1,000 in 1973. Informal trading villages prospered around diamond-rich areas. One report from 1973 describes Caissesse as a prosperous town located seven kilometres from the road between Cuango and Iongo, with ‘more than thirty houses and an amplified road, all in good conditions’. Commercial houses in diamond-rich areas such as Fucauma and Catoca openly engaged in diamond trade, and some reported cases took place in the heart of the largest cities, such as at the *Hotel Central* in Henrique de Carvalho.

As artisanal mining and informal diamond trading moved from a marginal to a focal activity, accounts of violent acts multiplied. The colonial state and DIAMANG complained of lethal quarrels between artisanal miners, attacks on *capitas* and company-owned shops, and, most worryingly from their perspective, armed assaults on government soldiers and company officials.⁷⁷

In light of this volatile situation, state and company officials debated how to improve security in diamond-rich areas and how to put an end on informal diamond trade. The debate revolved around two issues: the authorisation of diamond comptoirs to acquire diamonds from artisanal miners, and the repression of informal diamond trading at the district and colonial levels.

⁷⁷ In a document published on 9 April 1974, an estimation of prices in the informal diamond market is established and key locations and routes identified. Among the most important, the comptoirs in Tshikapa, informal commercial houses in Cambulo, Fucauma and Catoca, as well as the Hotel Central of Henrique de Carvalho. The document also reveals a large list of notorious Portuguese whites involved in diamond trade. At the time, ‘diamond theft’ existed in more than 80 locations of Lunda. IPAD, Folder G7/4/41, 17 July 1971, p. 54.

The first issue related to the larger debate over the ideal commercial system for the diamond-mining sector. As argued in section one, the sectors most critical of DIAMANG's monopoly had long been clamouring for more access to diamond production in state reserves. The IGM issued a favourable opinion on that matter as early as 1964:

Not only the large prospecting companies with important means, but also to the small prospector who, in consideration to their capacity for initiative and persistence, may find themselves capable of discovering occurrences of precious stones.⁷⁸

However, the Overseas Ministry feared a 'loss of harmony in Lunda'.⁷⁹ Lunda would be inundated with individual traders, disrupting diamond-mining activities and increasing the risk that the informal diamond trade would breed subversive activities.⁸⁰ Archives show that the IGM compiled a wealth of information about other governments' responses to illicit diamond trading, suggesting that experiences in other African states weighed heavily on the security policies implemented by the colonial state in Lunda. These experiences provided IGM officials with a cautionary tale – to which they paid close attention.

By the 1960s, colonial Angola stood out as the only diamond-rich African state to still prohibit the creation of diamond comptoirs. Considered as the most – if not the only –

⁷⁸ IPAD, Folder G7/4/41, 17 July 1971, pp. 47–46.

⁷⁹ IPAD, Folder G7/4/41, 17 July 1971, p. 54.

⁸⁰ IPAD, Folder G7/4/41, 17 July 1971, pp. 66–64.

effective method to steer informal diamond trading into formal channels, comptoirs had already become omnipresent in South Africa and, later, in Botswana, Sierra Leone, Ghana, Lesotho and the newly-independent DRC.⁸¹

According to archives, the IGM closely monitored the situation in the Congo.⁸² The Congolese mining industry had descended into chaos after independence. Artisanal mining and informal trading prospered in areas abandoned by companies. By the mid-1960s, diamond comptoirs in Zambia, Burundi, and Congo-Brazzaville had diverted an estimated one-third of the DRC's total diamond exports. As a result, in 1965, the Congolese state contracted with the British Congo Diamond Corporation (BCDC) to establish diamond comptoirs in Kasai's capital Tshikapa and to sell the stones directly to the diamond cartel.

However, while the comptoirs stabilised the situation in Congo, Portuguese officials also had in mind the Sierra Leone case, where the effects of comptoirs was otherwise more dramatic. The Sierra Leone Consolidated African Selection Trust's exclusive concession for diamond exploration obtained in 1935 collapsed in the face of fruitless attempts to repress artisanal mining and informal trading in 1955. The state responded by creating a legal framework that allowed Africans to conduct artisanal mining. An explosion of informal diamond trade ensued, with networks connecting Sierra Leone's

⁸¹ See the discussion on the diamond industry in the last section of Chapter 1.

⁸² IPAD, Folder G7/4//41, 10 August 1972, pp. 18–19,. An important meeting took place, during which an overview of artisanal diamond mining and informal diamond trade in colonial Angola was conducted and measures decided. The meeting's participants were Joaquim de Sousa Freire, head of *Polícia Judiciária*, Henrique Lestro Henriques, head commander of the armed forces, Carlos Ferreira Marques, head of the *Polícia de Segurança Pública*, Jorge de Carvalho Malheiro, head of *Direcção Geral de Segurança*, and António Manuel Silva da Gama.

diamond mines to neighbouring Liberia's comptoirs. To Portuguese officials, this bore a clear message: Lunda could become to Kasai what Sierra Leone had become to Liberia.

But another factor also significantly limited the interest of colonial authorities in opening diamond trade to individuals: the majority of informal trading took place *inside* diamond-mining concessions and *inside* DIAMANG in particular.⁸³ According to estimates from 1973, from the one million carats informally traded every year in colonial Angola, less than one quarter came from outside the concession of the company. Just as important, the IGM concluded that Portuguese descendants and Africans conducted much of the artisanal mining and informal diamond trading. They acted, as the IGM put it, 'compulsively by pressure or blackmail from white residents, who appropriate diamonds using intimidation tactics against Africans'. Rather than creating comptoirs in state reserves, the IGM argued, the focus should be on enhancing security inside DIAMANG. In this compelling quote, the General Directorate of Justice in Lisbon describes the limits of the state's reach in Lunda as of July 1971:

The demographic reality is derisory – one to five men every square kilometre – the administration grid is too loose and the companies, over all the superficies of their concessions, only supervise few and concentrated camping and exploration posts. In this general panorama, it is evident that most of the areas are left to adventurers, depopulated, unoccupied and insecure. And nothing is less useful in such a context, than severe laws or pressure at magistrates for harder sanctions, as

⁸³ As noted, other companies started to operate in Lunda after 1971.

judges are hundreds or thousands of kilometres from the *camanguistas* and they cannot patrol or occupy concessionary areas.⁸⁴

The state and DIAMANG took several significant measures to repress artisanal mining and informal trade.⁸⁵ They established new security structures aimed at fighting informal diamond trade ‘from the top of the pyramid and not from the bottom’, focusing on the ‘most perverse agents’ and not those at the ‘primitive level’.⁸⁶ Thus, while the *Policia Judiciária* investigated diamond trade cases in Lunda, the *Policia de Segurança Pública* followed up in Luanda. The *Direcção Geral de Segurança* (National Security Directorate) created a section for informal diamond trade in Lisbon. From the Cuango’s riverbeds and Henrique de Carvalho to the airports and ports in Luanda and Lisbon, a vast security apparatus integrating the colony and the metropolis came into being.⁸⁷ In addition, although its creation traces back in 1962, the *Polícia Mineira* (Mining Police) became operational in September 1972, in an agreement between the IGS and colonial Angola’s largest diamond companies at the time, DIAMANG, CONDIAMA, and OESTEDIAM. Composed of hundreds of trained individuals, the Mining Police made use of vehicles and communication technology appropriate for remote areas and occasionally enjoyed the support of the Katanguese *Flechas* in their repressive operations.⁸⁸

⁸⁴ IPAD, Folder G7.4.41, 17 July 1971, p. 67.

⁸⁵ In January 1971 the state took initiatives to enforce Article 3 of the Diploma 20 from May 1961, stating that state and companies should take measures aiming at upgrading police capacities to monitor the transit of people and the circulation of people. IPAD, Folder G7.4.41, 17 July 1971, p. 72.

⁸⁶ IPAD, Folder G7.4.41, document TI32, 17 July 1971, pp. 104–108.

⁸⁷ IPAD, Folder G7.4.41, document TI32, 17 July 1971, p. 109.

⁸⁸ IPAD, Folder 165/24/86/92-L/1, document TI3, 8 June 1973, p. 1.

But this security apparatus had significant limitations. State and company officials accused one another of thwarting efforts to implement the measures. In 1973, Carlos Abecassis, DIAMANG's director, mentioned his 'extreme discomfort' when explaining to foreigners the colonial state's incapacity to enforce its own laws. On the other hand, the colonial state reported on the 'apparent indifference' of mining companies, such as DIAMANG towards the 'diamond theft plague'.⁸⁹ A letter written by a Portuguese settler in October 1972 to the Governor General gives a compelling and unique vision of the Cuango on the eve of independence. Presenting himself as a wealthy Portuguese from Alentejo, 'with revenues from Switzerland', who travelled across the colonies 'to see Africa, to see Portugal', the settler described in these words his stay in Cafunfo:

In Cafunfo's suburbs, only fifty metres away from DIAMANG's installations, individuals from various colours, but mainly *mestiços* who moved in from Malange, residing in their rented houses, with freezer and comfort, dedicate themselves exclusively to the diamond trade. A few years ago, former cotton transporters from Malange massively settled in Cafunfo and became absolute lords (*senhores absolutos*) of the land. [...] Cafunfo has become like Kinshasa, where any person builds a house and starts working without permission. Although the government says it looks after our lands, Cafunfo has become a no man's land, and that in the middle of the twentieth century.

[...] What does the government of Henrique de Carvalho do about it?...are they in alliance with the traffickers? This flow of money could cause the country trouble,

⁸⁹ IPAD, Folder G7.4.41, 17 July 1971, p. 109.

because the natives there, so close to the enemy borders, could bring us disturbances (*aborrecimentos*). God created diamonds, but the nation needs protection.⁹⁰

Conclusion

While the developmental period proved to be ephemeral in Angola, as the next chapter shows, it led to important evolutions in the pattern of state–diamond companies’ relations: the process of institutionalisation and centralisation of the colonial state led to a complete restructuring of the mining industry. As the modernising bureaucrats decided to further the integration of DIAMANG into the Angolan economy and polity, they had on their side a long history of administrative and popular dissatisfaction with the company’s overarching powers. For that reason, they succeeded in forcing the company to adapt to the new developmental ethos and, ultimately, put an end to its monopoly. Yet the bond between the state and DIAMANG was paradoxically reinforced, rather than weakened. As in the early colonial period, the mutually constitutive character of relations between the state and the diamond sector only deepened during this period.

Indeed, through the upheavals, DIAMANG continued to exercise expansive authority on behalf of the state. Struggling to suppress anti-colonial movements around the country, the colonial state found it not only convenient but necessary to maintain its partnership with DIAMANG, lest the diamond revenues stop flowing from Lunda and

⁹⁰ IPAD, Folder G7.4.41, 17 July 1971, p. 110.

the company's private military cease to keep the fight for independence at bay there. The surge in informal artisanal mining only strengthened the partnership. Precisely because the informal trading took place largely within the concession, the state depended on DIAMANG to reassert control.

DIAMANG presented itself as a defender of the state that made claims regarding the protection of Portuguese interests. As the information brought to light in this chapter shows, however, DIAMANG's efforts to protect Lunda on behalf of the colonial state did not blind the company to the fact that its interests were not necessarily co-extensive with those of the Portuguese in the long term. For the company, continuity depended on its mutually constitutive relationship with the central state, not with the Portuguese colonial regime as such. While the Portuguese remained in Luanda, the distinction remained a theoretical one. But not for long.

CHAPTER 4: CONTINUITY AND DECLINE: THE DIAMOND SECTOR ADrift, 1974–1988

Take a colonial territory rich in resources which the colonial power has exploited for centuries. Add a power struggle between rival liberation movements whose different tribal, regional and ideological backgrounds have led them to fight each other for years with as much violence as they fought the colonial power. Season with further power struggle at the capital of the colonial power itself. Bring to the boil with an unworkable independence agreement set up by a Utopian interim Government which events have made incapable of governing. Drain off the white population which controls the entire modern economy and represents virtually all the skills. Carve up anything that might be left over.¹

Introduction

Turning to the end of colonialism and the early postcolonial era, this chapter seeks to understand the joint role of the postcolonial Angolan state and the diamond sector in the structuring and governing of the Lunda provinces.² The chapter spans the period from the eve of independence in Angola in 1975 to the New York Accords in 1988, which coincided with the formal dismantling of DIAMANG. It focuses, in particular, on the ways in which the diamond sector continued to govern, police, and defend a region that was more inaccessible than ever to formal state institutions. The relationship between

¹ Jane Bergerol, 'A recipe for chaos', *Financial Times*, 12 August 1975.

² In 1977, the MPLA government divided Lunda into two provinces, Lunda Norte and Lunda Sul. I discuss this event later in this chapter, but for purposes of clarity, I will refer to the Lundas instead of Lunda throughout this chapter.

the state and the diamond sector, it shows, remained a co-constitutive one. Indeed, neither independence nor even the formal nationalisation of DIAMANG in 1977 saw the implementation of a new, direct form of governance in the Lundas by the state. Although the formal mechanisms of state discharge changed, the state-diamond sector relationship remained a stable, and a symbiotic, one.

Two key events are essential to understanding that enduring symbiosis during the early post-colonial period. First, in 1973, two years before independence, oil officially overtook diamonds as the state's largest source of revenues, with an incipient oil sector displacing DIAMANG as the state's primary fiscal lifeline. Oil, to borrow the expression of Ricardo Soares de Oliveira, 'changes the calculus of state survival':³ post-independence, oil revenues ensured that state treasuries remained full, while diamond production became a means to fund the vast patronage networks of the MPLA.⁴ Second, in 1981, the Angolan state created ENDIAMA, a public diamond company, to absorb the assets of a then-nationalised DIAMANG. Rather than expand the sector, the transition from DIAMANG to ENDIAMA further consolidated diamond revenues into the hands of the MPLA elite. Together, these two events changed the formal structure of the private indirect government in the Lundas. After dividing the province into Lunda Sul and Lunda Norte, the state replaced DIAMANG's once robust administrative apparatus with a combination of inconsistent state intervention in the former and discharge on the cheap in the latter. Crucially, though, that intervention never sought to assume direct responsibility for governance of the region. As this chapter shows, the

³ Ricardo Soares de Oliveira, 'Oil Politics', in David Anderson, Nicholas Cheeseman and Andrea Scheibler, eds., *Routledge Handbook of African Politics* (London: Routledge, 2013), p. 182.

⁴ Importantly, this chapter does not seek to compare the oil and diamond sectors in Angola. It nevertheless begins from the premise that the rise of oil in Angola changed everything. See Appedix 1.

diamond sector remained, as always, the conduit through which the state defended and projected its power beyond the reach of its formal institutions.

To elucidate this history, the chapter unfolds as follows: section one explores how the state dealt with the private owners of DIAMANG in the lead-up to nationalisation and the changes in the politics of resource control – with diamonds coming to underwrite patronage networks rather than state coffers – that arose as a result. Section two focuses more closely on the preservation through transformation of the private indirect government of the Lunda provinces that occurred during this period. It argues that the division of the Lundas into Lunda Norte and Lunda Sul perpetuated rather than upended the private indirect governance in both provinces, even as it paved the way for a semblance of direct state intervention in Lunda Sul.

Old allies, new friends

This section begins with an assessment of relations between the Angolan state, the Lisbon-based shareholders of DIAMANG, and the De Beers-controlled diamond cartel. It explores how the collapse of the New State in April 1974 and the ensuing economic crisis in Portugal undermined the bargaining power of Lisbon-based shareholders in negotiations with the MPLA. It further examines how the South African invasion in August 1975 strained, to put it mildly, the relationship between Angola and De Beers. In the process, however, this section argues that, despite these tensions, the state–diamond sector relationship remained a co-constitutive, if rocky, one. Perhaps counter-intuitively, the nationalisation of DIAMANG occurred at the behest of DIAMANG

administrators themselves, who could no longer count on the support of Portuguese workers, many of whom fled Angola beginning in 1975, or of Portuguese shareholders, now embroiled in the revolutionary climate in Lisbon. That is, in a profound irony of history, the administration of a private company created by and for European colonialists found solace in the embrace of self-proclaimed postcolonial Marxist-Leninist nationalists. De Beers, meanwhile, found itself struggling to maintain its grip over the crucial Angolan diamond market – now the world’s fourth largest. Despite the obstacles, it largely succeeded: through a subsidiary, it continued to assist DIAMANG, and then ENDIAMA, in the private indirect government of the Lundas.

Revolutionary ideology, pragmatic politics

Of the three liberation movements, it was the MPLA that was in control of Luanda at independence on 11 November 1975. But its authority was contested by the FNLA and UNITA, which were fighting a three-way civil war since mid-1975 amidst massive foreign involvement, including Zairian, South African and Cuban interventions on the side of each movement.⁵ This so-called ‘second war for independence’ between 1975 and early 1976 hastened the departure of an estimated 300,000 Portuguese settlers from Angola and degraded the infrastructure of the country.⁶ The state apparatus all but imploded.

⁵ David Birmingham, ‘Angola’, in Chabal, Patrick, and David Birmingham, eds., *A History of Postcolonial Lusophone Africa* (Bloomington: Indiana University Press, 2002), p. 137.

⁶ Birmingham, ‘Angola’, p. 145.

After the withdrawal of South Africa from Angola in March 1976, FNLA stopped being a strong contender for Angolan power, but the much-battered UNITA entered a phase of retraining and re-arming. After operating a long march to the extreme southeast of the country, it established a base in Jamba, in Cuando-Cubango Province. It only fully resumed its capacity to threaten the Angolan state in the early 1980s once South Africa's full support kicked in, soon joined by the Reagan Administration's funding and political support. In addition to these crucial sources of international partners, from the mid-1980s onwards, the rebel movement began to profit from diamonds mined in areas under its control. This include both mines abandoned by earlier commercial operators and through taxes imposed on artisanal miners. However, while UNITA benefited from the activities of the *garimpeiros*, it was only after the New York Accords in 1988, and the beginning of the retreat of its international patrons, that UNITA moved to systematically occupy the diamond fields.

As a whole the travails of the diamond sector in early post-independence Angola were mostly related to problems in the relationship between the state and the mining sector, and not to rebel activities in the diamond-rich regions. The MPLA's weakness was compounded by the threats of a domestic rivalry with UNITA, but also by power struggles within the party. By 1977, a faction within the MPLA led by independence war hero Nito Alves attempted a coup d'état, to which the legitimist faction of Agostinho Neto responded ferociously, with the assistance of Cuban troops. The ensuing purge of real and imaginary enemies of Neto was a turning point in post independence MPLA politics.

Behind the slaughter of civil war and of the internal reorganisation of the movement involved, it was already clear that the mission the MPLA assigned itself at independence, of handing the control of the state apparatus to the people, was being replaced by a project of accumulation designed around the spectacular surge in oil revenues and the clientelistic potential of the diamond sector.⁷ Behind the ‘socialist planned economy’, state institutions soon waned in significance, with state power, especially after Eduardo Dos Santos’s accession to the Presidency in 1979, progressively flowing away from formal channels to the Angolan presidency.⁸ This project centred around President José Eduardo Dos Santos and his close entourage – referred to by Angolans as the Futungo, after a presidential compound in the outskirts of Luanda, ‘the Palace’, or simply ‘the Presidency’. This presidentialist system only really came into full view with the end of the socialist period and the adoption of a capitalist system in the early 1990s, which formally ended the role of the MPLA as a vanguard party, but it was long in the making. As Aslak Orre puts it:

It was the MPLA that took over and staffed the state apparatus in 1975, and it was the MPLA which entrenched itself in the state apparatus in the following years, not letting competing forces get a foothold. But it also had wider ambitions, that

⁷ For an overview of Angola’s postcolonial state, see Patrick Chabal and Nuno Vidal, *Angola: the Weight of History* (New York: Columbia University Press, 2008) and Tony Hodges, *Angola: From Afro-Stalinism to Petro-diamond Capitalism* (London: James Currey, 2001). For a good discussion of the MPLA as a ‘party-state’, see Aslak Orre, *Entrenching the Party-state in the Multiparty Era: Opposition Parties, Traditional Authorities and New Councils of Local Representatives in Angola and Mozambique* (PhD thesis, University of Bergen, 2010), pp. 88–91.

⁸ The internal evolution of the MPLA regime is beyond the remit of this thesis but see, for instance, the work of Christine Messiant, ‘The Eduardo Dos Santos Foundation: Or, How Angola’s Regime is Taking Over Civil Society’, *African Affairs*, vol. 100, no. 399, 2001, pp. 287–309; Ricardo Soares de Oliveira, *Magnificent and Beggar Angola: Angola Since the Civil War* (Hurst and Oxford University Press, 2015).

of controlling civic life and ‘civil society’, indeed to dominate all aspects of society.⁹

Within the diamond sector, meanwhile, the collapse of the colonial system and the civil war that ensued took a heavy toll. The mass exodus of Portuguese settlers that occurred between the Carnation Revolution in Portugal on 25 April 1974 and the proclamation of Angola’s independence on 11 November 1975 saw the withdrawal of many of DIAMANG’s most skilled technical and managerial employees. Nevertheless, as explained below, the relationship between the new Luanda rulers and the administration of DIAMANG in Lunda remained, in important respects, unchanged from the status quo ante. It survived the regime change and the subsequent upheavals of the early post-independence period. Even the decision to nationalise the company was in some ways a joint one, uniting a beleaguered DIAMANG administration in Dundo and a fledgling state in Luanda in the face of the collapse of the Portuguese colonial system.¹⁰

Diplomatic archives and secondary sources show that tensions between the Angolan state and DIAMANG’s Lisbon-based shareholders trace at least as far back as the Portuguese revolution of 25 April 1974, more than a year before Angola’s independence on 11 November 1975. Although DIAMANG remained largely unscathed throughout the war of independence, enjoying a very successful year of production and exploration in 1973, the collapse of the Portuguese economy in the aftermath of the 25 April

⁹ Orre, *Entrenching the Party-state*, p. 97.

¹⁰ For a compelling account of the nationalisation and confiscation of Portuguese interests by the Angolan state, see Manuel Ennes Ferreira, ‘Realeconomik e Realpolitik nos Recursos Naturais em Angola’, *Relações Internacionais*, vol.6, 2005, pp. 73–89.

revolution left the company in a bad condition.¹¹ The turmoil in Lisbon – and the consequent withdrawal of Lisbon-based capital – created enormous managerial and operational difficulties for DIAMANG and saw production decline precipitously, falling by three quarters between 1973 and 1974.¹² Sardanis, who arrived in Angola in 1976, captures in his memoirs the devastating consequences for DIAMANG of the withdrawal of Portuguese capital:

[...] DIAMANG, the diamond mining company that owned about 1200 earth-moving machines, most of them lying idle in various diamond fields up country and in urgent need for repairs. The government was *very anxious* to resuscitate diamond mining, a major earner of hard currency, and making the machines operational was an imperative – but impossible without skilled workers.¹³

Confirming Sardanis' account, a U.S. cable reports a conversation in Portugal between the American Ambassador to Portugal and the former head of the American oil company, Mobil, in which the latter conveyed that Carlos Abecassis, the Delegate Administrator of DIAMANG, and President Agostinho Neto had discussed the nationalisation of the company as early as late 1975. According to the cable, Abecassis had pleaded with Agostinho Neto to nationalise DIAMANG, as Portuguese shareholders 'could no longer assume their claims, awards and obligations', even as Neto recognised that the nationalisation of a flagship international company would

¹¹ *DIAMANG: Relatório Anual*, (Lisbon: DIAMANG, 1975), p. 5.

¹² *DIAMANG: Relatório Anual*, (Lisbon: DIAMANG 1977), pp. 10–12.

¹³ Andrew Sardanis, *A Venture in Africa: the Challenges of African Business* (New York: IB Tauris, 2007), p. 27. My emphasis.

frighten other foreign investors.¹⁴ As both men understood, DIAMANG would not survive in the current environment without the drastic intervention of the Angolan state. As they perhaps conveniently saw it, Lisbon had ‘abandoned’ the company; it fell to Luanda to save it.

Hence, the imminent default of Lisbon-based shareholders, and not the ideological orientation of the MPLA, largely informed the attitude of the Angolan state towards the diamond company.¹⁵ Aware that the rash use of oil and diamonds as a political weapon could compromise these vital sources of revenues in a post-independence context where all other productive sectors had imploded, the Angolan government mixed its radical commitment to nationalise Portuguese property with *realpolitik*. Explains Ennes Ferreira: ‘The companies that were the objects of these measures saw their Portuguese capital confiscated or nationalised while the non-Portuguese capital was not the object of the same treatment.’ Indeed, the MPLA formally assumed only partial ownership of DIAMANG in 1977, and refrained from interfering with the operational framework of the company.¹⁶ Turning DIAMANG into an emblem of what it claimed was the abandonment by Portuguese investors, the Angolan state took over 852,755 shares (out of a total of 1,730,000) in 1977, and 283,039 shares in 1979, specifically from Portuguese entities, elevating state control over the company to 77.21%.¹⁷ During a visit to Saurimo, Neto explained the nationalisation of DIAMANG in these terms:

¹⁴ In his attempt to balance the MPLA’s socialist ambitions with its need of continued foreign investment, Agostinho Neto compared himself to Egyptian President Anwar Sadat in his struggle to re-establish relations with the West. ‘Discussion with American based in Portugal regarding possible contact with head of MPLA’, *Wikileaks*, 08LISBON2780_a, 19 December 1975; Interview 43, October 2012.

¹⁵ This confirms Ennes Ferreira’s characterisation of the fundamentally pragmatic strategy of the MPLA government towards the extractive companies.

¹⁶ Ennes Ferreira, ‘Realeconomik e Realpolitik’, p. 79.

¹⁷ Ministério dos Negócios Estrangeiros (MNE), Folder 944.9/977, cable number 1007, 28 October 1978.

Some companies, after independence, lost the sense of production, of productivity, of the necessity to work, of the necessity to do our work, the essential elements of our welfare, they lost that sense. For some, independence means the abandonment of everything, the destruction of everything and the reliance on state resources.¹⁸

Indeed, as Ennes Ferreira continues: ‘Nationalisation represented at that time a more “defensive” than “offensive” policy. That is, officially, it aimed at saving the functioning of industrial companies semi-paralysed because of ‘abandonment’ by their Portuguese owners’.¹⁹ As argued in more detail below, the policy aimed at restoring the operation – and, in the case of DIAMANG, the private indirect government – of beleaguered nationalised companies.

The selective character of DIAMANG’s nationalisation outraged Portuguese shareholders and, eventually, the Portuguese government. Expropriated DIAMANG shareholders established the *Sociedade Portuguesa de Empreendimentos* (SPE) to protect Portuguese interests in the Angolan diamond business in 1977.²⁰ Prime Minister Francisco de Sá Carneiro, brought to power on a platform that included a more assertive foreign policy towards the Angolan state in 1980, responded with the nationalisation of the diamond-cutting fabric *Sociedade de Lapidação de Diamantes de Portugal* (DIALAP) and DIAMANG assets in Portugal. The Portuguese state took 18% of the

¹⁸ *Journal de Angola*, 27 February 1977, p. 3.

¹⁹ Manuel Ennes Ferreira, ‘Nacionalização e Confisco do Capital Português na Indústria Transformadora de Angola (1975-1990)’, *Análise Social*, vol. 37, no. 162, 2002, p. 70.

²⁰ ‘Angola nacionaliza DIAMANG’, *Jornal de Notícias*, 5 September 1977.

SPE, the same share it owned of DIAMANG. The private shareholders received two shares from the SPE for each share they had in DIAMANG.²¹

However, the Portuguese government's counter-nationalisation produced limited and even counter-productive results. Firstly, the Portuguese state bore the greatest damage, as the nationalisation of DIALAP only accelerated its downfall. Although it benefited from specific legislation to import diamonds from London via Switzerland for classification, the company never overcame the loss of the Angolan mines. Secondly, the escalation of tensions brought about by the government ultimately undermined the chances of a Portuguese return to the Angolan diamond business. Two years later, the negotiations between ENDIAMA and the SPE for a cooperation agreement came to a halt after both states refused to assume DIAMANG's debt.²² Third, the retaliation brought little material gain to the Portuguese state as most of the assets appropriated consisted of company assets based in Lisbon, such as real estate and vehicles, with no industrial value.

Confined to Portugal, deserted by skilled workers, the SPE became just another rank-and-file company living on public subsidies. The company completely mismanaged the only concession it eventually obtained in Angola, the *Sociedade Mineira de Lucapa*, formed in 1987, and failed in its attempts to expand the company business, with projects on the exploration of wolfram in Portugal and the prospection of diamonds in Gabon deemed either unprofitable or simply unrealistic. Running chronic deficits, the company

²¹ 'Governo Português nacionaliza parte Angolana na "DIALAP"', *Jornal de Angola*, 3 February 1980; 'Lisbonne riposte à la decision de controle de DIAMANG par le gouvernement Angolais', *Le Monde*, 31 January 1980; MNE, cable from the Embassy of Portugal in Luanda, 7 February 1980, p. 66; 'Nacionalizadas acções Angolanas', *Diário Popular*, 20 January 1980.

²² 'SPE perde Cafunfo', *Lusomonitor*, 1982.

attempted to raise capital in the late 1980s, but only the Portuguese state participated, out of solidarity rather than interest. Today, the SPE offices in Lisbon are a relic from DIAMANG, with Chokwe art pieces and colonial ornaments decorating meeting rooms filled with ageing furniture and dusty boxes storing the sempiternal legal quarrels with the Angolan state.²³

De Beers: conflict and collusion

Production is resistance to the enemy

MPLA slogan, 1975.²⁴

Following independence, the De Beers-led diamond cartel was not shy about intervening – directly or indirectly – in diamond-rich African countries to safeguard its interests. When African states attempted to increase state revenues – either by renegotiating mine ownership or by reforming taxation – they yielded only modest success. When they adopted radical strategies – such as marketing diamonds outside the cartel – they faced outright retaliation.

In the case of Angola, however, the power of the cartel to dictate policy quickly found its limits. From the outset, the postcolonial Angolan state enjoyed a greater room for manoeuvre than many other African states in their relations with the diamond cartel. First, the collapse of the New State in Portugal meant the loss, for De Beers, of an

²³ Interview 6, January 2012.

²⁴ Jane Bergerol, 'End of a state within a state', *Financial Times*, 3 December 1975.

important ally in negotiations; as elsewhere the company often teamed up with former colonial powers to undermine the bargaining power of postcolonial states. Second, the market value of Angolan diamonds prevented De Beers from reacting with its characteristic assertion to changes in the ownership of the company. A head-on clash with the state would have left the diamond cartel with little choice but to buy Angolan diamonds on the open market, at huge expense.²⁵ Third, in what Ennes Ferreira sees as another characteristic of Angola's 'realekonomik', the MPLA government sought to diversify foreign partners in a strategy meant to avoid extreme dependency on any one partner.²⁶

The Angola–South Africa military conflict that began in 1975 and continued beyond 1976 also affected the actions of De Beers. In 1975, the South African army invaded Angola in support of UNITA and, indirectly, of the FNLA, in an attempt to prevent the leftist MPLA from taking power. Forced to withdraw into Namibia in early 1976, South African troops proceeded to rearm and retrain the battered forces of UNITA. As early as 1975, diplomatic archives show that De Beers, in line with South Africa, handed over large sums of money for arms supplies to UNITA, forging an alliance that would last almost two decades.²⁷ Nevertheless, via a double-edged strategy characteristic of the

²⁵ As Bieri argues, De Beers, despite acquiring diamonds in the informal diamond market, always privileged a formal market solution for reputational and economic considerations. I continue this discussion in the following chapter. Franziska Bieri, *From Blood Diamonds to the Kimberley Process: How NGOs Cleaned up the Global Diamond Industry* (London: Ashgate Publishing, 2013).

²⁶ Ennes Ferreira, 'Realpolitik e Realpolitik', p. 79.

²⁷ 'Independence agreement: strength of liberation forces and the new mixed military force, Luanda embassy cable', *Wikileaks*, 1975LUANDA00050_b, 16 January 1975.

company, De Beers also set about to develop a mutually beneficial relationship with the MPLA.²⁸

Diplomatic archives and interviews suggest that De Beers established direct cooperation with the Angolan government while, at the same time, undermining the latter's bargaining power. On the one hand, De Beers dictated the production of diamonds according to its political agenda. On the eve of independence, it requested DIAMANG to wind down operations, with the company ordering fuel suppliers to stop deliveries and evacuating white personnel. Although it officially argued that endemic artisanal mining and informal diamond trade caused operations to cease, De Beers, according to an American diplomat, wanted to remind 'the government-to-be that diamonds don't mine themselves, that the company's expertise is necessary'.²⁹ On the other hand, De Beers proved indispensable for the survival of formal mining operations after the nationalisation of DIAMANG. One of its branches based in Lichtenstein, Mining and Technical Services (MATS), dispensed vital technical support to DIAMANG between 1978 and 1986.³⁰

Angolan officials describe the situation as 'having to deal with the police and the judge at the same time'.³¹ MATS, whilst guaranteeing the diamond cartel's exclusive marketing of Angolan diamonds, also allowed De Beers, and arguably South Africa, to

²⁸ For De Beers–African states relations, see also David Pallister, Sarah Stewart, and Ian Lepper, *South Africa Inc: the Oppenheimer Empire* (New York: Simon & Schuster, 1988), p. 163; Stefan Kanfer, *The Last Empire: De Beers, Diamonds, and the World* (London: Macmillan, 1995), p. 320; Ian Smillie, *Blood on the Stone: Greed, Corruption and War in the Global Diamond Trade* (London: Anthem Press, 2010), p. 47.

²⁹ 'Independence agreement: strength of liberation forces and the new mixed military force, Luanda embassy cable', *Wikileaks*, 1975LUANDA00050_b, 16 January 1975.

³⁰ Interview 7, September 2012.

³¹ Interview 7, September 2012.

keep an eye on local developments.³² Nevertheless, this arrangement with the diamond cartel decisively enabled the government's realpolitik towards DIAMANG. While the diamond cartel made available a continual flow of hard currency at a time when most foreign investors abandoned the country, De Beers, via MATS, emancipated DIAMANG from its technical dependency on the Portuguese. Without this financial and technical cushion, it is unlikely that the Angolan state would have pushed through changes in the ownership of the diamond company in the ways accounted for earlier in this section.

This mutually beneficial character of Angola–De Beers rapports resembles in many ways the relationship struck between Angola and oil companies. Like De Beers, the U.S. Gulf Oil supported the Portuguese colonial state before shifting sides to the Angolan state and developing a symbiotic relation with the Angolan government, to the point that Cuban troops protected Gulf Oil concessions from the then U.S.-backed UNITA in May 1985.³³ Contrary to the MPLA slogan, production was collaboration with, not resistance to, the enemy.

However, a measure of tension developed in the course of the 1980s, after diamond production slumped from \$250 million in 1980 to less than \$50 million in 1984. The Angolan government accused De Beers of curtailing production to cope with the price fall in the global diamond market, while De Beers charged the Angolan government

³² Even today, the official ENDIAMA website describes MATS as a 'British company'. But Interviewee 7 notes that for MPLA officials the presence of South Africans interests in the diamond sector was an open secret.

³³ For a review of relations between Angola and Gulf Oil, and the pivotal role of SONANGOL in the process, see Soares de Oliveira, 'Business Success, Angola-style: Postcolonial Politics and the Rise and Rise of Sonangol', *Journal of Modern African Studies*, vol. 45, no. 4, 2007.

with the mismanagement of mining sites.³⁴ According to Sardanis, both sides have their share of truth. The sudden decline in diamond production resulted from a combination of restrictive policies on the part of De Beers and changes in the administration of the Angolan diamond sector that are discussed later in this chapter.³⁵

While it is commonly assumed that De Beers left Angola in 1985 in the face of deteriorating military conditions, previously unused archives from Ernesto Melo Antunes add another perspective to this pivotal event in Angola's diamond-sector relations.³⁶ By 1982, the negotiations on the contract between the Angolan state and the diamond cartel had reached a roadblock. The diamond cartel's \$21 million cap on purchasing DIAMANG diamonds did not suffice for the company, as the sum accounted for about one quarter of its total budget in 1983. Moreover, the cartel imposed a production limit of 35,000 carats, a far lower rate than DIAMANG's full-production capacity of 70,000 carats a month. In these circumstances, DIAMANG had no prospect of increasing revenues in the coming period, regardless of the anticipated rise of rough diamond prices after years of decline.³⁷

In desperate need of hard currency, the Angolan state had little choice but to push for renegotiation of the contract. Noting the 'usual subtleties that characterise these

³⁴ *DIAMANG: Relatório Anual* (Lisbon: DIAMANG, 1982), pp. 4–6. Interview 7, September 2012.

³⁵ In regard to Angola, Sardanis confirms that De Beers continually undermined diamond production, when noting that ITM rapidly outmatched De Beers after it took over the Cafunfo mines in 1984. Sardanis, *A Venture in Africa*, p. 36.

³⁶ Born in 1933, Ernesto Melo Antunes, a politically engaged Portuguese military officer, adhered to the Movement of Captains that conducted the 1974 Carnation Revolution following his military service in colonial Angola. A prominent politician in the early post-Revolution years, he conducted negotiations for the independence of the colonies, namely Guinea-Bissau, and served as Minister of Foreign Affairs, among other posts. His personal archives compile information on the files he worked on during these years. This included DIAMANG, during the period he led the negotiations on the diamond sector with representatives of the Angolan state on behalf of the Portuguese state.

³⁷ Ernesto Melo Antunes Archives (EMA), Folder 49, document 6, p. 3.

agreements, through which the buyer seeks to keep a hand on the seller', the evaluation committee advised ENDIAMA to:

[...] take extreme care in the negotiation and delay it for as long as possible to extract the best prices possible, as it is known that the price per carat of polished diamonds has been increasing substantially since September 1985, and so a rise in the price of rough diamonds could happen any time.³⁸

In response to the diamond cartel, ENDIAMA accepted the offer from Intraco, a subsidiary of Caterpillar, to operate the diamond mines of Cafunfo, in association with International Trade Mining (ITM), a branch of Roan Selection Trust International.³⁹ This came as a surprise to De Beers, because although Intraco had been present in Angola since 1976, it had never shown signs of interest in the diamond business, and Roan Selection Trust International had never invested in Angola before.⁴⁰ In light of these developments, DIAMANG let the contract with MATS expire on 31 December 1984, which in turn terminated its colonial-era agreement with the diamond cartel for the marketing of diamonds. As of 1985, Angola joined the ranks of the rogue states in the diamond business, the benefits and setbacks of which are elaborated in the next chapter.⁴¹

³⁸ EMA, Folder 49, document 6, p.5. Interview 41, August 2012.

³⁹ ITM is the first private operator to have established an independent contract with ENDIAMA. It is part of the larger Roan Selection Trust International, former Rhodesian Selection Trust, a mining corporation with interests in the Copperbelt region of Northern Rhodesia, now Zambia. Sardanis, *A Venture in Africa*, p.157.

⁴⁰ Sardanis, *A Venture in Africa*, p. 38.

⁴¹ EMA, Folder 49, document 6, p.7.

From DIAMANG to ENDIAMA

While the Angolan state's successful strengthening and expansion of the oil industry is considered exemplary, its management of the diamond-mining sector draws far fewer compliments. Public ownership of oil resulted in the consolidation of alliances with foreign investors and the emergence of what became one of the most reliable oil companies in Africa, *Sociedade Nacional de Combustíveis de Angola* (SONANGOL).⁴² On the other hand, public ownership of diamonds led to the creation of a dysfunctional state company, *Empresa Nacional de Diamantes* (ENDIAMA), over the ashes of DIAMANG, one of the most successful colonial mining companies in Africa.

The contrast between the Angolan state's management of its two most important industrial sectors must be understood in the context of the reversal of oil and diamond production curbs in the course of the 1970s. While oil revenues were roughly on a par with diamond revenues at independence, with oil having just exceeded the diamond sector's importance in 1973 for the first time, the former far outweighed the latter by the end of the decade.⁴³ In these circumstances, the state strategies towards the oil and the diamond sector differed significantly. While the Presidency insulated SONANGOL from clientelistic politics, it did exactly the opposite with the diamond sector. Hence, parallel to the ring-fencing of SONANGOL from clientelistic pressures is the lesser-known appropriation of DIAMANG. Indeed, the state's 'success' in the management of the oil industry and its 'failure' in the diamond sector were both the results of deliberate choices.

⁴² Soares de Oliveira, 'Business Success, Angola-style'.

⁴³ See also the Introduction.

The creation of a new diamond-mining company, formally proposed in 1977 but delayed until 1981, became inevitable after the promulgation of mining law number 5/79, which defined mining resources as exclusive state property.⁴⁴ At its inception, the Angolan state intended for ENDIAMA to serve as the diamond sector's SONANGOL, i.e., as a state-owned company in charge of managing the interests of the state and assuming the role of operator in direct control of or in alliance with private actors. However, in light of the increasing disparity between oil and diamond exports, the diamond industry had by then become a secondary concern, and the objectives assigned to ENDIAMA were decidedly different from those of SONANGOL.⁴⁵

In a gradual process starting in 1981 and ending with the company's formal dissolution on 17 February 1988, the DIAMANG administration handed over the command of ENDIAMA to a younger generation of Angolans, trained under the DIAMANG administration. Yet ENDIAMA came no closer to possessing either technical expertise or regulatory capacity by the time DIAMANG shut down in 1988. The transition from DIAMANG to ENDIAMA was purely nominal and did not entail a transfer of knowledge or capacity. The transfer of the administration from Dundo to Luanda, combined with the departure of the last contingent of Portuguese employees, meant the

⁴⁴ Ennes Ferreira, 'Realeconomik e Realpolitik', p. 78.

⁴⁵ The Angolan state also designed a commission to conduct the reorganisation of the oil sector in 1975, which led to the creation of SONANGOL under the leadership of Percy Freudenthal, a white Angolan businessman with extensive MPLA connections. Other than the relevance of the diamond sector's revenue stream for the state, the transition at the top of the MPLA also defined the future of the oil and diamond industries. Agostinho Neto, the first President of Angola, personally supervised the creation of SONANGOL, giving political coverage to the company. His successor, José Eduardo Dos Santos, who took over the Presidency in 1979, by the time DIAMANG was still in the process of transitioning to ENDIAMA, did not share political or personal ties to the administrators of the diamond sector. In retrospect, he did not prioritise institutional continuity within the company as he and his predecessor did with SONANGOL.

loss of most of the institutional memory of the company.⁴⁶ Moreover, the lack of insulation from Angola's clientelistic politics outside the oil sector, and the appointment of a subservient administration, turned the company into a revenue distributor rather than revenue generation.

First, ENDIAMA administrators were appointed by the Presidency to put the diamond revenues at the service of other areas of the state, not to develop the mining industry. As Sardanis, the head of Intraco, recalls:

We would produce and deliver an average of over 100,000 carats every month, but ENDIAMA did not always pay within the stipulated period. ENDIAMA would sell the diamonds and collect the money, but it applied the proceeds according to the government's priority, mainly to the military, instead of paying its contractors.⁴⁷

Second, ENDIAMA was born without the technical expertise to undertake complex exploration projects. The company did not bother to retain the core technical team of DIAMANG, which consisted mostly of Portuguese that had stayed on or even returned to Angola after independence. Faced with this situation, they either resented the transfer of the diamond sector from Dundo to Luanda or simply left. Most of the Angolan employees that arrived to replace them were pen-and-paper officers with no understanding of the diamond business. As a former cadre explains:

⁴⁶ As noted in the Introduction, most of the DIAMANG archives are still in Portugal.

⁴⁷ Sardanis, *A Venture in Africa*, p. 38.

SONANGOL had priority over all Angolans trained in the West. Among those trained in the USSR, SONANGOL got the engineers, and we [ENDIAMA] got the International Relations students.⁴⁸

The official dismantling of DIAMANG in 1988 marks the *momento zero* for the diamond sector in Angola moving forward. Many of those supervising the transition from DIAMANG to ENDIAMA in the 1980s came to dominate diamond-mining politics in Angola in the following decade. They would eventually form the core of the ‘diamond technocrats’ – an ironic expression to describe the technical staff of the diamond sector turned middlemen and beneficiaries of the sector’s fragmentation and elite capture.⁴⁹ As the next chapter shows, the diamond technocrats were much less successful in devising a sustainable development plan for the sector than they were in appropriating the diamond rent on behalf of the Presidency.

Selective state-building in the Lunda provinces

This section examines the impact of the developments described above on the governance of the diamond-mining sector in the Lundas. While exploring at length the different roles that the diamond sector assumed in Lunda Norte and Lunda Sul, respectively, the section concludes that the industry never ceased to project state power or to perform state functions.

⁴⁸ Interview 10, September 2012.

⁴⁹ President Agostinho Neto passed away in September 1979 and José Eduardo Dos Santos acceded to the presidency. In the meantime, DIAMANG employees continued to leave the country.

The division of Lunda

*[...] there is nobody to be seen in this part of the bush in Lunda province. It is out of bounds to guard against diamond smuggling, and used to be patrolled by DIAMANG's private army, with helicopters, armoured cars, bazookas and machine guns.*⁵⁰

There is a dearth of information on the origins and the decision-makers of the division of Lunda into Lunda Norte and Lunda Sul in 1977.⁵¹ The official explanation for the division, which has rarely been questioned in the literature, is the endemic problem of artisanal mining and the informal diamond trade. In his speech announcing the decision in Saurimo, President Agostinho Neto invoked the *camanguistas* to argue that the creation of Lunda Norte would protect diamond rich areas and enhance their security. Accordingly, the new province inherited the majority of the diamond mines, leaving Lunda Sul with only one known kimberlite and minor alluvial deposits.

Although this explanation is factually true, it is also insufficient: this decision to divide Lunda was intended not only to strengthen security and clamp down on informal mining, but to reinforce the private indirect government of Lunda and, through it, the projection and defence of state power in the region.⁵²

⁵⁰ Jane Bergerol, 'End of a state within a state'.

⁵¹ The Angolan government only redrew the borders of Lunda and Luanda.

⁵² Revealing of the continuities the state's approach to the Lundas in the colonial and the postcolonial period, José Redinha, the notable Portuguese ethnographer who worked for many years at DIAMANG, assisted the Angolan authorities in drawing the border between Lunda Norte and Lunda Sul. I thank Manuel Ennes Ferreira for drawing my attention to this.

To understand why the postcolonial state divided Lunda, it is important to understand why it needed DIAMANG in the first place. There are two arguments for this, which revolve around the institutional continuity between the colonial and the postcolonial period.

Firstly, upon independence, like before it, the MPLA leadership quickly realised that the state inherited from colonialists was simply not designed to assume direct control in Lunda: the importance of DIAMANG's private indirect government was clear from the start. Indeed, it is hard to imagine how the Angolan state would have managed to assume responsibility for the company's 20,000 African workers – the largest concentration in the country – and their 150,000 dependents. All these workers, which had mostly not mobilised around the nationalist movements anyway, would have had to come to terms with the end of privileges, such as social services and free supplies – including electricity and water. This uneasy transition had the potential to fuel another revolt in an already unstable region. Secondly, the MPLA also assumed the state in a situation of war. The postcolonial state needed DIAMANG's security apparatus to protect the diamond-rich areas from incursions by its enemies. Considering that colonial rulers, even at the developmental zenith of the colonial state, could not do without the company, it is hard to conceive how the MPLA, facing the massive unravelling of the state and major internal and external challenges to its authority, would have found the means to replace the security apparatus of the company.

The rational option for the MPLA leadership was therefore to uphold DIAMANG's administrative and security apparatus. However, these leaders did not have the same

ambitions as their predecessors in regards to the diamond company. Contrary to colonial rulers who initially envisioned DIAMANG not only as a channel through which to exercise control over a contested territory, but also to pursue their self-defined civilising mission, postcolonial leaders bluntly envisaged the company as an iron cage to securitise a potentially problematic region in a time when they exercised only notional control over much of the country.

The division of Lunda must therefore be understood as a solution to maximise the productivity of the company in the north of Lunda, which comprised a problematic enemy border with Zaire and kilometres of riverbeds with easily-accessible diamonds. The Angolan state carried out selective interventions in the Lundas, attempting to establish a direct presence of the state in Lunda Sul while keeping the assemblage of legal, administrative, and security features that formed the private indirect government in Lunda Norte. In the two previous chapters, I discussed at length the legal framework specific to the diamond-mining sector in the Lundas that High Commissioner Norton de Matos developed in the early 1920s, Salazar reinforced in the 1940s, and the modernising bureaucrats partly challenged but did not dispose of in the 1960s and early 1970s. I have noted the supposedly exceptional character of these measures, the protests they fomented in the colony and the metropolis, and the enduring ways in which they shaped Lunda. Crucially, the postcolonial re-designing of the Lundas according to the needs of DIAMANG institutionalised a legal framework deemed exceptional and temporary by the Portuguese colonial state itself. This, in turn, recalls Béatrice Hibou's assertion that, while Max Weber saw such strategies of discharge as an 'exceptional' or 'temporary' measure for states short on fiscal and coercive capacity, state discharge in

Africa has been the defining, and in many instances long-lasting, feature of relations between the state and the periphery.⁵³

The next paragraphs examine how state intervention and non-intervention shaped different forms of mining governance in Lunda Sul and Lunda Norte, respectively. The state fielded a real, albeit limited, presence in Lunda Sul, but the last section will argue that Lunda Norte remained essentially corporate-dominated.

State co-optation, diamond business in Lunda Sul

Although the diamond sector remained influential, it is possible to discern a stronger state imprint in Lunda Sul province from the moment of its creation. Saurimo (formerly Henrique de Carvalho), the capital of Lunda Sul, inherited the majority of the limited colonial state apparatus. DIAMANG played a secondary role in the administration of Saurimo via a logistical site located in the premises of the governor's palace. Although the state continued to monitor the entrance and exit of the province, it opened a state *conservadoria* (civil registry), which greatly facilitated the mobility of the population. The state also established one of its largest *Centros de Instrução Revolucionária* (Centre for Revolutionary Training) in the area of Cazaji, Dala District, and brought in Cuban technicians to run the former Portuguese air base in Saurimo as early as September 1975.⁵⁴ The army served as a vehicle of assimilation and social mobility, with a number of Lunda Sul residents selected for the first training missions in Cuba.

⁵³ See Soares de Oliveira for a useful discussion of Béatrice Hibou's interpretation of Max Weber's discharge. Ricardo Soares de Oliveira, *Oil and Politics in the Gulf of Guinea* (London: Hurst, 2007), p. 86.

⁵⁴ 'Luanda 01372', *Wikileaks*, 1975LISBON01372_b, 1975.

Some of them eventually climbed the ranks of the MPLA structure, representing the province in national politics.⁵⁵

As Aslak Orre notes, the MPLA allowed the mobilisation of traditional authorities on an ad hoc basis without a planned strategy or a legal framework. The systematic organisation of traditional authorities around the MPLA only started after the first peace agreement in 1991, when the state devised a strategy for local governance.⁵⁶ Nevertheless, some first efforts of co-optation are indicative of the extent to which Lunda Sul was taking a different road from Lunda Norte. Among the most important was the *Encontro dos Mais Velhos* (the meeting of the elders) between President Agostinho Neto and *Regente* Nanguanza, a founding event in the provincial history of relations between the MPLA and traditional authorities after the dissensions between the party and the population of eastern Angola in the late colonial period. Printed in the first Kwanza bills, the Chokwe statue of *Samanhonga*, commonly known as ‘The Thinker’, symbolises the state’s appropriation of Lunda symbols. Finally, Agostinho Neto regularly visited Saurimo, including in a very symbolical layover upon his return to Angola on 4 February 1975.

More ‘state’ in Lunda Sul didn’t mean more security: on the contrary, the upholding of private indirect government in Lunda Norte had the collateral effect of steering an important share of artisanal mining to the less scrutinised Lunda Sul. ‘Owing to the absence of DIAMANG, police control was much lower in Lunda Sul’, notes a security

⁵⁵ It is also important to note the contribution of José Redinha, DIAMANG’s most renowned ethnographer and anthropologist, in providing crucial information for the Angolan state on the ethnic composition of the provinces in the years after independence. I thank Manuel Ennes Ferreira for this information.

⁵⁶ Orre, *Entrenching the Party-state*, p. 96.

services official at the time, ‘and this encouraged diamond smugglers to settle in the province.’ By the early 1980s, the nominally state-controlled Saurimo had actually become the capital of artisanal mining in Angola: ‘There, *garimpeiros* were more professional and organised than in Lunda Norte’. Most of the diamonds originated in the same mining site, the Catoca kimberlite, located 30 km away from Saurimo. Known as *o bolso* (the pocket) at the time, it had been only partially explored by DIAMANG, ensuring that artisanal miners could easily mine the site with artisanal or small machinery. In a matter of years, *o bolso* dominated the local economy. It attracted thousands of artisanal miners controlled by different *chefes de mina* (mine authorities), who sold their diamonds to informal diamond traders under the nose of state authorities.⁵⁷

Informal diamond trade is an activity of immense reward and even greater risk, in which individuals are either enormously successful or brutally repressed, and either way are reluctant to speak about their involvement. Largely neglected in the literature, the exuberance of early postcolonial informal diamond trading is nevertheless anchored in the memories of individuals and continues to shape how Luanda perceives the provinces.

Between the late 1970s and the early 1980s, as the formal economy continued to shrink, the *camanga* – the merchandise purchased in the informal economy – dominated the region, and diamonds counted amongst its most traded commodities. For three reasons, the diamond business in Lunda Sul attracted a great deal of foreigners: first, the weak

⁵⁷ Interview 13, May 2013.

currency rate rendered foreign investment in artisanal mining extremely rewarding – a few dollars would suffice to acquire enough local currency to pay for the logistics and salaries of dozens of artisanal miners, mainly former DIAMANG employees.⁵⁸ Second, diamonds could be bought in Lunda Sul for pennies on the dollar. As an interviewee who lived across the Zairian border at the time explains:

The local population had come into contact with diamond smuggling only very recently as DIAMANG had prevented them from trading stones. When foreigners came to town and offered to buy diamonds, locals had no idea of their value. I saw diamonds being traded for things as insignificant as a pair of sandals. [...] Congolese, Portuguese, Belgians, everybody was making money in Saurimo.⁵⁹

Third, informal diamond trade networks between Saurimo and Lisbon emerged in the early 1980s, implicating Portuguese DIAMANG workers, *retornados* (Portuguese who left Angola at independence but retained extensive connections in the country), and Portuguese as well as Angolan airline officials. The influx of Angolan diamonds traded through the DRC became noticeable after 1983, with the steady increase of Congolese diamond exports. Diamond comptoirs became a commonplace on the Congolese side of the border with Angola, with settlers from the Kasai area structuring an informal economy in which diamonds played a central role.⁶⁰

⁵⁸ Interview, 15, May 2011, and Interview 16, October 2012.

⁵⁹ Interview 13, May 2013.

⁶⁰ Interview 17, May 2011.

A resident recalls Saurimo as a ‘kind of Far-West’ in the mid-1980s.⁶¹ Nobody effectively controlled the city: UNITA surrounded the city with troops, and the MPLA only controlled the airport located in an elevated area. Supply columns took months to arrive from Luanda. In the city, Russian counter-espionage officials co-existed with De Beers agents and Portuguese informal diamond trade networks, including most importantly the *Grupo Caravela* and the *Diamante Clube de Portugal*.⁶² They provided supplies to artisanal miners, operated diamond comptoirs, and supervised the transport from the mine to the airport.⁶³ Over time, competing organisations emerged, such as the association between Angolans and Belgians trading diamonds in Antwerp and Congolese immigrants working on behalf of Lebanese firms based in Zaire.

As the share of profits and the number of individuals involved increased, the effects of informal diamond trading spread beyond the borders of Lunda Sul. Successful diamond traders established themselves in Luanda and their extravagant style contrasted with that of the residents who faced harsh economic conditions. A leading MPLA official remembers:

Diamond traders came out of nowhere to conquer the capital. They would try to buy their way into the high society by spreading their money around. They would buy mansions and drive expensive cars. [...] They would thrive in the city’s nightlife, with their own private spaces and attractive entourage. For one of the

⁶¹ Interview 14, May 2011.

⁶² Interview 43, October 2012.

⁶³ Sergei Kononov, ‘Angola’s “diamond mafia”’, *Asia and Africa Today*, 11, 2003, pp. 50–1.

most famous of them, the city's hippest club would always play *Goldfinger* when he crossed the doors. [...] They were just like the rap stars you see on television.⁶⁴

Zeca Sibéria was one the most famous diamond traders: an immense, charismatic and completely illiterate *Malangino*, he bypassed organised circuits and created his own diamond supply from Saurimo to Luanda to Antwerp in association with a Belgian entrepreneur. He acquired several houses in the capital's most expensive neighbourhoods, as well as in Lisbon. Sibéria behaved as an arriviste in Luanda's court, strengthening the legend of diamond traders in Lunda Sul and raising the suspicion of Luanda's Europeanised elites about the rise of *matumbos*.⁶⁵

In response to the growing problem of artisanal mining, the Angolan government turned to the military. Co-opting the population that was becoming involved in the informal diamond trade was never an option. In line with this logic, the government created a more organised and trained security agency, the *Divisão de Segurança dos Diamantes* (Security Division for Diamonds – DSD) in 1985. A group of 25 individuals, many with military experience, underwent a month of training in industrial and diamond-mining security at De Beers' offices in London, another instance of pragmatism by the Angolan authorities during the Socialist period. Housed within the *Ministério de Segurança do Estado* (Ministry of State Security) with offices in Luanda and all over the Lunda provinces, the DSD became responsible for gathering intelligence on informal diamond trading and on rebel movements in diamond-rich areas. To avoid hiring anyone

⁶⁴ Interview 16, October 2012.

⁶⁵ Interview 16, October 2012. *Matumbo* is a pejorative term used by urban, often mixed race, Angolans to describe those who are black, un-educated and live in rural areas.

involved in the informal diamond trade, the DSD went out of its way not to employ locals. At its creation, the supervising captain came from Cabinda Province and the second commander from Catete, in Bengo Province. Civilians, public servants, and former military personnel from other parts of the country also composed the group.⁶⁶

The first intervention to tackle artisanal mining, initiated by an alliance between the DSD and the Angolan military forces, in 1985, resulted in a wave of arrests of individuals arguably involved in informal trading, in the case that became known as *Processo 105*, for the number of individuals who went on trial. According to sources, the government used the military intervention to establish a grip on a profitable business before it fell completely into the hands of UNITA. A former DSD official notes how the *Processo* favoured the interests of the state: the anti-immigration, anti-foreign rhetoric, with a great deal of arrests among the Congolese; the purge of indiscipline in the military, with many local *Forças Armadas Populares de Libertação de Angola* (Popular Armed Forces for the Liberation of Angola – FAPLA) officials arrested; and the dismantling of local networks that operated outside the control of the state.⁶⁷ The operation, as he puts it, ‘contained a message: that the army was now an active actor in the artisanal mining business’.

In a move with lasting consequences for the Lundas, the MPLA also used the *Processo 105* to drive home the association between artisanal miners and UNITA rebels. As the prominent member of the MPLA Roberto de Almeida declared:

⁶⁶ Interview 13, May 2013.

⁶⁷ Interview 13, May 2013.

The *camaguiastas* caused an enormous prejudice to the economy of Angola, fed and supported the UNITA grupelho [a diminutive of group with a pejorative connotation]. At first sight, the camaguiastas only sought personal enrichment, but their consequences and objectives were more ambitious: to destabilise the state.⁶⁸

The implications of the amalgamation of UNITA's operations with artisanal mining and informal diamond trading are twofold: first, it allowed the Angolan military to insert itself directly into the security apparatus of the diamond sector. The repression of informal trade offered many opportunities for enrichment in the military, which partly explains their later business interests in diamond companies and in the creation of PMFs in the 1990s.

Second, the militarisation of artisanal mining had an immense impact on the population of the Lundas. The lines between the residents, immigrants, and UNITA rebels became increasingly blurred, allowing the use of violence against any individual circulating in the area.

An Amnesty International report detailed the case against Zeca Sibéria, perhaps the most prominent of those prosecuted under *Processo 105*. Accused of informal trade and 'complicity in a plot to undermine the government', the Luanda court sentenced him to 16 years imprisonment in what Amnesty International describes as an unfair trial. Zeca Sibéria remained in jail longer than any of those convicted for, according to the

⁶⁸ Sergei Kononov, 'Angola's "diamond mafia"', *Asia and Africa Today*, 11, 2003, pp. 50–1.

government, failing to pay a fine. A doctor also certified that he sustained head and spine injuries, a result of, Amnesty International reports, ‘severe beatings he received while undergoing interrogation after his arrest in 1983’. He finally obtained a conditional release for medical examination in Luanda in 1993. While in Angola I searched for his whereabouts, and found that he succumbed to his injuries a couple of years after his release.⁶⁹

Private indirect government on the cheap in Lunda Norte

In the mining province of Lunda Norte, the state opted for the familiar policy of discharging to DIAMANG the de facto responsibility of administering the province. The company continued to strictly forbid the use of the national currency, enforce company identification, and control the circulation of people inside the province. Its administrative-security apparatus remained firmly in control of the province, with an army financed and trained by the company continuing to exercise influence.

After the nationalisation of DIAMANG in 1977, the mining governance of Lunda Norte changed considerably – in order to stay the same. In contrast to the Portuguese-only structure that characterised the late colonial company, a patchwork of different nationalities joined the administration of postcolonial DIAMANG: Portuguese employees from the colonial period co-habited with an eclectic group of British, Belgian, and even South-Asian expatriates.⁷⁰ Other companies were contracted to

⁶⁹ ‘Angola: will the new government protect human rights?’, *Amnesty International*, August 1992.

⁷⁰ After nationalisation, many of the company’s Portuguese employees, having found only chaos in Portugal, returned to DIAMANG under contract with the Angolan state. Several Portuguese companies did the same and return to Angola. Interviews.

recover infrastructure and help with logistical tasks.⁷¹ Most important of them all, MATS, the face of De Beers in Angola, took over mining operators, bringing along a contingent of South Africans under British passports.⁷² On the shoulders of these companies, the nationalised DIAMANG continued to limp along for another decade, even reaching a new peak of production in 1979.⁷³

From an administrative perspective, the Portuguese community remained the centrepiece of governance in Lunda Norte. As noted in the previous chapter, the DIAMANG community, neither urban nor rural, had a privileged status on account of their education and income. Some seized the opportunity of staying in DIAMANG even after decolonisation. ‘Our attachment to DIAMANG prevailed over national questions’, one Portuguese explained, ‘and so long as the company continued to operate, there was no reason to leave’.⁷⁴ Others returned to DIAMANG years after independence, disappointed with the fate of *retornados* (Portuguese repatriates) in Portugal. They came along with a handful of new employees, many of whom saw in DIAMANG the last enclave of the New State.⁷⁵ From an operational level, foreign long-distance drivers, motor mechanics, miners, clerks, doctors, nurses and cooks kept DIAMANG up and

⁷¹ Sardanis, *A Venture in Africa*, p. 33.

⁷² Interview 8, May 2011; Interview 46, May 2011. Among other sources, a diplomatic cable from the American Embassy to Canada notes that a Canadian Pacific Western Airlines airplane flew into Dundo carrying food supplies. It underlines the ‘irony that supplies originated in South African and that Dundo was in the area controlled by the MPLA against whom South Africa was operating’. ‘Press reactions to student seminar’s on neocolonialism’, *Wikileaks*, 1976ACCRA00332_b, 9 January 1976. SONANGOL also used a similar strategy, persuading Gulf Oil to return to Angola shortly after independence.

⁷³ *DIAMANG: Relatório Anual* (Lisbon: DIAMANG, 1978), p. 3. For example, the renowned Engineer Ferrão from DIAMANG provided key support to the Angolan administrators during that period. By then, the DIAMANG administration consisted of four Angolan and four Portuguese officials in charge of assisting in the negotiations with partners and training new personnel.

⁷⁴ Interview 3, April 2011.

⁷⁵ This is the case of Américo Cardoso Botelho, whose arrival in DIAMANG in 1976 marked the beginning of a brutal journey in Angola’s prisons, which he describes in his book: Américo Cardoso Botelho, *Holocausto em Angola: Memórias de Entre o Cárcere e o Cemitério* (Lisbon: Vega, 2007).

running. Intraco and MATS brought in a contingent of expatriates, from Filipino truck drivers to Belgian nurses to British engineers.⁷⁶

But the reversal of hierarchies and the arrival of new actors altered the routines of the company. Interviewees cite Francisco Lourenço Júnior Ngakumona, the son of a DIAMANG carpenter turned MPLA commander, who became the first DIAMANG Delegate Administrator after nationalisation, as an individual emblematic of this transitional period. Although European employees looked down upon his illiteracy and ‘un-civilised’ habits, Ngakumona gained their respect by enforcing discipline with an iron fist: always roaming the concession, Ngakumona and his furious interventions, occasionally punctuated with gunshots, enforced the respect of the chain of command and the discipline of the population. ‘If he would see us sitting for too long’, a DIAMANG worker remembers, ‘he would take away the chairs from the entire house’.⁷⁷ For both Angolan and European interviewees, Ngakumona’s disciplinarian behaviour embodied the idea that DIAMANG’s corporate culture had come to transcend racial distinctions and political transitions. As a Portuguese employee put it ‘I felt proud seeing a black man defending the honour of my company’.⁷⁸ ‘With Ngakumona’, an Angolan employee told me, ‘DIAMANG continued as it was – salaries came on time and there was always work to do’.⁷⁹ Ngakumona eventually fell victim to his own passion, however. Following a car accident, he shot the other driver and the company had no other choice but to expel him.⁸⁰

⁷⁶ Sardanis, *A Venture in Africa*, p. 29.

⁷⁷ Quote from Interviews 14 and 15, May 2011.

⁷⁸ Interview 3, April 2011.

⁷⁹ Interviews 14 and 15, May 2011.

⁸⁰ Interview 41, August 2012. The exact period during which Ngakumona worked as an administrator and the exact spelling of his name are unclear. However, an area of Dundo was named after him and is

This eclectic administration successfully navigated through the early postcolonial period, retaining the private indirect government and increasing the production of diamonds in relation to 1973.⁸¹ In 1980, DIAMANG's diamond production surged to 1.48 million carats, representing an export income of \$25 million. By then, however, the gradual subordination of DIAMANG to ENDIAMA had already begun to take a toll on European and African employees in Lunda Norte. The expatriate contingent, which had been suffering departures since the arrest and imprisonment of workers during the countrywide repression that followed a failed coup inside the MPLA on 27 May 1977, faced another wave of departures as the company slashed salaries amid deteriorating living conditions.⁸² For African workers and residents, the downsizing of DIAMANG meant the complete reorganisation of the administrative apparatus. Since the economic difficulties early after independence, DIAMANG had been gradually replacing welfare policies with policies aimed at fostering the security apparatus. As DIAMANG began to wind down, the security footprint reached draconian levels.

Created soon after nationalisation to replace the Mining Police in the protection of supplies and mining sites, the *Departamento para a Protecção do Objecto Mineiro* (DPOM), based out of DIAMANG's offices in Dundo, acquired a mandate for the surveillance of the local population in Lunda Norte only. An essentially regional police force, with limited staff and equipment, the DPOM did not have anything close to the

designated in state documents as 'Ngakumona'. He remains a popular figure in Lunda Norte, and his name has recently been suggested for a football stadium.

⁸¹ *DIAMANG: Relatório Anual* (Lisbon: DIAMANG, 1980). See Appendix 1.

⁸² In the extremely repressive climate that followed the Nito Alves coup attempt in May 1977 several Portuguese and European DIAMANG workers were arrested. This resulted in a number of DIAMANG engineers moving to Cabinda attracted by the prospects of working in the thriving oil sector, living in the famed Malongo compound and leaving Angolan political turmoil behind.

broad mandate of the DSD, which was allowed to conduct investigations anywhere in the national territory.⁸³

Nevertheless, former DIAMANG worker from Dundo described the day-to-day control of the DPOM as ‘ferocious’. To enter the province, he had to explain the purpose of his trip, the locations he intended to visit, and the people he planned to meet. Every entry visa into the province had a 15-day limit. Conversely, residents of Lunda Norte had to justify each trip outside the province – and sometimes even within the province, especially when passing through alluvial rich areas.⁸⁴ Repression became more invasive, as another former DIAMANG employee describes:

Curfew was mandatory and they could search you and your property at any time. If you had anything too precious, such as a radio, they would arrest and interrogate you.⁸⁵

The military situation in Lunda Norte began to deteriorate markedly after 1984, with the supply routes between Lunda Norte and Luanda growing increasingly dangerous. Trucks and trailers had to be escorted by military vehicles, which frequently came under fire from UNITA. Three major UNITA breakthroughs led to mass exoduses of expatriates as well as the destruction of key infrastructure, and precipitated the end of any Portuguese presence in the region.⁸⁶ First, on 23 February 1984, UNITA attacked a diamond mine in Cafunfo, taking 16 Britons hostage and forcing them to march 310

⁸³ Interview 13, May 2013.

⁸⁴ Interview 13, May 2013.

⁸⁵ Interview 18, May 2011.

⁸⁶ ‘16 British hostages are freed by Angolan rebels’, *The Glasgow Herald*, 1983.

miles before being carried on trucks another 483 miles to Jamba. Second, on 31 December 1984, UNITA attacked Cafunfo itself, killing two Filipino employees while kidnapping 33 Portuguese, English and Filipino workers and also taking them to the south of Angola.⁸⁷ Third, UNITA seized the diamond-sorting centre of Nzagi, formerly Andrada, on 10 August 1986, again kidnapping several Portuguese and Angolan DIAMANG employees. UNITA's harassment led to a tumble in production from 714,000 exported carats in 1985, to 360,000 carats in 1986.⁸⁸ In 1986, DIAMANG pulled out of the Cuango Valley and dismantled most of its remaining activities there later on that year.

Conclusion

This chapter has explored the politics of the diamond sector in the first postcolonial decade of Angola, from 1975 until 1988. It has argued that the longstanding, mutually constitutive relationship between the state and the diamond sector persisted throughout, even in the face of regime change and independence, civil war and economic collapse, nationalisation and territorial divide.

Incredibly, the relationship between the central state and DIAMANG survived the transition to independence. It did so because each continued to depend on the other. The state's nationalisation of DIAMANG's Portuguese capital aimed, first and foremost, to save the company from financial ruin in the face of the turmoil that engulfed Angola in 1975. Meanwhile, the company's private indirect government in the Lundas remained

⁸⁷ Sardanis, *A Venture in Africa*, p. 35.

⁸⁸ Sardanis, *A Venture in Africa*, p. 42.

essential, as the state lacked any real formal presence there or the prospect of being able to develop it in the short or medium-term.

Even the gradual disintegration of DIAMANG that ensued in the late 1970s and early 1980s did not radically alter the relationship between the state and the diamond sector. Rather than seek to dismantle the sector's private indirect government, the state went out of its way to reinforce it, dividing Lunda into two provinces according to the needs and wishes of the company. When the system of privatised governance in the Lundas finally collapsed, it did so to the detriment, not at the behest, of the central state. Indeed, as the next chapter shows, the implosion of that system only underscored the co-constitutive relationship between the state and the diamond sector: without DIAMANG, the state lost all control in the Lundas.

CHAPTER 5: THE RESURRECTION OF THE DIAMOND SECTOR, 1988–2002

Introduction

In the pivotal year of 1992, war broke out on a scale never before seen in Angola, with UNITA controlling up to 80% of the country and taking important cities such as Huambo. In the Lundas, as elsewhere outside a few heavily defended urban enclaves, the MPLA was initially brushed aside by the rebel war machine. No longer able to rely on the now-defunct DIAMANG, the historical defender of the Lundas, the state could only watch as rebel forces conquered the two provinces and assumed almost complete control of the diamond trade.

This chapter explores how the Angolan state coped with the loss of the private indirect government that had reigned – in one form or another – in the Lundas for nearly seven decades. It argues that the central state – by this time under the tight grip of the Presidency – responded by going out of its way to revive the formal diamond sector, and that it did so through a familiar process: the discharge of state power. As it shows, the state opted, once more, to empower private actors, and sometimes the same private actors with which it had had an adversarial relationship throughout the 1980s. It did so for two interrelated reasons: the particular need to secure rents to fund the Presidency's vast patronage networks rather than the state coffers, which were cash-rich on account of the oil sector, and the need to regain control of the diamond-rich regions, and their substantial revenues, from enemy hands, for it well knew the importance of diamonds for UNITA in an era in which the rebels could no longer count on U.S. or South African

support. Through the discharge of state power to political associates, it shows, the Presidency deployed a corporate-paramilitary apparatus to re-capture the Lundas' wealth and territory on its behalf.

Section one begins with a discussion of the civil war in Angola from the dissolution of DIAMANG in 1988 until the end of the conflict in 2002, paying particular attention to events in the Lundas. It then examines how the politics of resource control, and in particular the rise of Angola's strong petro-state, turned the diamond sector, once vital as the fiscal lifeline of the state, into a 'regime' patronage instrument for the Presidency. Together, these two analyses provide the necessary background for an understanding of the relationship between the state and the diamond sector during this tumultuous period. Section two opens with an overview of ENDIAMA's market-friendly strategy to replace DIAMANG in the Lundas between 1988 and 1991, which ended abruptly with the invasion of the provinces by UNITA in 1992. Section three examines how patronage-fueled state discharge enabled the return of the diamond sector in the Lundas from 1994 to 2002. It traces how and why the Presidency resurrected the mutually beneficial relationship between the state and diamond companies. It considers the fiscal and military strategies that accompanied the deployment of diamond companies in the Lundas. Section four addresses the mode of governance that the privatised diamond apparatus had carved out in the Lundas by the end of the war. It argues that this apparatus, at the behest of the state, reconstructed DIAMANG's private indirect government – albeit in a far more militarised and less welfarist form.

The ‘war of the cities’ and the ‘war of Lunda’

The chief concern of this chapter is the evolution of the relationship between the state and the diamond sector in the Lundas between 1988 and 2002. The study of state–diamond sector relations during this period is inseparable from the developments of the civil war. The Lundas experienced increasing insecurity in the 1980s, and by the early 1990s had become an active front in the civil war.¹ From 1992 until 1994, the two provinces fell almost entirely under UNITA control. A military stalemate then took hold between 1994 until 1998, with both sides attempting to gain a decisive stronghold in the diamond-rich regions. From 1998 until 2002, the Angolan state managed to steadily re-occupy the diamond sites and, ultimately, to expel UNITA entirely from the provinces. This dealt a significant blow to the rebels’ capacity to finance their effort and hastened their defeat.

The Lundas became central to the civil war precisely because they boasted diamonds. After the 1988 New York Accords put an end to the proxy war in Angola, UNITA lost the support of many of its international patrons.² The lack of funds would eventually lead the rebel group straight to the diamond fields: after years of only sporadic interest in diamond production, UNITA would come to regard the mines as a vital means of filling its dwindling war chest. Soon, it would begin in earnest to launch incursions inside the concessions and would, eventually, conquer the whole of the territory.

¹ This is reflected in the growth of UNITA-controlled diamond trade in the provinces, which surged from \$4 to \$14 million between 1984 and 1989. *Angola: Mineral and Mining Sector Investment Guide* (Washington DC: International Business Publications Washington DC, 2012 edition), p. 74.

² Edward George, *The Cuban Intervention in Angola, 1965–1991: From Che Guevara to Cuito Cuanavale* (London: Routledge), p. 280.

In the meantime, the end of the Cold War brought international pressure to bear on both sides of the conflict, forging the way for a ceasefire – the Bicesse Accords – in 1991. The ceasefire brought a semblance of peace to the national territory. Crucially, in what an interviewee described as ‘the most catastrophic decision ever made by the Angolan government during the war’, a Diamond Law was also promulgated in 1991 to allow ‘any citizen’ to ‘appropriate a stone that in constitutional terms belongs to the state.’³

Informal diamond traders took advantage of the unprecedented legal reform and the relative inattention and even absence of the central state, as well as the by-then defunct DIAMANG, to settle in the now peaceful, coveted, alluvial rich Cuango Valley in Lunda Norte. They developed ties with local villagers of Lunda and Chokwe origin who lived along the Congolese side of the border, as well as with despondent DIAMANG workers. A system of informal diamond trading took shape in the year of relative peace between 1991 and 1992: trading expeditions called *corta mata* that involved scouts, carriers (*pincheurs*), diamond sellers (*cocsseurs*), and artisanal miners (*creuseurs*).⁴ This blossoming informal trade in Lunda Norte furthered the dollarisation of the regional economy. The scarcity of commodities in Lunda Norte made the exchange rate very favourable, encouraging foreigners and Congolese immigrants in particular to trade in the region. U.S. dollars linked together several money circuits and cellular economies, which cannibalised the formal, and even the informal, economy based on national currencies.⁵

³ Law no. 16, 1994, art. 6. Interview 7, September 2012.

⁴ Koen Vlassenroot and Steven Van Bockstael, *Artisanal Diamond Mining: Perspectives and Challenges* (Gent: Academia Scientific, 2008), p. 6.

⁵ Filip de Boeck, ‘Garimpeiro Worlds: Digging, Dying and “Hunting” for Diamonds in Angola’, *Review of African Political Economy*, vol. 28, no. 90, 2001, pp. 549–52.

In addition to establishing a ceasefire, the Bicesse Peace Accords stipulated the holding of presidential and legislative elections and the demobilisation of government and UNITA armies, as well as the creation of a new 50,000-strong armed force. The international community charged the MPLA government with organising an electoral process involving all parties, and the United Nations Angola Verification Mission (UNAVEM II) with monitoring compliance with the accords before and during the elections.⁶

Contrary to initial expectations, the MPLA emerged victorious from the legislative elections, held in late September 1992. Although all parties contested the results, UNITA alone took the path of war and, within months, had assumed control over much of the Angolan territory. By that time, the MPLA had largely satisfied the terms of disarmament imposed by the Bicesse Accords. Finding itself ill prepared for another outbreak of war, the government could not prevent UNITA from moving into major urban settlements for the first time since 1976. Marking the beginning of what came to be known as the ‘war of the cities’, UNITA occupied entire cities like Huambo, while besieging others such as Kuito. Yet it was in the Lundas that UNITA hoped to assert its dominance. Having already lost the financial support of its western patrons following the end of the Cold War, the group understood all too well that its war effort depended on access to the diamond trade. Toward that end, in December 1992, UNITA forces expelled the state’s armed forces, the *Forças Armadas de Angola* (FAA) from Cafunfo and assumed control of the Cuango Valley. Taking over pre-existing infrastructure of the DIAMANG era, UNITA expanded and consolidated its production of diamonds at

⁶ Manuel Paulo, ‘The Role of the United Nations in the Angolan Peace Process’, in *From Military Peace to Social Justice* (Conciliation Resources, 2004), pp. 28–29.

an extraordinary pace, with the crucial logistical support – weapons, safe heaven, airbases – of Mobutu's Zaire. Aided by an exceptionally dry season, which made the river beds exploitable to a greater extent, the informal market skyrocketed from \$100 million in 1991 to \$500 million in 1992, torpedoing the peace process and destabilising the entire global diamond market. The 'war of Lunda' had formally commenced.⁷

The conflict that restarted in late 1992 was of a completely different nature than previous rounds of the civil war. As noted above, the retreat of powerful international sponsors such as South Africa and the U.S. rendered UNITA dependent upon diamond revenues, making the Cuango Valley and other parts of Lunda central pieces of its military strategy.⁸ Throughout 1993, UNITA managed to acquire control of more and more of the diamond trade in the Lundas. However, after being on the defensive for most of 1993, the MPLA's military offensive gained momentum throughout 1994. In March of that year, the FAA, in collaboration with the South African security firm Executive Outcomes (EO), re-established government control over Cafunfo.⁹

Despite the state-private sector onslaught, UNITA maintained a foothold in areas surrounding the city throughout 1994 and even managed to continue conducting quasi-industrial mining operations within nearby concessions. Not without recalling DIAMANG, UNITA controlled access to the Cuango River in a highly organised manner, with checkpoints and individual licences (*guias*) assigned to each artisanal miner (*garimpeiro*). *Artivistes*, the equivalent of DIAMANG's mining overseers, the

⁷ Vlassenroot and Van Bockstael, *Artisanal Diamond Mining*, p. 6.

⁸ Stephen Weigert, *Angola: a Modern Military History* (London: Macmillan, 2011), p. 102.

⁹ Sabine Fandrych, 'From Liberation Struggle to Proxy War, and from Warlordism to a Victor's Peace: the Role of Resources in Angolan Politics', in Matthias Basedau and Andreas Mehler, eds., *Resource Politics in Sub-Saharan Africa* (Hamburg: Hamburg African Studies, 2005), p. 82.

capitas discussed in Chapter 2, monitored access to the mines and controlled the trade of diamonds by all necessary means, including the evisceration of those suspected of carrying diamonds in their stomach.¹⁰ In the meantime, a military stalemate took hold, as neither side managed to bring the other to its knees.

In the face of UNITA's continued presence in the Lundas, diamonds became, once more, a top priority for the Luanda state. Seeking to reclaim the diamond trade from the enemy, the government promulgated a new Diamond Law (Law no. 16, October 1994) to reinstate ENDIAMA as the single channel for buying and selling diamonds throughout Angola, closing the independent comptoirs.¹¹ Tellingly, the 1994 law replaced the crucial phrase of the 1991 law that stated: 'the idea that any citizen can appropriate a stone that in constitutional terms belongs to the state'. In its place, the new law proclaimed 'the false idea that the circulation of people and goods throughout the nation is entirely free'.¹² The 1994 law thus re-criminalised independent activities in the sector, forbidding prospecting, mining, transportation, or even possession of uncut diamonds and punishing infractions with prison terms of eight to 12 years.¹³

Just one month later, in November 1994, the MPLA government reluctantly accepted a new ceasefire, signed by both parties as part of the Lusaka Protocol. Building on the Bicesse Accords, the Protocol called for the incorporation of UNITA generals into the FAA and the incorporation of UNITA troops into the national police. Both sides were urged to respect the electoral process (which had seen the MPLA win the legislative

¹⁰ François Misser and Olivier Vallée, *Les Gémmocraties: l'Économie Politique du Diamant Africain* (Paris: Desclée de Brouwer, 1997).

¹¹ Law no. 16, art. 20, 1994.

¹² Law no. 16, art 6.

¹³ Law no. 16, art. 9.

elections but still presupposed the holding of a run-off between Eduardo Dos Santos and Jonas Savimbi for the Presidency) and to initiate an unclear process of 'national reconciliation'. A Joint Commission including representatives of the government, UNITA, and the troika observer states, Portugal, Russia, and the U.S., would assist the UN in monitoring adherence to the Protocol on the ground.¹⁴ In a deal negotiated between 1995 and 1997, the Protocol authorised UNITA to operate diamond companies *Sociedade de Desenvolvimento Mineiro* (SDM) and America Mineral Fields, along with three other concessions. UNITA also set up its own company, the *Sociedade Geral Mineira* (SGM).¹⁵

During this period, an extraordinary 'economy of the bush', to borrow the expression of Janet Roitman, developed in the Lundas.¹⁶ UNITA controlled the west bank of the Cuango River, and the MPLA controlled the east bank, with the two creating a sustainable division of diamond production: MPLA officials facilitated extraction and trade of diamonds and supplied UNITA with fuel.¹⁷ Breaking the stereotype of the war in Angola that 'the government had the oil, but UNITA had the diamonds', the diamond fields became a site of sustained collusion between the two sides. And the conflict, as Justin Pearce puts it, became 'determined by commercial concerns more than by the supposed political affiliations of the generals from the two sides.'¹⁸

¹⁴ Alex Vines, 'Angola Unravels: the Rise and Fall of the Lusaka Peace Process', *Human Rights Watch*, vol. 3169., no. 191, 1999.

¹⁵ Fandrych, 'From Liberation Struggle to Proxy War', p. 83.

¹⁶ Janet Roitman, *Fiscal Disobedience: an Anthropology of Economic Regulation in Central Africa* (New Jersey: Princeton University Press, 2005).

¹⁷ 'Stolen stones', *Africa Confidential*, vol. 40, no. 20, 8 October 1999.

¹⁸ Justin Pearce, 'War, Peace and Diamonds in Angola: Popular Perceptions of the Diamond Industry in the Lundas', *Institute for Security Studies*, Pretoria, 2004.

However, the 1996 fall of President Mobutu of Zaire meant the end of a pivotal alliance for UNITA's diamond trade. His successor, President Kabila of the newly renamed DRC introduced new regulations for diamond buyers, such as the obligation of using local currency in diamond deals, resulting in a slump of 50% in the informal diamond trade. He also attempted to 'nationalise' the informal diamond trade by creating a state-owned diamond comptoir, the *Service d'Achat des Substances Minérales Precieuses* (SAMIP), to buy diamonds from prospectors in local currency and to resell them for dollars to the officially recognised comptoirs. Even though these comptoirs faced several difficulties at the outset, they evolved into a stalwart of the stabilisation of the diamond trade in the region.¹⁹

By that time, the Lusaka Protocol had already granted UNITA, under the *Governo de União e Reconstrução Nacional* (Government of Union and National Reconstruction – GURN), the post of Minister of Geology and Mines, in recognition of its clout in and de facto control over major portions of the Lundas. In November 1996, an agreement between the government and UNITA awarded the latter the right to control and exploit certain diamond-rich areas, in exchange for handing control over parts of the Cuango River to the government.²⁰ The terms of Lusaka notwithstanding, UNITA used the revenues it amassed trading diamonds to stockpile weapons and to fortify its territories.²¹ In the meantime, PMFs strongly linked to members of the Angolan state's military establishment played an increasingly important role in the protection of

¹⁹ Gérard Prunier, *Africa's World War: Congo, the Rwandan Genocide, and the Making of a Continental Catastrophe* (Oxford: Oxford University Press, 2011), pp. 214–15.

²⁰ Fandrych, 'From Liberation Struggle to Proxy War', p. 84.

²¹ As Christine Messiant, puts it, 'at its formation in April 1997, this government was 'united' and 'reconciled' only in name'. Christine Messiant, 'Why did Bicesse and Lusaka fail? A Critical Analysis' in Guus Meijer, ed., *From Military Peace to Social Justice? The Angolan Peace Process*, Conciliation Resources, London, 2004, p. 22.

diamond companies operating in the Lundas. Alfa-5 guarded diamond sites operated by ENDIAMA and by ITM in Chitotolo, while Teleservice secured ITM's operations in Calonda and Mafutu, as well as Southern Era's mines in Camafuca.²² Not surprisingly, the peace process began to unravel and Angola returned to war in late 1998.²³ However, by the time hostilities recommenced, the Angolan government – drawing on the thriving oil industry and the now-widespread international support that came with it – had developed a powerful war machine.²⁴

This new chapter of the war helped to draw international attention to the role of the diamond trade in igniting and perpetuating conflict. Together with the civil war in Sierra Leone, the resumption of conflict in Angola put the problem of 'blood diamonds' on the international agenda. In 1998, the UN Security Council enacted Resolution 1176 prohibiting the export or sale of unofficial Angolan diamonds (i.e., diamonds not accompanied by a Certificate of Origin (CO) issued by the government).²⁵ UNITA came under intense military pressure in Lunda Norte from 1999, and in October, the towns of Andulo and Bailundo, the stronghold of UNITA, fell. In April 2000, the UN noted that the conventional war capability of UNITA had been almost entirely degraded and that its forces had resorted to conducting guerrilla warfare.²⁶ Within two years, the war would be over.

²² Later in this chapter I will discuss the organisation of Alfa-5 and *Tele Service Sociedade de Telecomunicações, Segurança e Serviços* (Teleservice). Christian Dietrich, 'Power Struggles in the diamond fields', in Jackie Cilliers and Christian Dietrich, *Angola's War Economy: the role of Oil and Diamonds* (Institute for Security Studies, 2000), p. 178.

²³ Alex Vines, 'Angola Unravels'.

²⁴ 'Savimbi's last stand', *Africa Confidential*, vol. 39, no. 5, 6 March 1998.

²⁵ Franziska Bieri, *From Blood Diamonds to the Kimberley Process: How NGOs Cleaned up the Global Diamond Industry* (London: Ashgate Publishing, 2013), pp. 18–22.

²⁶ Report of the Secretary-General of the United Nations Office in Angola, S/2000/304, 11 April 2000.

In the meantime, in 2000, the DRC instituted a diamond exporting monopoly, awarded to International Diamond Industries, an Israeli firm headed by Dan Gertler. The monopoly lasted for one year, until Kabila junior came into power following his father's assassination in January 2001. At the same time, the Angolan state conferred to the Angola Selling Corporation (ASCORP), a private company with investors linked to the Presidency – including President Dos Santos' daughter, the billionaire Isabel Dos Santos – the monopoly over diamond trade in eastern Angola. From then onwards, the informal diamond trade decreased drastically until the death of Jonas Savimbi, in February 2002.²⁷

The petro-state and the diamond sector

For the key leaders of the MPLA, the liberalisation of the economy was on the agenda from the mid-1980s but only began to materialise in 1987, when the first programme of 'economic and financial cleansing' began to pay lip-service to western observers in an effort to render the country eligible for credit lines.²⁸

As suggested in the previous chapter, the Presidency had long ago abandoned Marxist-Leninist principles and openly flirted with international business. In the words of Aslak Orre, 'it was SONANGOL (the state oil company), not anything like a 'workers' and peasant's revolution' which was the source of the enormous profits and the increasingly

²⁷ Ian Smillie, *Blood on the Stone: Greed, Corruption and War in the Global Diamond Trade* (London: Anthem Press, 2010), p. 74. A section of this chapter is dedicated to ASCORP.

²⁸ Tony Hodges, *Angola: From Afro-Stalinism to Petro-Diamond Capitalism* (London: James Currey, 2001), p. 30.

gluttonous lifestyle of the party and state elite.’²⁹ But while oil money flooded the coffers of the MPLA state, diamonds played a crucial role in the reorganisation of the regime around extraction and patronage, helping to produce what Hodges aptly describes as the transition from Afro-Stalinism to petro-diamond capitalism.³⁰ Indeed, within the petro-state, the diamond sector played a vital role.

As noted in the previous chapter, the literature on the political economy of the postcolonial Angolan state agrees that the diversion of state resources into private hands started shortly after independence, but it disagrees on whether the MPLA’s commitment to the population ended there.³¹ Behind the ‘gothic accumulation of wealth’ that ensued in the 1990s, as Olivier Vallée puts it, scholars have explained the mechanisms that made possible the diversion of oil and diamond rent from an institutional perspective, with an emphasis on the role of SONANGOL and, to a much lesser degree, ENDIAMA.³²

Ever since independence and the destruction of the country’s non-extractive sectors, Angola’s economy revolved around the oil industry. As Terry Lynn Karl notes, ‘oil states are not like any other state’; they are fiscally autonomous and therefore disconnected from the population; they are hyper-centralised, secretive, and

²⁹ Aslak Orre, *Entrenching the Party-state in the Multiparty Era: Opposition Parties, Traditional Authorities and New Councils of Local Representatives in Angola and Mozambique*, (PhD thesis: University of Bergen, 2010), p. 93.

³⁰ Hodges, *Angola: From Afro-Stalinism to Petro-Diamond Capitalism*.

³¹ Aslak Orre makes this point about Angola’s historiography: Orre, *Entrenching the Party-state*, p. 94. Patrick Chabal and Nuno Vidal, *Angola: The Weight of History* (New York: Columbia University Press, 2008). Christine Messiant, ‘The Eduardo Dos Santos Foundation: Or, How Angola’s Regime is Taking Over Civil Society’, *African Affairs*, vol.100. no. 399, pp. 287–9. Hodges, *From Afro-Stalinism to Petro-Diamond Capitalism*, pp. 48–50.

³² Olivier Vallée, ‘Du Palais aux Banques: la Reproduction Élargie du Capital Indigène en Angola’, *Politique Africaine*, no. 110, February 2008, p. 22.

authoritarian.³³ In line with other ‘oil states’, Angola’s MPLA-dominated government aggressively took command of the country’s formal institutions, eliminating other centres of power along the way. Although still important during President Neto’s period in office (1975–79) and the early years of President Dos Santos’s rule, the MPLA itself was gradually side-lined as a decision-making body. Starting in the mid-1980s but coming into full bloom after 1992, the regime evolved into a hyper-centralised structure: full power came to reside in the Presidency – President José Eduardo Dos Santos, his family, and his entourage, whose large and well-resourced handymen outflanked, and outranked, the country’s ministries and public administration.

With the Presidency as the centre of power, the MPLA regime became a ‘many tentacled network linking political power to the economic world’.³⁴ In a dynamic that is deemed in the literature characteristic of petro-states, the public institutions were put at the service of the MPLA’s patronage network. The presence of a powerful MPLA member became a precondition for any business activity in the country. The chief consequence of the MPLA’s appropriation of public and private spheres was the dispersion of discretionary power into myriad units, each providing another opportunity for the distribution of resources.

Within this context, SONANGOL assumed a role similar to the one DIAMANG had performed at its peak in the early colonial period: the company became the guarantor of

³³ Terry Lynn Karl, ‘The Perils of the Petro-State: Reflections on the Paradox of Plenty’, *Journal of International Affairs*, vol. 51, no. 1, 1999, pp. 31–48.

³⁴ Justino Pinto de Andrade, ‘The Process of Change in Angola: Civil Society, Political Parties, Economic Factors and General Population’, in Nuno Vidal and Patrick Chabal, eds., *Southern Africa, Civil Society, Politics and Donor Strategies* (Brussels and Luanda: Media XXI and Firmamento with Angolan Catholic University, University of Coimbra and Wageningen University, 2009), p. 4.

international respectability for the regime and the Angolan state more generally. Externally, it became a source of stability and reliability, creating the institutional conditions for investors in the oil sector to thrive in a context where other state institutions remained essentially unresponsive. Domestically, it became central to the Presidency's hold over Angola.³⁵ Taxes, as Atul Kohli states in his study of Nigeria, another petro-state, were 'essentially eliminated with the coming of oil revenues', and the state had become independent from the production and taxation of other industries.³⁶ Under the guidance of the Presidency, SONANGOL sourced the oil revenues and used them to sustain the state apparatus.

Crucial for an understanding of the rest of this chapter is the notion that the petro-state changed the politics of resource control in Angola, to the point that the diamond sector, essential for the viability of the state less than two decades earlier, became an instrument for the Presidency to reach out to strategic segments of the public and private realms. Importantly, though, while the politics of resource control changed considerably, the rise of the petro-state did not fundamentally alter the relationship between the state and the diamond sector. Although diamond revenues were put to the purpose of sustaining regime networks rather than fiscal support for the state, the state continued to discharge vital state functions to the diamond sector, while the latter maintained its private indirect government. In the Lundas, at least, diamonds, not oil, remained king.

³⁵ Ricardo Soares de Oliveira, 'Business Success, Angola-style: Postcolonial Politics and the Rise and Rise of Sonangol', *Journal of Modern African Studies*, vol. 45, no. 4, 2007, pp. 598–605.

³⁶ Atul Kohli, *State-Directed Development: Political Power and Industrialization in the Global Periphery* (New Jersey: Princeton University Press, 2004), p. 350.

From Trump economics to Presidency politics 1988–1994

*On the wooden bookcases in the office of the managing director of ENDIAMA, Angola's state-owned mining company, a glass book-end with an engraving of Lenin is sandwiched between thick mining reports, Donald Trump's autobiography and 'The Money Game'. Trump has surpassed Lenin as the economic mentor of ENDIAMA.*³⁷

This section traces the trajectory of ENDIAMA from being the offspring of an all-powerful diamond company to a hollow agency at the service of the Presidency, between 1988 and 1994.³⁸ It begins by considering the period between 1988 and 1991, during which the administration of the company still exercised a considerable amount of discretionary power, as a result of the simple fact that the diamond business was not the Presidency's priority. The section then examines how the Presidency, aided by the so-called 'diamond technocrats', assumed the reins of the diamond sector by emptying ENDIAMA from the inside and transferring the power of the company into private hands.

Industrial debacle in the diamond sector

In the period spanning the dissolution of DIAMANG in 1988 and the resumption of negotiations with the diamond cartel in 1992, ENDIAMA – already considered a rogue state company within the global diamond market – had to make do with what it had in

³⁷ 'Salvaging wealth from a war-torn State', *Financial Times*, 10 April 1991, p. 30.

³⁸ This argument draws on Vallée's discussion of the reproduction of indigenous capital in Angola. See Vallée, 'Du Palais aux Banques', p. 1.

hand to continue mining and marketing diamonds. It devised a licensing system similar to that of the oil industry, slicing the diamond rich areas into different concessions.³⁹ But as a former company official contends, the administrators seldom looked at their own maps.⁴⁰ Rather, they made new with the old, tapping the partners of the now-defunct DIAMANG such as Roan Selection Trust International, which operated in Angola via Intraco. Indeed, they even renewed contracts with DIAMANG's parent company, the previously estranged SPE, in an effort to mend relations with DIAMANG's Portuguese shareholders.

Between 1988 and 1991, ENDIAMA marketed its diamonds to between four and eight buyers at monthly or bi-monthly tenders, establishing the first of several partnerships with individual diamond traders.⁴¹ This strategy produced remarkable results in light of high diamond prices.⁴² Still far from the historical 2 million carats of 1973, diamond output reached 1.4 million carats in 1991, a drastic improvement in relation to the dismal 267,000 of 1986.

But the surge in the output proved a Pyrrhic victory for ENDIAMA. With too few cards to play, the company lured Intraco and the SPE only by offering expensive contracts, covering fixed expenses and paying a significant production bonus paid in foreign exchange. For instance, ENDIAMA spent up to \$25 million every per year in airlifts from Luanda to the Lundas. Furthermore, ENDIAMA lacked the finance and means necessary to secure the surrounding areas, letting the informal market absorb an

³⁹ Peter Wise, 'Angola in bid to rebuild war-shattered economy', *Financial Times*, 2 January 1988.

⁴⁰ Interview 9, September 2012.

⁴¹ Interview 7, September 2012.

⁴² Kenneth Gooding 'Angola wins "significant premium" for diamonds', *Financial Times*, 29 November 1988, p. 38.

estimated \$50 million worth of diamonds every year.⁴³ Finally, interviewees with experience in the diamond business note that the surge in revenues may be deceptive, as ENDIAMA most likely traded at below market prices when selling diamonds outside the cartel.⁴⁴ All in all, deals outside the cartel provided barely enough to balance the books, condemning ENDIAMA to mediocrity.

Coupled with increasingly fashionable calls for ‘privatisation’, the middling performance of the diamond sector during the 1988–1991 period provided the impetus for the (temporary) demise of the ‘state inside the state’. At once, ENDIAMA set about dismantling and re-organising the now superfluous infrastructure inherited from DIAMANG.⁴⁵ As a technician in the sector at the time explains:

DIAMANG counted 20,000 workers in the Lundas and 1,000 in Luanda. The overwhelming majority of them did not work in areas related to mining. *It was a state, not a company.* A mining company was not supposed to manage cities, rural areas, the health system. A mining company was supposed to mine.⁴⁶

Noé Baltazar, the President of ENDIAMA’s board of directors, agreed.⁴⁷

⁴³ ‘Salvaging wealth from a war-torn state’, p. 30.

⁴⁴ Interview 9, September 2012. Kenneth Gooding, ‘Angola is to rejoin the diamond cartel’, *Financial Times*, 1 June 1989.

⁴⁵ The way in which ENDIAMA went about this – by shutting down or condemning to ruin non-extraction related architecture and services – will be discussed in detail later in this chapter.

⁴⁶ Interview 22, September 2012. My emphasis.

⁴⁷ Interview 23, March 2011. Baltazar introduced a reform agenda to appropriate DIAMANG assets. Claiming to ‘give power back to Angolans’, ENDIAMA divided DIAMANG assets into a handful of holdings and named Angolan workers in their administration. The whole process amounted to a strategy of devitalising DIAMANG’s welfare and industrial sectors and handing them to the local population, only to accuse them of mismanaging their own resources after. Most of DIAMANG-non-essential functions collapse in this process, with immense human costs. Until today, Baltazar remains a, and perhaps the

Entering ENDIAMA at its inception, Baltazar rapidly rose through the ranks of the administration and played a central role in the dismantling of DIAMANG. By the time the *Financial Times* journalist spotted the addition of Donald Trump's 'Money Game' on the ENDIAMA office's bookshelf in 1991, he had just been appointed managing director.⁴⁸ By then, it had become clear that ENDIAMA faced an uphill battle to restore the power and profitability of the diamond sector. Undeterred, Baltazar advocated forcefully a shift in ENDIAMA's role from production to a regulation.⁴⁹ The signing of the Bicesse Accords between the government and UNITA in 1991 offered him the perfect opportunity to push through changes.

That same year, Baltazar succeeded in pushing through the 1991 Diamond Law. That law systematised the rules of repartition of diamond profit between the state and private actors via shared production contracts. It also established that ENDIAMA would no longer take precedence, and private, mixed, or state companies could work alongside each other on equal footing.⁵⁰ As Baltazar notes in an interview in the *Financial Times*: 'We arrived at the conclusion that state enterprises were fully concerned with administration – and were bad administrators'.⁵¹ But even more importantly, the 1991 Diamond Law authorised any individual to engage in diamond mining activities in the Lundas. The end of the monopolistic system, based on the control of diamond trade by companies, almost immediately vindicated the colonial administrators who had warned

strongest, symbol of ENDIAMA's careless attitude to former DIAMANG workers for the local population. Interview 23, March 2011; Interview 44, April 2011.

⁴⁸ Angola: Financial Times Survey, 'Shaky, erratic recovery', *Financial Times*, 12 May 1992, p. 3.

⁴⁹ Kenneth Gooding, 'Angola starts late on the road to reform', *Financial Times*, 2 June 1988, p. 4.

⁵⁰ Decree-Law 1, no. 3, 17 January 1992.

⁵¹ 'Angola: Financial Times Survey', p. 7.

against the risks of liberalising DIAMANG in the early 1970s: by 1992, thousands of *garimpeiros* had invaded the diamond fields, the Lundas' diamond economy had merged with that of Kasai, and the Lundas themselves had become a haven of UNITA.⁵² But in the meantime, the 1991 Diamond Law saw a resurgence of foreign investment in Angola's diamond sector. ENDIAMA resumed negotiations with the diamond cartel and accepted, in September 1991, an exclusive marketing contract with the cartel in exchange for a turnkey agreement with De Beers – an agreement that involved a \$50 million loan to develop a mining site in the Cuango River, a \$50 million investment in the geological surveying of kimberlite mines, and a \$25 million diamond evaluation centre in Luanda.⁵³ Attached to ENDIAMA's own building, the De Beers evaluation centre stands as a monument to the reconciliation of Angola and De Beers in the early 1990s. However, as we shall see, the harmony of the paired buildings contrasted sharply with the tempestuousness of the relationship.

Empowered by the new contract, Baltazar went on to mastermind a pivotal project using De Beers's credit line to develop a major mining site in the Cuango Valley, known as Luzamba, in alliance with Odebrecht Mining Services – the mining branch of the Brazilian company Odebrecht and a soon to become major actor in the sector.⁵⁴ Imagined as nothing less than the 'centre of gravity of the diamond industry in Lunda Norte', the Luzamba site would offer, according to a press announcement, 'high-tech and self-sufficient headquarters coupled with hospitals, schools and roads'.⁵⁵ In

⁵² The last section of Chapter 4 discussed the incapacity of the state to replace DIAMANG's security apparatus. The assessment made by officials in Lisbon at the time was still valid by the early 1990s.

⁵³ Gooding, 'Angola to rejoin the diamond cartel', p. 38.

⁵⁴ The activities of Odebrecht, the Brazilian corporation with strong ties to Angola, are discussed in detail in the next section.

⁵⁵ Gooding, 'Angola starts late on the road to reform', p. 4.

different interviews with foreign news outlets, Baltazar announced to the world that Angola's diamond sector was alive and well.⁵⁶

UNITA's invasion of the Lundas abruptly put an end to that notion. After the September 1992 elections, UNITA rejected the results and mobilised its armed forces, moving to occupy much of the diamond-rich areas in the Lundas. UNITA forces occupied the freshly built Luzamba site in September 1992 and turned it into, as Dietrich has it, a 'key strategic point for the centralisation of production and revenues of the informal diamond sector', i.e., a golden goose.⁵⁷ In late 1992, government forces retained control only of Saurimo in Lunda Sul and the towns of Dundo, Lucapa, and Nzagi in Lunda Norte. Even then, the remaining state-controlled diamond sites faced a multitude of strikes, with a particularly violent one occurring at the SPE site of Lucapa in March 1993.⁵⁸

The combination of these setbacks had an immediate and profound impact on production. That same year, formal diamond revenues descended to a new historic low while UNITA's diamond trade blossomed: the \$30 million in yearly official sales extracted from the two remaining ENDIAMA subsidiaries paled into insignificance beside the \$350 million a year that the thriving Luzamba site granted to UNITA.⁵⁹ Foreign companies, including De Beers, treated ENDIAMA like a pariah, concentrating their investments in the acquisition of diamonds via the booming informal sector in the

⁵⁶ 'Salvaging wealth from a war-torn State', p. 30.

⁵⁷ Christian Dietrich, 'UNITA's Diamond Mining and Exporting Capacity', in Jackie Cilliers and Christian Dietrich, *Angola's War Economy* (Pretoria: Institute for Security Studies), p. 278.

⁵⁸ Interview 23, March 2011; Interview 60, March 2011; Interview 61, May 2011. ENDIAMA divided the *Sociedade Mineira de Lucapa* in 1996, which led to a conflict with the Portuguese owners.

⁵⁹ Hodges, *From Afro-Stalinism to Petro-Diamond Capitalism*, p. 158.

hands of rebels. It was the end of the line for the liberalisation-minded project of the diamond technocrats.

Hollowing out ENDIAMA

As discussed in the first section, throughout 1993 and into 1994 the presence of the Angolan state in the Lundas shrunk to that of the early colonial period on account of UNITA's occupation. Although state forces retained control of Saurimo, Dundo, Lucapa, and Nzagi, and while the state-allied private military firm EO managed to reclaim control of Cafunfo in March 1994, UNITA continued to hold most of the diamond mines by the time both parties signed the Lusaka Protocol in November 1994. By then, the diamond fields had become a military priority for the Presidency.

While the Presidency regarded SONANGOL's capacity and operational autonomy as a national treasure that kept the state afloat, it saw in the post-1994 ENDIAMA a vehicle through which it could transfer state resources to the hands of political and military associates, who would be put in charge of reviving the formal diamond sector. It is in this context that the 1994 Diamond Law, promulgated on the eve of the Lusaka Protocol's signature, must be understood:⁶⁰ The Law essentially formalised the re-privatisation of the diamond sector, converting ENDIAMA into little more than a rubber stamp agency. From 1994 onward, the Presidency, not the company, oversaw the allocation of diamond concessions, the distribution of diamond revenues, and even the

⁶⁰ In theory, that law entitled ENDIAMA to distribute new concessions, and, in agreement with the 1995 law of public enterprises, to participate in a breadth of industries directly or indirectly related to diamonds, creating new companies to manage part or the totality of its different sub-sectors. It also entitled ENDIAMA to establish forms of association and cooperation with other national and foreign companies. Diamond Law no. 6, art. 5b.

assignment of PMFs to protect diamond-mining operations. In the process the Presidency placed the diamond technocrats of ENDIAMA in strategic public–private joint ventures. Baltazar took the reins of ASCORP, a joint venture between ENDIAMA, foreign investors, and interests close to the Presidency to control the flow of diamond revenues. His former assistant José Manuel Ganga Junior went on to lead the *Sociedade Mineira de Catoca* (SMC), the most ambitious and most successful project of the period, involving ENDIAMA, and Israeli, Russian and Brazilian investors. Another ENDIAMA official, Paulinho Neto, joined Escom, an opaque partnership with Portugal’s Espirito Santo Group. Escom took over the mines of Lucapa, also in a joint venture with ENDIAMA. Another notable diamond technocrat, António Dias Gaspar, joined De Beers as an advisor.⁶¹ By 1998, most of the remaining diamond technocrats had likewise left ENDIAMA for the private sector.

No longer in charge of high-level decision-making, ENDIAMA became responsible for running the lower end of the patronage machine, i.e., the distribution of the smaller diamond concessions. Toward that end, ENDIAMA launched the *Programa para a Estabilização do Sector Diamantífero em Angola* (Program for the Estabilization of the Diamond Sector in Angola – PROESDA), ostensibly to award small concessions to local individuals who received certification from the *sobas*. In practice, PROESDA quickly evolved into an instrument of low-level patronage, allocating about 30 small concessions not to the local populace but to outsiders who were, in one way or another, useful to the Presidency. This was the case, for instance, of General Tchizainga, a liberation war veteran who had been accused under *Processo 105*. After being brutally

⁶¹ This is not an exhaustive list of all the members of ENDIAMA in the early 1990s that joined the private sector. Interview 53, February 2014 and April 2011.

arrested and jailed on suspicion of involvement in diamond trade, he became central to the MPLA's efforts to build bridges with liberation war veterans. The Presidency awarded him the 'mina Tchizainga', a small field close to Saurimo.⁶² For the local population, on the other hand, this overlapping authority between the state, the diamond companies, and in some cases the traditional authorities made the undertaking of any economic activity, from artisanal mining to subsistence farming, a harrowing task. The 1994 Diamond Law authorised artisanal diamond mining, the so-called *garimpo legal*, which was in essence a mechanism of the state to co-opt *garimpeiros*: the population could only obtain an artisanal mining certificate by producing documents stating that they had lived for ten years in the county adjacent to the designated *garimpo*.⁶³

In the meantime, traditional leaders, military veterans, and co-opted UNITA members all obtained minor diamond-sector stakes in exchange for de facto loyalty to the MPLA, forming a diamond 'petite-bourgeoisie'. To this day, behind the glittering façade of ENDIAMA's headquarters, past the charming receptionists and after the cosy waiting rooms equipped with espresso machines, an ageing cast of bureaucrats carry out their patronage business in the midst of a general indifference, only to be disturbed by occasional affairs of corruption that the Presidency uses to harass the excesses of the least compliant, or more ambitious, of its members.

This seemingly paradoxical outcome of the 1994 Diamond Law – ENDIAMA emerged significantly weakened from a legal revision that purported to strengthen it – is best

⁶² General Tchizainga, *A Minha Vida* (Luanda: self-published, 2008). Interview 66, October 2012.

⁶³ Interview 54, January 2013.

understood through the notion of privatisation, understood by Béatrice Hibou not as a means to divest society and the economy from state power, but rather as a means to extend the power of elites beyond formal institutions into society and the economy.⁶⁴ Formally, the Diamond Law enhanced the rights of ENDIAMA to negotiate mining titles on behalf of the state. But in practice it revived the practice of discharge, allowing the Presidency to transfer discretionary power within the diamond sector to its associates. Crucially, this transfer of discretionary power awarded the Presidency full control over the only instrument at its disposal to interfere in the Lundas: the awarding of licences to foreign investors.

The next section examines the way in which the Presidency used this re-privatised diamond sector as a launching pad from which to establish control over, derive rents from, and project power into, the Lundas.

The privatised diamond apparatus, 1994–2002

The post-Lusaka politics of the diamond sector involved, once again, the discharge of state power to non-state actors – this time not only to diamond companies, but also to *comptoirs* and PMFs. Together, these three elements formed a privatised diamond apparatus that dealt a final blow to UNITA, and restored the private indirect government in the Lundas. But not only this: the apparatus also hardened the Presidency's absolutist control over Angola as a whole. Through the privatised diamond apparatus – the companies, the *comptoirs* and the PMFs – the diamond wealth remained

⁶⁴ Béatrice Hibou, 'Retrait ou Redéploiement de l'État?', *Critique Internationale*, vol. 1, no. 1, 1998, pp. 151–168.

firmly under the grip of the Presidency, who then circulated it through the different clienteles: the *deuxième cercle* of power (the generals), the *troisième cercle* (the diamond technocrats and other bureaucrats), the *quatrième* (war veterans, the co-opted UNITA associates, the traditional authorities), and so forth. By the end of the war, the diamond sector had become a key instrument for maintaining the Presidency's hold not only over the Lundas, but through diamond-fuelled patronage, over influential segments of Angolan society.

To make sense of these events, it is important to understand how the Presidency enabled the return of foreign investors in the diamond sector; the example of Brazil's Odebrecht and its subsidiary, Odebrecht Mining Services, provides a useful case in point. It is equally important to understand the role of diamond comptoirs in the fiscal strategies of the state: how they captured the revenues of artisanal diamond mining, and how they channelled the diamond revenues to the Presidency. Finally, attention must be paid to PMFs: why the Presidency used them instead of the conventional army to protect the diamond fields; and how the clients of the Presidency took control.

But before this section proceeds, it is useful to reiterate the challenges inherent to the study of the diamond sector, particularly in the context of war. As James Ferguson puts it, when one is focusing on 'governing extraction' in Africa, the risk of 'not knowing what one is talking about [...] is even greater than usual'.⁶⁵ As noted in the Introduction, the study of the diamond sector poses a number of obstacles that continue to hamper scholarly understandings of the role of the diamond sector in African mining politics.

⁶⁵ James Ferguson, *Global Shadows Africa in the Neoliberal World Order* (Durham: Duke University Press, 2006), p. 195.

First, there remains a notable lack of documentation concerning how the diamond sector operates and how it interacts with the state. This dearth of evidence is common within the extractive sector more generally, but takes on an even greater dimension in the diamond sector, as the following excerpt from the ASCORP case makes clear:

[...] Diamond dealers tend to conduct entire business deals without signed documents; indeed it is unusual for any signed documentation to exchange hands.⁶⁶

Second, when it comes to transparency, the track record of the diamond sector leaves much to be desired. In the case of wartime Angola, it proved downright abysmal. The diamond industry aggressively resisted any external monitoring during the war. Despite efforts to improve transparency, such as the Kimberley Process, little has changed. Diamond companies continue to share an aversion to external visitors: few initially allowed visits to the mining sites, although a persistent presence in the field eventually allowed me access to some of the most important sites, such as Catoca's. Most firms simply directed inquiries to bland annual reports. Third, the byzantine financial structure of the diamond sector further complicates the task. While ENDIAMA technically owned a majority in each joint venture, silent partners, often hiding behind obscure proxy companies, almost always sat at the cockpit. Yet despite the obscurity, complexity and diversity, the study of the privatised diamond apparatus sector is by no means impossible, as the following sections hopefully show.

⁶⁶ Arkady Gaydamak and Lev Leviev, HC11C00192, London, 26 June 2012, p. 39.

The diamond concessions

The following paragraphs examine how and why the Presidency restored the mutually beneficial character of its relationship with the diamond sector in the post-Lusaka period. They begin with a question: how to explain the flow of investment into a sector in which the regulatory company had a historical propensity to renegotiate or break contracts, and multi-million dollars projects, as in the case of the Luzamba site, could vanish in less than a day?⁶⁷ As case study analysis of Odebrecht and its subsidiary, Odebrecht Mining Services reveals, the explanation for this paradox lies in the way the Presidency transformed investment in the diamond sector into a condition for investors seeking to enter the most profitable, and privileged, sector of Angola's economy – namely, oil. It relates directly to the discussion in the Introduction concerning the crucial link between the 'licence to operate' provided by African state leaders and their concomitant ability to instrumentalise powerful foreign actors.

At first, Odebrecht seemed to have a penchant for doomed-to-fail projects, teaming up with state subsidiaries in enterprises such as the Capanda dam in Malange, the Luzamba alluvial diamond site in Lunda Norte, and the Catoca kimberlitic diamond site in Lunda Sul. While costs overran the first for years and delivered far below expectations,⁶⁸ UNITA overran the second. The third, meanwhile, eventually evolved into Angola's

⁶⁷ See the contract negotiations between ENDIAMA and De Beers in the mid-1980s, Chapter 4.

⁶⁸ The Capanda dam started in 1986 with a state investment of US\$750 million paid in oil supplies to Odebrecht and Russian Alrosa. More than US\$4 billion was invested in the next couple of decades. According to the *Washington Post*, the total cost of war damage to the dam was estimated at well over US\$400 million. International Spotlight Angola, 'Water of life', *Washington Post*, April 2002.

most profitable extractive project outside oil – but only after years of financial uncertainty, security volatility, and low production.⁶⁹

But Odebrecht's efforts, even its failed ones, were largely compensated for by the Presidency. Indeed, from the mid-1990s onwards the Angolan state turned Odebrecht into its de facto Ministry of Public Works. Described by interviews as a *companhia-muleta*, or 'crutch-company' of the state, Odebrecht performed services in areas as diverse as security, oil drilling, construction, urban planning, and agriculture.⁷⁰ Its Luanda office became largely autonomous from headquarters in Brazil and eventually enjoyed the status of an Angolan company, cherry picking Brazilian partners and overshadowing the Brazilian diplomats posted in Luanda.⁷¹ Symbolic of Odebrecht's status in Angola, the company is a chief sponsor of the *Fundação Eduardo Dos Santos* – arguably the best barometer of a company's standing with the Presidency in Angola.⁷²

The diamond companies and the diamond comptoirs

The signing of the 1994 Lusaka Protocol between the government and UNITA revived foreign investor confidence and, together with the 1994 Diamond Law, yielded a

⁶⁹ Interview 25, October 2007. 'Any company without a taste for risk would have packed up and left the country immediately', an Odebrecht administrator proudly observes.

⁷⁰ Interview 34, March 2011.

⁷¹ Interview 25, October 2007. As the same administrator puts it: 'Odebrecht is the bridge through which Brazil entered Angola, but the bridge will remain whether Brazil is successful here or not'. Interview 35, March 2011; Interview 36, March 2011; Interview 38, October 2007.

⁷² One of Messiant's last pieces is a seminal article on the role of the Eduardo Dos Santos Foundation (FESA). Odebrecht, one of its major donors, has recently described the FESA as a 'philanthropic and politically-neutral institution'. See Messiant, 'The Eduardo Dos Santos Foundation'. See also João Fellet, 'Com BNDES e negócios com políticos, Odebrecht ergue "império" em Angola', *BBC internacional*, 2012.

formidable scramble within the struggling diamond sector.⁷³ Between 1994 and 1999 the state awarded more than 40 concessions in the Lundas, with diamond output reaching 3.7 million carats, an historic high, in 1998 – one year after UNITA was finally forced to relinquish its foothold in the provinces.⁷⁴ By the end of the civil war in 2002, the state had granted a total of 156 diamond concessions⁷⁵ – so many that the diamond sector simply could not keep up: of those 156, only 12 were producing diamonds in 2002, while 30 lingered in the start-up phase of production, 15 awaited prospection, and about 100 required investment before operations could begin.⁷⁶

Most of these concessions did not generate revenues for the state. By 2000, official production derived only from two companies other than ITM, whose presence in Angola pre-dates the take over of ENDIAMA by the Presidency.⁷⁷ The *Sociedade de Mineira do Cuango* best illustrates the new organisation of the diamond sector. While ENDIAMA retained a share of 41%, Lumanhe, a private company also known as *companhia dos gerais* (see the section on PMFs below) holds 38%. Founded in 1995,

⁷³ In the same year, new legislation also helped to alleviate the shortcomings of the 1991 Diamond Law, strengthening the position of ENDIAMA at the expense of small-time diggers and dealers. See the first section of this chapter.

⁷⁴ Hodges, *From Afro-Stalinism to Petro-Diamond Capitalism*, p.149. In 1997 the diamond output had already returned to 1, 4 million carats, before skyrocketing to 3.7 million carats in 1998, supported by the Catoca kimberlite.

⁷⁵ In the context of war-time Angola, a diamond concession is an umbrella term for widely different mining projects: it can range from a major kimberlite mining site with thousands of employees to an alluvial open pit crawling with artisanal miners. It can include a variety of local partners, from civil and military backgrounds, as well as foreign companies of transparent and opaque origins.

⁷⁶ Hodges, *From Afro-Stalinism to Petro-Diamond Capitalism*, p. 160. The World Bank Stolen Asset Recovery Initiative has several files regarding Angolan diamond companies and individuals. For a case involving Noé Baltazar and Isabel Dos Santos, see <http://star.worldbank.org/corruption-cases/node/18615>.

⁷⁷ Present in Angola since the 1980s (see Chapter 4), ITM has a dismal record of corruption. Recently, Noé Baltazar, the Presidency's appointee at ASCORP, has been accused of diverting US \$200 million from Angola state's treasury when he was Director of ENDIAMA in the mid-1980s, suggesting that, as noted earlier, mismanagement and corruption went hand in hand at the company since its inception. Rafael Marques, *Diamantes de Sangue: Tortura e Corrupção no Cuango* (Lisbon: Tinta da China, 2011), p. 34.

the company has six equal partners, all of which are top generals: Hélder Vieira Dias ‘Kopelipa’, the President’s key man in the military apparatus and long-time confidante; António Dos Santos França Ndalú, a ‘historical’ figure from the liberation war; General João de Matos (see below); Adriano Makevela; Carlos Vaal da Silva; and Luís and António Faceira.⁷⁸ There are many other companies that replicate the modus operandi of the *Sociedade Mineira to Cuango*,⁷⁹ such as the *Sociedade Mineira de Luminas*, in which General Ndalú also holds stakes via an offshore company.⁸⁰ While the SMC does not have generals on its board, at least directly, its foreign investors, Russian Alrosa, Israeli diamond trader Lev Leviev and Brazilian Odebrecht are also present in the *Sociedade Mineira do Lapi*. The presence of such major investors in a small company held by several generals that barely produces any *official* diamond output speaks for itself.⁸¹

As noted earlier, among the most curious elements of the post-1994 diamond sector was its relevance in political but irrelevance in economic terms to the Angolan state. By 1999, Angola’s production of rough diamonds amounted to \$600 million, a mere fraction of the \$3.3 billion in revenues that the oil industry generated in 1998.⁸² For instance, the re-conquest of the Cuango Valley generated \$200 million in official diamond sales to official trade figures, ‘less than a typical ‘signature bonus’ from an oil

⁷⁸ ‘Annual Diamond Review’, *Partnership Africa Canada*, 2007, p. 7.

⁷⁹ This is a far from exhaustive analysis of the companies operating in Angola, which would be beyond the scope of this thesis. But it is illustrative of the way in which, and the extent to which, the Presidency strengthened its grip over the diamond sector, selling off state assets and thereby acquiring a crucial hold over the recipients.

⁸⁰ General França Ndalú, holds multiple positions at private security firms (Teleservice), Luminas and SMC, and he also represents De Beers in Angola. Utz Ebertz and Marie Müller, *Legacy of a Resource-Fueled War: the Role of Generals in Angola's Mining Sector* (available online: Bonn International Center for Convention, June 2013).

⁸¹ ‘Annual Diamond Review’, p. 73.

⁸² ‘Annual Diamond Review’, p. 71.

firm awarded new drilling blocks', as William Reno notes.⁸³ However, in the competition with UNITA, the control of diamonds was a zero-sum game – what the state lost in revenues, the rebels used to sustain the insurrection. For that reason, any attempt to vanquish UNITA had to involve a solution to the problem of informal, including rebel-controlled, diamond mining. The following paragraphs address the Presidency's most successful and definitive attempt to consolidate its control over diamond revenues: the implementation of centralised and efficient taxation, via the propagation of government-licensed comptoirs that diverted rent from rebel to Presidency channels.

As discussed in Chapter 1, the bargaining power of the diamond cartel makes diamond negotiations invariably unfavourable to the state, as the costs of staying outside the cartel outweigh the benefits of selling diamonds on an individual basis. However, despite their attempt at rapprochement in the early 1990s, the state and De Beers never restored the latter's full control over operations in Angola. ENDIAMA continued to blow hot and cold in contract negotiations, delaying the reimbursement of the \$50 million loan to the disgraced Luzamba project.⁸⁴ De Beers, in return, struggled to carve out a presence in the Lundas, having to paint a red cross on their planes to avoid them being shot down by UNITA.⁸⁵ Ten years after Angola's breakaway from the diamond cartel, the state and De Beers found themselves in a mutually disadvantageous stalemate: ENDIAMA continued to sell to individual diamond buyers, thus stimulating

⁸³ William Reno, 'The real (war) economy of Angola', in Jakkie Cilliers and Christian Dietrich, eds., *Angola's War Economy: the Role of Oil and Diamonds* (Pretoria: International Security Studies, 2000), pp. 219–35.

⁸⁴ Interview 45, April 2011.

⁸⁵ 'Angola: diamond buildup for SPE', *Africa Energy and Mining*, 27 March 1996.

trade outside the cartel, while De Beers sustained the acquisition of Angolan diamonds outside the official market, thus supporting UNITA's war efforts.

In the position of outsider in the Lundas, the Presidency continued to seek solace in individual diamond buyers. A former representative of a diamond trade firm, Jerry Funk, narrates in his memoirs an episode that reveals the extent to which individual buyers influenced the decisions of the Presidency in respect to the diamond sector. As early as 1994, during the talks leading up to the Lusaka Protocol, Noé Baltazar, with the 'enthusiastic' support of President Dos Santos, sought to confer Lazar Kaplan International with exclusive diamond marketing rights and to attribute to the UN the responsibility of enforcing the agreement, turning the Lundas into a de facto international protectorate. Funk notes the close ties between the U.S. Clinton Administration and Lazare Kaplan International's owner, Maurice Tempelsman, to underline the initial support across the different interested parts. But, like so many agreements in which businessmen play peacemakers, this one capsized in 1995.⁸⁶

In 1996, another businessman involved in the trade of diamonds (among many other pursuits), the Russian/Israeli Arcady Gaydamak, suggested the creation of a company with a state monopoly over the diamond industry as a way to prevent Angolan rebels from obtaining funding. As he testified in court:

⁸⁶ Jerry Funk, *Life is an Excellent Adventure: an Irreverent Personal Odyssey* (New York: self-published, 2006), pp. 39–43. Tempelsman was also close to deciders in the international community, namely the Clinton family, which explains the international support for his initiative in Angola.

I had a possibility to suggest the structure, the system, to cut the revenue to the rebels, because I had discussed trade with the President and a member of the government and security services and head of the Angolan army, and I suggested to him a new system to stop the war by cutting the financing to the rebels that finance their arms buying through the illegal diamond trading. To create a control, we needed one governmental system to control all the exports.⁸⁷

However, Gaydamak, with his notorious reputation and inexperience in the diamond business, delegated to one of his Israeli associates the negotiations with the Angolan state. Lev Leviev came to Angola at the behest of Gaydamak, but soon gained the confidence of the Angolan Presidency when he made a lifesaving investment in the ailing SMC project. An ENDIAMA official explains why the investment of Leviev proved decisive in the long-term.

Lev Leviev was the first to understand that this situation [of the diamond sector in 1996] was a winner takes all situation. He made an important investment at a time when nobody wanted to invest in the diamond sector in Angola. Because the Presidency is partial towards investors seeking long term relationships, this granted him a free hand in Angola.⁸⁸

⁸⁷ Arkady Gaydamak and Lev Leviev, p. 69. 'Angola's peace now hangs on who gets the diamonds', *Financial Times*, 3 May 1996, p. 4.

⁸⁸ Interview 27, May 2011. 'Secrets are not forever', *Africa Confidential*, 3 August 2012. Gaydamak later sued Leviev for taking over his business in Angola, opening the way for a series of investigations in diamond dealings. See also Simon Goodley, 'Russian tycoon sues "King of Diamonds" for \$1bn', *The Guardian*, 23 May 2012.

Building upon the agreement with the SMC, Leviev succeeded where so many others had failed over the past decade: namely, in designing a mutually-beneficial joint venture capable of centralising diamond revenues in the hands of the Presidency. Under his guidance, ENDIAMA created a subsidiary for the commercialization of diamonds, the *Sociedade de Comercialização de Diamantes* (SODIAM), and the joint venture ASCORP.

On 11 February 2000, ENDIAMA, under the orders of the Presidency, empowered SODIAM to act as the single channel for all Angolan production.⁸⁹ It also cancelled all existing licences to various middlemen as well as the marketing contracts of all the diamond companies, and conferred to a new joint venture between ENDIAMA, Lev Leviev, and Omega diamonds (i.e., ASCORP) the monopoly over diamond sales in Angola. The move expanded the effects of the 1994 Diamond Law on mining to the marketing branch, and ENDIAMA vested SODIAM with de jure authority over diamond marketing, while ASCORP assumed the role of de facto regulator.⁹⁰ In what is perhaps the greatest testimony of the Presidency's grip over the diamond sector, the TAIS group, which controlled 24.5% of ASCORP, stood as an acronym for Tais and Isabel, the wife and daughter of José Eduardo Dos Santos.⁹¹

The sudden and unannounced character of these developments corresponded with tactical considerations, according to an interviewee with experience in Angola's

⁸⁹ Decree-Law 7-A/00, 11 February 2000.

⁹⁰ 'If it were not for the FBI, I would be dead', *Rough and Polished*, 24 February 2012.

⁹¹ SODIAM owned ASCORP as to 51% for the Angolan government, as to 24.5% by the TAIS Group and as to 24.5% by Welox. According to Gaydamak, Tais and Isabel, the wife and daughter of the President, controlled TAIS, and Leviev controlled Welox in association with Danny Laniado and Sylvain Goldberg. *Arkady Gaydamak and Lev Leviev*, p. 54.

diamond politics. First, a case-by-case negotiation with all the various concessions would have put the state at a distinct disadvantage. Second, SODIAM alone lacked the financial and technical capacity to implement the monopoly. Third, by the time concessions learned of the decisions, they faced a *fait accompli*. That significantly limited their margin of manoeuvre moving forward.⁹²

Interviewees involved in the diamond business at the time described the creation of ASCORP as a political, military, and economic coup for the Angolan state.⁹³ Acquiring diamonds from formal and informal mining on a monopolistic basis, and offering above market prices to compete directly with informal buyers, ASCORP decisively steered the diamond trade towards the official market, thus conferring the state, for the first time in two decades, a firm grip on a chaotic industry.⁹⁴ In less than a year, SODIAM and ASCORP diamond comptoirs generated a small diamond boom in the provinces, and more than doubled tax revenues, from 1.5% to 3.5%.⁹⁵ An ASCORP official manning a diamond comptoir nostalgically remembers:

Those were the days! Congolese, Angolans and West Africans started flowing into my office. I was open round the clock but told them about Shabbat. On

⁹² Interview 19, December 2010.

⁹³ Interview 16, October 2012; Interview 19, December 2010; Interview 27, May 2011; Interview 39, August 2012.

⁹⁴ 'Cleaning diamonds', *African Confidential*, 3 March 2000. It is important to note that the Angolan state turned a blind eye to the takeover of former UNITA-held informal trade networks linking Angolan mines to major import/export companies in Luanda by MPLA generals.

⁹⁵ 'The influence peddlers', *U.S. Centre for Public Integrity*, 13 November 2002. See also, 'ASCORP fait mieux que De Beers', *Africa Mining Intelligence*, no. 40, 19 June 2002.

Saturday afternoon, they would mass around my office and would start yelling my name to resume business when the three stars appeared in the sky.⁹⁶

Roitman's study of the Chad Basin is particularly useful to understand how the diamond comptoirs acted as agents of regulatory authority on behalf of the state. Although local actors did not depend upon handouts from the central state, their long-term survival came to be associated with their affiliation with 'new agents of regulatory authority' – the diamond comptoirs – particularly during the ASCORP monopoly on diamond trade.⁹⁷ The central state sanctioned the diamond comptoirs, which extended the state's regulatory authority as well as opened up commercial and international markets to the local population. The comptoirs resided in the elusive boundary between the formal and the informal economies, centralising revenue in the hands of the state but also driving the unregulated commerce that erupted in the Lundas at the same time.⁹⁸

However, the fact that the Presidency took possession of the informal diamond trade does not mean that the system of acquisition became more structured or regulated. Behind the public relations campaigns of ENDIAMA and the different institutional initiatives of the diamond sector and of various international organisations, state activities in the artisanal diamond mining arena remained largely unstructured and lawless. Asked in court how he could receive money from a company in which he did not formally own shares, Gaydamak candidly provided a unique description of the business:

⁹⁶ Interview 27, May 2011.

⁹⁷ Roitman, *Fiscal Disobedience*, p.158.

⁹⁸ Roitman, *Fiscal Disobedience*, p. 167.

[...] the reality is very simple. You have small offices around the country where there are the so-called buyer, and security, and the diggers. And diggers, they exchange diamonds that they are collecting in the rivers or I don't know where, again the cash money, and this cash money is going in and out, in and out, that is the reality, and believe me, in jungle, nobody asking if you have 24.5 or if you have 6.25 or if you have a document if you are shareholder or not. The cash money, millions and millions of dollars, are in the safe. Every day, they are dealing with security team to take their jeep millions of dollars, they are going to the forest, they are exchanging dollars against stones, and they bring back stones, and vice versa.⁹⁹

But it mattered little that commerce remained chaotic at the bottom, because ASCORP centralised the revenues from diamonds at the top. Noé Baltazar, the former leader of ENDIAMA, assumed the reins of the company and acted as the pliant and loyal interlocutor between the Presidency and Lev Leviev. Even after ENDIAMA waived its monopoly in 2003, ASCORP remained the conduit, and Baltazar the instrument, for the direct intervention of the Presidency in the affairs of the diamond industry.¹⁰⁰

⁹⁹ Arkady Gaydamak and Lev Leviev, p. 77. Interview 49, April 2011.

¹⁰⁰ 'ANGOLA: Preparations for Dos Santos exit', *Oxford Analytica Daily Brief Service*, 24 December 2001. According to the brief, 'Carlos Sumbula, the deputy minister of geology and mines, is more influential than the minister, Manuel Africano, a former UNITA member, but Sumbula answers to Baltazar'.

The PMFs

Not for the first time in the history of Angola's state–diamond sector relations, the expansion of the diamond sector in the Lundas during the 1990s entailed nothing less than a military operation. It required the conquest of a contested territory and the maintenance of security to protect man and machinery from rebels and *garimpeiros*. After a brief discussion of the literature on PMFs in Africa, the following paragraphs examine the reasons why the Presidency privileged PMFs over the conventional army in the fight for the Lundas.

The rise of PMFs is not unique to the diamond sector or to Angola. The number of PMFs exploded at the end of the Cold War with the wind-down of state militaries worldwide and with the consequent creation of a pull of expertise seeking outlets. African conflicts played this role. In Africa, PMFs also prospered in the ashes of the Apartheid regime, whose ex-police personnel moved to private business. According to some experts, western powers tacitly encouraged their deployment on the field, as they saw in them an alternative to direct intervention in the conflict-ridden, but resource-rich, continent.¹⁰¹ For Ferguson, 'the use of private military forces has become routine in many parts of Africa'.¹⁰²

As argued in the first section of this chapter, the arrival of PMFs in Angola took place after the 1992 elections, when the conventional army desperately lacked the means to face the invasion of UNITA. Most notably, EO assumed a prominent role in protecting

¹⁰¹ Peter Singer, 'War, Profits, and the Vacuum of Law: Privatised Military Firms and International Law', *Journal of Transnational Law*, vol. 42, no. 521, 2003; and 'Corporate Warriors: the Rise of the Privatised Military Industry and Its Ramifications for International Security', *International Security*, vol. 26, 2006.

¹⁰² Ferguson, *Global Shadows*, p. 205.

the state's positions in the resource-rich provinces of Cabinda and, eventually, of the Lundas.¹⁰³

But other than immediate military concerns, the use of PMFs in the Lundas was also the response of the Presidency to the promiscuity between the conventional army and UNITA in the diamond fields. As the previous chapter noted, the participation of conventional army forces in the Lundas diamond trade traces back to the 1980s and the *Processo 105*. The army took control of artisanal mining sites and informal diamond trade networks over unstructured networks of traders. When UNITA overran the diamond-rich region of Lunda Norte at the turn of the 1990s, the so-called *camanga* generals, the name used to designate the generals linked to informal diamond trade, opted to cooperate with UNITA rather than combat them.

For the Presidency, wary of the risks of dispossessing the army of a key source of revenues, any solution to this military stalemate at the local level had to preserve the established interests of the *camanga* generals in the diamond business. Toward that end, the Presidency settled on a familiar solution – ‘privatisation’ and discharge – transferring much of the military burden in the Lundas to top-flight generals, who, while assuaging the appetite of underpaid low-ranked officers, became responsible for protecting the formal diamond sector in the course of its resurrection.¹⁰⁴ They benefited from this process both as security providers, as discussed here, and obviously as partners in the new mining ventures, as mentioned above.

¹⁰³ Michael Ashwoth, ‘Africa's new enforcers’, *The Independent*, 16 September 1996.

¹⁰⁴ ‘Stolen stones’, *African Confidential*, vol. 40, no. 20, 8 October 1999.

A law passed in 1997 de facto nationalised the activities of PMFs in Angola, forcing foreign PMFs to create their own local subsidiaries in joint ventures. While foreign investors became behind-the-scenes assistants, providing logistical and training support, the *camanga* generals took the reins of the PMFs.¹⁰⁵ Between 1998 and 2002, a number of Angolan PMFs were created to ensure the security of the diamond companies and comptoirs.

The Presidency awarded the PMFs to its closest patrons in the military establishment, as well as to generals with experience in the private security business. Six of the Presidency's closest associates created Lumanhe in 1995, which became colloquially known as the *companhia dos generais* (the Generals' company).¹⁰⁶ João de Matos, who played a pivotal role in the post-1992 elections, bringing EO to Cabinda and the Cuango Valley, went on to create Teleservice, while his brother fielded Alpha-5. The two controlled a great deal of the national private security firms operating in the provinces, and counted on the logistical support of EO.¹⁰⁷ While many other smaller PMFs emerged during the period, Lumanhe, along with Teleservice and Alfa-5, stood as the best example of the Presidency's success in discharging part of the military responsibilities in the Lundas to PMFs.

The combination of diamond companies, comptoirs and PMFs, all connected by the Presidency, led to the emergence of a privatised diamond apparatus. The success of this

¹⁰⁵ Rita Abrahamsen and Michael C. Williams, *Security Beyond the State: Private Security in International Politics* (Cambridge: Cambridge University Press, 2010), p. 124.

¹⁰⁶ As noted above, the company has a significant participation (38%) in the *Sociedade Mineira do Cuango*. It is also an investor at *Sociedade Mineira do Chitotolo* and at ITM Mining's Calonda project. Rafael Marques, 'The Angolan Presidency: the Epicentre of Corruption', *MakaAngola*, 2011.

¹⁰⁷ 'The President's men', *Africa Confidential*, vol. 40, no.3, 5 February 1999.

strategy is visible in the control that the Presidency wielded over the diamond sector by the end of the conflict: diamond companies established extractive enclaves that reactivated the production of the formal diamond sector; ASCORP channelled diamond revenues to regime strong figures like Isabel Dos Santos, the President's daughter; PMFs guaranteed not only security, but also the allegiance of the military establishment to the Presidency's agenda. By discharging ENDIAMA's key prerogatives to its elite clientage, the Presidency would restore full control over the diamond sector in less than a decade after UNITA's invasion. However, the human costs of this extraordinary achievement were immense, as the new diamond apparatus reinstated the private indirect government in the Lundas, in a version more exclusive and violent than ever.

Private indirect government in the war-torn Lundas

It's the Wild West up there, it's Dodge city, it's Chicago, it's gangsterland'.¹⁰⁸

The purpose of this section is to identify how the arduous yet steady re-entrenchment of the privatised diamond apparatus in the Lundas in the last decade of the Angolan civil war resulted in the reinstatement of the private indirect government in a purely extractive and militarised form that, as the Conclusion argues, outlived the conflict, especially in Lunda Norte.

As argued at the beginning of this chapter, between 1992 and 1993, UNITA's conquest of the Lundas made a mockery of any notion of state control. The provinces fell into an

¹⁰⁸ A mining manager in Dundo, 1996. 'Angola's peace now hangs on who gets the diamonds', p. 4.

atypical situation even by their own historical standards. The state only manifested authority in small pockets of the territory, mainly in urban areas – Saurimo, Lucapa and Dundo – de-linked from each other and dependent on airlifts to connect them with each other and with Luanda. These islands of state control had in common with the Portuguese outposts of the early colonial period their ‘vulnerability’, to borrow the term Roque used to describe the colonial situation in eastern Angola in the early twentieth century.¹⁰⁹ However, as argued in the previous section, the privatised diamond apparatus steadily restored the control of the state over the Lundas, while allowing the Presidency to exercise full discretionary power over diamond sector opportunities. In light of these events, this section begins with a brief review of developments in the Angolan civil war, with an emphasis on the events unfolding in the Lunda provinces since the end of the Cold War. It moves on to analyse how the privatised diamond apparatus organised this latest iteration of the long-running private indirect government.

The war of Lunda

The main body of research on civil war places an emphasis on the causes of conflict and seeks to come to a general conclusion about the nature of war. In one strand of this literature, scholars establish a link between changes in the state system since the end of the Cold War and changes in the nature of conflicts in the developing world. In what they consider the advent of a new form of warfare, the so-called ‘new wars’, the focus shifts from territory to identity, from guerrilla to terror tactics, and from national to the

¹⁰⁹ Ricardo Roque, ‘The Razor’s Edge: Portuguese Imperial Vulnerability in Colonial Moxico, Angola.’ *International Journal of African Historical Studies*, vol. 105, no. 24, 2003.

transnational actors.¹¹⁰ The second strand of the literature almost completely disregards historical dynamics. Drawing on the highly influential yet controversial conclusion that grievance, perceived as political and ideological motivation, has become irrelevant at the expense of greed, essentially defined as economic incentives, these works call for an emphasis on the rational choice of rebels, who are supposedly driven chiefly by profit-seeking.¹¹¹ At any rate, both approaches converge on a common set of normative assumptions that reduce any armed conflict to aberrant and criminal behavior¹¹² and characterise war as inherently destructive and symptomatic of the disintegration or 'primitiveness' of states in the developing world.¹¹³

Such deterministic perspectives have become the object of sharp criticism from scholars concerned with historical and colonial continuities. Though these authors concur that variables such as ideology, identity, and resource endowment are important, they disagree that these factors are exhaustive of the drivers of conflict. History matters, they argue, because a complex array of historical factors stands at the origin and sustenance of war.¹¹⁴

Although the Angolan conflict is often used as a case study to corroborate the relevance of such greed-based explanations, the more authoritative scholars in the field have prioritised historical and sociological lines of inquiry into the origins of the war. In two

¹¹⁰ Martin Van Creveld, *The Transformation of War* (New York: Free Press, 1991).

¹¹¹ Paul Collier, 'Greed and Grievance in Civil War', *Oxford Economic Papers*, vol. 56, no.4, 2004, pp. 563–95.

¹¹² Roland Marchal and Christine Messiant, 'Interpretating New Paradigms of Civil War as Symptoms', *Lusotopie*, vol.13, no. 2, 2006, pp. 3–46.

¹¹³ Christopher Cramer, *Civil War Is Not a Stupid Thing. Accounting for Violence in Developing Countries* (London: Hurst, 2006).

¹¹⁴ Mark Duffield, *Global Governance and the New Wars: the Merging of Development and Security* (London: Zed Books, 2001).

influential articles, Christine Messiant, a leading scholar of Angola, shows that, contrary to the ‘new wars’ contention, conflict and territorial division involved ethnic and identity difference, and not the other way around.¹¹⁵ Likewise, Christopher Cramer, in a chapter called ‘How to pay for a war’ uses the case of UNITA to show that proponents of greed over grievance conflate the causes of war with the economic circumstances that sustain it. Cramer goes even further, placing the greed versus grievance and the old versus new wars debate in the same analytical basket. According to his ‘melancholic’ perspective of history, violence is integral to the human condition and a driver of social progress and development.¹¹⁶ From this perspective, war must be understood as part of a political economy rooted in actual historical experiences.¹¹⁷

Such an approach is particularly suitable to the study of state–diamond sector relations realised in Angola. As this thesis shows, the central state, in its different forms, exercised enormous and continuous regulatory power over the Lundas. While control over the territory was heavily contested in the interregnum of the early 1990s, the mechanism through which the state exercised power in the Lundas never changed: discharge, including of the state’s monopoly of legitimate violence, to non-state actors.

Yet while the relationship remained as co-constitutive as ever, the parties to it changed dramatically. In particular, the state that resurrected the mechanism of discharge to the diamond sector in the aftermath of UNITA’s invasion was vastly different from the colonial state that had established discharge as the mechanism of state intervention in

¹¹⁵ Marchal and Messiant, ‘Interpretating New Paradigms of Civil War’.

¹¹⁶ Cramer, *War is Not a Stupid Thing*, p. 49.

¹¹⁷ Cramer, *War is Not a Stupid Thing*, p. 287.

the Lundas in the early colonial period: while the early colonial state was a relatively poor, decentralised entity with minimal ambitions, especially in its outer periphery, the Angolan state of the 1990s was an oil-rich, hyper-centralised entity with ambitions of absolute power. Indeed, the latter wanted to control all major revenue streams and every node of power in the country. But it wanted to do so without having to go through the pains of forming or administering a modern state, even if the MPLA's rhetoric is modernist to a fault.¹¹⁸ From the perspective of the Presidency, UNITA's takeover of the Lundas was a vast problem. But it also constituted a 'productive moment', not to be passed over, to redesign the diamond sector and acquire absolute, if indirect, control on the cheap.

Re-mapping post-DIAMANG Lundas: indirect private government in Lunda Sul and Lunda Norte

As already mentioned, the Presidency enacted the all-important 1994 Diamond Law in an attempt to stem the consequences of the short yet chaotic 1991–1992 intermezzo. Chapter one of the Law instituted the *Regime Especial de Zonas de Reserva Diamantíferas*, which created three new legal jurisdictions with diamond concessions at their centre in a territory of about 180,000 square kilometres and 1 million people.¹¹⁹ The *Regime Especial de Zonas de Reserva Diamantíferas* proved largely suitable for the establishment of the privatised diamond apparatus. It gave diamond companies full

¹¹⁸ Ricardo Soares de Oliveira, *Magnificent and Beggar Angola: Angola Since the Civil War* (Hurst and Oxford University Press, 2015), chapters 2 and 3.

¹¹⁹ 1994 Diamond Law, Chapter 1.

power in the concessionary areas, designated as *zonas restritas* (restricted zones)¹²⁰ and in a radius of five square kilometers via the *zonas protegidas* (protected zones).¹²¹

This also allowed the privatised diamond apparatus to exercise discretionary power outside the extractive enclaves and their radius via the *zonas reservadas* (reserved zones) which designated the expandable territory.¹²² The following paragraphs analyse the new variant of private indirect government to which this *Regime Especial de Zonas de Reserva Diamantíferas* gave rise in the Lundas. In the extractive enclaves, the useful areas, the privatised diamond apparatus exercised full control. In the expandable areas, the Angolan PMFs and the diamond comptoirs guaranteed the control of people and diamond revenues. Finally, this private indirect government co-existed with a few posts of formal state presence.¹²³

Abrahamsen and Williams define the spatial and physical enclaves in which the extractive industry operates in the developing world as ‘highly secured sites where externally traded commodities such as oil and diamonds are extracted for the benefit of local elites and their transnational business partners, largely bypassing the surrounding communities’.¹²⁴ While the concessions that ENDIAMA licensed between 1994 and 2002 certainly benefitted the Presidency and its business associates, they varied, often

¹²⁰ The concession holder could control the access of people and supplies into the area.

¹²¹ Anybody could cross these areas so long as they carried a permit issued from an employer or a local authority, and the concession holder could inspect all vehicles and supplies. Nobody could reside in these areas.

¹²² 1994 Diamond Law, art. 1–15. Only those who lived in the region for a minimum of five years could own a property. Visitors could stay no longer than 45 days, and had to carry identification as well as a document provided by a government agency stating the purpose, duration, and itinerary of the prospective journey.

¹²³ Interview 50, September 2012; Interview 47, May 2011.

¹²⁴ Abrahamsen and Williams, *Security Beyond the State*, p. 123.

considerably, in terms of security and infrastructure. Some were indeed highly secured and even doubled as military bases; others were poorly protected wastelands.

By the time the Angolan civil war (and the war of Lunda) ended in 2002, only one mining company had developed into an extractive enclave similar to Abrahamsen and Williams' ideal-type. Located about 22 miles from Saurimo, on the border with Lunda Norte, the aforementioned SMC explored the Catoca kimberlite. As noted by several interviewees, the success of the SMC in establishing a fortress in Lunda Sul is related to the characteristics of its mining operations, and the location of the site.¹²⁵ As noted in the Introduction, the SMC explores the only kimberlite mine in Angola, discovered by DIAMANG during the colonial period. Although the value of kimberlite diamonds is less than that of alluvial diamonds such as those found in the Cuango Valley, kimberlite mines are much easier to explore and, most importantly, to secure. Companies can concentrate operations into a limited space instead of having to cover a large and often uneven territory.¹²⁶ Moreover, in Lunda Sul, as Chapter 4 explains, the DIAMANG security apparatus was dismantled earlier than in Lunda Norte, and by 1998 the state had already developed a significant presence if compared to Lunda Norte.

Visited in 2011 and 2012, the site impresses with its comprehensive camp, sharply cut grass, and nearly arranged houses and compounds for workers. But between its inception in 1992 and the retreat of UNITA forces from the region in 1999, SMC workers lived in tents near the mine, relied on aircraft for supplies, and constantly feared rebel attacks. After the military stabilisation of Lunda Sul, the SMC strived to

¹²⁵ Interview 46, May 2011; Interview 51, March 2011.

¹²⁶ Interview 52, February 2011.

eradicate artisanal mining in the surrounding areas, using a mix of welfare and security, as well as to expand infrastructure, restoring a hydroelectric dam and the road connecting to Saurimo, and building an airport runway.¹²⁷ The imposing security organisation continued into the postwar period. Surrounded by electrified fences and private forces, entrance and exit remain strictly regulated. Border posts act like customs authorities that control the refuel of supplies and the rotation of local as well as expatriate personnel. To avoid informal trade, the circulation of currency is forbidden and workers use their electronic cards to acquire goods in the local market, which draws on locally produced supplies. The mileage of each car of the company is monitored and extensive journeys outside the site must be justified.

The success of the SMC, both in terms of content and format, is invariably associated with a member of the diamond technocrats, José Manuel Augusto Ganga Júnior, who earned his stripes at DIAMANG and then ENDIAMA before taking over the concession at its creation in 1992. Far from the notorious reputations of some other members of the diamond technocrats, he brought a touch of professionalism to an industry with a dismal reputation by ticking all the boxes of ‘good governance’ and corporate social responsibility standards. He inflated the accomplishments of the SMC in health and education through lavish public relations campaigns, and promoted the company in international fairs.¹²⁸

¹²⁷ Interview 28, August 2012.

¹²⁸ As noted earlier, the *Sociedade Mineira de Catoca* is a consortium of Brazilian (Odebrecht), Russian (Alrosa), Angolan (ENDIAMA) and Israeli (Lev Leviev) investors. Broadly speaking, Alrosa is in charge of operating the machinery, Odebrecht deals with human resources, Lev Leviev is responsible for selling the diamonds, and ENDIAMA represents the interests of the Presidency.

His emphasis on more conventional forms of corporate governance provided a façade of ethical standards for the hitherto rogue Angolan diamond industry. The ‘technology of the ethos’ that the SMC implemented in the Lundas helped to rebuild the legitimacy lost by the Angolan diamond sector after the collapse of DIAMANG.¹²⁹ As a former ENDIAMA official puts it:

Think of Ganga Júnior [the CEO of the SMC] as the good cop and Noé Baltazar [the head of ASCORP] as the bad cop. Both are complementary to each other, and indispensable for the strategy of the government.¹³⁰

Ganga Júnior’s charismatic leadership recalls that of Delegate Administrator Ernesto de Vilhena, who also mastered the art of finding a balance between the expectations of foreign investors, central authorities, and provincial rulers during his tenure at DIAMANG – a parallel that Ganga Júnior, an admirer of DIAMANG’s heritage in the Lundas, would probably agree with. In the early years, he managed the SMC from the former DIAMANG headquarters in Saurimo, and remained close to the Portuguese administrators of the company. Thus, the corporate social responsibility programmes of the SMC likewise recall those run by DIAMANG in the colonial period. He even organised the SMC’s housing layout in Catoca according to DIAMANG’s in Dundo, with his house bearing the reference K-17, the same reference as Vilhena’s house in the colonial period.¹³¹ And just like Vilhena, albeit on a much lesser scale, Ganga Júnior

¹²⁹ George Jedrzej Frynas, ‘Corporate Social Responsibility or Government Regulation? Evidence on Oil Spill Prevention’, *Ecology and Society*, vol. 17, no. 4, 2012.

¹³⁰ Interview 19, December 2010.

¹³¹ Interview 22, October 2012.

continues until today to administer the diamond company in perfect symbiosis with the central state, projecting state power in Lunda Sul.

The situation of the extractive enclaves in Lunda Norte is completely different. The Cuango Valley, the historically coveted area of alluvial mining where *garimpeiros* thrived in the 1960s and UNITA made most of its diamond fortune in the early 1990s, is the most relevant example. At the time of my visit, armed checkpoints run by PMFs continued to filter access to the Valley. Truck drivers remember the drive around these areas during the height of the civil war as a nearly suicidal mission:¹³² they used to call the road connecting Cuango to Cafunfo the *Estrada da Faca* (literally, Knife Road), where ‘it was all about driving, praying and crying at the same time’.¹³³ ENDIAMA sliced the region into three mining concessions, each with its own security branch. The SDM, based in Cuango, contracted Alfa-5; the *Sociedade Mineira do Cuango*, in the Cafunfo region, acquired the services of Teleservice; and later, the *Sociedade Mineira de Luminas*, located in the Luremo area, hired K&P Mineira. Together, these PMFs de facto privatised the monopoly of power in the whole of the sector, controlling access through checkpoints, inspecting houses and vehicles, and levying taxes from artisanal mining.¹³⁴ Unsurprisingly, it is also in those areas more than anywhere else, that PMFs violently enforced their authority, harassing locals and perpetrating physical abuses, including, according to human rights activists, torture.¹³⁵

¹³² Interview 55, January 2014.

¹³³ Interview 30, October 2012; Interview 32, June 2012.

¹³⁴ Marques, *Diamantes de Sangue*, p. 4.

¹³⁵ Interview 22, September 2012. Interview 62, April 2011.

The writ of the state and the diamond companies remained confined to patches of urban areas and strategic roads. Dundo, which I described in Chapter 2 as a sprawling and well-organised town where the social engineering of DIAMANG displayed its greatest effectiveness, became the best illustration of the difference between DIAMANG and the privatised diamond apparatus' mode of governance in Lunda Norte. The city, once emblematic of the company's overreaching power, became a patchwork of enclaves; diamond comptoirs, party offices, government offices, and NGOs co-exist uneasily and fail to project power beyond their small perimeters. Nature invades decrepit warehouses and old colonial houses, exacerbating the general sense of inevitability and material decay among the population.¹³⁶ The debris of the DIAMANG infrastructure shelter governmental offices and the poorly kept Ngakumona Avenue, named after the legendary DIAMANG administrator of the early postcolonial period, demarcate streets bursting with slums and informal shops. The 'jewel of the colony' has all but descended into ruin. The diamond wealth continues to flow all the way up to the Presidency from the mines of the Lunda Norte; nothing trickles back down again.

One of the words that came up most often in interviews to describe the 1990s in Lunda Norte is 'anarchy'.¹³⁷ For those residing or working in the region, the volatility of the situation and the conflict and collusion between so many actors, government, rebels, *garimpeiros*, PMFs, meant that the province was effectively ungoverned. This section, and this chapter more generally, shows that, by the time the war ended, the diamond corporate apparatus exercised complete control over the provinces' key nodal points. By doing so, it effectively excluded the local population from the economy, or to better put

¹³⁶ Fieldwork, July–August, 2012.

¹³⁷ For example, Interview 18, May 2011.

it, instated control over the access of the local population to the economy in Lunda Norte. The establishment of diamond companies often meant the displacement of local populations to the least productive areas of the province. The access to riverbeds and farming areas was contingent on authorisation from PMFs. By rendering the population economically dependent, the indirect private government of post-war Lundas had achieved within the extractive enclaves what DIAMANG achieved with a ‘state inside the state’: absolute control over Lunda Norte’s population.

Conclusion

This chapter has explored how and why the Angolan state resurrected, and re-privatised, the diamond sector during the 1990s. Toward that end, it has highlighted the lengths to which the state went – in the midst of a brutal war – to restore its relationship with the industry and, once more, to resume the discharge of vital state functions, this time not only to private diamond companies but also to PMFs and comptoirs. As it has showed, Luanda – with power firmly in the hands of the Presidency – made a conscious and deliberate decision to resurrect a version of the ‘state inside the state’ in the Lundas. It did so for two reasons: first, the now-tripartite ‘diamond apparatus’ represented, as ever, an indispensable military partner in the hostile diamond-rich periphery – one that succeeded in dealing a final blow to UNITA and, thereafter, in re-establishing (indirect) state control over the whole of the Lundas. Second, the diamond sector provided a source of convenient rents to fund the Presidency’s patronage network, thereby keeping its allies and associates in line at a time of profound political instability.

In examining both reasons, this chapter has showcased the active role of the state – and the Presidency, in particular – in instrumentalising the diamond sector to suit its own interests, especially amidst the last decade of the civil war. It has noted, first, just how calamitous the collapse of DIAMANG in 1988 proved for the Luanda elite – a calamity that served only to underscore the continued interdependence of the one on the other. Of course, by that time, the Luanda ‘petro-state’ had ceased to understand discharge to the diamond sector as essential for stability in the Lundas. Emancipated by the surge in oil revenues, the Presidency had left the management of the sector to an inexperienced group of Luanda-centric ENDIAMA administrators, whose decision to dismantle DIAMANG’s private indirect government of the Lundas disaggregated the sector and paved the way for UNITA’s occupation of the region in late 1992 and 1993. Having paid a steep price for the lesson, the Presidency quickly re-learned the importance of the ‘state inside the state’ as a multiplier of the interests of the central state in the Lundas and made its re-creation a military and commercial priority.

Thus, far from a passive actor in the resurrection of the diamond industry, the Presidency actively created the conditions – legal and financial – that made that resurrection possible. Yet its motivation in so doing was never solely military; the need to satisfy the regime’s patronage networks played an equally important role. Indeed, as this chapter has showed, the re-privatisation of the diamond sector in the 1990s both reflected and produced a change in the politics of resource control: while the colonial state had approached the diamond sector from a monopolistic perspective, the postcolonial state adopted a patronage approach. But while the fruits of the relationship – private rent versus state revenues – between the state and the diamond sector changed,

the co-constitutive nature of it – discharge and private indirect government in return for commercial access – did not.

In line with this overarching continuity, the ‘state inside the state’ that re-emerged in the Lundas during this period achieved precisely the same overarching goal as the one that had dominated the provinces in the colonial period: the subjugation of the population to the diamond sector and, by extension, to the state. It did so, however, with radically different methods: the centralised, orderly, and authoritarian DIAMANG apparatus gave way to a decentralised, disorderly, and arbitrary apparatus wherein diamond companies, comptoirs, and PMFs operated loosely and chaotically together, and with little pretense of delivering public goods or welfare to the population. As an interviewee born and raised under DIAMANG described the transformation: ‘In the colonial period, I had no rights but I had order. Today, I don’t have rights and I don’t have order.’¹³⁸ Of course, such chaos on the ground stood in stark contrast to an increasingly hyper-centralised and absolutist state – a paradox discussed further in the Conclusion.

¹³⁸ Interview 60, March 2011. I am aware that interviewees can colour the memories of the past in an attempt to emphasise their difficulties in the present, but I still think that this sentence is representative of the transition from DIAMANG to present day.

CHAPTER 6: STATE-MINING COMPANIES' RELATIONS IN AFRICA

This chapter draws on the insights provided in this thesis to advance the study of relations between the state and the mining sector in Africa more broadly. The argument is twofold: first, African states' strategies towards the mining sector have shown remarkable continuities amidst the different changes in their own political configurations. From the early colonial period to the present day, rulers have instrumentalised mining companies to broadcast state authority and to pursue state as well as patronage interests in those peripheral areas where their formal governance apparatus has historically had difficulties in holding sway. Second, this instrumental character of state–mining sector relations has been largely overlooked in the literature assessing current developments in mining-rich regions. Even as much of the scholarship rightly recognises – indeed, emphasises – non-state actors' structuring role, it nevertheless treats the African state, with the exception of the developmental state and early postcolonial parenthesis of relative state strength, as a relatively marginal and powerless actor. As this chapter argues, by contrast, despite its material absence, the state has remained a powerful regulatory force throughout the mining-rich periphery, even in a context of apparent state decline and crisis. Drawing on the example of other relevant cases across Africa, this chapter provides an analysis of these central state dynamics as they play out in the mining-rich hinterland.

The first section examines the relationship between the state and the mining sector from the colonial to the postcolonial period. Drawing on cases of countries that share important similarities with Angola, as well as others which are more distant yet still

provide relevant insights, it highlights the extent to which the mining sector –with varying degrees of success – serves to project and defend state power beyond the reach of formal state institutions. Of course, the argument here is not that the private sector selflessly lends itself to the pursuit of state goals which have varied across the last century, and include many instances of non-developmental and even predatory aspirations on the part of the central state, or that it is not exclusively motivated by profit. Rather, I emphasise the dimension of instrumentalisation afforded by the mechanism of state sovereignty and the political agendas of state rulers. In the process, I argue that the enormous power that the mining industry wields in Africa is not necessarily indicative of state weakness. Instead, it often reflects the deliberate decision of African states to harness the power of mining companies to suit their own goals – to enrich themselves by enriching others.

The second section evaluates current scholarly approaches to the politics of private, large-scale mining in light of these conclusions. It notes that much of the relevant literature focuses exclusively on the role of non-state actors – local and transnational alike. In the case of countries like Angola, it argues, such literature underemphasises the crucial role of the central state in mining politics in the periphery, which is part of a broader overestimation in the literature of the traction of private companies and a concurrent neglect of the strengths and agency of African states, even those considered ‘weak’.¹ The chapter concludes by suggesting an approach that sees the relationship

¹ In this regard, I am following the work of scholars such as Clapham, Reno and others, for whom state weakness and decline (and in some cases, war) in the late twentieth century did not mean an elimination of the agency of local decision-makers. William Reno, *Warlord Politics and African States* (Boulder: Lynne Rienner, 1999); Christopher Clapham, *Africa and the International System: the Politics of State Survival* (Cambridge: Cambridge University Press, 1996).

between African states and mining companies as – in given circumstances – an instrumental and co-constitutive one.

Revisiting the history of state–mining company relations

As discussed in Chapter 1, the effective and, in some cases, very protracted occupation of the colonies in the early twentieth century, the period during which the colonial state rooted its authority in vast swaths of African territory, shaped the character of relations between states and the mining industry. In a situation of weak institutional capacity and limited financial and human resources, colonial rulers discharged to mining companies the task of consolidating and defending state power in the periphery.² Outfitting mining companies with territorial rights, central states enabled the mining sector to perform certain important state-like functions on their behalf. While in some cases the mining sector simply claimed and defended territory, in others, it developed comprehensive, even draconian, systems of private indirect government.³ Either way, it divided the African periphery between useable and expendable territories, bringing the former, directly or indirectly, within the reach of colonial state power.⁴

The role of mining companies in performing the functions of the state during the early colonial period exposed the fissures of colonial states in relation to the prototypical modern state. Long the exception rather than the norm in the medieval and early modern period, centralised power encompassing effective territorial control and a monopoly of

² Chapter 1 discusses the idea of discharge, or the exercise of power without the involvement of the administration apparatus.

³ Achille Mbembe, *On the Postcolony* (Berkeley: University of California Press, 2001), p. 101.

⁴ A notion used by William Reno to describe the organisation of African territories: Reno, *Warlord Politics and African States*.

coercive means evolved into an integral feature of the metropolitan state over the course of the nineteenth century.⁵ For colonial rulers in turn-of-the-century Africa, however, control of the large periphery remained contingent on their alliance with a variety of non-state actors, prominently including the mining companies that are the focus of this thesis.⁶ Colonial administrators were not state-makers in any sense comparable to the historical experience of the modern state in Europe, but rather gatekeepers who frequently had to rely on mining companies to extend control within the mining-rich but often distant parts of their territories.⁷ Although compressed in time – the private indirect governments entered a process of transition in the years preceding the Second World War – this early colonial period posed a challenge to the notion that formal state structures would prevail over private non-state ones in the projection of state power or the defence of state interests in the mining rich periphery.⁸ Instead, it set in place the co-constitutive relationship between the state and the mining sector that has prevailed, in one form or another, ever since: state leaders received the privatised projection of state power where it otherwise would not reach. Mining companies, for their part, did not challenge the *de jure* primacy of the state and, most importantly, obtained what they needed most: the access to resources.

⁵ See, for example, Janice Thomson, *Mercenaries, Pirates, and Sovereigns: State-Building and Extraterritorial Violence in Early Modern Europe* (New Jersey: Princeton University Press, 1996)

⁶ As Béatrice Hibou notes, the practice of state discharge to private actors is an 'age-old phenomenon' that was only occulted for a time due to the adoption of normative models, such as the rational-legal state. Béatrice Hibou, 'The "Privatization" of the State: North Africa in Comparative Perspective', in Klaus Schlichte, ed., *The Dynamics of States: the Formation and Crises of State Domination* (London: Ashgate, 2005), p. 74.

⁷ Frederick Cooper, *Africa Since 1940: the Past of the Present* (London: Cambridge University Press, 2002), pp. 196–197.

⁸ Jean-Luc Vellut's description of *État Holding* in Belgian Congo most accurately highlights the relevance of the private sector in the building of the early colonial state. Jean-Luc Vellut 'Hégémonies en Construction: Articulations entre État et Entreprises dans le Bloc Colonial Belge (1908–1960)', *Canadian Journal of African Studies*, vol. 313, no. 30, 1982, pp. 74.

In the late colonial period, colonial rulers, vested with a developmental mission by the metropolis, gradually reclaimed some of the state-like functions previously assigned to mining companies.⁹ This attempt to bring the colonial state closer in line with its modern European counterpart, while largely elusive in material terms, proved critical in ideological terms, as it framed the way national liberation movements would later envisage the role of the state and conceive state–mining relations.¹⁰ At independence, the idea that postcolonial states could claim control over an internationally recognised territory – i.e., that they could become conventional modern states modelled on their western equivalent – informed much of the attitudes of postcolonial leaders toward the mining industry. They acted in continuity with late colonial administrators whose modernising views of the state had already led to the curtailment of some aspects of private sector autonomy. Postcolonial leaders assumed that their dependency on the mining industry would diminish alongside the continued expansion and consolidation of the developmental state and its taming, or even appropriation, of foreign capital. This firm belief in the developmental mission, fuelled in some occasions by Marxist ideology but shared by states that were not left-leaning, placed the nationalisation of mining companies at the centre of early postcolonial politics.

It quickly became apparent, however, that the political fortunes of postcolonial leaders in mining-rich countries could not be easily severed from the interests and preferences of the mining industries they sought to control or nationalise. As newly independent and left-wing governments from Tanzania to Mozambique to Ghana soon learned, mining

⁹ Lonsdale, 'States and Social Processes in Africa: a Historiographical Survey', *African Studies Review*, vol.24, nos. 2 and 3, 1981, pp. 139–225.

¹⁰ Copper, *Africa Since 1940*, p. 70.

companies enjoyed the ceaseless support of the Western states where their corporate headquarters were based; postcolonial governments that dared to nationalise the industry quickly became pariahs within the Western-dominated international financial and diplomatic systems. In no case did the pursuit of alternative alliances with the Soviet Bloc provide long-term, viable strategies for the extractive industries.¹¹ In some cases, postcolonial governments that attempted to confront the mining industry faced further retaliation closer to home. In response to the insubordination of Patrice Lumumba's government in early post-independence Congo, the mining industry supported Moïse Tschombé's bid to turn the copper-rich Katanga province into an independent state in 1964. The objective of the mining industry was not to foment regional fragmentation, but to decapitate an overly assertive central authority perceived to be against the interests of the sector.¹² It succeeded in that regard, and it went back to accepting the government in Kinshasa when the latter no longer articulated a rhetoric of hostility towards the sector. The power of the mining industry reared its head again not long thereafter: when President Joseph-Desiré Mobutu attempted to market diamonds independently in 1983, the diamond cartel promptly shut him down.

But these muscular actions were relatively rare. The mining industry was rarely compelled to support coup d'états or to engage in price wars. Postcolonial state leaders were quick to follow in the footsteps of their colonial predecessors, creating close working relationships with mining companies. Even where they opted for

¹¹ For Tanzania, see Deborah Fahy Bryceson, Eleanor Fisher, Jesper Bosse Jønsson, and Rosemarie Mwaipopo, eds., *Mining and Social Transformation in Africa: Mineralizing and Democratizing Trends in Artisanal Production* (London: Routledge, 2013), p. 149. For an overview of nationalisation in Ghana and Mozambique, see Crawford Young, *The Postcolonial State in Africa: Fifty Years of Independence, 1960–2010* (Madison: Wisconsin University Press, 2013), pp. 165–170.

¹² William Minter, *Operation timber: Pages from the Savimbi Dossier* (Trenton, New Jersey: Africa Research and Publications, 1988), pp. 141–145.

nationalisation, postcolonial leaders did so as much as for what they saw as pragmatic reasons as for ideological ones. In Angola, for instance, nationalisation in 1977 aimed to strengthen rather than weaken an industry that the government still regarded as an essential partner but that had been negatively affected by decolonisation. Indeed, rulers in many mining-rich countries quickly came to terms with the fact that they helmed ‘quasi-states’ – that is, states that lacked the capacity to project power or secure interests beyond their conurbation-bound formal institutions. Recognising their continued dependence on the mining industry as *the* conduit through which state power found its way into the hinterland, many postcolonial leaders went out of their way to maintain or restore the relationship with the mining sector forged in the colonial period.

Indeed, neither independence nor post-independence radically changed the nature of the relationship between mining companies and African states. Even during the 1970s, when the prosperous commodity cycle came to a devastating end, that relationship remained in place in most states. Where radicalism had seen serious damage to the corporate sector or even its retreat, the new crisis context meant that rulers would go back to the pre-radicalism rulebook and reengage with companies on familiar terms. With global prices in free fall and state revenues following suit, African leaders lost much of their ability to provide patronage to their political allies or to control their own resources. This, combined with the effects of structural adjustment programmes in the 1980s and beyond, encouraged politicians to reactivate the practice of discharge to the mining sector. In a profound irony of history, measures intended to roll back the state and to make room for markets produced instead the ‘privatisation’ of state-controlled

mining companies in Hibou's sense of the term.¹³ As their predecessors had done for nearly one hundred years, African leaders responded to the inadequacies of their formal institutions by instrumentalising and re-empowering the mining sector, transferring not only public assets, but de facto public authority, into private hands – but only to those hands capable of achieving their goals. After all, African leaders retained their most precious tool: the power to confer, or not, a licence to operate.

Throughout the last decade of the twentieth century, African leaders aggressively courted investors and markets, including illicit ones, in an effort to maintain the private indirect governments of mining-rich regions in the face of the decline of formal state institutions. Toward that end, they discharged state assets to patrons and military actors through private channels. In the DRC and Zambia, the state, via the privatisation of the mining industry, empowered the heads of different factions to appropriate resources and build their own patronage networks.¹⁴ In Sierra Leone and Liberia, the state allocated concessions to mining companies that, in return, carried war into contested territories in alliance with PMFs.¹⁵ Even in Angola, a country with vast resources, to ensure patronage and to maintain a powerful army, the state elected to privatise the diamond sector, suggesting that discharge to non-state actors remained a prized form of state intervention independent of the 'weakness' of state institutions. The gatekeeper mode of power, a legacy of the early colonial period when colonial state apparatuses were most thinly spread, remained as attractive, and as successful in its own narrow terms, as ever.

¹³ Nicolas van de Walle, *African Economies and the Politics of Permanent Crisis, 1979–1999*, (Cambridge: Cambridge University Press, 2001), p. 275; Béatrice Hibou 'From Privatising the Economy to Privatizing the State', in Béatrice Hibou, ed., *Privatising the State* (London: Hurst, 2004), p. 2.

¹⁴ Alastair Fraser and Miles Larmer, eds., *Zambia, Mining, and Neoliberalism: Boom and Bust on the Globalized Copperbelt* (London: Macmillan, 2010), p.36; Benjamin Rubbers, 'L'Effondrement de la Générale des Carrières et des Mines', *Cahiers d'études africaines*, vol. 1, no. 181, p.123.

¹⁵ David Keen, *Conflict and Collusion in Sierra Leone* (London: James Currey, 2005).

Indeed, the return to prominence of private mining companies in the last quarter of the twentieth century represented no more of a shift in the relationship between the state and the mining sector than did the nationalisation of mining companies in the prior quarter. That is not to say that nothing changed. To the contrary, the re-privatised mining sector did not, by and large, carry the authoritarian but concrete improvements in popular welfare that late colonial and early postcolonial mining governance often entailed. Instead, it became a market-driven, minimalist approach wherein companies refuse many of the old obligations other than the ones that are important for themselves, or for the states whose interests they also serve. Particularly in those states, like Angola, capable of strongly renegotiating the terms of engagement with mining companies, states' deliberate choice to privilege discharge to these minimalist mining companies over the establishment of a direct presence is testament to the convenience – at least as far as state elites are concerned – of this model. But it is testament as well to the inappropriateness of understanding state power in Africa as coterminous with the power of formal institutions.¹⁶

The present state of state–mining industry relations

Within much of the scholarship on contemporary politics in Africa's mining-rich regions, the central state is noticeable largely for its absence, weakness, or regulatory incapacity. The focus is almost exclusively elsewhere: on the trials and tribulations – and, recently, the triumphs – of artisanal miners within an environment otherwise

¹⁶ Jana Hönke, 'New Political Topographies: Mining Companies and Indirect Discharge in Southern Katanga (DRC)', *Politique Africaine*, no. 4, 2010, p. 100.

defined and dominated by the prerogatives of multinationals.¹⁷ In this way, the scholarship understandably tracks both the resurgence of private corporate mining in Africa, and the boom in artisanal mining, in the first decade of the twenty-first century.¹⁸ This focus is justified in its own right and has produced important contributions about key actors in the political economy of mining. It does not, however, sufficiently consider the enduring, foundational role of the central state, but instead emphasises either local or transnational agency as the primary engines of political change.

The non-state drivers of change are foremost in the literature. For Deborah Bryceson, the present boom of artisanal mining is creating new modes of accumulation and distribution. As she sees it, artisanal mining serves as a vehicle through which mining communities can develop more democratic and emancipatory societies.¹⁹ Within the prosperous environment of the artisanal economy, she argues, civic groups and local business entrepreneurs can reclaim important social space and become the engines of

¹⁷ Bonnie Campbell, *Mining in Africa: Regulation and Development*, ed., (London: Pluto Press, 2009). The first decade of the twenty-first century has seen the aggressive return of economic reforms engendered in the 1980s, based on the dismantling of public companies and the transfer of state assets to private investors. A surge in the price of mineral resources has once again propelled the African continent to the forefront of the global commodities market. See also Ray Bush, 'Scrambling to the Bottom? Mining, Resources and Underdevelopment', *Review of African Political Economy*, vol. 35, no. 117, 2008, p. 362.

¹⁸ It is important to note from the outset that the commodity boom has touched on minerals other than diamonds, such as gold, copper and platinum, and therefore not been particularly felt in the Lunda provinces. Still, the history of state-diamond sector relations in the Lundas provides many insights for the study of these countries at the present time. The Conclusion briefly touches on the present situation of the Lundas.

¹⁹ Bryceson et al, *Mining and Social Transformation in Africa*. The significance of the interactions between artisanal miners and mining companies is foremost in the literature. Benjamin Rubbers draws attention to the historical importance of the artisanal economy across time, linking the artisanal mining-rich territories with the *économie-monde* from which modern African capitalism emerged. As he sees it, the economy of the *comptoirs* was, throughout the late nineteenth and the early twentieth century, the precursor of colonial capitalism. Benjamin Rubbers, 'Les Sociétés Africaines Face aux Investissements Miniers', *Politique Africaine*, vol. 131, no. 3, 2013, p. 7.

change.²⁰ Other scholars share Bryceson's approach, noting that in Ghana, advocacy and grassroots opposition have spearheaded improvements in relations between mining communities and mining companies.²¹ In Zambia, a country with a long legacy of struggles against mining companies, mining communities have pressured the state to extract higher returns from the mining industry in the context of renewed investment from new competitors.²²

Much of the literature on corporate mining focuses similarly on the possibility of locally-inspired change. As it rightly recognises, the last quarter of the twentieth century was one of extreme corporate irresponsibility, which translated into environmental hazards, violence against artisanal miners, pollution of waterways, and other malfeasances that fomented violence, bad governance, and corruption. However, similarly to the way that eventual public backlash helped lessen the brutal exploitation of Africans in the mining fields of Leopold's Congo, the mobilisation of mining communities could likewise force companies to abide by higher standards. From this perspective, present-day 'public awareness' of corporate abuses could humanise and 'democratise' mining activities in the continent's periphery.²³ The emphasis here is on the agency, rather than the subjugation, of mining communities.

Of course, this literature remains fully conscious of the obstacles to change. It by no means denies that the return of the mining sector has yielded innumerable

²⁰ Bryceson et al, *Mining and Social Transformation in Africa*.

²¹ William Tsuma, *Gold Mining in Ghana: Actors, Alliances and Power* (London: ZEF Development Studies vol.15), 2010.

²² John Lungu, 'Copper Mining Agreements in Zambia: Renegotiation or Law Reform?', *Review of African Political Economy*, vol. 35, no. 117, 2008, pp. 403–15.

²³ Campbell, *Mining in Africa*.

confrontations between companies and local populations over the occupation of mining-rich territories, or that those confrontations have led, almost invariably, to more repression, more violence, more marginalisation, and more poverty. Indeed, concomitant with the rise in scholarly emphasis on the agency of mining communities has been the revival of the ‘resource curse’ and the ‘conflict minerals’ theses.²⁴ Nevertheless, as Benjamin Rubbers puts it, it is important neither ‘to surrender to the prophecies of “new beginnings” in Africa nor, to the contrary, to a return to the “heart of darkness”’.²⁵

The general argument of this thesis endorses several of these insights: the historicity of the mining sector, at the heart of the social fabric of these regions for, in some cases, more than a hundred years; the ways the mining sector reconfigures spaces and social relations, participating in the process of state formation; and, perhaps most importantly, the agency of African actors. However, the study of state–diamond sector relations in Angola demonstrates the serious limitations of analyses that fail to put the central state front and centre. While contesting the ‘state weakness’ literature, many of the studies concerned with artisanal mining, for instance, agree with the premise that central states in Africa have lost their power over the periphery. But as Soares de Oliveira notes, ‘[mining] enclaves are sites with a high level of ‘state-ness’ since these are the areas that ensure the economic survival and reproduction of the political elite.’²⁶ Indeed, the politics of mining is organised precisely to ensure that the central state – not just the

²⁴ Of a vast literature, I refer in particular to the statistical analyses or macroeconomic theories of the resource curse for explanations of the ‘crisis in Africa’. Of this vast literature see, for example, Michael L. Ross, ‘The Political Economy of the Resource Curse’, *World Politics*, vol. 51, 1999, pp. 297–322; Richard Auty, *Patterns of Development: Resources, Policy and Economic Growth* (Oxford: Hodder Publishers, 1995).

²⁵ Rubbers, ‘Les Sociétés Africaines’.

²⁶ Ricardo Soares de Oliveira, *Oil and Politics in the Gulf of Guinea* (London: Hurst, 2007), p. 106.

mining sector, and certainly not the local community – captures the rent. Far from signifying the loss or absence of state power, these regions fuel and sustain it across time.

As noted in Chapter 1, the state-decline thesis casts doubt on the idea of the state as a transformative force in the African periphery, particularly when it comes to those states dependent on – or ‘cursed’ with – commodities.²⁷ With African governments presented as either victims of, or collaborators with, international capitalism, discussions of the state typically involve no more than demands that the ‘investment climate’ be made more favourable to foreign investors or that corporations respect the basic rights of mining communities.²⁸ Hence, rather than recognise that the status quo is, in important respects, the product of conscious state decision-making, scholars and policy-makers treat the dominance of mining companies as evidence of state weakness. Very few studies consider the lesson derived from this thesis: that mining companies enjoy enormous power over the periphery largely because, and to the extent that, they exercise it on behalf and at the behest of the central state.

To help fill that scholarly void, the following paragraphs apply the insights gleaned from the study of state–diamond sector relations in Angola to the politics of resource governance in regions undergoing a mining boom in Africa. Much of the literature

²⁷ See footnote 23.

²⁸ Much of the literature on the regulatory framework of post-structural adjustment African states draws on secondary sources and inquiries on the corporate social responsibility practices of private companies. While this literature is instructive regarding the new configurations of states, its legalist approach to mining politics did not seem of relevance for the arguments developed in this thesis, and has therefore been overlooked. For examples, see Peter Neweel and George Jedzrej Frynas, ‘Beyond Corporate Social Responsibility? Business, Poverty and Social Justice’, *Third World Quarterly*, vol. 28, no. 4, 2007 and Gavin Hilson, ‘Corporate Social Responsibility in the Extractive Industries: Experiences from Developing Countries’, *Resources Policy*, vol. 37, no. 2, 2012.

considered above has drawn on the study of countries that share an enduring and long historical experience with bureaucratic institutions and a relatively strong and stable rule of law, such as Tanzania, Ghana, and Zambia, to describe a scenario in which African communities are capable of mastering their own destinies in the context of the new mining boom.

My assessment considers countries such as Guinea Conakry, the DRC, Zimbabwe, and Niger where, like Angola, it is much harder to see these dynamics reproduced. For the peripheral mining-rich regions of these countries, contemporary mining politics resemble the impasse of colonial mining politics in the 1930s. Just like the generations of Africans who toiled in the mines of Central Africa in the first quarter of the twentieth century, many of the Africans experiencing the revival of the mining industry in recent years have become prisoners of mining politics, over which they exert little control and from which they obtain little wealth. On the other hand, the violence and exploitation of mining politics in the 1930s triggered a backlash that led to eventual change, as mining communities forced companies to transition away from forced labour to more organised and humane forms of mining production, as well as joined the struggle for independence that saw their relationship with the central state similarly renegotiated.²⁹ Does the current extraction environment in regions with weak or absent state institutions similarly show signs of development toward a more emancipatory mining politics? In contrast to the generally optimistic outlook of the relevant scholarly literature, my assessment is more sobering, on account of four arguments gleaned from the study of relations between the Angolan state and diamond companies in the Lunda

²⁹ Cooper, *Africa Since 1940*. See Chapter 1 and Chapter 3 for a discussion of this period.

provinces. While drawn from the particular case study analysed in this thesis, I believe that these arguments also apply, to a significant extent, to other mining contexts in contemporary sub-Saharan Africa.

First, the state, even when materially absent on the ground, continues to limit, often violently, the options available to locally rooted political actors to bring change to mining production. As the case of Angola shows, central state actors can and do police the activity of mining companies operating in their territories; but they almost never do so on behalf or to the benefit of local mining communities. In the *companhias dos generais*, for instance, investors tied to the highest echelons of the Presidency, the party, the government and the armed forces (sometimes the investors *are* themselves the elite political actors) intervened in mining concessions and employed a mixture of public structures and PMFs to extend authority on the ground. They overcame those who resisted their will to dominance, and co-opted other, ‘private’ sources of power – traditional authorities, diamond traders, and even rebels, with whom they repeatedly engaged in business transactions during the Angolan civil war – to maintain a space of near-total repression and surveillance. Jana Hönke recounts a similar phenomenon occurring in the DRC’s Katanga province, in which the ‘absent but omnipresent state’ maintained its tight grip over the area by empowering and directing PMFs, whose interest in a docile and disciplined workforce made them ideal conduits of repressive state power.³⁰ The state can also intervene in the organisation of mining communities themselves, creating ‘opposition’ parties that ostensibly reject the aims of their patrons but in fact remain bound within these narrow political confines. To recall an important

³⁰ Jana Hönke, *Transnational Companies and Security Governance: Hybrid Practices in a Postcolonial World* (London: Routledge, 2013).

statement by Janet Roitman noted in Chapter 1, the diversification and empowerment of local actors does not necessarily entail the weakening of the regulatory power of the central state.³¹

Second, pressure from local actors may improve conditions in certain regions, but it may also radicalise governments prone to view any demands for political reform as heretical and destabilising. In alliance with foreign partners, states can and do justify extreme violence in mining regions by making references to threats that are no longer present or did not exist in the first place. As the Conclusion of this thesis argues, more than a decade after the end of the civil war, the Angolan state continues to deploy this security discourse, based on its convenient conflation of rebels, artisanal miners, local political opposition, and Congolese immigrants, to justify the exceptional security apparatus that remains in place in Lunda Norte. Examples from elsewhere are legion. In Niger, for instance, the ‘global war on terror’ has legitimised state repression of Tuareg communities, whose protests were directed in the first place at the social and environmental consequences of uranium mining conducted by mining companies in alliance with the Nigerien state.³²

Third, the historical record reveals few examples of impoverished, war-torn mining regions in which local communities succeeded in blunting the force of corporate mining governance, let alone examples of regions in which mining production produced a more democratic, participatory, or prosperous society. Mining companies, in their attempts to

³¹ Janet Roitman, *Fiscal Disobedience: an Anthropology of Economic Regulation in Central Africa* (New Jersey: Princeton University Press, 2004).

³² Jeremy Keenan, ‘Uranium Goes Critical in Niger: Tuareg Rebellions Threaten Sahelian Conflagration’, *Review of African Political Economy*, vol. 35, no. 117, 2008, pp. 449–66.

polish their image in the eyes of foreign observers, engage in aggressive public relations campaigns, boasting of improvements to labour rights and community relations that exist on their high-tech websites but not in their often Dickensian mines. In the process, the mining sector provides the state with a ready excuse not to intervene on behalf of the periphery or to exercise its authority as a check on the industry. And while these supposedly self-regulating mining companies herald advances in best practices and social responsibility to the outside world, the communities affected by their operations struggle, largely in vain, to have their grievances heard. Although they may take credit for any progress in corporate governance, as in the case of the Angolan state with the SMC in Lunda Sul, central state leaders do so firstly to suit their own interests, with actual progress for the benefit of communities on the ground being, at best, of secondary concern.³³

Fourth, the case of Angola is also indicative of the ability of states – subject, of course, to the fluctuation of international commodity prices – to harness and instrumentalise international competition so as to avoid dependency upon external partners. This applies in particular to foreign partners who may demand political reform or democratisation as a condition of investment. Chapter 5 showed how the intensification and diversification of foreign investment after the promulgation of the 1994 Diamond Law increased the bargaining power of the Angolan state in negotiations with the different investors in the

³³ This reluctance on the part of the state to reign in the mining sector or to improve services in the periphery is owed, in no small measure, to the transfer of the most qualified bureaucrats from the public to the private sector following the structural adjustment years. Chapter 5 highlights this problem in the case of ENDIAMA, which entered a period of continual downfall following the departure of the diamond elite to the private sector. While doing research on the relations between the state and the mining industry in Guinea Conakry, I identified a similar pattern, with the departure of the most competent Guineans to international organisations or multinational corporations, further weakening state capacity – which is, ironically, one of the reasons, if not the sole reason, why international organisations are present in the country in the first place. Research conducted in Guinea, March 2013.

diamond sector, and in particular with De Beers. The mining and, more broadly, commodity boom of the 2000s has provided similar opportunities for other African states to act in a similar way. For instance, the Mozambican government has been skilfully manipulating international competition within the coal sector to attenuate its dependency on donors and international financial institutions seeking to dictate the rules of state-building in the post-war period.³⁴ Likewise, the exploration of alluvial diamonds in Zimbabwe, and the greater demand for them from emerging countries, contributed decisively to the surprising revival of the crisis-ridden Zimbabwean state, and the sustainability of the elite coalition that sustains the regime, in the mid-2000s. For the cash-starved and internationally shamed government led by Robert Mugabe, the increase of revenues in the diamond sector gave an edge to the state in diplomatic and financial negotiations and stimulated extreme violence against a specific area, the diamond-rich Marange region. The diamond sector has also contributed to the undermining of civic groups pushing for democratisation, and has so far proved central to the perpetuation, and even radicalisation, of the regime in place.³⁵

Of course, these recent trends away from greater accountability in certain mining industries argue against, but do not forestall, future progress. For instance, Mozambique has a thus far more open political arena that may enable mining communities to engage with the mining industry in ways similar to the more plural Ghanaian or Zambian

³⁴ Preliminary conclusions from the author, in view of a postdoctoral project comparing the case of Mozambique with Angola.

³⁵ 'Diamonds and Clubs, the Militarized Control of Diamonds and Power in Zimbabwe', *Partnership Africa Canada*, June 2010.

contexts.³⁶ Even in the case of Angola, the pattern of state–mining industry relations in Lunda Sul and Lunda Sul differ in many ways and, as the Conclusion argues, the difference is likely to increase further in the postwar period, with the SMC developing a more conventional and sustainable form of corporate governance in Lunda Sul, while Lunda Norte continues to be characterised by government-controlled chaos.

Nevertheless, the similarities between Angola and other cases in Africa suggest that the mutually advantageous, grossly undemocratic relationship between the state and mining industry, which bypasses local communities, will remain an enduring feature of mining politics. The suggestion here is that excessive scholarly emphasis on the agency of mining communities and international institutions could prove ineffective, or even counterproductive, in understanding the development of resource-rich regions under the current mining boom. While inaction is not an option, as it condemns people to predatory corporate and state rule, the current focus on the agency of local and transnational actors obscures a fundamental source of the problem of non-developmental, exploitative governance in mining regions: the state and its actions and non-actions. While the idea of self-emancipating mining communities is both welcome and understandable, the success of local progressive efforts will continue to depend, as ever, on the capacity, political will and responsiveness of state institutions – the same institutions that have empowered mining companies at the expense of mining communities for some 100 years.

³⁶ On the mobilisation of mining communities in the Tete province, see Claude Kabemba and Camilo Nhancale, 'Coal versus Communities in Mozambique: Exposing Poor Practices by Vale and Rio Tinto', *Southern Africa Resource Watch*, 2014.

The recognition that state–mining industry relations impede the emergence of democratic and accountable states suggests an alternative approach to the study of contemporary mining politics in Africa. Most of the relations between the DRC’s Katanga, Angola’s Lunda Norte, Mozambique’s Tete and Guinea’s Guinée Forestière provinces – to name cases that have important similarities – and their respective central states are based on their present or previous experiences with the mining industry. In Katanga and Lunda Norte, relations between the state and the mining industry are little changed from the colonial era, when private mining companies performed virtually all of the functions of the state at the local level. In Tete and Guinée Forestière, the current expansion and consolidation of the state is proceeding in tandem with the growth of the mining sector, leading to a situation comparable to that of Katanga and Lunda Norte. Given the structural continuities of state–mining companies relations generally, the way in which the mining industry broadcasts the authority of the state in Tete and Guinée Forestière in the short term will likely shape the character of governance in these provinces for generations.³⁷

Hence, the investment boom of the 2000s offers an excellent opportunity to consider the relations between the state and the mining sector in Africa through the framework developed in the study of state–diamond sector relations in Angola. Industrial mining is, in many of these regions, undergoing a similar process whereby non-state actors and state actors overlap in their functions, involved in a situation of mutual co-optation. As

³⁷ Bonnie Campbell and Jennifer Clapp, ‘Guinea's Economic Performance Under Structural Adjustment: Importance of Mining and Agriculture’, *The Journal of Modern African Studies*, vol. 33, no. 3, 1995, pp.435–449; Jana Hönke, ‘New Political Topographies’, pp. 105-27; Neissan Besharati, ‘Raising Mozambique: Development Through Coal’ (Johannesburg: South African Institute of International Affairs, 2012).

the history of mining politics in Angola proves, this situation is by no means new; nor does it signify the absence or powerlessness of the central state. To the contrary, it is the state that brings these privatised modes of power into being in the first place and perpetuates, and profits from, them in the second.

Conclusion

This chapter sought to apply the lessons learned in the study of relations between the state and diamond companies in Angola to the broader study of relations between states and mining companies in Africa. It made a number of observations about the history of relations between the state and the mining industry that are important for an understanding of mining politics in the future. Its argument is not that there is only continuity – Chapters 2 to 5 on the Angolan diamond sector certainly provide the reader with myriad, and sometimes very considerable, political and economic shifts – but that the aspects of continuity in mining-sector–state relations have been generally underplayed in many studies of the subject.

The chapter first noted that conventional understandings of mining politics tend to overlook the role of the central state, particularly in contexts of institutional weakness. But the history of state–mining industry relations shows that the immense regulatory authority of state actors does not depend on the strength of formal state institutions. Many of the discharge strategies of the early colonial period have persisted in the case of African states, particularly in terms of security arrangements and the pursuit of rent-seeking strategies. Even deprived of effective institutions, the central state continues to

broadcast its authority via mining companies. This point is, however, less significant in some countries than others, as the most robust African states have established governance structures capable of replacing those of mining companies in the periphery. Even if they continue to lack the institutional capacity of robust modern states, states like Ghana and Zambia have the instruments – though not always the desire – that others, such as Guinea Conakry, do not, to channel the grievances of mining communities and to use them in their negotiations with the mining industry.

Second, in the case of states that have no such instruments to engage directly with the periphery, the centralisation of state power has proceeded exclusively via the mining industry. State actors penetrated mining companies to subject local power holders. This served to entrench a pattern of territorial control based on private indirect government while deepening the infrastructural power of the state. Hence, mining companies play not only an extractive but also a proxy regulatory role, in which they develop the basis of an administration on-the-cheap that ensures the minimalist and essentially extractive control of the increasingly minimalist state. In such circumstances, the argument that mining companies will respond to local or international grievances by becoming more accountable seems to disregard the discharge strategies of the state in respect to the mining industry.

The third and final point concerns the role of the mining industry in the making of the state in the periphery in various parts of Africa. In cases where state–mining industry relations have suggested a process of state centralisation, the adoption of an approach that focuses on the mining industry and its relations with mining communities is

misleading, on account of the regulatory power of the state in the periphery. In certain provinces that are now facing the process of state development via the mining industry that others have faced in the past, it is important to understand how the character of power, and its exercise, is being forged by virtue of the fact that states and companies are mutually constitutive.

This analysis serves to underscore the pertinence of two important themes in the study of state–diamond companies relations in Africa: first, the continuity of state intervention in the mining industry; and second, the ways in which states and mining companies act together in the organisation of the mining rich periphery. The Conclusion explores how the case study presented in this thesis has brought these two themes to light through a discussion of the politics of the Lunda provinces in postwar Angola.

CONCLUSION

This thesis examined the relationship between the state and the diamond sector in Angola throughout the twentieth century. In the process, it presented a number of counterintuitive claims. It argued that a state lacking formal control in the hinterland has piloted virtually every major political development that occurred there over some 100 years. It argued that a state that has oscillated between minimal and maximal, extractive and developmental, colonial and postcolonial, Marxist-Leninist and plutocratic, has never seriously wavered in its preference for privatised, authoritarian control in the diamond-rich regions. It argued that a state that has remained at the extreme margins of the global political economy, lacking the capacity even to secure its own borders, has consistently dictated the terms of engagement of foreign multinational corporations in one of the world's most powerful industries.

In making these claims, this thesis departed from existing accounts of the diamond sector in Angola. In most such accounts, the central state is notable largely for its absence: scholarship on the diamond sector of the colonial period tends to be examined almost exclusively from the lenses of social history, while the diamond sector of the postcolonial period is treated mostly as an element of the military conflict. In the mining literature more broadly, the emphasis remains on the extent to which African states 'depend' on or are 'cursed' by the mining industry, not on the authority they wield as gatekeepers of the licence to operate in their territories or of the legal title to investments made or resources mined there. As a result, little is said about the role of

the state in the origins and evolution of the diamond sector, even less about its role in the perpetuation of the privatised governance of the Lundas.

This thesis, by contrast, considered the rise of the diamond sector and of the state in the Angolan periphery as part and parcel of the same process. Theoretically, this entailed a shift away from conventional understandings of state power as co-extensive with the power of formal state institutions, and instead required a close examination of the role of non-state actors in the centralisation and projection of state authority. This approach made it possible to demonstrate the mutually constitutive character of the relationship between the state and the diamond sector in the Lundas; the continuity of state strategies to instrumentalise the diamond sector regardless of political configuration; the equally consistent role of diamond companies in broadcasting the authority of the state in the Lundas; and the function and operation of the privatised mode of government that resulted from these interactions.

This Conclusion reviews the key lessons of this thesis and considers their implications for future developments in Angola. The first section examines how the Angolan state consistently broadcasted authority in the Lundas via diamond companies across the span of the last century, and why this state of affairs challenges conventional understandings of mining politics in Angola. The second section considers the implications of the co-constitutive relationship between the state and diamond companies for the present and future development of the Lunda provinces.

The diamond sector as the projector of state power in the Lundas

This thesis argued that the Angolan state has played an enormous historical role in the Lundas despite its formal absence there, and that it has done so precisely, if paradoxically, by empowering private diamond companies to exercise and broadcast state authority in the periphery. From their inception, it showed, diamond companies have served as the vehicle through which the state has controlled the Lundas. Beginning in the early colonial period, they successfully monopolised and administered a territorially bounded area on behalf of the central state, an area they would go on to control – largely without interruption – for the next 100 years.

Throughout, this thesis relied upon several important theoretical concepts to capture and elaborate this complex but ultimately co-constitutive relationship between the state and the diamond sector. As it showed, the mode of governance that the diamond sector erected and maintained in the Lundas exemplified what Achille Mbembe aptly terms ‘private indirect government’, wherein public and private actors interact in complex, mutually constitutive ways. Jeffrey Herbst’s concept of the projection of power beyond the administrative centre also proved crucial, as did Max Weber’s notion of ‘discharge’, to describe how the Angolan state consistently and self-interestedly conferred state-like powers to the diamond companies. Equally important was Frederick Cooper’s notion of the ‘gatekeeper state’, in which the state is able to assert its power, even when its territorial control is incomplete, by determining who receives and who does not receive

access to its territories and resources.¹ Finally, Béatrice Hibou's notion of 'privatisation' provided a vital theoretical lens through which to see the continuous privatisation and re-privatisation of the Lundas not as a retreat of the state but as a distinct form of state intervention – an intervention that *enabled* the state to exert control over the recipients of its vast powers and resources.²

In applying these theoretical frameworks to the political history of diamond mining in Angola, this thesis revealed a deep continuity in the mechanisms through which the state and the diamond sector empowered and enriched one another. In the process, it called into question approaches to mining politics that emphasise only rupture, decline, collapse, and retreat. Instead, it focused on the myriad ways in which the private diamond sector strengthened the state: not only by furnishing it with new sources of wealth, but by enabling the state to consistently centralise a territory and its revenues in its hands. Far from retreating in the face of a powerful global industry, it showed, the Angolan state amassed more and more control over where, how, and to what purpose that industry operated within its borders. Hence, by 2002 the Angolan state, while having almost the same material presence within the Lundas as its colonial counterpart in the early twentieth century, had vastly more control over the province's people and resources. The process through which the state accumulated this power without resorting to the conventional instruments of state-making – the point of departure for this thesis – provides a striking riposte to theories that emphasise only dependency, state decline, and the weakness or demise of African sovereignty.

¹ Jeffrey Herbst, *States and Power in Africa: Comparative Lessons in Authority and Control*, (New Jersey: Princeton University Press, 2000); Columbia University Press, 2007); Achille Mbembe, *On the Postcolony* (Berkeley: University of California Press, 2001).

² Béatrice Hibou 'From Privatising the Economy to Privatizing the State', in Béatrice Hibou, ed., *Privatising the State* (London: Hurst, 2004), pp. 1-3.

Indeed, in many respects, this thesis told precisely the opposite story: a story of ascension rather than decline, of continuity rather than collapse; a story in which a once-dependent state gradually but steadily enhanced its power. It is that aspect of the thesis on which this Conclusion focuses, for it is the one that perhaps most disturbs initial intuitions about the nature and politics of power in Africa.

It bears repeating, in that regard, that the state that appeared in Chapter 2 was far ‘weaker’ than any of its successors. Indeed, it was that weakness that compelled the colonial state of the early twentieth century to form an alliance with DIAMANG in the first place – an alliance that reflected, first and foremost, the state’s own incapacity to occupy or defend greater Angola. With competing colonial powers, themselves in alliance with competing mining industry actors, threatening to swallow the territories to which the Portuguese made precarious claims, the colonial state found in DIAMANG an instrument – *the* instrument – with which to overcome its own substantial limitations. The Portuguese similarly deployed the private sector in other contexts, including in other parts of Angola and in Mozambique, but nowhere was this rapport as successful. Particularly through the provision of private armed forces, the company played a decisive role in the establishment – not the retreat – of Portuguese colonial authority in the Lundas and beyond. In dissecting that role, Chapter 2 revealed the most basic power of the state vis-à-vis the diamond sector: the authority to discharge (or not) state assets and powers to mining companies. For the fragile early colonial state, as Weber himself would have it, such discharge provided the state with the only means to achieve even its most minimalist and extractive goals. And yet, it worked.

Paradoxically, DIAMANG's power only increased along with the state's, and vice-versa. The consolidation of DIAMANG fully took force during a small but decisive parenthesis of the colonial period, the First Republic (1910–1926), during which the colonial state, for a brief period of time, was empowered with a semblance of a developmental mission. Under the leadership of High Commissioner Norton de Matos, this incipient activist state integrated the company within the province, giving the state the means to project some semblance of authority in the Lundas. In the process, the state came to understand the profound usefulness of privatised power: by allowing the company to become a 'state inside the state', as well as a leading revenue generator of the Empire, the First Republic turned DIAMANG into an indispensable asset for the colonial state.

The archives used in Chapter 3 underline the realism of the state as regards its own limits. Even by the time it had occupied most of Angola, it continued to maintain a residual presence in the Lundas. Strategic as they were for their location and their border, the Lundas remained firmly under the control of the diamond sector. DIAMANG's private indirect government in Lunda remained more insulated from changes in the Angolan state than other mining companies in regard to their respective colonial states. Chapter 2 explained this peculiar longevity of the pact between the state and DIAMANG. In particular, it noted the importance of power relations between the colony and the metropolis: the New State saw in DIAMANG an ally through which to administer the Angolan periphery at the expense of what it saw, based on the experience of the Republican years, as the insubordinate and fiscally irresponsible colonial administration. Because the New State would run Angola on fiscally restricted terms for

decades, and would embrace postwar developmentalism much later than other colonial powers, it gave discharge a permanent, rather than a temporary, character. But its decision to do so facilitated rather than frustrated its approach to exercise of colonial power.

As Chapter 3 proceeded to show, the late colonial period brought to the fore the grievances of the colonial administration towards the metropolis, after decades at the margins of political and economic development. A surging business elite sustained by coffee production in the northern parts of Angola claimed a larger share of the diamond revenue, and became the first strand of the colonial society to take up arms against DIAMANG. Importantly, this opposition did not perceive the company in ideational terms as in the previous period – nationalism versus foreign investment – but rather in virtue of the fact that the company and its state-like powers served as an exemplar of old-fashioned, ineffective colonialism. But this contestation only took full force with the advent of the developmental state.

Developmentalism significantly enhanced the capacity of the late colonial state. The early colonial state had had nothing but the sovereign legitimacy required by DIAMANG to operate, and under the early years of the New State the colonial state could do little more than taint the sector with an idea of the Portuguese Empire. Yet the developmental colonial state, while profoundly attached to the mechanism of discharge, had the institutional capacity to tailor discharge according to its changing needs, and curtail DIAMANG's role in areas where it no longer saw fit to have a private company arrogate to itself quasi-sovereign functions. Indeed, it quickly raised colonial Angola

economically to the level of other colonies in Africa and beyond. In the very politicised historiography of late colonialism in Angola, there remains a tendency to overlook the importance of this crucial period for the institutionalisation of the state – an institutionalisation that also fundamentally shaped the character of relations between the state and the diamond sector in the early postcolonial period. This is best seen in the transfer of discretionary power from two individuals – the head of the New State, Oliveira Salazar, and the Delegate Administrator of DIAMANG, Ernesto de Vilhena, who together managed the relationship for decades – to an efficient and autonomous bureaucratic body. Archives reveal the increasing pressure from both colonial and metropolitan authorities on the administration of DIAMANG, with harsh demands that forced the departure of Ernesto de Vilhena and, later, a renegotiation of the agreement between the state and DIAMANG on terms more favourable to the former. This is crucial, as it means that the state that postcolonial leaders inherited at independence had far greater means to regulate the diamond sector than the state that enabled the emergence of DIAMANG four decades earlier. In other words, at the colonial level, state-building via the diamond sector in Lunda became less and less negotiated and more and more centralised as the colonial state furthered its control over the sector.

However, contrary to the rest of Angola, where the developmental state assumed direct control of the monopoly of power in the familiar manner that one tends to associate with modern states, in the Lundas the state never ultimately asked the diamond sector to cede its hold. In the context of the broader military strategy of the Portuguese army in eastern Angola, the state furthered rather than severed its alliance with the diamond sector, discharging to DIAMANG the responsibility of protecting the diamond-rich

regions against military incursions and, through effective control of the populations in Lunda, limiting their adherence to the national liberation movements.

Continuing their successful alliance, the colonial state and DIAMANG managed to keep the war for independence out of the Lundas, as corroborated by the stories of former Portuguese residents of DIAMANG who had been in Lunda at the time and only experienced the conflict by proxy. Despite the lack of resources available for its study, the history of PMFs in the Lundas offers one of the most valuable illustrations of the strong historical interdependence of the state and the diamond sector. Only an approach that underlines the complementarity of public and private security forces can make sense of the role played by DIAMANG's army of volunteers, the successors of the Belgian-financed militias active in the early years of diamond exploration, and the predecessors to the PMFs that continue today to hold the monopoly of power in the region on behalf of the state.

DIAMANG's role as the broadcaster of state power in the Lundas continued into the postcolonial period, confirming the limited impact of decolonisation on the mutually constitutive relationship between the state and the diamond sector in the region. Chapter 4 provided an apt illustration of Ennes Ferreira's 'realekonomik' thesis concerning the nominally Marxist-Leninist Angolan government's pragmatic approach to the private sector at independence.³ For the MPLA, the importance of DIAMANG in maintaining the control of the alluvial rich territories in Lunda Norte was clear from the outset: the

³ Manuel Ennes Ferreira, 'Realekonomik e Realpolitik nos Recursos Naturais em Angola', *Relações Internacionais*, vol. 6, 2005, pp. 73–89.

diamond company made the Lundas ‘legible’ for MPLA leaders who lacked widespread support in eastern Angola, and especially in the diamond-rich provinces. Even though it consistently claimed the contrary in its apparently radical political discourse, for the MPLA, the maintenance of the diamond company in Lunda offered much better prospects to the government than its dissolution. Thus, even as the MPLA nationalised the company’s Portuguese assets, in line with the overall nationalisation of Portuguese assets rather than a punitive action against the company, it kept in place – and, indeed, reinforced – DIAMANG’s private indirect government in the region.

On the other hand, oral and archival accounts show that, for DIAMANG, allegiance ultimately lay with the Luanda state, whatever its ideological or political orientation. Even before the advent of independence, DIAMANG’s Portuguese administration, in accordance with foreign shareholders, already privileged pragmatism over confrontation with African leaders via the multiplication of tacit agreements that involved financial handouts. The company never positioned itself explicitly against the national liberation movements, even though it protected the region against their incursions and de facto repressed their low-level supporters in the areas under its control. There is little doubt that the confrontational transition to the postcolonial period 15 years earlier in the Belgian Congo, from which the independent state and the mining sector both emerged significantly damaged, served as a cautionary tale to both sides in Angola.

As a result, the diamond sector came out virtually unscathed from the Marxist-Leninist turn of the mid-1970s. Indeed, it was the chaos in Lisbon, not the ideology of Luanda, that would finally bring DIAMANG to the brink of financial ruin – a collapse the state

sought to thwart, not hasten, when it partially nationalised the company. Meanwhile, the cooperation between a proxy company of De Beers – MATS – and DIAMANG all but guaranteed a political and economic non-aggression pact in the Lundas between the different parties involved in the civil war. During that time, while the rest of the country descended into conflict, the provinces emerged as some of the few regions where the state maintained a semblance of authority. Although the lack of primary research on large parts of rural Angola makes it difficult to draw larger generalisations, DIAMANG in the Lundas and Gulf Oil in Cabinda emerge as striking cases of successful state discharge in the early postcolonial period, suggesting that the pattern between the state–diamond sector relations and state–periphery relations may extend to state–extractive industries relations more generally. Via the extractive industries, the state maintained a continuing and vital presence throughout the ‘useful’ parts of the territory.

The explanation as to why an intense fragmentation of the Lundas followed a period of relative stability after independence requires moving even farther away from the state–decline thesis centred on the emergence of non-state actors at the expense of formal institutions. Chapter 5 showed that the resurgence of non-state actors in the Lundas represented a ‘productive moment’ during which the Presidency reconfigured its arrangement with the diamond sector in the context of a broader reconfiguration of the state itself.⁴ In addition to its enduring role as the historical defender of the Lundas, the diamond sector became essential for the distribution of rent to the Presidency’s narrow but costly patronage networks, with emphasis on those centred on the armed forces.

⁴ Janet Roitman, *Fiscal Disobedience: an Anthropology of Economic Regulation in Central Africa* (New Jersey: Princeton University Press, 2004).

Of course, a state-centred reading of this turning point must be balanced with the fragmenting dynamics of the country's long civil war, whose importance cannot be underplayed. But the predominance of analyses that emphasise the conflict as the overarching explanation for political and economic developments in the Lundas means that the actions of state agents throughout this period have been underappreciated. As Péclard and Hagmann aptly argue, 'attempting to understand states for what they are and do instead of what they fail to achieve presupposes that one takes 'official' state representatives seriously'.⁵ Following this statement, Chapters 4 and 5 examined the sociological roots of the diamond technocrats: a strand of influential mining sector bureaucrats that came into power in the mid-1980s with the mission of furthering ENDIAMA's institutional capacity to shoulder the monopoly of power it had inherited from DIAMANG in the then increasingly conflict-ridden Lunda provinces. Instead, the diamond technocrats implemented 'reforms' that accelerated the decline and fall of the company and thereby engendered the loss of state power in the provinces – a powerful illustration of the combined fortunes of the state and the diamond sector in the Lundas.

Here, Béatrice Hibou's concept of state 'privatisation' is indispensable for understanding how the Presidency restored the monopoly of power in the provinces via the re-privatisation of state resources that had been taken away from DIAMANG. In their quest for power, the Presidency again resorted to the strategy of discharge, transferring most of ENDIAMA's prerogatives and assets to PMFs. The diamond technocrats came to personify the transfer of state power to private hands as they went

⁵ Tobias Hagmann and Didier Péclard, 'Negotiating Statehood: Dynamics of Power and Domination in Africa', *Development and Change*, vol. 41, no. 4, 2010, p. 10.

on to command the very private companies they helped to create. Focusing on the bond between the Presidency and the corporate diamond apparatus, the assemblage of diamond companies, PMFs and comptoirs, these chapters demonstrated, once again, the mutually constitutive relationship between the state and the diamond sector, showing how the re-empowerment of the diamond sector in the 1990s entailed a concomitant restoration of Angolan state authority in the Lundas. As a broadcaster of the absolutist strategy of the Presidency in its own right, the corporate diamond apparatus also restored the state's control over the region, while the diamond comptoirs restored the monopoly over diamond revenues on behalf and at the behest of the state.

The counterexample of SONANGOL confirms that deliberate state strategy, and not chaotic mismanagement, ultimately guided the reconfiguration of ENDIAMA. The Presidency allowed the complete privatisation (in the sense of capture by regime patronage networks) of ENDIAMA in the same ways it protected SONANGOL from the same fate. In fact, the Presidency used widely different strategies to achieve the same goal: enable state actors to retain control over the two vital sectors of the economy. Chapter 4 argues that the Presidency opted for different strategies towards the oil and diamond sector as early as the 1980s. Indeed, when oil became the primary fiscal lifeline for the state, and the diamond sector became instrumental in sustaining war and patronage, the Presidency transferred discretionary power from the ENDIAMA bureaucracy into the hands of military and political associates. By the end of the conflict, the Presidency, via the diamond concessions, had assumed indirect but tight control of the re-privatised diamond sector on a greater level than ever before.

The last section of Chapter 5 considered the consequences of the reconfiguration of relations between the state and the diamond sector for the private indirect government of the Lundas. With the intensification of war, DIAMANG's welfarist functions in the Lundas became impossible to sustain even in their most basic form. A 'thin society' replaced a 'thick society' via the substitution of welfare services by an enhanced repressive apparatus.⁶ The differences between the private indirect government of DIAMANG and that of the post-DIAMANG period reflect both broader changes in the strategies of the Presidency towards the different mining companies and the changing character of mineral exploration in Africa more generally: in Lunda Sul, while the state and the diamond sector overlapped to a certain extent, there has not been the same degree of arbitrariness as experienced in Lunda Norte, particularly in the ungoverned spaces of the western parts of the province where the monopoly of violence is split into the hands of different actors with allegiance to the Presidency. As Chapter 4 argued, this sequence of events reflected the fact that, in the early postcolonial period, the Angolan state continued to grant DIAMANG a firm control over Lunda Norte, with the security apparatus penetrating every area of life, while the state, in the context of a broader quest for political legitimacy, opted for a greater presence in Lunda Sul. The fact that the only mining company with a non-military administration – the SMC – is based in Lunda Sul is indicative of the fact that while the state saw the province as part of a national territorial strategy, it viewed Lunda Norte solely from the prism of extractive and military performance.

⁶ James Ferguson puts forward the idea that liberalisation in the mining sector in Central Africa shifted governance from socially 'thick' to 'thin'. James Ferguson, *Global Shadows: Africa in the Neoliberal World Order* (Durham: Duke University Press, 2006), p. 36.

The success of diamond companies in restoring the authority of the state in the Lundas demonstrates that the Angolan state, even by the end of the civil war, continued to opt for the discharge mode of power first introduced in the early colonial period. Associates of the Presidency, drawing on public funds, had, once again, fully appropriated the diamond companies that consistently supported the state in the surveillance of people, the control of resources, and the protection of land and borders. This grand scheme allying private companies subordinated to a hypercentralised state structure represents the culmination of the unconventional form of privatised state power perfected in the Lundas over the course of the century. As noted in Chapter 1, in Angola, the instrumentalization of the diamond sector resulted in a Presidentialist system where power is concentrated in the hands of the chief of state. While this form of power does not correspond to the Weberian ideal-type, it ensures a greater level of institutionalization than in many African states that Angola is usually associated with in the literature.

Hence, the state's unwillingness and at times incapacity to establish a direct presence in the Lundas should not obscure the steady centralisation of power over every important dimension of the diamond sector by the state, whether the distant colonial authorities in Lisbon or President Eduardo Dos Santos at the present time. While state actors held very little control over the diamond sector upon its inception, they quickly appropriated it in a process that started as early as the 'Portugalisation' measures under the New State, continued with the institutionalisation of decision-making during the late colonial period, intensified with the nationalisation of DIAMANG's Portuguese assets, and culminated with the replacement of DIAMANG by ENDIAMA and the creation of

private diamond companies where MPLA regime insiders effectively held greater power than foreign investors. In the end of the period under study, the complete privatisation of state power, according to Béatrice Hibou's understanding of the term, via the diamond sector, can be interpreted as the end of a long, unconventional, and counterintuitive process of consistent centralisation of authority in the hands of the central state that amounts to state formation.⁷

This process of consolidation reinforces the argument that regionalist explanations based on the state-in-society thesis provide only limited insights for the study of state–diamond sector relations in Angola. With hindsight, only during the short period between the dismantling of DIAMANG and the implementation of diamond concessions in nodal points of the provinces (1988–1994) could local actors exercise their role as power brokers, in the sense that they could enable or disable the authority of the state. At odds with the idea that African states lack infrastructural and regulatory power, the Angolan state, even while physically absent and challenged by the UNITA rebels, not only succeeded in performing extractive functions, but also regulatory or ‘gatekeeper’ ones, in the Lundas. The state not only remained the central regulatory authority in the provinces throughout the overwhelming majority of the period studied in this thesis, but also remained firmly and increasingly in control of the diamond sector. By the end of the war period, the state's control over the diamond sector was such that it could tailor the myriad diamond companies according to its precise

⁷ As noted in Chapter 1, state formation is defined as a ‘historical [...] and contradictory process of conflicts, negotiations and compromise between diverse groups’. Bruce Berman and John Lonsdale, *Unhappy Valley: Conflict in Kenya and Africa* (Columbus: Ohio University Press, 1992), p. 5, cited in Béatrice Hibou, ‘Retrait ou Redéploiement de l'État?’, *Critique Internationale*, vol. 1, no. 1, 1998, p. 153.

governance, military, and patronage priorities. As ever, private might in the Lundas reigned on behalf of public power.

State–diamond sector relations in postwar Angola

By the time the civil war ended in 2002, the Angolan elite and the populace both shared the assumption that only diamond companies could effectively govern the Lunda provinces.⁸ The Angolan government, while engaging in a massive project of reconstruction via state resources across the rest of the country, continued to discharge much of its regulatory power to diamond companies in Lunda Norte and Lunda Sul, albeit to different degrees. The parliamentary political opposition to the MPLA, represented by the *Partido para a Renovação Social* (Party of Social Renewal – PRS), which claimed to embody the grievances of the local population, also focused its energies on achieving ‘better’ – which in many ways meant more, not less – corporate governance from mining companies. The local population, which shared a rose-tinted, factually dubious collective memory of an idealised ‘golden age’ under DIAMANG, continued to believe that companies could and should deliver more and better healthcare, education, and infrastructure than the distant Luanda state. While a form of ‘resistance from below’ existed and continues to exist in the Lundas, it mostly takes place in the form of claims-making within the long-defined boundaries of the diamond sector’s private indirect government.

⁸ Interview 45, April 2011.

This, in turn, entails two conclusions. First, as argued throughout this thesis, the overarching power of diamond companies in the Lundas is largely the result of a purposeful state strategy towards the periphery: for colonial and postcolonial state-makers seeking to extend the administrative grid, the horizon of formal state power historically ended at the gates to the provinces. Since the early years of diamond exploration, the urban and coastal elite saw diamond companies as best able to administer the Lundas. The episodic manifestations of nationalism – such as the visits of New State and MPLA high officials to Dundo and the attempt to root state institutions in Lunda Sul – have done little to hide the fact that the state has never sought to rein in the private sector or re-assume the extensive powers it has discharged to the diamond companies for the better part of a century – to the contrary.

This first conclusion is further supported by the fact that the Lundas, and Lunda Norte in particular, have long retained a marginal place in the Angolan national psyche. Within the spectrum of *Angolanidade* – the sense of Angolan-ness, of belonging to the historical Angolan core of the nation-state – the Lundas stand at the far opposite of the urban and ‘modern’ Luanda. As noted in the Introduction, the Lundas’ reputation as the ‘Wild East’ pre-dates the discovery of diamonds. It is associated with the imaginary of the ‘last frontier’: a hostile, transnational region, inhabited by an ethnic group with greater regional than national ties: the Chowke. It is reinforced by the historical reputation of its population as the most persistent resisters of military occupation, as shown in the local opposition to the Portuguese military campaigns of the early

twentieth century and in distance vis-à-vis the MPLA and, indeed, the other two liberation movements, during the war of independence.

Second, the fact that diamond companies remain the strongest form of authority and social regulation in the provinces undermines the prospect for a peace-building strategy based on direct state intervention that distributes public goods or on economic diversification that seeks to reduce the political role of the diamond sector in the Lundas. After all, the diamond sector owes its power in the Lundas to the state and wields it on the state's behalf. Its power, in other words, reflects the Luanda state's longstanding preference for privatised governance in the Lundas. That preference will likely continue to prevent the establishment of robust formal state institutions – let alone accountable or democratic ones – in the long term.

Rather, the Angolan state's renewed commitment to 'development' in the postwar era will most likely contribute to increasing the fracture within the Lundas and, by extension, between Lunda Norte and the rest of the Angolan periphery. In Lunda Sul, the state and the diamond sector will likely continue to share public functions. The alliance between the provincial administration and the SMC seems to be evolving towards that model. Should the diamond sector pull back from the province, the state will most likely discharge part of the regulatory authority to other non-state actors rather than assume it directly.

In Lunda Norte, the militarised private administration will most likely continue to thrive. The fallacious association made by Luanda bureaucrats between Congolese

migrants, artisanal miners, and so-called ‘terrorists’ will continue to give a free hand to the military–commercial nexus in the alluvial rich regions. The general pacification of the country will move the province further away from the radar of international organisations. The exceptionalism of Lunda Norte will therefore likely become only further entrenched, to the point that the marginalisation and militarisation of the northeast will continue even as more conventional peace-building strategies expand across the rest of the country.

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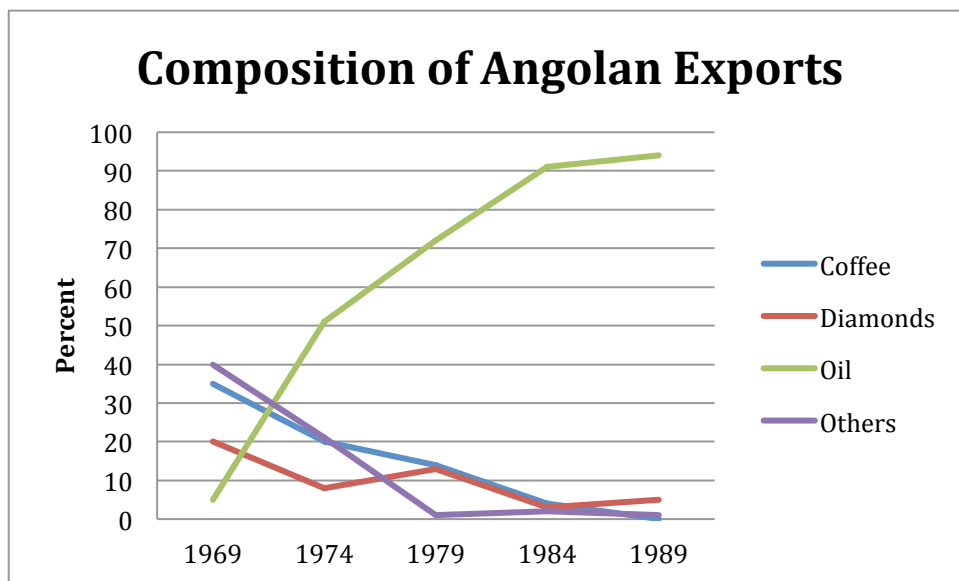
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APPENDIX 1: DIAMOND PRICES COMPARED TO OIL AND COFFEE, 1969–1989.

Year	Coffee	Variation	Diamonds	Variation	Oil	Variation	Others	Variation
1969	35		20		5		40	
1974	20	-15%	8	-12%	51	46%	21	-19%
1979	14	-6%	13	5%	72	21%	1	-20%
1984	4	-10%	3	-10%	91	19%	2	1%
1989	0	-4%	5	2%	94	3%	1	-1%



Source: Economist Intelligence Unit

