



IPRIS Lusophone Countries Bulletin

2010 REVIEW

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Angola in 2010: forging identity in foreign policy making

VASCO MARTINS

Researcher, Portuguese Institute of International Relations and Security (IPRIS)

To write a yearly review about the events that shaped foreign policy construction in a country such as Angola is to engage in an exercise of political economy, international and domestic politics, controversial constitutional changes and even secession. In 2010, three important events marked the landscape of Angolan political life, events which profoundly reflect the nature and identity of the state elite and serve as an indication of the future alignment and international positioning of Angola.

Firstly, in January 2010, the Front for the Liberation of the Enclave of Cabinda (FLEC) attacked the Togolese national football team. It was an act of violence by this resurgent and secessionist movement which forced the Angolan government to change its position with regards to the enclave and declare it a problematic area, as President José Eduardo dos Santos stated in his State of the Nation speech in November.¹ Secondly, in the international sphere, Angola took over the presidency of the Community of Portuguese Speaking Countries (CPLP) in July – an organization of growing visibility which today manages to attract the interest of a wide variety of countries such as the Ukraine, Indonesia, Australia or Venezuela, all in great part due to Angola's and Brazil's stunning economic development and growing political relevance in their respective regions. Thirdly, Angola's new constitution made the presidency's tight grasp on power possible by retracting the political force and decisional power of Parliament, which was left devoid of any authority to influence political developments in the country.

This article will also offer an insight into an event of particular importance that will be taking place in Angola in 2011: the 31st summit of the Southern African Development Community (SADC), where Angola is currently serving as Vice-President. Due to its philosophy of continued economic growth and its ambitions to become a regional power, the international dialogue between Angola and its partners is only likely to deepen,

even if at times Africa does not appear to be one of the country's top priorities.

Angola has shown many faces this year. The events mentioned above were not only seminal in the country but also offer a glimpse of how national identity may forge foreign policy, which in 2010 became more centralized and vertical, and more Lusophone in its context.

The FLEC strikes again

During the *Coupe d'Afrique des Nations* (CAN), held in January 2010 in Angola, rebels identified by Angolan Armed Forces as FLEC members attacked the Togolese national team bus, an attack which aimed to bring the FLEC's struggle in Cabinda to the global stage. Angola hosted the CAN fully aware that an event of this magnitude would symbolize modernization, development, and most importantly the country's soft power ability to attract an event of such magnitude, granting the country a substantial measure of international visibility. Albeit remarkably overconfident, the decision was made to host the games in four cities including Cabinda.² The government knew that if there was any life left in the secessionist movement in the non-contiguous enclave it would definitely manifest itself during the CAN, which provided an excellent opportunity to embarrass the government in Luanda. Nevertheless, the attack was not only poorly organized – especially considering FLEC has almost 50 years of experience – but also revealed wide divisions in the organization, as several exiled factions surfaced to claim responsibility. In the fallout, due to the presidency's "counterattack", the organization was tagged as a terrorist group, which drained any drop of international support it had from those organizations and countries who advocate the right to self-determination. Cabinda has always been a cradle of conflict and instability. The Angolan government stopped acknowledging tensions and the potential for conflict in the enclave in 2006 when António Bembe, leader of the FLEC/Renovada – one of

1 See Vasco Martins, "Angolan security and the State of the Nation speech" (IPRIS Lusophone Countries Bulletin, No. 12, October 2010), pp. 1-3.

2 Séverine Koen, "Reflections on the Cabinda fiasco and the politics of football" (Independent, 26 January 2010).

FLEC's faces – and today a Minister without Portfolio belonging to the MPLA government, signed a peace deal with Luanda. Ever since, the central government has downplayed the security risks, consequently reducing the monitoring of all FLEC movements. However, when the FLEC attacked, the Angolan military was not only prepared to intervene and fight the rebels, but also to assure the continuation of the CAN events in Cabinda. If the enclave was in fact at peace, how was the military able to respond to the difficult logistical challenges, when it did not know the full force of the enemy? The government's swift response supposed a minimal degree of awareness and military preparedness and planning.³ Luanda knew that the FLEC would attempt to block the CAN from taking place in Cabinda and used the opportunity to act promptly and intelligently in order to completely undermine and debilitate the FLEC movement, while landing a massive blow to the credibility of its leaders exiled in France.

However, because the FLEC showed that it remains active, the President of Angola had to reopen and tag the Cabinda file as potentially hostile, confirming that there are external forces supporting the Cabinda secessionist movement.⁴ It is believed this support is coming from the Democratic Republic of Congo (DRC) which has territorial claims over Cabinda's offshore oil fields and possibly from Congo Brazzaville, the country where FLEC members plan operations, from which

they enter Cabinda and eventually flee back to.⁵ Hence, it would not be surprising if Luanda adopted a harsher rhetoric towards both these countries.

The idea that external players are sponsoring the FLEC will have obvious consequences in the foreign policy-making of

Angola. This suspicion will eventually play on how Angola interacts with other countries in the region that have interests in Cabinda, be it political or simply economic. It might also result in a harsher rhetoric, not only towards the DRC and Congo Brazzaville but also towards Rwanda, Burundi and Uganda, as well as other countries Angola sees as destabilizing forces in the region ever since they supported different factions in the second Congo war. Furthermore, with both legislative and presidential elections in the DRC scheduled for November 2011, Angola – if indeed provoked by the DRC in Cabinda – might come to support a different candidate, or simply withdraw its support from current President Joseph Kabila.

With the deterioration of the security environment in Southern Africa, Angola will have to defend its national interests – shaped by the ruling elite – by constantly monitoring its borders and other sources of power other than its own. In time, elements of this constant stance of suspicion will play into the Angolan identity and reflect on its foreign policy, which would become less open and comprehensive.

Only time will shed light on the connection between the FLEC and the DRC and on Angola's reaction to this alleged 'coalition'. With the DRC's claims to the offshore fields in Cabinda, stakes are much higher, especially since the majority of Angolan oil is extracted from the enclave. With Brazzaville, Luanda might exert pressure on the country to stop harboring FLEC rebels, making it

impossible for the Angolan Armed Forces to catch them. Nonetheless, Angola is much more influential and better positioned to pursue what it considers its national interest than it was a mere couple of years ago.

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3 Lara Pawson "Let's keep Cabinda in the spotlight" (*Guardian*, 12 January 2010).

4 In the state of the nation speech by President José Eduardo dos Santos.

5 The attack perpetrated on the Togolese football team took place in Cabinda, on a road linking the enclave and Congo. For more details see David Smith and Paul Myers "Togo's shaken footballers prepare to go home after machine-gun ambush" (*Guardian*, 9 January 2010).



Language in foreign policy

For Angola to assume the presidency of the CPLP for the first time is not just an intrinsic matter of the organization, but also a symbol of Angola's wider sphere of action in international politics, its willingness to contribute to the prominence of the Lusophone space and to the formation of its national identity in the world of nations.

Angola will preside over the CPLP for the next two years. Its presidency will be based on the theme 'Solidarity in diversity' which is one of the pillars of the organization. For the next two years, Angola will lead the community of Lusophone countries, deepen relations between them and possibly negotiate an agreement on the freedom of circulation between countries, a process strongly defended by President of Angola's National Assembly António Kassoma.⁶ Angola's bilateral and multilateral dedication to the Lusophone space has been immense, and at times far greater than its focus on creating partnerships in the southern African space. The President's State of the Nation speech in October 2010 – which failed to mention any African country of interest to Angola – is a perfect example that for the time being, the country's attention lies elsewhere.

Angola's multi-vector foreign policy⁷ is assuming the relevance of sharing a common language, reflecting the very influence of its developing national identity in the making of foreign policy. Apart from remaining open to the world – Angola has strategic partnerships with Brazil, China and the US – the country has not only deepened its economic and political ties with Portugal and Mozambique, but also assumed a more central and leading position in solving conflict and ending political violence in Guinea-Bissau.⁸ This new openness has led among other things to a very significant increase

of Portuguese and Brazilian migration flows into Angola,⁹ in search of business opportunities in a country with favorable and familiar characteristics. There has also been noticeable movement in the cultural sphere.

Today several literature awards are disputed in a broader – rather than national – Lusophone sphere, while Portuguese-speaking populations dance to the sounds of Brazilian and Angolan music. Lusophone countries understand the importance of culture and especially language in the world. By taking over the presidency of the CPLP, Angola is adding a very strong linguistic component to its national identity and to how it formulates its foreign policy. The new Foreign Minister, George Chicoty, has stated this orientation in a speech, by referring to the CAN and to the Summit of Heads of State and Government of the CPLP – hosted in 2010 by Angola – as events that contributed to keeping the name of Angola on the lips of the international community throughout the year.¹⁰ When Cape Verdean President Pedro Pires and two other regional leaders went to Côte d'Ivoire to deliver a message in representation of the Economic Community of West African States (ECOWAS), his presence was especially noted and well received due to his country's good relations with Angola.¹¹ Indeed, for the time being, it is mainly in the Atlantic and especially in the Portuguese-speaking world that Angola

appears to be focusing on and garnering more influence and attention.

L'État c'est lui

Angola was presented with a new yet controversial constitution in 2010. Although the new document does not change much in practical terms, it does however serve to make the actions and methods of the presidency

6 Bernardino Manje, "Kassoma quer reciprocidade na livre circulação de pessoas" (*Jornal de Angola*, 10 March 2010).

7 Vasco Martins, "Keeping business in and politics out: Angola's multi-vector foreign policy" (*IPRIS Viewpoints*, No. 22, October 2010).

8 John Amoda, "Outsourcing security capacity-building: the Guinea-Bissau example" (*Vanguard*, 27 September 2010).

9 Immigration of Portuguese citizens to Angola has increased from 156 in 2006 to 23.787 in 2009, (Observatório da Emigração).

10 "Angola kept its name high within international community in 2010 - Foreign minister" (*Angop*, 28 December 2010).

11 "Ivory Coast: African trio to make fresh peace bid" (*BBC News*, 29 December 2010).



official and to merge all executive and legislative powers – as the Parliament acts merely as a rubber stamp – in the person of the President.

The new constitution has already had direct consequences on the formulation of foreign policy. The centralization of power in the person of the President enables Angola to stop supporting the retracting democratic wave in sub-Saharan Africa and sustain those regimes which are similar to it. The lack of influence that Angolan public opinion has on policy-making leaves the elite free to set foreign policy priorities that reflect their personal interests and friendship connections. The fact that Angola received Laurent Gbagbo's envoy to Luanda after the latter contested the elections, which were considered valid by the international community, or "that the Angolan ambassador [to Côte d'Ivoire] Gilberto Buta Lutucuta was one of the few ambassadors in Abidjan who did not boycott Gbagbo's swearing-in ceremony"¹² underpins a disregard for the inclusion of concepts like democracy and constitutional liberalism¹³ in the country's foreign policy formulation. Moreover,

suspensions were raised – although denied by the government – that Angola had sent mercenaries to fight alongside the military still controlled by Laurent Gbagbo also points to the will to support longtime friends regardless of their democratic credentials, something which describes a particular identity in the formulation of foreign policy. Among other aspects, this inclination might also interfere with any intervention the SADC might have to make in the 2011 elections in the DRC (as mentioned above) and in Zimbabwe, in case Robert Mugabe does not accept any unfavorable electoral results for his party, the ZANU-PF. In fact, "if any poll takes place that is intended to be transparent, either in Parliament or in the nation, South Africa and the regional grouping of countries, the SADC, will have to be its guarantor".¹⁴ Yet, Angola is not likely to share this position either with South Africa or with the SADC.

The 31st SADC summit in 2011

Much like in 2010 when it hosted the CAN, in 2011 Angola will host the 31st summit of the SADC, an event whose weight and impact on the domestic politics of its member

states could possibly trigger in Angola a more active participation in regional politics through the context of the SADC, in a year where three of its member hold presidential and legislative elections.

There are important levers of power Angola will be trying to pull during the summit and in the period leading up to it. The situation in Zimbabwe – where a referendum on the constitution and elections to pick a resident, a national assembly, a senate and local governors are expected to be held in 2011 – is one of the issues Angola will be monitoring and influencing. A crisis in Zimbabwe at the national level is something which could detract from Angola's political and economic expansion. On the other hand, Angola sees Zimbabwe as a clear example of South Africa's centrality in regional diplomacy and politics, a centrality which it is eager to take on for its own policies. Although the relationship between Angola and South Africa has improved substantially and will likely remain unaltered by the outcome of the Zimbabwean elections – as the bonds between both countries are

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cemented on their leaders' friendship – in the SADC both are likely to produce different opinions regarding not who takes power after the elections, but how to act in case something has to be done against the Mugabe regime. Angola understands that if the SADC manages to oust Mugabe from the presidency – in case he loses – it will open a precedent where a regional multilateral organization possesses enough leverage

to change regimes, something Angola is not keen to have happen in its close neighborhood. Hence, any negotiation to support a different faction in Zimbabwe – thus altering the current status quo – will likely be met with harsh rhetoric and tough compromise by Angola. The Seychelles are also expected to hold presidential elections in 2011, although Angola has no particular interest in this country besides a few bilateral meetings aimed "at strengthening cooperation between the parliaments of both countries".¹⁵

The summit will also be an opportunity to discuss serious matters with the DRC, which today has many ongoing issues with Angola, ranging from population expulsions and accusations of mass rape¹⁶ to territorial claims on Cabinda's offshore oil fields mentioned by the President in the State of the Nation speech, problems likely to be discussed at the regional level so as to generate more

12 Paulo Gorjão, "Côte d'Ivoire: a test tube for Angola's regional policy?" (*IPRIS Viewpoints*, No. 29, December 2010), p. 1.

13 Fareed Zakaria, "The rise of illiberal democracy" (*Foreign Affairs*, Volume 76, No. 6, November/December 1997), pp. 22-43.

14 Robert Rotberg, "Mugabe doesn't need an excuse" (*Foreign Policy*, 28 December 2010).

15 Angola: government and Seychelles discuss strengthening of parliamentary cooperation (allafrica.com, 11 September 2010).

16 "UN reports ongoing expulsions of DR Congo citizens from Angola" (*UN News Centre*, 29 December 2010).



support for Angola's position and deeper politicization of the topic in a forum where the FLEC does not have a voice.

Hosting this summit is a clear win for Angolan diplomacy, which is expected to play the regional politics game when its attention is focused on economic cooperation with countries in America, Asia and Europe.

Conclusion

2010 was not a year of new geopolitical realignments and frontiers, nor was it a time of deep integration processes and improvement of security in the sub-Saharan region.

Nevertheless, 2010 in Angola was the year the ruling elite confirmed its grip on power, which laid the path to create certain patterns resulting in the construction of national identity and consequently shaping the ideological background of Angola in its expression of foreign policy. The identity of those who manipulate the levers of power, their history, education and self-perception is injected in the process of policy decision-making, especially in the case of foreign policy, which often tends to suffer from nepotism. Since the specificities of public opinion are not reproduced in the formulation of foreign policy, the Angolan population is left without a voice on the manner in which its country interacts and expresses itself in the global arena. Hence, even if most Angolans favor democracy, the new constitution upheld by the presidency – which centers all the power on the person of the President – is, in foreign policy terms, creating a culture of disregard for the accountability of the actions and decisions of foreign leaders, ranging from democratic malpractice to serious human rights abuses and genocide. The process of injecting one's personal traits into foreign policy-making – which incites nepotistic behavior – and the tight personalization of power instilled by the new constitution, has led Angola, among other things, to provide support to Laurent Gbagbo's regime in Côte d'Ivoire, with whom Angola has had friendship ties for decades.

It is also without surprise that any threat to the elite's sources of revenue is not only met with harsh criticism, but also at gun point, by the Army. The FLEC attack on the Togolese national football team bus was an isolated event, intended to put Cabinda back on the map. However,

the consequences of having problems in the wealthiest region of Angola in terms of natural resources made the elite suspicious about foreign involvement and much more focused on monitoring and controlling the enclave's borders. Hence, whether or not foreign support for FLEC rebels is coming from the DRC, Congo Brazzaville or another actor, Angolan foreign policy will nevertheless be much less friendly to both these countries, especially towards the DRC.

The only item on the agenda which goes beyond the elite – because it possesses a grass-roots characteristic – is the importance of Lusophony in Angolan foreign policy.

Besides having the presidency of the CPLP for two years, Lusophony is a concept which is not only familiar to the entire population of the Angolan state but also profitable to the elite, especially since Brazil is growing as a political and economic leader. Of all the events which shaped or influenced Angolan national identity and its reflection on foreign policy in 2010, the presidency of the CPLP is the only one that manages to encapsulate the entirety of Angola's population due to the sharing of crucial elements of identity, mainly language and culture (music, films, books, etc).

2011 already promises to witness events which will add to the mix of Angola's national identity and foreign policy formulation. By hosting the 31st SADC Summit in Luanda, Angola might finally prove the degree of its dedication to the southern African region, what part it plays in its space, what the benefits of its membership are and what it has to offer. For the time being, it appears that Lusophony, a

certain degree of nepotism and personal input in foreign policy are the main vectors driving Angola's expression in the world. Yet, its national identity remains embryonic and severely susceptible to domestic politics. Only time will tell how the events of 2011 will outline the emergence of Angola's identity and shape the contours of its behavior in the international order.

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Brazil in 2010: preparing for the dawn of a new era

SEAN GOFORTH

Affiliated Researcher, IPRIS, and Professor, Coastal Carolina University, United States

Two thousand ten appeared a banner year for Brazil. The economy sprightly rebounded from a mild recession in 2009, with overall growth expected around 7.5% for the year, the largest annual GDP increase in a generation. Meanwhile Brazil's foreign exchange reserves approached US\$290 billion, the highest level in history. Thanks to these broad gains, Brazil has bypassed Canada and Spain to become the world's eighth-largest economy, and is now also the United States' fifth-largest creditor.¹ Business is booming throughout the country. Petrobras, Brazil's state-run energy giant, reported that daily output exceeded 2 million barrels a day, a record output sure to be trumped as Brazil's offshore oil deposits enter production. (Petrobras estimates oil production will be 5.4 million bpd by 2020.) Boston Consulting Group said that Vale, a Brazilian mining behemoth specializing in iron ore, has created more value than any other large firm in the world over the past decade.²

Far from this being a story of big business gains, northeast Brazil, the poorest region, was also the fastest growing part of the country. A decade ago Brazil was home to millions of indigent farmers. Today, Brazil is the world's largest exporter of coffee, sugar, orange juice, ethanol, tobacco, beef and chicken, and the second-largest exporter of soy products, meaning that droves of farmers, and those in supporting industries, are now part of the lower middle class.³

Signs of growing Brazilian 'soft power' abound. Brazilian embassies have sprung up across Africa. And in June 2010 Rio de Janeiro was selected to host the 2016 Olympic Games; already, far-flung venues in the country are preparing to host the 2014 World Cup. Beyond reaffirmation of Brazil's rising fortunes, the Olympic decision provided nice consolation for Brazil; mollifying a lackluster performance in the 2010 World Cup is fervor

over who may or may not be suiting up in green and gold in four years' time.

On the domestic front, democracy jostled along. Outgoing President Luiz Inácio Lula da Silva, 'Lula' for short – often hailed as the world's most popular politician – left office with over 80% of Brazilians approving of his management. Having amassed enormous political capital, Lula devoted part of it to the election of his chosen successor. The 2010 general election pitted Dilma Rousseff, of Lula's own Worker's Party (PT), against José Serra, a former mayor, governor and member of the Brazilian Social Democratic Party. Rousseff, with Lula's firm backing, handily won the runoff election on October 31st, 56% to 44%.

Her inauguration on January 1, 2011, was remarkable. Most obviously Brazil now has its first woman President. It also marked the first time since democracy returned in 1985 that Brazilians elected successive presidents from the same party. Yet while democracy may seem strong on the surface, corruption rests just below the surface; recent congressional pay raises and a variety of scandals have left many Brazilians distrustful of their government even if they fancy the man at the top.

By this overview Brazil is coming off a stellar year. But rather than attempting a comprehensive recollection of salient events relating to Brazil in 2010, this essay wends a different path. My aim is to home in on capstone events in 2010 that illuminate major trends in Brazil's development as a world power. As a second order of business I reflect on the conclusion of the Lula era, which hoisted the country onto the global scene with gusto. Lula's achievements suffuse what follows. Finally, I will look forward to major trends likely to weigh heavily on the Rousseff administration.

Concentric circles of influence

Central to Lula's foreign policy has been the manufacture of Brazil as Prime Minister – "first among equals" – to a tri-continental constituency of weaker developing nations in Latin America, Africa, and the Middle East. At first this meant Lula invested vast energy into securing Brazil's

1 "Major Holders of Treasury Securities" (US Treasury Department, 15 December 2010).

2 "Valuable Vale" (*The Economist*, 25 September 2010).

3 "Special Report on Latin America: It's Only Natural" (*The Economist*, 9 September 2010).



primacy over Latin America. Set to this task, Brazil first established dominance over its historic foe, Argentina, aided in part by Argentina's economic collapse in 2001-2002. Carlos Escudé, an Argentine foreign policy analyst, confessed in 2002: "We would rather not be anyone's satellite, but there is far less opposition to our being a star on the Brazilian flag than our being the star on the American flag".⁴ Then, over time, Brazil proved itself a better role model than Mexico or Venezuela.

As Brazil's position over Latin America grew more secure Lula, aided by the notoriously sophisticated cadre at Itamaraty, Brazil's diplomatic corps, made inroads into Africa. The number of Brazilian embassies in Africa doubled during his tenure. Brazil fulfilled pledges of developmental assistance to many African nations, and committed troops to UN peacekeeping missions in the Central African Republic, Liberia and Ivory Coast.⁵ Interestingly, in Africa Brazil has not had its fortunes polished by US disengagement (as is the case with Latin America since 9/11), or feckless US policy (as has often been the case in the Middle East), but because Lula played up Brazil's propinquity – along linguistic, multiracial and multi-ethnic lines – with the African continent.

Having made Brazil dominant in Latin America, and a player in Africa, Lula turned, most recently, to fortifying his country's role in the Middle East. However, he hasn't made the venture alone. Instead Brazil teamed up with a similarly promising partner to hold the other end of the jump rope through which Lula sought to get Middle Eastern states to play the game of rising power hops – Turkey.

Akin to Brazil, Turkey is another international middleweight that has carved out an important niche in world politics since 2002. The credit here goes to the Justice and Development Party (AKP), a mildly Islamist political party led by Prime Minister Recep Tayyip Erdogan. Turkey's foreign policy under the AKP is often summarized as "zero problems," meaning that Turkey has sought to curry good relations with all its neighbors, as well as a bevy of countries outside the Islamic world. In many cases "zero problems" has served as a commercial gambit, spurring Turkish exports and encouraging tourism, especially from the Middle East and Europe.

Closer relations between Brazil and Turkey are chiefly a product of their coincidental interest. The two nations have mimicked one another in relaxing visa requirements for visitors from the shadier parts of the region, such as Iran. Each country's ambitions are driven by membership to an exclusive club; Brazil seeks a permanent seat in an expanded UN Security Council and Turkey obviously has its eyes on full EU membership. It is also worth pointing out that Brazil and Turkey's increased involvement in the Middle East has not simply been pro-Arab. Until May 2010, Brazil and Turkey made a point out of forging closer ties with Israel. Lula became the first Brazilian President to visit the country in March, where he said "someone with neutrality" was needed to mediate peace in the region.⁶ Erdogan visited Israel several times during his first term, as well as the Yad Vashem, Israel's Holocaust memorial, and his government has signed more official agreements with Israel than any previous Turkish government.⁷

While Brazil courted moderate countries such as Jordan, for the most part Lula's diplomacy has targeted trouble spots in the Middle East. In 2010 Lula became the first Brazilian President to visit Israel and the Palestinian territories.⁸ Then, on December 3rd 2010, with 28 days left in office for Lula, Brazil officially recognized the independent state of Palestine within the 1967 borders. The effect has been robust in both regions. The Netanyahu government was deeply unsettled, based on

accounts in *Haaretz* and the *Jerusalem Post*, while in South America the move ignited rapid-fire recognition of Palestine as an independent state by Argentina and Uruguay, followed two weeks later by Chile. Some analysts see the move as part-and-parcel of Brazil's alacrity to move into the void left by US leadership on Israeli-Palestinian peace. Indeed, Brazil has generally sought the role of the United States' alter ego in global affairs, as Julia Sweig recently argued in *Foreign Affairs*.⁹ Regarding Brazil recognizing Palestinian independence, Pedro Seabra writes: "For a nation who long waited for its moment in the world, the desired reforms of the international order are only bound to produce some

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6 "Brazil's Lula in Israel at Start of Middle East Tour" (*BBC News*, 3 March 2010).

7 Hugh Pope, "Pax Ottomana? The Mixed Success of Turkey's New Foreign Policy" (*Foreign Affairs*, Vol. 89, No. 6, November/December 2010), pp. 161-171.

8 "Israel 'Saddened' as Brazil Recognizes Palestinian State" (*AFP*, 4 December 2010).

9 Sweig, "A New Global Power", p. 173.

4 "Argentina's New Role Model: It's Old Rival, Brazil" (*New York Times*, 5 September 2002).

5 Julia Sweig, "A New Global Power: Brazil's Far-Flung Agenda" (*Foreign Affairs*, Vol. 89, No. 6, November/December 2010), pp. 173-184.

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friction between new and old powers and in that sense, for Brazilian political class, it is only natural that public disagreements with certain Western policies and views come to grow exponentially".¹⁰

It is certainly possible that Lula's advocacy of Palestinian causes is chiefly an outgrowth of Brazil's alter egotism. However, I submit a different hypothesis: Brazil's recognition of Palestinian independence testifies to a cataclysmic failure of Lula's Middle East policy, a failure borne by Brazil's relationship with Iran.

Iran mantra

For a time Brazil gained handily from its association with the Islamic Republic. Brazil is by far Iran's biggest trade partner in the Americas, and from 2007-2008 – when Iran's trade with Latin America trebled to almost US\$3 billion – Brazil gained handsomely.¹¹ Many commentators have suggested Brazil still stands to gain from economic ties with Iran in the years ahead.

In 2009, Brazilian Foreign Minister Celso Amorim categorized Iran as "the new geographic partner in our country's policy".¹² Based on a proposal supported at one time by the Obama administration, Lula and his Turkish counterpart, Prime Minister Erdogan, sought a solution to the international impasse over Iran's nuclear program by coaxing Iran to outsource its nuclear fuel for enrichment. But by mid-2010, in the wake of fresh equivocations by Iranian President Mahmoud Ahmadinejad, and after the discovery that Iran's nuclear program had advanced far beyond what international observers thought and was much nearer weaponization, Brazil misread international sentiment, especially among its fellow rising powers. The deal worked out by Lula and Erdogan was preempted within hours by a stiff fourth-

round of UN sanctions that had the support of China and Russia; among the ten rotating members of the Security Council, only Brazil and Turkey voted against the resolution.

Brazil overestimated its diplomatic sway. Lasting embarrassment is likely to come from this, not because of the earnest, if fatuous, attempt to resolve the Iran nuclear imbroglio. Rather, Brazil unduly elevated Iran in its foreign policy agenda as a means of creating a unique platform, and it is now being held accountable for the inexcusable behavior of its Middle Eastern mate. In July and August 2010, Brazil assumed the precarious role of trying to resolve international outcry over a death by stoning sentence. The issue was inserted into the political cycle, troubling the Rousseff campaign, and coaxing Lula into a public offer of asylum for Ashtiani. Iran then rebuffed Brazil's offer. Bosomed to Iran, Brazil is being tugged into a matter that other rising powers labor to avoid—addressing human rights abroad, and in Iran no less, where state executions are per capita the highest in the world.

Brazil is unlikely to regain an air of disinterested arbiter with regard to Iran's nuclear program, and may suffer from association with the Islamic Republic for a time yet. The more Iran rolls off the lips of major diplomats, heads of state, and newsreaders, the more Brazil's global foreign policy inertia slows. In this light, Brazil's recognition of an independent Palestinian state appears a last ditch effort to bank some of Lula's investment in the Middle East.

Turning toward Palestinian independence helps on several fronts. First, it reminds the world of Brazil's status as Latin American superpower, imputed by Argentina and Uruguay following Brazil's declaration within days. Second, the timing of the declaration – not long after President Obama announced America was shelving its plan for Arab-Israeli peace talks – revives some of the positive lingo that Brazil has enjoyed as the alter ego of the United States. Finally, the move was provident. Lula needed to leave Rousseff with some room to maneuver in

Closer relations between Brazil and Turkey are chiefly a product of their coincidental interest. The two nations have mimicked one another in relaxing visa requirements for visitors from the shadier parts of the region, such as Iran. Each country's ambitions are driven by membership to an exclusive club; Brazil seeks a permanent seat in an expanded UN Security Council and Turkey obviously has its eyes on full EU membership.

¹⁰ Pedro Seabra, "Brazil and the Recognition of the Palestinian State: More than Words?" (*IPRIS Viewpoints*, No. 8, December 2010).

¹¹ "Latin America: Iran Trade Triples" (*Latin Business Chronicle*, 2 December 2009).

¹² "Brazilian FM Calls Iran 'New Partner'" (*Fars News Agency*, 10 May 2009).



the region. Given that Brazil's association with Iran looks to be a liability for the new President for some time to come, best to have another front where positive gains can be made. The outlook for a workable peace in Israel and Palestine is so dim it will be virtually impossible for Rouseff to disappoint.

Practice makes practical

The presidential election of Dilma Rouseff marked another major turning point for Brazil in 2010. Her rise can be summarized as follows: she was selected to serve as Lula's Mining Minister in 2003, then Chief of Staff in 2005, before being anointed his successor. This makes Brazil's future more uncertain than her rhetoric about pragmatism and continuity suggests.

In 2002 Brazil's newly elected President was referred to as a "radical labor leader" even by sympathetic pundits. Bond spreads on Brazilian debt widened and investors pulled money out of the country in fear that Lula, reputed a leftist ideologue, would mismanage the economy. Instead he continued the market-based approach commenced by his predecessor while concentrating heavily on reducing inequality and poverty in Brazil. This social-minded approach to capitalism, dubbed "Lula light," is at the core of Brazil's ebbing global popularity.¹³

For far too long marrying long-term growth with social welfare appeared a paradox, if not a chimera, to developing nations. Lula proved it could be done: while economic growth accelerated year-after-year of his presidency, poverty significantly decreased. Part of Brazil's growth frankly resulted from a permissive global economy: Brazil grew because of ravenous demand for its goods in Asia. But Brazil's stardom was earned because Lula made a concerted effort to moor the country's economic growth on poverty alleviation and pro-poor spending. Eight years after his election *The Economist* referred to Lula as Brazil's "technocratic President", a testament to the pragmatic

values engrained by Lula's tortuous political rise.

While that sort of transformation will command the attention of scholars and pundits for decades to come, such feats are not without precedent. Indeed Lula's predecessor, Fernando Henrique Cardoso, President from 1995-2002, arguably turned a sharper *volte face*. Cardoso gained notoriety in the 1960s and 1970s for his book, with Chilean sociologist Enzo Faletto, *Dependency and Development in Latin America*,

a landmark study of the skewed direction of Latin American political economy. Chiefly, it argued that modern international commerce was bent in heavy favor of the West and an international system so dominated by Western capitalism relegated Latin America to a dependent form of development. Developmental options existed for many nations, but narrow-minded politicians typically stymied sustained gains.

Cardoso climbed through Brazil's political ranks in the 1980s, serving as senator from his home state of São Paulo. After a stint as Foreign Minister, Cardoso became Finance Minister in 1993-1994, where he helped engineer an end to hyperinflation in Brazil, known as the Real Plan. Propelled by this coup, and the backing of Brazil's outgoing President, Cardoso was elected President in 1994.

Perceived ideologues age well under Brazil's democratic sun. Cardoso and Lula's reputations as ardent leftists nicely transformed into a balanced agenda that pleased the palette of foreign investors and the poor alike. Rouseff, by contrast, comes with no ideological baggage, but also little sense of political parameters. Having never

held elected office she has no track record through which one can assess her style of political leadership or her proclivities.

Obviously this could beget widespread disappointment if grand visions, such as her pledge to eliminate extreme poverty, are not achieved. It could also lead to a redoubling of her efforts in a rabid attempt to succeed at all costs. While the idea of a dogged President may have romantic appeal to some, redirecting assets away from, say, global initiatives where Brazil has built up enormous sway, such as climate change initiatives or UN peacekeeping missions, may damage Brazil's image.

Brazil overestimated its diplomatic sway. Lasting embarrassment is likely to come from this, not because of the earnest, if fatuous, attempt to resolve the Iran nuclear imbroglio. Rather, Brazil unduly elevated Iran in its foreign policy agenda as a means of creating a unique platform, and it is now being held accountable for the inexcusable behavior of its Middle Eastern mate.

¹³ See, for instance, Chapter 5 in Javier Santiso, *Latin America's Political Economy of the Possible: Beyond Good Revolutionaries and Free-Marketeers* (Cambridge: MIT Press, 2006).



Another pitfall could involve Brazil's mélange of state supported enterprises. Based on all accounts, Rousseff is quite the devotee of industrial policy. Industrial policy is the notion that governments can optimize economic development by "picking winners," i.e., deciding which firms are most likely to succeed, and funneling public money to them. While academic debate over the utility of industrial policy has raged for decades, and evidence exists to support the practice of industrial policy, even its smartest advocates acknowledge that creating widespread benefits, what economists term positive spillovers, is a hit-or-miss proposition. Dani Rodrik, a professor at Harvard, concedes that because of uncertainty not all government pets will grow strong; "the trick is for governments to recognize those mistakes and withdraw support before they become too costly".¹⁴ Will President Rousseff be able to shirk her preconceptions if they prove ineffectual? Or will she stay committed to a decision long after its gestation period passed? Only time will tell.

Conclusion

Eyeing the broad panorama, 2010 signified that Brazil is "o quinto poder", the fifth world power, in scene with the likes of the United States, EU, China, and India. Global macroeconomic trends, plucky diplomacy, and impressive technocratic management account for Brazil's fortunes. But a steady and focused peer through the aperture exposes hairline cracks and blemishes in Brazil's aesthetic. A waifish elevation of Iran in Brazil's foreign policy agenda ultimately proved a drag on Brazil's image in 2010. On the domestic front, the election of a largely inexperienced Dilma Rousseff sews questions about her ability to execute a pragmatic and flexible approach to policy that Brazil will need to continue its ascent. The summary of 2010 can be taken as the summary of an era: Lula created great expectations, now it is up to Rousseff to manage them.

¹⁴ Dani Rodrik, "The Return of Industrial Policy" (*Project Syndicate*, 12 May 2010).



Cape Verde in 2010: a prolific year

PEDRO SEABRA

Researcher, Portuguese Institute of International Relations and Security (IPRIS)

When looking back over 2010, fewer African countries can claim to have had more foreign policy activity than Cape Verde. Indeed, once again the external endeavors of Cape Verde were a laudable exception within the wider context of the remaining African continent. With a consistent track record of above-average international indicators – whether on good governance or transparency – reaffirmed throughout 2010, Cape Verde is increasingly becoming a case study in the region for its ability to conciliate different interests and partners in its far-reaching agenda.

The ambition to bridge several continents – Europe, Africa and America, in particular – has been the ultimate goal for Cape Verdean diplomacy and in that sense, the vast array of official visits, summit attendances and formal agreements signed, all witnessed in the past year, only help underscore the current high-rotation of Cape Verde under the watchful eye of the international community.

By reinforcing existing and preferential relationships with crucial countries – to either its economy or to its strategic interests – while further consolidating its landmark Special Partnership with the European Union (EU), Cape Verde ended up raising its own profile in the region. The new political investment in the development and restructuring of the Economic Community of West African States (ECOWAS) integration project only added further substance to its growing visibility, given the increased influential role that the country now seeks to play within its immediate neighborhood.

In this context, an overall review of Cape Verde's foreign policy in 2010 is in order. By pointing out the defining moments that helped further establish Cape Verde's credentials as a respectable regional actor – and consequently, of greater interest to the remaining world – one will then be able to fully grasp the evolving context surrounding Cape Verde throughout this last year. Particular attention will be paid to the visible progress in institutional ties with ECOWAS and the EU, two central cornerstones of Cape Verde's external insertion. Furthermore, the ongoing investment in specific bilateral

relations was also clear in 2010 and will therefore also be mentioned. Conclusions will then be drawn while including a brief insight on what to expect for Cape Verde in the year ahead.

Reconnecting with ECOWAS

For the past decade, Cape Verde has had to endure a prolonged internal debate regarding the merits and benefits of remaining an ECOWAS member. It was not that the country did not see itself as a worthy partner of the nearby region or lacked the means to truly commit to the goal of greater neighborly cooperation. The main problem for Cape Verde was that ECOWAS was apparently increasingly becoming more of an obstacle to the country's own path of development and growth than a useful regional integration vehicle, as was envisioned back in 1975 when the Treaty of Lagos was signed. In that sense, Cape Verdeans began to question the reason behind an organization that persistently failed to provide its members with a common path of development, security and stability. However, notwithstanding the public wishes of certain sectors of civil society for a greater 'disconnection' from ECOWAS, the government rightfully understood that a full exit was out of the question.

The ramifications of such a decision soon became evident, as the country began to realize that its foreign weight would grow exponentially if it remained invested and even took a lead in the construction of this particular institution. Simply put, for the remaining international community, Cape Verde's value as a credible and viable partner came hand in hand with an active ECOWAS membership. Therefore, a 180-degree change in the country's approach to ECOWAS was in order, and thus began to take shape, reaching its peak during this last year.

Indeed, that much could be deduced from Cape Verde's diligent participation in ECOWAS' myriad of official gatherings. Already on February 15th, President Pedro Pires attended a twice-postponed ordinary meeting in Abuja, Nigeria, with a focus on the internal situations of Niger, Ivory Coast and Guinea-Bissau. But it was on July 2nd that

Cape Verde took center stage in the organization's organic evolution. Precisely by hosting the 38th Heads of State and Government Summit in the Island of Sal for the first time in its history, Cape Verde definitely demonstrated its 'newfound' willingness to help further develop the ECOWAS project to the region and to the world.

Recognizing that "Cape Verde will only have strategic importance if it is well integrated within ECOWAS",¹ Prime Minister José Maria Neves sought to lay the foundations for greater consultation and cooperation in a number of key areas, such as environment, infrastructure, energy, industrial development and the fight against drug trafficking. Moreover, Cape Verde also presented the candidacy of career diplomat Fernando Wahnnon Ferreira for the position of Vice-President of the organization's Commission, signaling a greater disposition to be included in the decision-making process of the region.² However, the apparent consensus regarding the Cape-Verdean nomination was not enough to break a deadlock over an overall agreement on fair rotation of seats between all member-states. As such, an ad hoc committee was constituted as a compromise to provide possible solutions, one of which was to grant Cape Verde the Presidency instead of the Vice-Presidency.³

On the other hand, in another example of Cape Verde's assertiveness, the country also hosted the I Brazil-ECOWAS Summit on July 4th, thus taking advantage of its Lusophone ties to further propel the development of important relations with Brazil. The string of investments and promises of greater cooperation which ensued only helped to further underscore the success of such an event.⁴

Moreover, as the year's end grew

near, Cape Verde also took part in ECOWAS' efforts to tackle some of the region's most worrisome crises.

For example, President Pedro Pires was one of the few high dignitaries to attend an extraordinary summit regarding the situation in Guinea-Bissau, on September 19th in Abuja.⁵ Likewise, he also took part of ECOWAS' trilateral delegation to Ivory Coast in late December, seeking to provide a peaceful solution for the country's institutional stalemate.⁶

Thus, when taking into consideration the previously tense relationship that Cape Verde had with ECOWAS, one cannot fail to recognize the significant change of policy direction towards the nearby region. Indeed, from having no senior representatives in ECOWAS' main institutions to being recommended for the top position available or managing to attract major international powers into greater relations with Western Africa, Cape Verde sure has gone a long way in its regional insertion process.

Reinforcing with Europe

After achieving the long desired special status with the EU in 2007, Cape Verde soon found itself in a new position. Although the Special Partnership laid forth several paths of possible cooperation, questions still remained as to whether Cape Verde would continue to push for an even greater 'preferential treatment', given it had already accomplished its main objective. In other words, what more was left for Cape Verde to achieve?

These doubts were quickly shoved aside as Cape Verde showed no desire to back down from pursuing a greater binding agreement with the EU, this time under the logic of "everything but institutions". This working paradigm would imply having

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1 "CEDEAO: Cabo Verde só terá importância estratégica se estiver bem integrado na organização, diz PM" (*Lusa*, 2 July, 2010).

2 "Cape Verde could be named vice-president of ECOWAS Commission at Sal summit" (*A Semana*, 2 July 2010).

3 "Cabo Verde recomendado para presidência da Comissão da CEDEAO" (*África 21*, 20 November 2010).

4 "ECOWAS, Brazil agree new initiatives to bolster collaboration" (*Pana*, 3 July 2010).

5 "Nigeria: ECOWAS extra-ordinary summit on Guinea Bissau opens" (*Pana*, 19 September 2010).

6 "Ivory Coast: Africa trio give Laurent Gbagbo ultimatum" (*BBC News*, 28 December 2010).



the closest ties possible with the EU – development and integration funds included – without reaching *de facto* membership. Among the different options available, crafting a permanent mechanism between Cape Verde and the EU's outermost regions of the Azores, Madeira and Canary Islands quickly became the next immediate goal for Cape Verdean officials.

That much was made clear when Foreign Minister José Brito first met with his European peers on January 27th in Brussels.⁷ Later on, when Prime Minister José Maria Neves hosted the I Cape Verde-Canary Islands Summit on July 6th and attended the XVI Conference of European Outermost Regions on October 27th in Tenerife, he also sought to push forward this idea.

Indeed, for Cape Verde, this seemed to be the natural progression in this relationship, since the geographic, cultural and economic links to the Macaronesia region were considered more than enough to seek out a permanent formalization of these ties. Even more, one of the six structural pillars of the Special Partnership already indicated that “every encouragement should (...) be given to measures designed to strengthen relations between the outermost regions and Cape Verde”.⁸

In that sense, it came as no surprise when on December 12th in the Island of Mindelo, Cape Verde pulled off another diplomatic victory by convening the representatives of Madeira, Azores, Canary Islands, Portugal and Spain, and winning their support to create a bi-annual Summit of Macaronesia Archipelagos. Furthermore, Cape Verde also managed to secure the structure's secretariat for the next two years, signaling the political will to keep pushing for the development and evolution of its newly created pet-project.

7 “Cabo Verde quer integrar Regiões Ultraperiféricas da Europa e aceder aos fundos do FEDER” (*Lusa*, 29 January 2010).

8 See Pedro Seabra, “Macaronesia: the latest wish in Cape Verde's bucket list” (*IPRIS Lusophone Countries Bulletin*, No. 14, December 2010).

But amid these endeavors, Cape Verde did not forget to nurture bilateral ties with the EU institutions, as established under the Special Partnership. On April 13th, Prime Minister Neves met with President of the European Commission José Manuel Durão Barroso in Brussels to review the Special Partnership and to advance negotiations towards an Economic Partnership Agreement (EPA) with ECOWAS. The fact that Cape Verde is now classified as a developing country supposedly implied that the favorable customs regime granted to the nearby region would no longer be applied to Cape Verde by the end of 2010. However, seeking to accommodate Cape Verde's needs, the EU signaled its disposition to extend this exception for another year.⁹

Another issue of common interest regards the Partnership for Mobility, signed in 2008 and aimed at ‘regularizing’ the flows of national citizens between Europe's Schengen Space and Cape Verde. This year in particular, Cape Verde sought to finally conclude an agreement on a visa waiver program, but despite their advanced stage, negotiations were not concluded by the year's end.¹⁰ Additionally, the EU also made sure to help the country cope with the effects of the international financial crisis that hit the local tourism sector – essential to the overall national economy – hard: a package of €9 million was thus approved for Cape Verde under the “Vulnerability FLEX” (V-FLEX) mechanism.¹¹

In this way, when looking back, it is possible to observe how the EU remains an indisputable partner for the archipelago. Indeed, the desire for – and consequent accomplishment of – another

institutional mechanism to bridge the two together

9 “União Europeia destaca sucesso da Parceria Especial com Cabo Verde” (*Portugal Digital*, 14 April 2010).

10 “Cabo Verde ambiciona isenção de vistos para União Europeia” (*Pana*, 18 May 2010).

11 “Cape Verde: EU allocates 9 million euros under V-Flex” (*Pana*, 18 November 2010).

When taking into consideration the previously tense relationship that Cape Verde had with ECOWAS, one cannot fail to recognize the significant change of policy direction towards the nearby region. Indeed, from having no senior representatives in ECOWAS' main institutions to being recommended for the top position available or managing to attract major international powers into greater relations with Western Africa, Cape Verde sure has gone a long way in its regional insertion process.

helped consolidate the deeply rooted privileged status which Europe already holds among Cape Verde's interests. Moreover, it indisputably demonstrates Cape Verde's diplomatic assertiveness by succeeding in going even further beyond the already singular Special Partnership and consolidating its position as one of EU's preferential partners in Africa.

Diversifying with multiple partners

Nevertheless, the past year was not exclusively dedicated to Cape Verdean ties with ECOWAS or with the EU. Indeed, if anything, 2010 demonstrated how skillfully Cape Verde has established a wide network of high-level contacts with several other crucial actors.

Take Portugal for example. With a relationship sustained by an overwhelming Portuguese dominance over Cape Verde's trade balance and by the multiple historical, cultural and social ties still binding the two countries together, relations were only due to improve. Indeed, already in January, Portugal agreed to establish a credit line of €200 million for the construction of social housing in Cape Verde. But it would be in June that both nations would showcase their extremely good relations by institutionalizing regular summits between their respective governments. As Portuguese Prime Minister José Sócrates stated, "there is a before and an after this Summit"¹² and the signing of a new Treaty of Friendship and Cooperation, as well as the possibilities for bilateral cooperation heralded in this agreement, clearly demonstrate the goodwill of both parties and their drive to further

When looking back, it is possible to observe how the EU remains an indisputable partner for the archipelago. The desire for another institutional mechanism to bridge the two together helped consolidate the deeply rooted privileged status which Europe already holds among Cape Verde's interests. Moreover, it indisputably demonstrates Cape Verde's diplomatic assertiveness by succeeding in going even further beyond the already singular Special Partnership and consolidating its position as one of EU's preferential partners in Africa.

advance this relationship. This position would later be reaffirmed during Portuguese President Aníbal Cavaco Silva's visit to the archipelago in the following month.

Cape Verde also invested heavily in reinforcing ties with its remaining Lusophone peers. São Tomé and Príncipe in particular received much official attention, with two visits from Prime Minister José Maria Neves, the first in April and the second in September, after the election of his counterpart Patrice Trovoada – who would in return visit Cape Verde in November. For his part and in the same month, President Pedro Pires also visited Mozambique while Angola welcomed Prime Minister Neves in August. Brazil, as mentioned before, took part in the I Brazil-ECOWAS Summit and took this opportunity to formally pardon Cape Verde's debt of US\$3.5 million.¹³ On top of that, President Pires attended the VIII Summit of Heads of State and Government of the Community of Portuguese Speaking Countries (CPLP) on July 21st to 23rd in Luanda, where he strongly advocated for a common solution over the political-military instability in Guinea-Bissau. Retrospectively, it is clear to the untrained eye that the Lusophone world has remained a priority to Cape Verde's foreign policy. Not only did it help to consolidate the country's African approach but it also allowed Cape Verde to secure new international clout, while 'aligning' in consensual stances over regional issues and further expanding significant bilateral ties.

On the other hand, it is equally important to cite the role usually reserved to the US within Cape Verde's foreign policy objectives. Although Secretary of State Hillary Clinton already visited the archipelago back in August 2009, that did not stop Under Secretary for Political Affairs William Burns from visiting Cape Verde on April 25th to express, once again, the US' recognition of the country's commendable

12 "Portugal-Cabo Verde: José Sócrates destaca importância histórica de primeira cimeira" (i, 9 June 2010).

13 "Brasil perdoa dívida a Cabo Verde" (*Jornal de Angola*, 5 July 2010).



internal progress. Indeed, as any other member of the international community, the US persistently seeks to associate itself with any consolidated example of good-governance and transparency within the African continent and in that order, Cape Verde is a natural choice. The establishment and promotion of good relations is mutually beneficial. For example, Cape Verde is currently gearing up to receive a second compact of investments by the Millennium Challenge Corporation (MCC) – a US-backed development fund – after the success of the initial US\$110 million allocated to local projects. When MCC's Chief Executive Officer Daniel Yohannes visited Cape Verde on October 14th to review the overall program, his words could not have been more explicit: "Cape Verde has made remarkable strides to become a bastion of economic reform, liberalization, and good governance in West Africa".¹⁴ In return, Cape Verde has proved useful to the US by hosting Syrian citizen Abd-al-Nisr Mohammed Khantumani, a former Guantanamo detainee, in July.¹⁵ Finally, China also remained a target for Cape Verdean diplomacy. Although the country was not able to secure one of the five Special Economic Zones that China seeks to establish in Africa,¹⁶ Cape Verde still sees the Asian giant as an important partner for further investments and cooperation. As a token of this interest, the first meeting of the Joint Committee on Economic, Commercial and Technical Cooperation between China and Cape Verde took place on July 13th to 15th, in Beijing, with the attendance of Foreign Minister José Brito and Chinese Foreign Minister Yang Jiechi, as well as Minister for Commerce Fu Ziyang. Furthermore, in late December, a Chinese delegation headed by General Jia Xiaoning met with Cape Verdean authorities – including Defense Minister Cristina Lima and Chief of General Staff of Armed Forces Coronel Fernando Pereira – and signed an agreement on military cooperation, establishing the supply of equipment worth €1 million to the local Armed Forces. Such developments are further

evidence that China does not wish to trail behind and thus seeks a stronger relationship with Cape Verde. Further investments and financing are likely to guarantee such standing.

Conclusion

Amid all of this, it is important to understand that for far too long, Cape Verde has sought to overcome its structural shortcomings, inherent to the country's insular condition. To that end, the country is currently taking advantage of the skillful showcasing of its consistent internal stability and good governance indicators which in turn help Cape Verde reach out to the international community and garner further financing support for its reforms. This year in particular proved especially valuable. France, the United Kingdom, Japan, Germany or Norway were just some of the countries that, together with most of the preferential partners previously cited, announced a series of cooperation programs, funding to the national budget or investment plans in the local economy. Coupled with prestigious positions in international rankings such as the Corruption Perception Index or the Mo Ibrahim Index¹⁷, Cape Verde can definitely count 2010 as a successful year for its foreign policy and the promotion of the country's growing singularity in the regional/continental scenario.

For the past ten years, the Presidency has assumed a prominent role in foreign affairs, often working side by side with the government, since both President Pedro Pires and Prime Minister José Maria Neves belong to PAICV. However, given that the former is not allowed to run again for office, the difficulty in continuing with this dual formula grows exponentially.

In that order, a similarly prolific year in 2011 is naturally expected. However, certain factors should be taken into account: indeed, next year Cape Verde will find itself at a significant political crossroads, as it will be faced with both legislative and presidential elections, the former on February 6th and the latter six months later. Although the local political class is presently polarized between ruling African Party for the Independence of Cape Verde (PAICV) and its main opposition Movement for Democracy (MpD), it is unlikely that the country's foreign policy will suffer any major changes, even in the event that current Prime Minister José Maria Neves fails to secure a third term.

14 "Daniel Yohannes: "Cabo Verde é um exemplo de reforma económica, liberalização e boa governação"" (*Sapo.cv*, 14 October 2010).

15 "Um preso de Guantánamo foi transferido para Cabo Verde e outro seguiu para a Argélia" (*Público*, 20 July 2010).

16 See Loro Horta, "China Building Africa's Economic Infrastructure: SEZs and Railroads" (*Jamestown Foundation*, China Brief, Vol. 10, Issue 15, 22 July 2010).

17 Cape Verde ranked 4th on the 2010 Mo Ibrahim Index, the highest for a Portuguese-speaking African country; the country also achieved the 35th slot on the 2010 Corruption Perception Index.



Given the current favorable position that Cape Verde holds among the international community, it is not likely that a new government would opt to change this course. Still, the fact that Cape Verde will be spending most of next year involved in an electoral campaign, with natural consequences to the daily life and development of its national diplomacy, should not be underestimated. Even more, for the past ten years, the Presidency has assumed a prominent role in foreign affairs, often working side by side with the government, since both President Pedro Pires and Prime Minister José Maria Neves belong to PAICV. However, given that the former is not allowed to run again for office, the difficulty in continuing with this dual formula grows exponentially. In that sense, for the time being, any future calculations should be cautious enough to include these internal uncertainties.

This is not to say that Cape Verde will not continue to be active in the surrounding and evolving context. Guinea-Bissau in particular will most likely continue to grab Cape Verde's focus due to the natural Lusophone links. Through ECOWAS, Cape Verde will probably try and continue to garner support for a regionally agreed solution for the structural instability that Guinea-Bissau seems to constantly face. Likewise, Côte d'Ivoire will certainly fall under the same category. On the other hand, the relationship with the EU will continue to prosper with a final agreement on the long-sought visa waiver – a one-of-a-kind in the region – certain to be a big success in the beginning of 2011.

Ultimately, one cannot fail to grasp the evolving dynamics of Cape Verde's diplomacy. By skillfully positioning itself as a reliable partner for two such significant regional actors as ECOWAS and the EU, Cape Verde has demonstrated throughout the year that the official ambition of providing bridges between confluent interests and agendas is not without substance. Juggling between the still incipient but highly strategic nearby region and the economically dominant but politically restricted European juggernaut is a challenge for any country, but against all odds Cape Verde has clearly demonstrated that it is up to the task. Even more, it managed to do so while nurturing further important bilateral ties and enhancing its international profile. All in all, 2010 proved absolutely essential to Cape Verde's foreign policy agenda, and therefore stakes for the coming years are now considerably higher.



Guinea-Bissau in 2010: still in the eye of the storm

DAVID ZOUNMENOU

Senior Researcher, Institute for Security Studies, South Africa

There is broad consensus that post-conflict settings pose a momentous challenge for governments in rebuilding economic and political governance, administration infrastructures and regaining legitimacy and the trust of their citizens.¹ In the immediate aftermath of a conflict, the authority of the state has collapsed; the remaining structures of government are without legitimacy; and political, social and economic disintegration transpires, sometimes with regional spillover effects. Post conflict situations are thus complicated by deep-seated political conflicts that remain, and a lack of national consensus on the country's strategic direction, from economic policy to the governance agenda.

Over the years, Guinea-Bissau has become the prototype of a failed state.² Since the early days of independence in 1974 and the short-lived but devastating armed conflict between 1998 and 1999, poor governance has seriously undermined the ability of the country to effectively address a wide range of domestic challenges. These include persistent poverty emanating from a failed development strategy post independence, chronic political instability attributed to weak institutions, upsurge of threats from criminal networks and an over-dominant and ageing Army.

The past two years (2008-2010) saw Guinea-Bissau become an arena for political drama with the double assassinations of President João Bernardo 'Nino' Vieira and Army Chief of Staff Baptista Tagme Na Waie. Subsequent political processes have proven ineffective in producing a much-needed return to political normalcy to the country. Two elections have since taken place: one legislative in November 2008 and one presidential in June 2009, albeit failing to lay the foundations for the

national stabilization process.³ With three governments, three Presidents and three Prime Ministers since 2000, the peace-building process has oscillated. At the same time, the post-conflict reconstruction project has come to a standstill.

A key issue regarding the reconstruction agenda has been the transformation of the security sector, expected to make significant strides in contributing to a renewed state authority and effectiveness. Most of these efforts have still to result in tangible gains for the country and its 1.5 million inhabitants. In December 2007, Guinea-Bissau became the third country on the agenda of the Peace Building Commission (PBC) – the United Nations advisory body established to assist countries emerging from conflict avoid backsliding into war or chaos. Yet, there is little evidence of the Commission's real impact on the country's stability. Most donors are now effectively on standby with the possibility of leaving the country.

2010 has been a year of lost opportunities for Guinea-Bissau in many ways. The hopes raised by the peaceful election of Malam Bacai Sanhá were overtaken by a series of events that sent the country further into isolation and latent crisis. An appraisal of Guinea-Bissau in 2010 needs to take into consideration the impact of the violent assassinations of both the President and the Army Chief of Staff in 2009. It also needs to reassess the current balance of power among key role-players, as well as the momentum for the successful completion of the various reforms identified as vital for sustainable peace in Guinea-Bissau.

The 2009 election of Malam Bacai Sanhá: the lost opportunity for real political reform

As tragic as it might be, the assassinations of President Nino Vieira and Tagme Na Waie continues to have ramifications for the peace building process of Guinea-Bissau. Despite numerous calls for an investigation into the assassinations, the initiatives taken in this regard

1 Anita Ernstorfer, Alphonse Mekolo, Valentina Resta, and Gay Rosenblum-Kumar, "Governance Strategies for Post Conflict Reconstruction, Sustainable Peace and Development" (UN DESA Discussion Paper - GPAB/REGOPA Cluster, November 2007).

2 "Guinea-Bissau: in need of a state" (International Crisis Group, Africa Report No. 142, July 2008), p. 5.

3 David Zounmenou, "Guinea-Bissau's legislative elections: what implications for stability?" (EUISS, November 2008).



have failed to achieve any conclusive breakthrough.⁴ The reluctance displayed by Guinea-Bissau's authorities is seen as encouraging impunity. The perceived perpetuation of impunity breeds resentment and encourages political disorder, particularly within the ranks of the military.

The double assassinations came only a few months after the successful November 2008 legislative elections that brought to the fore the African Party for the Independence of Guinea-Bissau and Cape Verde (PAIGC) which had a resounding legislative victory: 67 out of 100 seats in the national assembly. But rather than providing the impetus to tackle the numerous security and socio-economic challenges, the new political dispensation suffered from an old rivalry between political actors and the Army leadership. Therefore, many saw in these political assassinations an opportunity to end the polarization of the political environment, which impeded efforts towards stability and reconstruction.

Paradoxically, as it was the case following major crises in Guinea-Bissau, the 2009 post-assassination transition was relatively smooth; as was the electoral process that propelled Malam Bacai Sanhá to the presidency, the winner of the run-off election with 63% of the vote. Even though an election in such a precarious environment could not be seen as a panacea for the country's woes, the process, which was declared free and fair by local and foreign observers, was expected to provide much needed new and capable leadership, with the legitimacy to steer the post-conflict reconstruction of the country.⁵ Malam Bacai Sanhá's consensual political approach appeared crucial in any attempt to mobilize domestic and foreign support for the reforms. The legitimacy of his authority was to play a key role in restoring the credibility of the state and set in motion various plans for reforms.

A few months after the inauguration of President Sanhá, it has become clear that what was at stake was the survival of key political and military actors and hardly the restoration of the authority and the legitimacy of the state. As in 2008, the 2009 presidential elections held shortly

after the double assassination have not generated a sustainable pace for peace. For a short while, the success of the post-assassination transition motivated Guinea-Bissau's development partners' engagement to build on the new political momentum and assist in overcoming structural difficulties. However, there was also a concern that due to his ill health, President Sanhá might not be able to display effective leadership and control over the country and impose his authority over the Army. With this double handicap, the task ahead for the new President has been fraught with difficulties. Indeed, since his ascension to power Malam Bacai Sanhá's relations with the Army have proven to be very complex.

The return of the Army: re-emergence of three centers of powers

One of the major setbacks to the renewed optimism in Guinea-Bissau in 2010 came from the Army mutiny, with far reaching implications for the reforms. The incident that took place on April 1st exposed the complexity of the politico-military dynamics that perpetuate the state of crisis in the country.⁶ On April 1st, a group of Army officers led by Deputy Army Chief of Staff General António Indjai deposed Army Chief of Staff Admiral José Zamora Induta and kidnapped Prime Minister Carlos Gomes Júnior. Guinea-Bissau found itself once more on the brink of yet another political crisis. What many considered as "a confused coup d'état" was in fact not one.⁷

The strategy adopted was to keep a weak executive (the President) in place and allow the constitution and other key institutions to survive while neutralizing those seen as threatening some military leaders' control. This highlighted the threat the Army poses for national stability and the prominence of the Armed Forces in national polity.

In fact, it has become evident in Guinea-Bissau that military leaders do not necessarily need executive power to secure control of the country. Remaining at the helm of the military hierarchy is enough to yield substantial power over the state and to protect their interests. It is therefore not surprising that General António Indjai, who subsequently led the mutiny, proclaimed himself the

2010 has been a year of lost opportunities for Guinea-Bissau in many ways. The hopes raised by the peaceful election of Malam Bacai Sanhá were overtaken by a series of events that sent the country further into isolation and latent crisis.

⁴ Indeed, two commissions of inquiry were created to conduct the investigations. The first one was composed of civilians, while the second commission was purely military. Lack of cooperation by the military and financial difficulties were evoked as the rationale behind the failure to carry out a credible investigation.

⁵ "Preliminary Statement, Presidential Election - Second Round" (European Union Election Observation Mission, Republic of Guinea-Bissau, 28 July 2009).

⁶ David Zounmenou, "Guinea-Bissau: why a stabilisation force might be useful" (*African Security Review*, Vol. 19, No. 3, September 2010), pp. 66-70.

⁷ Gilles Olakounlé Yabi, "Le Rôle de la CEDEAO dans la Gestion des Crises Politiques et des Conflits: Cas de la Guinée et de la Guinée Bissau" (Friedrich Ebert Stiftung, 2010).



new leader of the Army and influenced the rehabilitation of José Américo Bubo Na Tchuto. His actions and that of his followers were intended to resolve the following two key issues.⁸ Firstly, the António Indjai 'initiative' was interpreted as a disapproval of the ongoing reforms undertaken in the security sector under the leadership of Admiral Zamora Induta. Secondly, it was also seen as putting pressure on the government to rehabilitate and reinstate former Navy Chief Bubo Na Tchuto, who was accused of plotting a coup against President Nino Vieira in 2008. Bubo Na Tchuto returned to Guinea-Bissau after the assassination of President Nino Vieira and has since been cleared by a military tribunal and reinstated by President Malam Bacai Sanhá.

With these developments, the Army seems to regain control of the country while the Prime Minister's office and the Presidency owe their survival to difficult compromises. There seems to be three centers of power – the Presidency, the Prime Minister and the Army – with the Army dictating the pace of reforms. This is partly blamed on the apparent inability of the President to ascertain his authority and defend the principle of a civilian government's control over the Armed Forces. Although the Constitution (Article 59) gives the President this mandate, this appointment raised a number of questions about the President's credibility, his ability to lead Guinea-Bissau, the credibility of the newly appointed Army Chief of Staff, the future of Guinea-Bissau's Army and post-conflict reconstruction in the country.⁹ Moreover, the concern is not only that the Army has returned to a pivotal position on the national political chessboard, but relations between President Sanhá and Prime Minister Carlos Gomes Júnior have been deteriorating lately.¹⁰ The latter has on many occasions decided to retire from politics out of frustration. Such an exit would definitely have an impact on the cohesion of the PAIGC, as it is likely to lead to an internal rift.¹¹ The April incident and subsequent developments have unsurprisingly sparked disdain in

the international community and resulted in drastic measures being taken by development partners.

Given the complexities of the national situation in Guinea-Bissau, the reactions of external actors may be premature and could be detrimental to efforts deployed thus far. With the US having halted its military cooperation and the EU having suspended its participation in the Security Sector Reform (SSR), there are fears that tensions within the Army are likely to heighten. The logic is that the government's financial capacity will be reduced and the salaries of Army officers will not be paid. These moves

should provide the opportunity for the country's leaders to look inward for solutions to their problems, particularly if the Economic Community of West African States (ECOWAS) and the African Union (AU) take a greater role in the post-conflict reconstruction process.¹² Moreover, President Sanhá's recent diplomatic offensive toward non-Western countries (Iran, China, Cuba, South Africa, Angola) can be interpreted as a strategy to diversify Guinea-Bissau's partners.

The security sector reform on hold

For the past decade, various actors involved in Guinea-Bissau have repeatedly indicated that security sector reform needed to be initiated and implemented within a wider and long-term peace-building perspective, if the country is to recover from its chronic instability.¹³ Already in 2008, the launch of the SSR

program in Guinea-Bissau coincided with a UNDP-funded study on the Armed Forces to determine the exact number and details of the military personnel for a decision on the level of financial and technical support needed. The exercise indicated that there were almost 4493 military personnel in active service, of which 1869 were officers (41.9%), 608 under-officers (13.5%), 1108 sergeants (24.9%), and 867-foot soldiers (19.7%). The study revealed that the Army in Guinea-Bissau presented an inverted hierarchical pyramid and had a ration 2.73 military per 1000 inhabitants compared to the sub-region

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8 David Zounmenou, "Guinea-Bissau: why a stabilisation force might be useful".

9 Ibid.

10 Ibid.

11 During my recent visit to Guinea-Bissau, some members of the party stated they believe the Prime Minister is planning to return to Portugal for "political retirement". Interviews with PAIGC Youth Group in August 2010.

12 Ibid.

13 András István Turke, "UE-RSS/EUSSR Guinée-Bissau: Une "mission intellectuelle" et ses circonstances" (CERPESC Analyses, November 2009).



with 1.23 military personnel per 1000 inhabitants.¹⁴ This does not only create security problem for the country but also a huge drain on government finances; a situation even more complicated with the involvement of the military personnel in drug trafficking.

Evidently, while 2010 could have been an important year for progress in the security sector reform, the combined effects of the double assassination and the Army mutiny halted the process. Guinea-Bissau has seen numerous SSR plans drawn without being able to move beyond the initial stage. In 2010, significant progress was made in terms of consolidating the legislative framework and an elaboration of a new funding strategy: the pension fund. Meanwhile, the April Army mini-coup d'état and the Executive's subsequent decisions contributed to the stagnation of the process. It appears that in the new power configuration, President Sanhá and his Prime Minister Gomes Júnior continue to face tremendous challenges in pressing ahead with reforms essential for national stability. One of the major consequences here is that the military's growing interference and influence could be detrimental to the fragile political consensus achieved both within the political elite and between local actors and external partners.

The call for a stabilization force made by President Sanhá on the August 1st to the AU, ECOWAS and the Community of Portuguese Speaking Countries (CPLP) was not met with much enthusiasm internally. Though many meetings followed the call, the deterioration of the political environment was a source of concern mainly for the ECOWAS. If the regional organization was willing to consider the proposal, current ECOWAS chairman Nigeria is of the opinion that any stabilization mission should only be considered as part of a wide-ranging program of security sector reform. In order to revive the process, ECOWAS – through its Mediation and Security Council (MSC) – introduced in November 2010 a new five-year framework for the completion of the SSR.

According to this plan, the process would be completed in 2015 and would need an investment of US\$93 million. The MSC estimated that US\$62 million would be

allocated to the SSR while the remainder would fund the "mission assistance team" with the same objective as the stabilization force. The challenge for ECOWAS is to mobilize the adequate resources for the implementation of the strategy. Countries such as Angola and China have pledged to contribute US\$35 million and US\$12 million respectively, which is still far from the required funding for ECOWAS. In addition to financial constraints, there is no guarantee that ECOWAS will find a conducive domestic environment to operate in. Without the support of key partners including the EU, the US, the AU and other development partners, it is highly unlikely that the SSR should yield any substantial results.

President Sanhá's diplomatic offensive toward non-Western countries as part of his strategy to diversify Guinea-Bissau's partners has yet to produce a convincing result.

Drug trafficking still a national peril

Guinea-Bissau is at the crossroad with all eyes on national authorities to show leadership, coherence and commitment to vigorously addressing the country's multilayered challenges. Guinea-Bissau has increasingly acquired the reputation of a "narco state" for serving as a transit point for Latin American Drug Cartels. The fragility of the country's political and administrative institutions and the high level of corruption have increased the country's vulnerability to drug trafficking and other organized crime. There are reports that since 2006,

national and transnational law enforcement units have intercepted more than three tons of cocaine. According to the United Nations Office on Drugs and Crime (UNODC) and the United Nations Office for West Africa (UNOWA), Guinea-Bissau has become an important transit point for drug-dealers. Subsequent to 2006, the West African region has seen almost 40 tons of cocaine transited most of it through Guinea-Bissau for European and Northern American destinations.¹⁵ If the number of seizures was considerably reduced in 2010, it did little to amend either the reputation of the country or that of the military officers who continue to be implicated in the trade.

The impact of this on the stability of the region and on countries emerging from armed conflict such as Guinea-

While 2010 could have been an important year for progress in the security sector reform, the combined effects of the double assassination and the Army mutiny halted the process. Guinea-Bissau has seen numerous SSR plans drawn without being able to move beyond the initial stage.

¹⁴ "Background Paper on Rule of Law in Guinea-Bissau" (Peacebuilding Commission Country-Specific Configuration on Guinea-Bissau, Thematic Discussion on Security Sector Reform and the Rule of Law, June 2008).

¹⁵ See "Cocaine Trafficking in West Africa: The Threat to Stability and Development" (UNODC, December 2007).



Bissau goes beyond the traditional link between drug and arms trafficking or violence. Drug trafficking in Guinea-Bissau continues to undermine the fragile gains of the peace process. Since the end of the civil war in 2000, the trade is believed to have provided political leaders with enough resources to manipulate the political process. It also poses some serious threats for agricultural development, food security and to the national health system.¹⁶ The risk of a humanitarian crisis in Guinea-Bissau should make a compelling case for donor engagement and not disengagement, as it has wider implications for the country and the region's future stability. The threat posed by collapsed state institutions goes beyond the national domain. In addition to the proliferation of small arms and militias within the region, West Africa is also affected by cross-border criminal activities including drug, human (children and women), goods (timber, diamonds) trafficking. The inability of states to ensure effective control over their territory and high-level corruption are some of the factors that contribute to these illegal activities and undermine the security in the West African region. The acute effects of the global economic and financial crisis have recently been exacerbated by a surge in food price pushing many citizens further into dire poverty.

Scenarios for the future

The challenge of genuine democratization will remain a constant defining variable of the reform process in Guinea-Bissau. If 2010 has been characterized by anxiety, the following two years (ahead of the legislative elections in 2012) also carry the risk of further disturbances. The internal rivalry within the PAIGC could affect the party and provide a platform for former President Kumba Ialá's Party for Social Renovation (PRS), which is looking for an opportunity to regain the political power lost in 2003 after a military coup. Three possible scenarios for the country may emerge.

Guinea-Bissau is at the crossroad with all eyes on national authorities to show leadership, coherence and commitment to vigorously addressing the country's multilayered challenges. The fragility of the country's political and administrative institutions and the high level of corruption have increased the country's vulnerability to drug trafficking and other organized crime.

Most likely: status quo

There is no doubt that President Malam Bacai Sanhá's authority has been weakened by General António Indjai's mini coup d'état. Having being forced to reinstate Admiral Bubo Na Tchuto and confirm Indjai as Army Chief of Staff, the President might be thinking of his own survival. But the direct result of this is that it consolidates the influence of the military and lays the foundations for a stalled reform process. There has always been a fear that the various reforms envisaged could undermine the hegemony of the military establishment and dominance in the national political administration. As long as they remain appointed, donors will remain reluctant to provide much-needed funds to complete the reforms.

Likely: isolated regime, isolated President

Only a year into in his term, Malam Bacai Sanhá appears not only to be in weak health but also the victim of new power dynamics en vogue in Guinea-Bissau. The deterioration of his relations with the Prime Minister has made it even more difficult for him to build consensus on key initiative to transform the country. For the next two years, he will have to govern in isolation and unlikely to uphold reform promises to reinforce the authority of the state. In such circumstances, much cannot be expected from him in terms of promoting the rule of law and ending impunity.

Unlikely: national reconciliation

If there is one thing that Guinea-Bissau needs, it is certainly an opportunity to reconcile citizens and the leaders. Although plans have been proposed to promote national reconciliation (for instance, convening a national conference) as part of the nation-building process, this is highly unlikely in the next two years. The quest for justice should be at the heart of the reconciliation process, which also depends on the successful completion of the national institution building. The inability of authorities to investigate those behind the double assassination of President Nino Vieira and his Army Chief of Staff; the assassination of Baciro Dabó and Hélder Proença, both candidates for the 2009 presidential elections; all cast

16 Amado Philip de Andrés, "West Africa under attack: drugs, organized crime and terrorism as the new threats to global security" (UNISCI Discussion Papers, No. 16, January 2008).



serious doubt over that initiative. Moreover, the inability of authorities to either liberate or put to trial Admiral Zamora Induta – incarcerated since the mini coup d'état – points to the unlikelihood of genuine prospects for national reconciliation and cohesion.

Conclusion

2010 saw the dashing of hopes raised by the post-assassination transition due to the internal contradictions of the political system in place in Guinea-Bissau. While progress in a number of reforms hinges on the opportunity provided, individual interests once again come to undermine that momentum. As a result, development partners have withdrawn from the SSR, a key reform that could help the country progressively return to socio-economic and political normalcy. With this, many questions remain. Will Guinea-Bissau ever move on from this current and cyclical status quo? Will military and political leaders be able to provide the domestic environment and the leadership required to steer the peace building process?

Guinea-Bissau finds itself in a very complex situation where subtle but effective resistance meets attempts to reform the country's key institutions. While efforts continue to be deployed, pressure increases. Mechanisms need to be created to neutralize elements within the political and the military establishment that undermine the successful completion of the process. What is at stake is no longer the national stability of Guinea-Bissau alone but the stability of the whole sub-region; mainly at a time many countries in the region may experience turbulent periods from various elections taking place or from difficult peace processes. Perhaps also, it is time for the donor community to reconsider their position on the country even though the primary responsibility lies with national leaders and their commitment to breaking the vicious circle of violence, poverty and disease in which the overwhelming majority of the 3.5 million citizens remain locked.



Mozambique in 2010: strength on the surface, but fissures emerging

KAI THALER

Affiliated Researcher, Portuguese Institute of International Relations and Security (IPRIS)

2010 was largely a year of stasis for Mozambique, though it was punctuated by occasional crises (namely political discord within Renamo at the beginning of the year and the September riots in response to price increases). For the most part, business continues as usual for the ruling Frelimo party and President Armando Guebuza. This piece surveys the events that shaped Mozambique mainly in two arenas, the political and the economic, also with a brief consideration of diplomatic and security concerns. Building off the experiences of the past year, some cautious prognostications, as well as suggestions, are made for what lies ahead in 2011.

Politics: Frelimo's firm grip on power continues, though stumbling blocks abound

Frelimo began 2010 riding high after a strong victory for incumbent Armando Guebuza in the presidential elections, and continued dominance in the parliamentary elections of late 2009. The party won 191 seats out of 250 in parliament, continuing to control the government that it has held since independence over 35 years ago. It must also have been gratifying for the Frelimo leadership to watch the disintegration of longtime opposition party Renamo in the aftermath of the elections.

Renamo's pretensions to power were never realized during Mozambique's civil war, and they have continued to be frustrated since independence. Party leader Afonso Dhlakama has long authoritatively controlled the party, but after standing as Renamo's presidential candidate for the fourth time and seeing his share of the vote fall to its lowest ever at around 16.4%, Dhlakama appears to have gone off the deep end, sapping his power and fracturing his party in the process. After protesting and calling for demonstrations after the announcement of the election results, in January Dhlakama called for Renamo's parliamentary deputies not to take their seats at the opening of Parliament on January 12th. However, out of the party's 51 elected deputies, 16 opted to be sworn in with the rest of Parliament, the first sign of growing dissent against Dhlakama. Within ten days

however, 23 more deputies had taken their seats in Parliament, despite constant invectives from Dhlakama and assurances from party spokesmen that continuation of the boycott was official Renamo policy.

The sudden eruption of defiance from Dhlakama, who has acted the dictator of Renamo since movement founder André Matsangaissa's death in 1979, was likely the culmination of growing discontent with Dhlakama's leadership style and the party's waning influence under his guidance. Dhlakama seems to be living in the past, wanting to refight the civil war in the political arena, and at times even threatening a "return to the bush" for another war (this statement was issued on the 14th anniversary of the Rome peace accords that ended the war in the first place). Dhlakama's bellicose rhetoric has overshadowed the rest of the party and the potential role it can play in providing a productive opposition to Frelimo, critiquing the ruling party and working with it to shape policies in manners more to the benefit of Renamo's constituents. The rebellion of Renamo deputies against Dhlakama is hopefully a first sign of a shift in this more productive direction, though to take the cynical view, the deputies may have also simply wanted their pay and their modicum of power.

Should Renamo fail to fulfill its potential as an opposition party though, there is hope. One of the more exciting developments of the 2009 elections was the showing of the new *Movimento Democrático de Moçambique* (MDM). Led by Beira mayor Daviz Simango, the party managed to reenergize a long stagnant political process by breaking into the bipolar Frelimo-Renamo dynamic. The MDM was able to win eight seats in parliament despite efforts by Frelimo to prevent the party from putting forth candidates in several regions due to alleged missing or misfiled paperwork. The small MDM bloc has been vocal in questioning government policy, and the reaction of Frelimo to the party's formation and candidacy shows a wariness of the new challenger.

For Frelimo, the weakness of Renamo is a good sign that the old enemy is diminishing as a political threat,

especially given Dhlakama's weak showing during the presidential election, when he had won nearly 50% of the vote in 1999. The nascent MDM is still finding its legs, and despite the popularity of Simango, it will likely be some time before the party can seriously challenge Frelimo. The announcement of President Guebuza that he will leave office after this term sets a good precedent, following in the footsteps of his predecessor Joaquim Chissano. While a clear successor for the 2014 elections has not yet emerged, there is still plenty of time for this to be sorted out.

The process of choosing Guebuza's successor has the potential to destabilize Frelimo, should there be a lack of consensus, but a far more immediate concern for the party is public malaise. After over three decades of Frelimo rule, and nearly two decades of peace, most Mozambicans remain impoverished, and unemployment is high. This has led many Mozambicans to lose faith in the political system, viewing it as remote from their everyday lives, with one woman living outside Maputo telling the *New York Times* before the election, "Yes, I know all about the election, but I have no trust in politicians".¹ The recent tumult in Tunisia and Egypt illustrates that while society and government may appear on the surface to be characterized by inertia, forces of disorder and revolution may be brewing in response to frustrated desires for socioeconomic improvement. One manifestation of this emerged in the September riots, which will be discussed further below.

For Frelimo, it is important to return to its roots, to seeking the betterment of all Mozambicans. While the party was strongly self-critical during its time as insurgents and in the early years of independence, it has settled into its ruling role and in many ways become complacent. The

lack of transparency surrounding vote counting during the 2009 elections echo the authoritarianism Frelimo once fought against, and also reveal a continuing distrust of Renamo. A truly

vital democracy in Mozambique requires Frelimo to move beyond its fears of loss of control and begin to work with, rather than against, the opposition. This will have the dual benefits of breeding domestic unity and also sending a strong signal to an international community beginning to have doubts about transparency and governance in Mozambique.

The economy: slowed growth, increasing investment, and the permanent crisis of the poor

After years of the consistently high growth of Mozambique's gross domestic product (GDP), the growth rate remained lower than usual in 2010, responding to the continued fallout of the global financial crisis sparked by the collapse of the sub-prime mortgage market in the United States. While growth of 8% per year had become customary for Mozambique since the end of the civil war and the first democratic elections in 1994 – with the country constantly touted as a shining example of post-conflict economic recovery – the growth rate dropped to about 6.1% in 2009. In 2010, the growth rate increased, but only very slightly, to 6.3%, still below what the country is accustomed to. Slow growth was compounded by the strengthening of the South African rand, with the Mozambican metical losing about one-fifth of its relative value, greatly decreasing the purchasing power of Mozambique's government and citizens.

In spite of the bad news on the GDP growth front, international investment continues to pour into

Mozambique. The fast-developing economies of Brazil, China and India are sources of much investment, from both private corporations and parastatals. Most investment is aimed at exploiting Mozambique's natural resources, such as its coal and underdeveloped petroleum deposits

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¹ Barry Bearak, "Party's Power in Mozambique is Criticized as Barrier to Democracy" (*New York Times*, 26 October 2009).



offshore. Extractive projects frequently come with extra benefits attached for Mozambique, such as improvement of infrastructure and construction of clinics, but the foreign investment would not be coming into the country if it were not, first and foremost, benefitting the investors. Some projects appear to have clear and nearly equal benefits for both sides involved, such as the new plant being built using technology from Brazil's Fiocruz to produce antiretroviral drugs within Mozambique to combat the country's HIV/AIDS problem and Coal India Limited's provision of technical mining education to Mozambican workers in addition to its purchase of mining rights.

Other investments are having terrible consequences for the Mozambican people, with the government acting as an accessory to exploitation. In November, as the MDM was questioning Minister of Planning and Development Aiuba Cureneia about the benefits of investment "mega-projects" for the country, one of these mega-projects was actively endangering the environmental and public health of Matola and Maputo. The Mozal aluminium smelter, constructed beginning in 1997, is owned by Anglo-Australian mining conglomerate BHP Billiton. While trumpeted by the government as a successful source of job creation, foreigners hold approximately one-third of the jobs at Mozal. As part of the maintenance of the smelter, it has become necessary to replace the fume treatment centers (FTCs) that clean and control the plant's emissions. However, instead of halting operations during the four and one-half months required for the FTC replacement, BHP Billiton instead decided to simply continue production while bypassing the FTCs, thus emitting untreated fumes.

This decision was met with considerable outcry from opposition groups, NGOs, and environmentalists, who took BHP Billiton to court, arguing that the bypass would expose residents in the area surrounding the plant to

dangerous dust, tar, and chemical byproducts of the smelting process. On the basis of highly questionable government and consultant reports, Frelimo and BHP Billiton claimed that there would be no adverse health

effects from the bypass and that it should go forward. With a court ruling still pending, BHP Billiton began the bypass anyway. Frelimo's willingness to go along with a foreign corporation at the expense of the health of the citizens it governs is particularly troublesome, but not completely unsurprising, as it highlights a deeper problem with the political economic orientation of the party.

While the Frelimo government has always relied on foreign aid, with support in the first two decades of independence coming mainly from the Eastern Bloc and Scandinavian countries, from the mid-1980s onwards Mozambique has been highly dependent on international financial institutions (the World Bank, African Development Bank, etc.) and foreign development agencies to keep the government functioning and the population alive. In the early 1990s, concern was already being registered that the government was becoming beholden to donors and their agendas and demands, rather than primarily serving the people,² a criticism that has been continuously made since by Joseph Hanlon and others.

Growth of the GDP has been the paramount concern, while the Mozambican people have languished: most GDP growth has benefitted only the richest 20% of the population; over one-fifth of the potential working population is unemployed, with the rate even higher in urban areas; and the country remains stuck at the bottom of the Human Development Index, coming in at number 165 out

of 169 countries in 2010. One might have hoped that with Mozambique's shift from dependence on foreign donors to foreign direct investment, the government would

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² See David N. Plank, "Aid, Debt, and the End of Sovereignty: Mozambique and Its Donors" (*Journal of Modern African Studies*, Vol. 31, No. 3 September 1993): 407-430.



have greater autonomy in pursuing policies that do not promote growth while ignoring or harming the majority of people, but as the Mozal bypass case makes clear, this has not occurred; macroeconomic growth retains its position as Frelimo's foremost interest.

Frelimo's myopic economic policies blew up in its face in September, when in the wake of announced price increases on food staples, water, and electricity, deadly riots broke out in Maputo, Matola, and Chimoio. Frelimo initially held firm behind the price increases, before relaxing them after continued unrest. An over-reliance on imports from South Africa due to underdeveloped agricultural and manufacturing sectors, coupled with a worsening exchange rate, meant that the cost of living was already rising in Mozambique. Piling on further cost increases was too much to take in a country where GDP growth has brought about insufficient job growth and the majority of the population lives on less than €1 per day. The heavy-handed response to the protests shows, as with the electoral restrictions on the MDM, that Frelimo has grown afraid of criticism and dissent. With foreign agencies and corporations holding the purse strings and domestic opposition repressed, Mozambique's current government is straining the country's democratic status. To avoid further unrest in the future, Frelimo must shift to a development program that brings benefits primarily to the poorest, most underserved Mozambicans, for, as a union leader said after the riots, "these protests are going to end. But they will always come back. This is the gift that the development model we are following has to offer".³

Security and diplomacy: fighting piracy and building trade ties

Mozambique's diplomatic efforts in 2010 were geared mainly toward securing further foreign investment and continued aid. Of especial importance has been the

strengthening of ties with growing investors Brazil, China, and India, highlighted by the visit of Indian External Affairs Minister S.M. Krishna to Maputo in July. Krishna's visit came shortly after that by a Chinese delegation led by Deputy Minister of Trade Chen Jian. The

increase in high-level diplomatic contact highlights the mounting importance with which these countries view Mozambique as they seek to secure resources to feed their rapidly expanding economies. The country has also remained involved in the affairs of the Southern African Development Community (SADC), though the organization's efforts to resolve the political crises in Zimbabwe and Madagascar (the latter mission led by former President Chissano) have been largely unsuccessful.

While Mozambique's security worries in 2010 were largely domestic (i.e. controlling the September riots), the coming year seems likely to force the country to turn its gaze outwards. Scheduled elections in Zimbabwe could lead to new refugee flows into Mozambique. The United States has also expressed concerns that Mozambique may become a transit point for the illegal drug trade, as has happened in Guinea-Bissau. And finally, longstanding worries that increased naval patrols off Somalia might shift piracy south toward the Mozambique Channel, the route taken by ships going around the Cape of Good Hope to avoid the Red Sea, have been validated, as in late December pirates for the first time launched active operations in the Channel,

attempting to capture two ships.

To better prepare for these new threats and also to bolster its peace keeping and humanitarian assistance capabilities, the Mozambican military in August engaged in joint training exercises with US military personnel. The Shared Accord Exercises 2010 were staged in the Moamba province and also included the building of schools and provision of medical care. With the southward expansion of piracy and little likelihood of assistance from the military of unstable Madagascar across the Mozambique Channel, pirate interdiction will need to become the main focus for Mozambican forces.

While Mozambique's security worries in 2010 were largely domestic (i.e. controlling the September riots), the coming year seems likely to force the country to turn its gaze outwards. Scheduled elections in Zimbabwe could lead to new refugee flows into Mozambique. The United States has also expressed concerns that Mozambique may become a transit point for the illegal drug trade, as has happened in Guinea-Bissau.

³ Raj Patel, "Mozambique's food riots – the true face of global warming" (*The Observer*, 5 September 2010).



Conclusion

Mozambique has great opportunities for future economic development thanks to the discovery of new mineral resources and increased foreign investment. However, the benefits of development must accrue to those who need it most – the impoverished majority of Mozambicans. New industrial projects should focus on the creation of domestic jobs and the transfer of skills and technology. The country's underutilized agricultural land should be brought into production,⁴ but it must be cultivated responsibly and by native Mozambicans. In a country with a food deficit, it is absurd to be using land for biofuel production and to be selling large tracts of land to foreign corporations. According to United Nations Special Rapporteur on the Right to Food Olivier de Schutter, one corporate investor in Mozambique "discovered an entire village with its own post office on what had been described as vacant land".⁵

In the political sphere, Frelimo must become more responsive to the Mozambican people. While a return to Marxism-Leninism is not warranted, the party must look back to the less dogmatic of its original ideals: the advancement of the common man and the provision of human security for all. "For all" means that party divisions must not stand in the way of progress toward these ideals. Instead of flourishing through Mozambique's period of peace and GDP growth, democracy has instead suffered.⁶ Frelimo must embrace popular criticism. The arrival of the MDM onto the political scene is an exciting development, and Frelimo should engage with the new party rather than try to stifle it. If Renamo is able to emerge from the long shadow of Dhlakama, there is the potential for a stronger opposition that can lead to better policies and a more vibrant democracy.

By getting its political and economic house in order and taking a lead in piracy prevention off its coast, Mozambique can begin to answer its critics and improve its standing in the international community, becoming a true partner in its bilateral and multilateral relationships, rather than just an aid recipient and investment target.

⁴ See Kai Thaler, "The political economic problem behind Mozambique's riots" (*IPRIS Lusophone Countries Bulletin*, September 2010): 5-8.

⁵ Neil MacFarquhar, "African Farmers Displaced as Investors Move In" (*New York Times*, 21 December 2010).

⁶ See Carrie Manning, "Mozambique's Slide into One-Party Rule" (*Journal of Democracy*, Vol. 21, No. 2, April 2010): 151-165.



Portugal in 2010: punching above its weight

PAULO GORJÃO

Researcher, Portuguese Institute of International Relations and Security (IPRIS)

2010 was marked by several important diplomatic achievements, especially for a country with the size and political weight of Portugal. After the provisions of the Lisbon Treaty entered into effect, many small states were attentive to see how their national interests and foreign policy priorities would be represented in the newly born European External Action Service (EEAS). If European foreign policy priorities were to assume the features of more influential countries like Germany, France or the United Kingdom (UK), the loss of influence by those smaller states would also be reflected upon their participation in international organizations, in Portugal's case, in NATO and in the United Nations (UN). Fortunately, this was not the case. Portuguese Foreign Minister Luís Amado said that Portugal is now in Europe what it can be outside of it. Portugal's 2010 diplomatic victories show the country is, and can be, a reliable and participating actor in the international community who can punch much above its weight and influence.

This article will address three of the most important victories for Portuguese diplomacy in 2010. Firstly, while part of the European External Action Service and available to head some of its embassies around the world, Portugal – although not achieving its initial goals – still managed to become eligible and win some of the EU's most important embassies, namely the one in the US. While Portugal had its eyes on the EU representations in Lusophone countries, it was one of the other pillars of its foreign policy – the transatlantic pillar – that would come to benefit the most from this exponentially improved platform for dialogue with the world's superpower. Secondly, Portugal managed to achieve victory in its campaign for a non-permanent seat at the United Nations Security Council (UNSC), for the 2011/12 biennium, with a staggering 150 votes. The country's roughly one thousand years of history, its global presence, behavior and consideration towards all countries proved to be the most reliable factor to win the nomination. Indeed, Portugal's campaign and victory show that small states can be a preferable voice of action in many international forums. Finally, being the host of one of NATO's most

important summits was nothing short of an achievement. The signature of NATO's new, most central document in one of the most Atlantic-oriented countries of the organization was the recognition of Portugal's devotion and commitment to the common security values shared by the members of the North Atlantic Treaty Organization. Furthermore, the EU-US summit held on the sidelines of the NATO summit made a strong contribution towards making Lisbon the diplomatic capital of the world during those few days in November.

European External Action Service

One of the provisions of the Lisbon treaty was to create an instrument that would serve to project a common foreign policy representing the European Union (EU) and its member states in the world. To this end Baroness Catherine Ashton was appointed High Representative (HR) of the EU – now with significantly more powers than former representative Javier Solana – and the European External Action Service was born. As a result, the old European commission delegations are being replaced by official EU embassies, enabling HR Catherine Ashton to start recruiting the "brightest and best"¹ EU diplomats to fill the new embassies which will ultimately represent the EU abroad.

Starting in late 2009 and continuing throughout 2010 and 2011, several diplomats were appointed to a number of new EU embassies all over the world. The process culminated on September 15th 2010 when a list containing 32 embassies and their respective ambassadors was made public.² According to Portuguese Foreign Minister Luís Amado, the nominations were satisfactory, although Portugal was not able to assure representation in the Lusophone countries, with the exception of São Tomé. However, the country was awarded five representations,

1 "EU High Representative/Vice-President appoints new Heads and Deputy Heads of EU Delegations under 2010 rotation" (*EU Press Release*, 15 September 2010).

2 *Ibid.*

which from the perspective of external representation³ exceeds the actual weight of the country. The Minister referred to these appointments as merely 'satisfactory' since Portugal was not able to assure top representation in its main areas of influence – Angola, Mozambique and Guinea-Bissau. With regard to the Lusophone world, only the EU ambassador to Brazil is left to announce, although HR Catherine Ashton said no 'suitable' candidates were found for the post in the first round of nominations. This leaves Luísa Bastos de Almeida out of the race as Portugal's candidate to the EU position in Brazil.

Therefore, until now Portugal has been nominated five times: ambassador Cristina Martins Barreira to Gabon (and covering São Tomé); Ambassador António Cardoso Mota to Venezuela; Ambassador José Manuel Teixeira Pinto to the Ukraine; Ambassador Raúl Martins Paula to Cameroon; and finally Ambassador João Vale de Almeida to the US. Nevertheless, while Luís Amado declared that the Foreign Ministry accepted the decision and the criterion used in the appointments, it is clear that Portugal's initiatives were not as successful as expected, although getting the appointment of Ambassador João Vale de Almeida as EU ambassador to the US was a major victory for Portuguese diplomacy. However, not having at least one Portuguese diplomat leading the EU embassies in either Luanda, Bissau or Maputo appears to be a step back in assuring Portugal is a central player in addressing these three countries through the EEAS and the EU, even though Secretary of State for European Affairs Pedro Lourtie rejected this outcome as being a defeatist for Portuguese diplomacy.⁴ Hence, the post of ambassador in Angola and Guinea-Bissau was given to Spanish diplomats Javier Puyol Pinuela and Joaquin Gonzalez-Ducay respectively, while representation in Mozambique fell on the shoulders of Irish diplomat Paul Malin.

Portugal will obviously keep its own embassies in the Lusophone countries. However, and considering that these states figure as one of the central pillars of Portugal's foreign policy interests, not being able to directly represent its interests through the EU – Portugal's major platform of power – in Angola, Brazil, Guinea-Bissau and Mozambique, might not be in the best interest of Portugal, who parallels the EU's connections with these countries in the Community of Portuguese Speaking Countries (CPLP), a forum where

it has already invested immense diplomatic capital. Moreover, since Portugal was the founder of the EU-Africa summits, perhaps more credit should have been given to this fact when appointing ambassadors. Yet, one must not forget that the EEAS is supposed to be above all, a common instrument expected to represent the entire union and not just individual nationalities.

There will be more nominations throughout 2011 for many other embassies around the world but the desired posts in the Lusophone countries will not be available to Portuguese diplomats for the time being. Indeed, if 2010 was a year of many victories for Portuguese diplomacy, failure to assure top EU diplomatic representation in the Lusophone world was certainly not one of them.

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The UN Security Council

By all means, 2010 granted Portuguese diplomacy a much-deserved victory, when the country achieved its goal of securing a non-permanent seat at the UN Security Council. Indeed, after a hard-fought and prolonged campaign, the country has finally secured its place – temporary as it may be – within the decision-making elite of the international community.

Still, this was not achieved without a few bumps down the road. Since this particular goal was first announced back in 2000, the underlining circumstances have changed substantially. Above all, this victory required the Portuguese diplomatic

network to punch significantly above its weight, especially when considering the other suitors to the only two seats available for the Western European and Other States (WEOG) group: Germany and Canada.

In this context, a solid campaign sustained by compelling arguments was required.⁵ For its part, Portugal skillfully used the 'size card' against its other competitors. The chief aim was to present the Portuguese candidacy as the spokesperson for the underrepresented nations at the Security Council and to take advantage of the sense of exclusivity that such institutions constantly emanate.

Furthermore, the fact that both Germany and Canada have already held a substantial number of previous terms – in

3 "UE/Diplomacia: Representação de Portugal no Serviço de Acção Externa é "satisfatória" (I, 15 September 2010).

4 "Portugal perde delegações europeias lusófonas" (*Diário de Notícias*, 16 September 2010).

5 Paulo Gorjão, "Portugal and the Security Council: Is This Seat Taken?" (*IPRIS Policy Brief*, No. 1, April 2010).



comparison with Portugal's two sole participations – was also brought into front display.

When combined with Portugal's commitment to the promotion of international law, effective multilateralism and the primacy of the United Nations in international affairs as central cornerstones of its foreign policy, as well as the country's active engagement in multiple peacekeeping operations, it was clear that Portugal would not go down in this race without a fight.⁶

Facing two international juggernauts with established credentials in several world stages like Canada or Germany was not an easy task to undertake. Both countries' resources and prestige were forces to be reckoned with. Notwithstanding, Portugal wisely counteracted the daunting odds with a carefully elaborated web of alliances and supports, spread through all the major regions of the world. For example, the consensual backing from the Portuguese Speaking Countries Community (CPLP) and the culturally unified front it implied proved invaluable in accentuating Portugal's favorable ties with several continents.

Africa in particular became crucial in this race, as it comprised the single biggest voting block at the UN, a feature never forgotten by Portugal who persistently showcased its bridge-building credentials under the framework of the EU/Africa Summits that it publicly helped to assemble. Likewise, the Middle East was properly courted by Portuguese authorities, who also counted on active lobbying by the likes of Brazil or Turkey to win over new promises of votes in their respective geographic regions.

Moreover, such intense campaigning also had the merit of opening new diplomatic opportunities for Portuguese foreign policy. Indeed, countries and institutions with whom Portugal had almost no prior contact or relations – like Laos or the Pacific Islands Forum, for example – were now prospective votes to be won. In that sense, this particular endeavor ended up opening Portugal even more to the surrounding international community.⁷

⁶ "Portugal: Candidate to the United Nations Security Council 2011-2012" (Ministério dos Negócios Estrangeiros).

⁷ Pedro Seabra and Paulo Gorjão, "Portugal and the UN Security Council victory: Now for the hard part" (*IPRIS Lusophone Countries Bulletin*, No. 2, October 2010).

Still, all eyes were focused on October 12th and on the 65th General Assembly in New York, where the final voting would take place. After a series of last minute efforts, the results clearly showed the impact of Portugal's efforts throughout the past year. Indeed, although Germany secured the first seat in the first round with 128 votes – i.e. the minimum mandatory 2/3 of the countries represented at the UN – Portugal came in second, only falling short of a few votes to reach a similar goal. A second round, this time disputed

between Canada and Portugal, would confirm the wave of support behind the latter's candidacy and convince the former to concede defeat. In a formal subsequent third round, Portugal would achieve 150 votes, thus finally opening the doors to a two-year term in the Security Council.

Such a mandate naturally comes with its own set of challenges. In a fast-paced evolving context, Portugal will be required to add its voice to a series of international burgeoning questions/crises, with all the inherent geopolitical consequences. But ultimately, one should always keep in mind the path taken to get here. With political consensus at home that proved absolutely crucial, this diplomatic victory undoubtedly came to symbolize the single most important achievement for Portuguese foreign policy in 2010.

The NATO Summit in Lisbon

The accomplishment of a particular event would also turn out to comprise a significant achievement for Portuguese diplomacy. Indeed, NATO's 24th Lisbon Summit on November 19th-20th proved in

itself a worthy opportunity to, yet again, demonstrate Portugal's ability to handle high-profile meetings with far-reaching consequences for a good part of the international community.

In light of NATO's own critical junction – actively committed to Afghanistan, internally confused about its geopolitical future, and constantly questioned over its purpose in the present international context –, any major gathering of Heads of State and Government was bound to produce some significant results for the organization's evolution. In that sense, Lisbon surely did not disappoint.

As it happened, the leaders of the 28 member states finally approved a new landmark Strategic Concept, aimed at providing NATO with a clear set of guidelines and goals

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for the XXI century, the culmination of a yearlong process of introspection and debate as to the Alliance's role in the changing international scenario. Even though it basically confirmed the path that NATO is already on and justified the major threats/challenges that it already faces, Secretary-General Anders Fogh Rasmussen did not hesitate to announce the dawn of the organization's "3.0 version". Nevertheless, this revamped Concept was not without its novelties. For example, cyber security was brought into front display as a pending emerging threat for the Alliance's members, who recognized the need for greater investment in this area. On the other hand, defense austerity – especially given the current widespread effect of the international financial crisis – was also on the agenda, as all attending leaders agreed to undertake significant cuts in NATO's bureaucracy, seeking to allow a more flexible and adaptable approach to any new security demands that might arise in the future.

But one particular relationship stole the spotlights. Taking advantage of the ongoing "reset" spirit between the US and Russia, President Dmitry Medvedev also travelled to Lisbon to attend a NATO-Russia Council meeting. In what was perhaps the most relevant political turnaround of this event, not only did Russia agree to participate fully in a European missile defense shield – something that would have seemed barely within reach a year ago – but Medvedev also insisted on "a full-fledged strategic partnership between Russia and NATO", thus setting the tone for a hopefully balanced relationship between two past adversaries for the coming years.

Equally noteworthy were NATO's declarations on its nuclear policy which rightfully echoed US President Barack Obama's ultimate goal of a generalized reduction in nuclear weapons. In that sense, the new START Treaty – at the time still stuck in legislative limbo back in Washington – received crucial endorsement by all member states, who saw in such an instrument a unique opportunity to reinforce the above-mentioned generalized ties between Russia and the West. Ultimately, the steps taken undoubtedly substantiate a measure of success for this Summit. For its part, Portugal was only too willing to subscribe to the adopted agenda as it clearly met the majority of its own objectives and aspirations for such a meeting.⁸ The only item that Portugal failed to formally secure regarded its previously expressed wish to include a more explicit reference to the South Atlantic's

importance among NATO's immediate range of interests,⁹ but even this minor setback was not enough to spoil the overall official adherence to the Summit's row of decisions. Moreover, the handling of the meeting's logistical procedures further granted Portugal extra credit as the fluid working schedule – among Portuguese officials, Foreign Minister Luis Amado and Defense Minister Augusto Santos Silva notoriously stood out as essential figures in this process – and the lack of major disturbing incidents – specially when compared with the 2008 Strasbourg/Kehl Summit where protesters took to the streets to protest NATO's self-existence – clearly demonstrated the country's effectiveness in dealing and organizing such events.

On a different note, the presence of Barack Obama in Lisbon was also timely and skillfully used to bring about a much-delayed US-EU Summit. The EU's prior Spanish Presidency unsuccessfully sought this coveted goal, but in an interesting twist of events, it was left to Portugal to secure, thus reaping the seeds of publicity and political dividends that such occasions naturally generate.

All in all, the importance of this gathering and the success of the country that hosted it are simply undeniable. After the EU Lisbon Strategy in 2000 and the Lisbon Treaty of 2007, Portugal's capital managed in 2010 to grab a new place in the annals of NATO's track record of defining structural moments. Hence, this Summit can surely be considered one of the country's biggest foreign achievements this year, granting

Portugal widespread focus and praise by its most important partners abroad.

2011: a prospective exercise

Portuguese foreign policy should not be expected to change significantly in 2011. While 2010 was a year of victories and national exposure in the international arena, 2011 will serve to consolidate these advancements and work on new positions, especially in the UNSC and the European External Action Service, while keeping an eye on the Lusophone world and on the Maghreb.

Within the European and North Atlantic spheres, 2011 may bring new, so far undisclosed designs to the European External Action Service, of obvious importance to Portugal, who will also remain a viable security partner in several military operations, especially in Afghanistan, Bosnia and

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⁸ See Vasco Martins, "Portugal and the new NATO Strategic Concept" (*IPRIS Policy Brief*, No. 3, June 2010).

⁹ See Pedro Seabra, "South Atlantic crossfire: Portugal in-between Brazil and NATO" (*IPRIS Viewpoints*, No. 26, November 2010).



Herzegovina, Kosovo, Lebanon and Timor Leste, to name a few, thus enhancing the overall position of the EU and NATO in the world.

With regard to Africa, Portugal will hold a summit with Mozambique in 2011, which is expected to not only deepen cooperation between the two countries, but also to be the first in a series of summits with the Lusophone countries, as a summit with Angola is also being prepared for 2012. However, due to financial constraints and budgetary deficits, the overall position and advancement of Portuguese presence in Africa may be postponed in 2011 until the country's financial situation is resolved. It is likely that in 2011 Portuguese foreign policy will not convey new collaborations nor open new frontiers with African countries.

Even with a possible change in government, the appointment of a new Foreign Minister will certainly not divert Portugal's attention from its main foreign policy pillars. If transatlantic, Lusophone and European relations will continue to figure on the country's list of foreign policy priorities, relations with the Maghreb countries may also increase throughout 2011.

Conclusion

It is now clear that 2010 was a year like no other in Portuguese foreign policy. The country was not only able to project its influence and national interest on the international community and its organizations, but did so successfully. NATO, the UN and the EU are not common organizations. In fact, by managing to get strong positions in these three organizations – the most influential in the world in their respective areas – Portugal rose to the top of high profile world diplomacy.

Even in a difficult political and financial situation, Portugal will maintain its contacts in Africa, especially with the Lusophone world, an area of the utmost diplomatic importance for Portugal. After successfully integrating in the EU and its institutions, Portugal now looks to Africa and to the Atlantic once again, two of the country's historical areas of influence which also serve to underpin a strong and ever more relevant position among its EU partners.

Portugal's foreign policy priorities, the three pillars, are being continuously achieved with great success. Yet, the organic, evolving dynamics of the international system require an increasingly higher degree of adaptation, factors which lead Portugal to look beyond its traditional sphere of action, and invest in the Maghreb not only as a region of interest, but as a potential fourth pillar of its foreign policy.

São Tomé and Príncipe in 2010: promises and disappointments

GERHARD SEIBERT

Researcher, Lisbon University Institute (ISCTE-IUL), Center for African Studies (CEA), Portugal

The 2010 legislative elections have resulted in a change of government. The new government headed by Prime Minister Patrice Trovoada promised “change”. Given the small country’s weak economy and excessive dependence on external financing, the government has adapted foreign policies in an attempt to obtain aid and investment from additional countries. At the same time the oil sector has again disappointed and is unlikely to produce any revenue in the near future.

Local politics

The political scene was dominated by the legislative elections of August 1st that were won by the opposition Independent Democratic Action (ADI) of Patrice Trovoada, a wealthy businessman and son of former President Miguel Trovoada (1991-2001). It was already the fourth change of government through the ballot box in São Tomé and Príncipe since the first multiparty elections in 1991. Before the ADI, three different parties won the elections while they were in the opposition: the Democratic Convergence Party (PCD) in 1991, the Liberation Movement of São Tomé and Príncipe/Social-Democratic Party (MLSTP/PSD) in 1994, and the Democratic Movement Force of Change (MDFM) in 2006. On first sight, this is a remarkable performance in the African context. On the other hand, the case of São Tomé and Príncipe cannot easily be compared with other African countries, since it is a small insular, culturally relatively homogeneous Creole society, without ethnic, religious or linguistic cleavages.

The electoral victory of the ADI in the legislative elections did not come completely unexpectedly, because in the local elections on July 25th Trovoada’s party had become the country’s second most voted party and gained a majority in the two most populous districts: Água Grande (with the capital São Tomé) and Mé-Zóchi, areas representing almost 80% of the total population of 160.000. The MLSTP/PSD of then Prime Minister Rafael Branco obtained most of the total votes and a majority in the four district councils of Lobata, Lembá, Cantagalo,

and Caué. The PCD lost the four district councils it had controlled since 2006, while, surprisingly, the MDFM of President Fradique de Menezes (2001–...) that for the first time competed without the PCD in elections did not secure a single seat in any of the six districts. The Union for Príncipe’s Change and Progress (UMPP), headed by Tozé Cassandra and supported by ADI, PCD and MDFM, repeated the victory of 2006 and won all the seven seats in Príncipe’s Regional Assembly.

It was expected that in the legislative elections the electorate would choose between a coalition of ADI and MDFM headed by Patrice Trovoada and the continuation of the coalition of MLSTP/PSD and PCD headed by Rafael Branco, since nobody believed that in the context of the country’s four-party constellation one party alone could achieve an absolute majority. During the campaign, it became clear that the ADI would considerably improve its 2006 result of 20% of the votes. In 2008 President Menezes had agreed to appoint Trovoada as Prime Minister, although the ADI disposed of only 11 seats in Parliament. Then, surprisingly, he was dismissed after only three months through a motion of no confidence by the opposition MLSTP/PSD and the PCD, at the time his coalition partner.

In his campaign rallies, Trovoada capitalized on this episode by stating that the two parties had removed him from office when he tried to make an end to the practice of triple and quadruple government jobs that many leaders of the two parties would occupy, earning thousands of dollars per month while young trained cadres would hardly find any adequate occupation at all. He further reminded the electorate of the consecutive corruption scandals that affected the previous governments and promised to seriously fight corruption. Trovoada’s call for a true change in government affairs came at a time when many people were tired of the ruling political elite and willing to give him and his party a chance. Trovoada particularly attracted the younger generations since he promised a true change in local politics. His opponents consider Trovoada to be the “owner” of the ADI, since

the party relies completely and exclusively on him both financially and politically. Shortly before the elections, the ADI confirmed Trovoada by acclamation as party leader. The ADI, founded by followers of Miguel Trovoada in 1992, is São Tomé and Príncipe's first presidential party, whose main characteristic is that its leader autocratically rules it and competitive elections for the party leadership would be unthinkable. Trovoada's own financial means and external support put at his disposal enabled the ADI to run an efficient election campaign throughout the entire country.

In contrast, the other presidential parties, the MDFM, created by followers of President Menezes in late 2001, had been weakened by ongoing internal problems within the leadership that Menezes – the party's *de facto* leader – has failed to resolve. Besides, after nine years in office and a year before the end of his second term, Menezes himself had become rather unpopular. Due to these reasons, on the months preceding the elections several prominent party members had publicly declared their withdrawal from the MDFM. The results of the local elections had already indicated that many voters considered the MDFM to be redundant and were rather inclined to prefer ADI.

During the campaign, Patrice Trovoada wooed the followers of the PCD by stating that in 2008 that party leadership had removed him from office without the approval of the party membership. Besides, the ADI accused the PCD of having been involved in several corruption scandals and of being co-responsible for the poor performance of consecutive governments since 2006. The PCD, apparently not expecting the poor result in the local elections, blamed the recurrent practice of vote buying for the party's defeat.

The PCD, with considerably less financial means at its disposal than its three competitors, still hoped to improve results in the legislative elections, where contrary to the local elections mandates are not awarded according to majority rule, but are distributed in accordance with proportional presentation.

Finally the ADI clearly won the election by obtaining 26 seats, two short of an absolute majority. The MLSTP/PSD

secured 21 seats, one more than in 2006, but considerably less than the much-desired absolute majority. The PCD received only seven deputies, one each in Príncipe and São Tomé's six districts. While the PCD lost four seats in relation to the eleven seats occupied in the alliance with the MDFM, the voting result was similar to 1998 when the party competed alone. Much worse was the result of the MDFM that received only one single seat. This debacle also bereft the ADI of a coalition partner. In fact, the ADI had primarily won its majority at the expense of MDFM

and PCD, the other two parties of the so-called "parties of change", while the former single party MLSTP/PSD slightly increased its votes. Like in previous elections, vote buying was again an integral part of the process. However, it has remained unclear if and to what extent vote-buying has influenced the results, since apparently several parties resorted to this strategy while having no guarantee that voters would actually cast their ballots in favor of the party that paid them. On the other hand, it cannot be excluded that this phenomenon contributed to the high turnout of 89% of the registered voters.

On August 14th, Patrice Trovoada was sworn in as Prime Minister of the country's 16th government since 1991. He considered ruling without a parliamentary majority not to be a problem, since in 2006 Vera Cruz (MDFM-PCD) also managed to govern with the support of only 23 deputies. His executive is composed of ten ministers and one secretary of state, four of whom do not belong to the ADI but are considered independents. One of them is Afonso Varela, who was appointed Minister Secretary-General with the task of coordinating the government ministries. He was the only minister with previous government experience, though only for three months in 1999 when

he was Minister of Planning and Finance for the MLSTP/PSD. Another independent, new Minister of Foreign Affairs Manuel Salvador dos Ramos, was the country's ambassador in Luanda and Libreville. While most new ministers came from the public administration, several of them are only in their thirties and largely unknown.

In late August, Prime Minister Trovoada announced a change in the country's foreign policy. He declared that

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he would discontinue his predecessor's priority for the strategic partners Angola, Brazil and Portugal, arguing that one could not place one country above the other, since all countries were strategic partners, and consequently must be considered equal. He explained that it would be better to see what each individual country could offer to São Tomé and Príncipe, and vice versa. In his turn, Foreign Minister Salvador dos Ramos declared that the Central African sub-region, where the archipelago held a strategic position, was the principal target of the new government.¹

Since then, the government has strengthened bilateral ties with Equatorial Guinea, Gabon, and Angola, but also with Libya and Cape Verde. Angola particularly has been willing to increase its investments in the islands. In December the government conceded to Angolan oil company Sonangol the exploitation of the port of São Tomé and the country's international airport. Earlier, Sonangol – already the majority shareholder of the local fuel company ENCO – had signed an agreement on the construction of a maritime fuel supply station in Neves. Irrespective of major attention being given to the Central African region, Portugal, Taiwan, Brazil and the European Union will certainly remain among the country's principal donors.

The government has expected the foreign partners to finance 93% of the 2011 national budget of US\$153 million.² The government is likely to get budget approval in Parliament with the abstention of the opposition. However, it will probably encounter more difficulties in raising sufficient external funds to accomplish the budget targets.

Meanwhile, at the end of the year, the government was accused of censorship when it discontinued a popular

television program. On December 1st the government ordered the director of the state-owned Televisão Santomense (TVS), Óscar Medeiros, to cancel an interview with Carlos Veiga, leader of the Cape Verdean opposition party Movimento para a Democracia (MpD). Veiga had been invited by journalist Conceição Deus Lima for an interview in her program "Em Directo", agreed for the same day. The MpD leader, who paid a three-day visit to São Tomé as part of the pre-campaign for the legislative elections in Cape Verde on February 6th 2011 among the local Cape Verdean community (2200 registered voters), received the sudden decision on the cancellation of the interview by Medeiros, who is also the local correspondent for Lisbon-based RDP África, only when he had already entered the television station. Allegedly, the government intended to stop the interview with Veiga in order not to embarrass the government of José Maria Neves (PAICV), with whom Prime Minister Trovoada had signed a bilateral cooperation agreement in November. Subsequently, the government decided to discontinue the program "Em Directo", one of the TVS's programs with the largest audience, and not to renew the contract with the journalist Conceição Deus Lima, signed with the previous government. The local union of journalists and international human rights organizations condemned the measure, widely perceived as government censorship.

Still in October, the MLSTP/PSD postponed its 5th extraordinary party congress fixed for November until January 15th 2011. The three candidates for the succession of party leader Rafael Branco were Aurélio Martins, a wealthy businessman and former journalist in Angola with close ties with the

MPLA, Jorge Amado, ex-ambassador in Taipei, and Amaro Couto, a former Minister of Justice. However, a few days before the event, Couto, who had been publicly supported by ex-party leader and ex-President Manuel Pinto da Costa (1975-1991), withdrew his candidature

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1 Téla Nón, 24 August 2010.

2 Téla Nón, 17 November 2010.



alleging irregular selection of the delegates. During the congress, Martins, who has lived years in Angola where he made a fortune in the construction business before he returned to São Tomé some five years ago, won with 783 votes against 283 obtained by Amado.³ Martins was supported by Branco and ex-Prime Minister Maria das Neves, the leader of the party's influential women's organization. The congress did not make any decision on the MLSTP/PSD's candidate for the presidential elections of 2011.

However, party leader Martins, whose initial ambition was to become head of state, was reportedly willing to support the presidential candidature of Maria das Neves in exchange for her support in his election. Besides Neves, the two other potential candidates within the MLSTP/PSD are former Defense Minister Elsa Pinto and Manuel Pinto da Costa. The latter is still influential, but the fate of his favorite Couto has shown that it is unlikely that he will easily gain strong party support. Moreover, he has already lost the presidential elections twice, in 1996 and 2001. Patrice Trovoada has always had presidential ambitions, however to run for the presidency he has to quit the premiership. This would be a risky decision since his government has not yet provided visible results to make his victory likely. Therefore, it remains to be seen whom the ADI, possibly together with the MDFM, will back in the presidential elections. It does not seem completely impossible that Trovoada would be available to support the candidature of Pinto da Costa. Suffice to recall that in the 2006 presidential elections, the MLSTP/PSD formally supported Trovoada, who then lost clearly with 38.8% of the votes against incumbent Menezes with 60.6%. Other declared candidates are Filinto Costa Alegre, a lawyer at the Central Bank close to the PCD, and the independent Liberato Moniz, a Lisbon-based businessman who recently became engaged in the local oil sector.

The oil sector

Like in previous years, the oil sector has not produced any encouraging news, let alone any crude. In November, Chevron/Texaco transferred its 45.9% stake in Block 1 of the Joint Development Zone (JDZ) with Nigeria to French group Total, which announced the beginning of

exploration within 2-3 years. Chevron had already carried out exploration drillings in Block 1 in 2006, without discovering commercially viable oil. The Product Sharing Contracts (PSC) of JDZ Blocks 5 and 6 have not been signed since 2005, because the ownership of the two blocks has become the object of a never ending juridical dispute involving ERHC – Energy Inc. that claims 15% preferential rights on both blocks. As long as the PSC are not signed, São Tomé and Príncipe will not receive its 40% share in the signature bonuses of US\$37 million and US\$45 million respectively, to be paid for the two blocks. ERHC is a Houston-based Nigerian owned company

that signed a controversial oil agreement with the government in 1997.⁴ Although renegotiated in 2003, this agreement has been widely considered to be prejudicial to the country's national interests. ERHC also owns a 22% interest in JDZ Block 2, 10% interest in JDZ Block 3 and 19.3% interest in JDZ Block 4.

The official results of the exploration drillings in five wells carried out in Blocks 2, 3 and 4 of the JDZ by the oil companies Sinopec and Addax Petroleum (since June 2009 a subsidiary of the Chinese Sinopec) between August 2009 and January 2010 have not been revealed. Instead, Sinopec and Addax asked the Joint Development Authority (JDA) in Abuja twice for an extension for six months each of the exploration phase that had ended in March 2010. While the studies have not been completed,

in September, ERHC claimed that natural gas had been discovered in at least three wells.⁵

In the last years the overstuffed JDA in Abuja has become an increasingly heavy burden for São Tomé and Príncipe's national budget that is almost entirely financed by foreign donors, since the impoverished country has to pay 40% of the office's expensive operating costs. In December Nigeria and São Tomé agreed to reduce the JDA's annual budget in 2011 from US\$14.5 million to US\$12 million, an amount still equivalent to 8% of the small island nation's annual national budget of about US\$150 million.

While the announcement of the results of the exploration drillings in three blocks of the JDZ was postponed until March 2011, the government vested considerable hopes in the first licensing round of oil blocks in the country's own Exclusive Economic Zone (EEZ). Finally,

3 Téla Nón, 17 January 2011.

4 In 1997 ERHC was still US-owned and based in Lafayette, Louisiana.

5 Marketwire, 21 September 2010.

after consecutive delays, in March the National Oil Agency (ANP) launched a licensing round for seven of 19 delineated blocks in the EEZ, to be closed on September 15th. While in the first licensing round of the JDZ in 2003 a minimum bid of US\$30 million per block was demanded, this time no minimum bid was required at all in order not to discourage potential investors in view of the absence of proven commercial hydrocarbon reserves in the ultra-deep EEZ. Already in February, ERHC and Equator Exploration, a company that had acquired Petroleum Geo Services (PGS)' pre-emption rights in 2004, exercised their preferential options of 100% working interests in two blocks of their choice each in the EEZ. Consequently, ERHC and Equator were awarded Blocks 4 and 11 and Blocks 5 and 12 respectively.⁶ Under the agreements with the two companies, ERHC was awarded the blocks free of signature bonus payments, while Equator had to pay signature bonuses. Besides ERHC and Equator maintain additional rights to acquire up to 15% paid working interests in another two blocks and one block respectively in the EEZ.

Sometime after the licensing round was launched, executive director of the ANP Luís dos Prazeres claimed that various reputable oil companies had manifested their interest in the open tender, including the majors ExxonMobil and Shell. In July, the oil industry press reported that Chevron, Total, BP, India's ONGC Videsh and Brazil's Petrobras had inquired into the data of the EEZ.⁷ However, when in early September the government extended the licensing round until November 15th to give more companies an opportunity to participate in the bidding process, it had become obvious that the auction had not attracted the expected interest. Still on September 22nd, during a visit to Luanda, Prime Minister Patrice Trovoada declared that he expected Sonangol to take part in the auction.⁸ Finally, during the 14th UNCTAD Africa Oil, Gas and Minerals conference, held in São Tomé from November 21st-24th, the ANP announced that only six companies had submitted bids for the first licensing

round. The oil majors were absent from the list despite the ANP's previous statements that they were interested. Also, Sonangol, Petrobras and Galp Energia, the three companies which São Tomé had wooed to constitute a 'Lusophone' consortium for oil exploration in the EEZ, did not show up. Apparently economic rationality had not superseded linguistic and historical affinities.

The six bidding companies were London-based Afex Global, Force Petroleum (Angola), Grupo Gema (Angola), O.G. Engineering S.A. (São Tomé - Portugal), Oronto Petroleum (Nigeria), and Overt Energy (Nigeria). Overt

is owned by the Wabara family, who is also the owner of Island Bank, which has a branch office in São Tomé, while the local Banco Equador, dominated by Angolan capital, is the official representative of Afex Global.⁹ In mid-December the ANP announced that the two Angolan companies Grupo Gema and Force Petroleum had been excluded from the process, since they did not meet the criteria for this phase. It was disclosed that Afex Global offered a bid for Block 2, Oronto for Blocks 3 and 6, Overt Energy for Block 6, with options for Blocks 3 and 8, while O.G. Engineering submitted a proposal for Block 3, with options for Blocks 1 and 2. The ANP announced a decision on the awarding of the blocks within 60 days. There are concerns about whether the small companies have the financial and technical capacities for deep-sea exploration in the EEZ. Overt won a 5% equity in JDZ Block 4 in 2004, but later sold its stake without having invested anything. Prince Arthur Eze owns

Oronto from the Kingdom of Dunukofia, Anambra state, Nigeria, a political power broker who was close to late former dictator Sani Abacha. The company controls two blocks in Ivory Coast and Sierra Leone. O.G. Engineering S.A. is majority-owned by São Toméan businessman Liberato Moniz, who recently established the company together with Portuguese interests with the sole purpose of participating in the licensing round of the EEZ.

In early November, Minister Afonso Varela disclosed that the government was inquiring into the whereabouts of US\$1 million resulting from the resale of Nigerian crude

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6 Meanwhile Equator's rights in EEZ Blocks 5 and 12 are controlled by the Nigerian oil company Oando (*Energy Compass*, Vol. XXI, No. 40, 8 October 2010)

7 International Oil Daily, 16 July 2010.

8 Reuters Africa, 22 September 2010.

9 Téla Nón, 18 December 2010.



supplies in 2009. In October 2003 then President Olusegun Obasanjo promised the archipelago the allocation of 30.000 barrels of crude per day at a preferential price for resale on the international market. In 2004 Nigeria started supplying the crude, to be made in four deliveries per year. The country received about US\$0.15 per barrel from the profits of this operation carried out by a Nigerian company. The archipelago's total profit per year has been about US\$1 million, a sum that has officially been used to pay scholarships for São Toméans studying abroad. The supply was suspended in 2007 after late President Umaru Musa Yar'Adua succeeded Obasanjo in office, but in early 2009 the latter had promised President Menezes to resume supplying crude. Varela explained that US\$1 million resulted from the resale of four uploads in 2009, however the government was not sure if the crude had really been supplied.

During a parliamentary debate on this affair on November 20th, ex-Prime Minister Rafael Branco (2008-2010) declared that his own government had inquired into the whereabouts of the money and had asked President Menezes to provide information on the subject. The deputy Ângela Viegas, ex-Minister of Planning and Finance, declared that the crude deal had always been controlled by the presidency, not by the government. In turn, Varela confessed during the debate that the government had just discovered that day that there had actually been three payments made to the treasury by Telavera, which was not the company that had signed a contract with the government. He added that Overt Energy had made a fourth payment, the government's actual partner in the resale deal. Varela announced that the investigation would continue since it was not clear if the deposited amounts corresponded to the country's actual share in the deal.¹⁰ In response, President Menezes denied any personal involvement, or that of anybody else surrounding the presidency, in the crude resale. In a press conference the President showed copies of two bank transfers made by the oil trading company to the treasury. He promised to resign from office if his involvement in the affair was established.¹¹ According the country's Constitution, like any other economic affair, the crude resale is clearly a government competency. Meanwhile, the public prosecutor (Procurador-Geral da República) has begun an official investigation into this affair.

10 Têla Nón, 20 November 2010.

11 Têla Nón, 26 November 2010.



Timor Leste: recalling 2010, anticipating 2011

REINALDO SARAIVA HERMENEGILDO*
Professor, Military Academy, Portugal

Timor Leste is a small state¹, independent for less than a decade but showing high levels of economic growth, revealing it to be a secure country with stable political institutions. However, it still ranks 18th on the list of failed states in 2010, thus falling between Ethiopia and North Korea.¹

After the presidential and parliamentary elections of 2007,² Timor Leste entered a phase of development in which not even the attacks of February 11th 2008 on President José Ramos-Horta were able to halt post-crisis reconstruction. According to official sources, 2010 was a “milestone” year, representing a period of accelerated growth and culminating in the IV Constitutional Government declaration on a new theme: “Farewell Conflict, Welcome Development”.³ 2010 also marked the first decade of freedom for the Timorese people after the referendum held in 1999 while interestingly enough, comprising the period of the largest deployment ever of Portuguese forces, under democratic rule. On a local level, the national priorities of the Timorese government for 2010 included infrastructure (roads and water), food safety (focused on productivity) and human resource development, access to justice, social services and decentralization of service delivery, good governance; security (in various dimensions).⁴

In this context, any analysis holds considerable risk for several reasons. First, because the position and trajectory of a country can easily be changed as a result of unforeseen events that completely transform the policies of a state. Furthermore, such an exercise can only be partially undertaken, since information is not always at hand. To that end, with no clairvoyant

intentions, this article will be essentially based on Timorese governmental documents and official released data.

It will thus try to focus on three different vectors: the economic and social development of Timor Leste, security and defense components – where Portuguese efforts will inevitably be granted a larger focus – and foreign policy endeavors, seeking to revisit the state of these areas while trying to conduct a prospective exercise for 2011.

Revisiting 2010: economic and social issues

According to the government, revenues from oil and gas have increased from about US\$141 million in 2004 to around US\$2500 million in 2010. In 2010, the Gross Domestic Product (GDP) in Timor Leste – excluding oil revenues – was about US\$700 *per capita*, while the oil GDP was approximately US\$1800 and could be even a little higher this year if the global oil prices remain high.⁵

For its part, the agricultural sector – an area in which the Timorese authorities intend to invest heavily in the coming years – employed about two thirds of the economically active population (about 85% of rural population, which constitutes about 75% of total population) in 2010.⁶ According to the government, the crops of basic food products produced between 500 kg and two tons per hectare (maize and rice, for example), while their agronomic potential is often five to ten times higher.⁷ Bear in mind that rice is an essential element in the food chain in this country and was one of the reasons – its scarcity, speculation and price inflation – which led to, and exacerbated, the 2006 crisis and the subsequent period, underscoring the importance of this essential agricultural good. In that sense, it is no wonder that the country aims to become self-sufficient in rice during the next five years so that it can achieve the goal of becoming a global exporter

1 “The Failed States Index 2010” (*Foreign Policy*).

2 See Reinaldo Saraiva Hermenegildo, “Timor-Leste: As eleições de 2007 e a nova configuração política” (*Revista da Academia Militar – PROELIUM*, No. 13, 2010).

3 “A Caminho da Paz e da Prosperidade: Plano Estratégico de Desenvolvimento de Timor-Leste para o período de 2011 a 2030, Sinopse” (Gabinete do Primeiro Ministro, 7 April 2010), p. 6.

4 “Timor-Leste Development Partners Meetings” (Governo de Timor Leste, Background Paper, 7 April 2010), p. 14.

5 Gabinete do Primeiro Ministro, op. cit., p. 11.

6 *Idem*, p. 18.

7 *Ibidem*.

of agricultural products in the next decade.⁸ Regarding the trade balance, the US continues to hold an important position as one of the country's main export destinations, mainly due to its continued involvement in supporting the harvest and marketing of coffee – virtually Timor Leste's only export good, if one does not account for energy commodities. Also noteworthy is Germany's role and prominence in this area. On the other hand, neighboring countries like Indonesia, Australia, and even Singapore, retained their statuses as Timor Leste's main imports sources in 2010.⁹

The government also foresees that the annual oil incomes will grow from US\$1.6 million in 2010 to over US\$2000 million per year by 2015, with the sector, including the downstream industry expected to grow from about US\$1500 to about US\$3000 in the same timeframe.¹⁰ As for the non-oil economy, a projected increase was also announced from US\$600 per capita in 2010 to over US\$900 by 2015.¹¹

Moreover, on a different front, with a Human Development Indicator (HDI) of 0.502, Timor Leste currently ranks 120th globally – while the Asian and Pacific region, the world average and Portugal's HDI stand at 0.643, 0.586 and 0.795, respectively.¹²

Finally, the government of Timor Leste estimates that its population will grow at a rate of around 2.5% per year between 2010 and 2030. The total population will increase from 1.1 million in 2010 to around 1.8 million in 2030, supposedly representing an increase in income *per capita* of 6.7% per year. This level of income will then place Timor Leste among the countries with higher incomes.¹³ However, economic growth could also represent an additional form of pressure on political structures, if they are not able to meet food security and other greater needs intensified by population growth.

Revisiting 2010: security and defense

After the 2007 elections, Timor Leste entered a period

8 Ibidem.

9 *Evolução das Economias dos PALOP e de Timor-Leste 2009/2010* (Lisbon: Banco de Portugal, 2010), p. 123.

10 Idem, p. 23.

11 Ibidem.

12 See Reinaldo Saraiva Hermenegildo, "Timor Leste", in Francisco Proença Garcia (ed.), *Atlas da Lusofonia: Timor-Leste* (Lisbon: Prefácio, forthcoming).

13 Gabinete do Primeiro Ministro, op. cit., pp. 12-13.

of stability and security, shaken only by the above-mentioned attack on the President. Since that period, no major incidents have occurred that could challenge the order in the territory. Political authorities, in conjunction with the UN and through bilateral agreements with other countries, have focused on training the National Police of Timor Leste (PNTL) and the Falintil-Defense Force of Timor Leste (F-FDTL).

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Although there have been efforts and significant developments in the training of the PNTL and an improvement in their daily operational performance, the main force ensuring the security of Timor Leste, particularly in Díli, is currently the Guarda Nacional Republicana (GNR), despite its primary use on a *psychological* security basis. However, that should not be underestimated given that the mere effect resulting from the "flag" or "mark" of the GNR has gradually become a significantly important factor *per se*. Especially so, if one acknowledges that the presence and power of the symbol are useful in dissuading public disorder, even without the need of intervention.

To that end, under the United Nations Integrated Mission in Timor Leste (UNMIT), Portugal continued to send national contingents of the GNR to the territory throughout 2010, in compliance with a request

made by the Timorese authorities in 2006. Consequently, nine contingents with 1200 military elements and 37 teams from the National Institute of Medical Emergency with about 111 elements have thus been dully dispatched to the country so far.

Also, in 2010, the GNR continued to provide training to the Rapid Intervention Unit of the PNTL, following a project started in 2007. Initially, training was limited to teamwork and leadership, but since September 2007 this unit has also been teaching other skills, including seven courses on the maintenance of public order. As a result, 186 elements have successfully completed an instructor-training course and other 80 have qualified to become future PNTL trainers/instructors. Regarding the personal safety courses for senior officials, a total of 86 police force elements have achieved graduation, although the training program is not complete yet with two more courses still planned. Furthermore, a recycling phase for the Operational Police Battalion was initiated in the last months of 2010 with PNTL's Explosive Ordnance Disposal Team, composed of 10 members, currently undergoing evaluation.



On the other hand, in 2009 two officers were also sent by the GNR to Timor Leste to develop a training project for the PNTL and to counsel the State Secretary for Security. This request came from the Timorese government, in an attempt to use the GNR as part of a selection, recruitment and training plan for new PNTL agents. In essence, the idea was to build in the PNTL a process of incorporation and preparation for agents similar to the GNR's own Training Course for guards. Regarding the selection, recruitment and training Course for PNTL Officers, there is great willingness on the part of the PNTL to have the GNR implement and execute this plan.

Also worth mentioning is the request made by the PNTL's General Commander for a GNR officer, in order to assist in the implementation and regulation of the new organic law of the PNTL. As such, the aforementioned officer is therefore developing within the PNTL four essential areas that are intended to mirror the GNR: organization, education, personal status and discipline.

As it would be expected, the GNR is still currently developing these projects onsite, as they are of paramount importance to the security of the territory and institutions. Moreover, the way the process of Security Sector Reform¹⁴ is being conducted, should not be discarded in any form as it will certainly have a great impact on the future of the Timorese state and its cooperation venues with third countries, Portugal included.

Hence, the variety of projects supported is, according to President José Ramos-Horta, "crucial for the stability of this nation" and reveals a need "to strengthen cooperation with Portugal in this sector". He believes that "a model like the GNR" would be "the best for Timor Leste"¹⁵ and in that sense, the level of national focus on cooperation endeavors with Portugal in this particular domain is understandable.

This is not to say that other strategic imperatives are lost in political discourse. According to the Prime Minister and the Minister of Defense and Security José Alexandre 'Xanana' Gusmão, "Being a territory at the crossroads of

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Asia and the Pacific, between Australia and Indonesia – giant neighbors with different "backgrounds" that in the past have adopted a common policy towards our country – Timor Leste must avoid falling into political naivety, thinking that its constitution alone can guarantee national independence, territorial integrity and sovereignty over resources. This could be even worse if we expect others to respect our Constitution".¹⁶ Understandably enough, such words are evidence of an official clarity regarding the main objectives of Timor Leste's security and defense policies as well the recognition of the role and need for close relations with the two most important and inescapable partners in the region.

Revisiting 2010: foreign policy

Timor Leste's traditional external priorities at a regional and bilateral level are mainly centered around the Association of Southeast Asian Nations (ASEAN), Australia, New Zealand, Portugal, the member states of the Community of Portuguese Language Countries (CPLP) and in a broader scope, the United States and the European Union (EU). However, it should be noted that Indonesia in particular has gradually emerged as the ultimate national foreign policy priority following the reconciliation of the two states,¹⁷ which today is practically consolidated.

Beyond this set of actors, Timor Leste has also been gradually promoting closer relations with Japan and China, the latter having recently become one of the largest investors in the territory, mainly

in large public infrastructures, such as the presidential palace and the building for the Ministry of Foreign Affairs. Overall, in 2010, Timor Leste has, as is customary in the foreign policy of any state, maintained a continuous and gradual rapprochement with those major states and organizations with which it has fostered a special relationship since becoming an independent state.¹⁸ The very words of Prime Minister Xanana Gusmão, in his

14 See Mónica Ferro and Reinaldo Saraiva Hermenegildo, "(Re)Formação do Sector de Segurança em Timor-Leste" (*Revista Militar*, No. 2496/97, February/March 2009).

15 "Timor-Leste: Security Sector Reform" (*International Crisis Group*, Asia Report No. 143, 17 January 2008), p. 12.

16 José Alexandre 'Xanana' Gusmão, "Palestra de Sua Excelência o Primeiro-Ministro e Ministro da Defesa e da Segurança no Módulo sobre o Enquadramento Estratégico de Timor-Leste do Curso Piloto de Defesa e Segurança" (Presidência da República, 11 November 2010), p. 6.

17 See Nuno Canas Mendes, "A construção do nacionalismo timorense", in Armando Marques Guedes e Nuno Canas Mendes (eds.), *Ensaio sobre nacionalismos em Timor-Leste* (Lisbon: Instituto Diplomático, 2005), p. 222-223.

18 See Reinaldo Saraiva Hermenegildo, "A Política Externa de Timor-Leste: breves notas" (*Revista da Academia Militar – PROELIUM*, No. 10, 2008).

latest speech at the United Nations Security Council, also reflect this line of external action: «continue to deepen our relationship with other friends in Asia and the Pacific, including China, Japan, South Korea, as well as Australia and New Zealand, among others. Timor Leste remains strong in its commitment to the peoples of the CPLP, which includes countries from the four quadrants of the world”.¹⁹ Cooperative bonds with India – where dozens of students are currently studying and researching petroleum technology –, strong support and assistance from the EU, the US, Cuba – which has hosted more than 700 Timorese youth studying medicine – and Brazil were also stressed.²⁰

Indeed, regarding Brazil, in 2010 Timor Leste sought to establish with the South American nation a new defense cooperation agreement, aiming “to cooperate on defense matters with an emphasis on R&D, logistics, purchasing of products and services for defense, exchanging operational knowledge, science and technology, promoting joint education and military training, collaborating on matters related to equipment and systems and other areas of common interest in the field of defense”.²¹

But in truth, the intention of reinforcing the previously cited numerous ties was already enshrined in the government’s program for 2007-2012.²² Hence, it is clear that the government understands foreign policy as an area of vital importance to Timor Leste and thus intends to work actively to strengthen the credibility and effectiveness of the country’s international insertion, as well as to maintain the policy of friendship and cooperation with all countries of the world.²³ Promoting an active presence at the United Nations and encouraging multilateral cooperation with various agencies in the United Nations system, as well as bilateral cooperation agencies, thus

became a possible line of action. Consequently, as a direct result of this policy, the UN mission’s mandate was extended until 2012 – also an election year in the territory.

Other remaining foreign policy goals include active Timorese participation in the CPLP and the strengthening of relations with the EU. The first, with the aim of promoting the Portuguese language, and the second because it may have a role in structuring the political situation in Timor

Leste, and act as a guarantee of greater openness to the rest of the world, as laid out by the government’s program in 2007.

Still, an imperative need remained: “direct its foreign policy to consolidate its current diplomatic and consular network, extending it in the best interests of the state of Timor Leste and deepening its presence in key strategic areas – political, economic, regional and cultural – such as ASEAN, the CPLP and the European Union”.²⁴

Such was the leitmotif for Timor Leste’s external action in 2010 and correspondently, it is not expected that 2011 will be any different. The pursuit of further continuity and consolidation of foreign policy, as well as the deepening of relations around the principal axes, with no sudden changes, is sure to remain a central path for the country.

Nevertheless, different and largely untested venues have also proven to be equally productive. The Bali Democracy Forum – which Timor Leste attended for the third time – is a good example but the best token of this approach lies with the creation of

the so-called “G7+” – a forum of fragile and conflict affected countries and regions like Burundi, Chad, Democratic Republic of Congo, Nepal, Salomon Islands, Sierra Leona, South of Sudan and naturally, Timor Leste –, with its first meeting precisely in Díli, in April 2010 and to which Timor Leste actively contributed. Afterwards, a General Meeting of the “G7+ Heads of State” also took place in September, in New York. The bar was then set considerably high as it sought to present itself as the “the collective voice of fragile

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19 José Alexandre ‘Xanana’ Gusmão, “Discurso de Sua Excelência o Primeiro-Ministro e Ministro da Defesa e da Segurança por ocasião da Reunião do Conselho de Segurança das Nações Unidas”, p. 5.

20 Ibidem.

21 Daniel Cardoso Tavares, “Acordo Entre Brasil e Timor-Leste Sobre Cooperação em Matéria de Defesa” (*Política Externa Brasileira*, 11 November 2010).

22 “Programa do IV Governo Constitucional: 2007-2012” (Presidência do Conselho de Ministros, República Democrática de Timor Leste, 2007), pp. 12-78.

23 Ibidem.

24 Idem, p. 78.

and conflict-affected counties and regions".²⁵ In that order, according to Prime Minister Xanana Gusmão, "the overall objective, of the "G7+" is to encourage governments and peoples to take ownership of their situations and have a long term perspective without at the same time losing sight of the characteristics of each country and their own priorities, while addressing the need for better monitoring and adjustment of foreign aid and demanding greater transparency from both donors and beneficiaries in order to see the real impact of these supports in developing countries".²⁶ Equally worth mentioning is the public commitment to helping Portugal buy part of its external debt. This has revealed itself to be a new and interesting project if we consider the two types of actors involved: A state that was recently created with Portugal's help, and which suffered a political-institutional crisis only a few years back, is willing to help a country with higher rates of development, EU membership, and that has helped Timor Leste in the past. Likewise, the support given by Timor Leste to Portugal's bid to become a non-permanent member of the United Nations Security Council, also proved to be crucial as Timor Leste's was willing enough to mobilize other Pacific countries in favor of Portugal's bid. As Foreign Minister Zacarias da Costa stated, "Portugal is a country that does not abdicate of its principles and never breaks its word".²⁷ It is thus observable that in 2010, Portugal was more often the object of public appreciation in official statements by Timorese authorities than the opposite, a welcome change from recent years.

Timor Leste in 2011: what prospects?

Amid the developments in 2010 here described, it is important to take into account some possible trends for the future that will surely manifest themselves throughout 2011. Indeed, 2011 will be the penultimate year before the elections, and could actually be regarded as the last year of effective governance, given that in 2012 we will see a period of election campaign. Furthermore, elections will

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occur during the first semester – Presidential elections will take place between March/April and Parliamentary elections will take place in May/June. This period should not to be marred by political strategies, but ought to become an opportunity to manage the end of a cycle and to prepare and execute the respective campaigns. So, in truth, the Timorese political authorities have precisely one year to carry out their duties.

The goal of the Strategic Development Plan (EDP), persistently touted all over the country in 2010, is for Timor Leste to get a double-digit growth over the next decade, in order to converge with the upper middle-income countries over the next 20 years.²⁸ Unsurprisingly, this is a government "flag" for the end of the legislature and for the coming year. This Plan is therefore "developed with a long-term economic vision for Timor Leste: until

2030, Timor Leste should have joined the group of countries with high average incomes, should have eradicated extreme poverty, as well as eliminated the economic gap between the emerging economies of ASEAN, and fostered a democratic and environmentally sustainable society".²⁹

These guidelines suffer from the start from having only been released near the end of the legislature, thereby making its implementation dependent on the outcome of the 2012 elections and the capacity to build consensus among different political forces. In theory, any strategic planning for the country should be subjected to negotiation

and consensus among various stakeholders. However, and because political practice does not always follow political theory, it will be important from 2012 onwards to check the results of these orientations in the future. Moreover, the 2011 budget will surely provide some initial clues as for the short-term development and economic path that Timor Leste intends to follow. Nevertheless, it will be interesting to see how the Timorese economy and the accumulation of wealth will evolve in the near future as well as the repercussion that might occur in the local social fabric.

In terms of internal security, after the reorganization and reform of the PNTL, the next few years will represent a challenge, both for the Timorese political authorities and the international community in general: first, for the PNTL, because it was one of the sources that led to the protests and 2006 crisis, and because it will retain an important security role during the 2012 elections; for the

25 José Alexandre 'Xanana' Gusmão, op. cit., p. 6: "The 'G7+' is to enable fragile countries affected by conflict to join and talk about themselves, learn from the experiences of others and create new possibilities to face the future with determination and optimism. The 'G7+' currently consists of 17 member countries, representing 350 million people from Africa, Asia, Caribbean and the Pacific".

26 Idem, p. 5.

27 João Gomes Cravinho, "A Campanha Portuguesa para o Conselho de Segurança" (*Relações Internacionais*, No. 28, December 2010), p. 29.

28 Gabinete do Primeiro Ministro, op. cit., p. 7.

29 Idem, pp. 7-8.



political authorities, because they led the police reforms and decided what direction to give to the PNTL in terms of selection, recruitment, training and organization; lastly, for the international community – including the United Nations – because its final departure from the territory is contingent on the PNTL's performance during the elections, the electoral results and the ensuing political climate.

In the field of foreign policy, Timor Leste remained in line with the actions and priorities of previous years, and should thus maintain the same attitude in 2011. With this in mind, we should take note of Prime Minister Xanana Gusmão's statement, according to which the international relations of Timor Leste must:

- Understand the scope of regional security and/or subregional organizations in order to identify their objectives and their role in this contextual framework;
- Understand the impact, making decisions that will not obstruct the safety of their own country, taking into account the weaknesses inherent in the process of state building;
- Continue to monitor the process-taking place in the world, whether in the military at war, or in political reforms or adjustments or even in the economic aspects of inequality of opportunity;
- Avoid running into the arms of cooperation that could restrict movement or that do not allow freedom of opinion.³⁰

According to the cited 2011-2030 framework, with these foreign policy guidelines in mind, the country will therefore seek to establish "strong economic relations, including membership to ASEAN, close relations with Lusophone countries (Portugal, Brazil and PALOP) and strong cultural and political binds across the developed and developing world".³¹

As it so happened, Timor Leste's candidacy to ASEAN membership during the Indonesian presidency might face some advancement, specially given the corresponding high expectation to be admitted shortly after the presentation of the formal application. More so if the symbolism for Timor Leste and Indonesia, and all the members in general is taken into account.³² According to Prime Minister Xanana Gusmão, "future accession to ASEAN, which should not be rushed, should be seen more in economic terms than from a political or security standpoint, and we will not be ready to support the large expenses derived from membership and which will have no immediate or medium term benefits".³³ Still, by all means, membership continues to be seen as a way for Timor Leste to place itself in their region.³⁴

Regarding foreign policy, in its aspects of security and defense, Timor Leste has demonstrated the will to take part in a UN peace mission in 2011, particularly through the integration of the Portuguese contingent in the mission in Lebanon. The way this process develops in 2011 will be interesting and relevant to various actors. The participation of the F-FDTL in a United Nations peacekeeping mission would be a form of recognition, democratization, development and international legitimatization of the country and its Armed Forces.

* Ph.D. candidate at FCSH-UNL. Project PTDC/CP0/71659/2006, funded by the Foundation for Science and Technology, Portugal.

30 José Alexandre 'Xanana' Gusmão, op. cit., pp. 7-8.

31 Gabinete do Primeiro Ministro, op. cit., p. 14.

32 José Alexandre 'Xanana' Gusmão, op. cit., p. 5.

33 Idem, p. 6.

34 José Alexandre 'Xanana' Gusmão, op. cit., p. 5.



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Portuguese Institute of International Relations and Security (IPRIS)
Rua Vitorino Nemésio, 5 - 1750-306 Lisboa
PORTUGAL

<http://www.ipris.org>
email: ipris@ipris.org

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