

Political Contestation and Ownership Models in Debswana and Sonangol

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Abstract

Extractive natural resources have always been associated with negative outcomes in sub-Saharan countries. However, it is essential to investigate the extent to which domestic political conditions influence ownership structures, which may or may not subsequently result in adverse outcomes. Through a comparative analysis between the cases of Angola and Botswana, this study finds that, political contestation influences ownership models as hypothesized to an extent. In Angola, the post-independence civil war pitting the ruling MPLA against UNITA resulted in Sonangol being managed as a wholly owned state enterprise, albeit serving the interests of the MPLA elite instead of broad-based developmental interests. In Botswana, however, Debswana was managed as a public-private entity located within a democratic political system, and this ownership structure was more a result of rational policy planning than political contestation. Nevertheless, the cases' history of colonial rule and political institutions established upon the attainment of political independence are substantially influential factors as well. Non-settler colonialism and non-militarized political transitions to independence facilitated the growth of "organic" political and economic institutions and public-private ownership structures in Botswana, while settler colonialism and pre-independence militarization influenced the growth of centralized post-colonial state structures internal strife in Angola. The timing of resource extraction was also important, with pre-independence oil extraction influencing militarized rivalry in Angola, while post-independence extraction of diamonds in Botswana was a causal factor in the development of strong state institutions. External factors, particularly the Cold War influenced militarised outcomes in Angola, while the nature of the global diamond market had a contributory factor to the establishment of the public-private ownership model in Botswana.