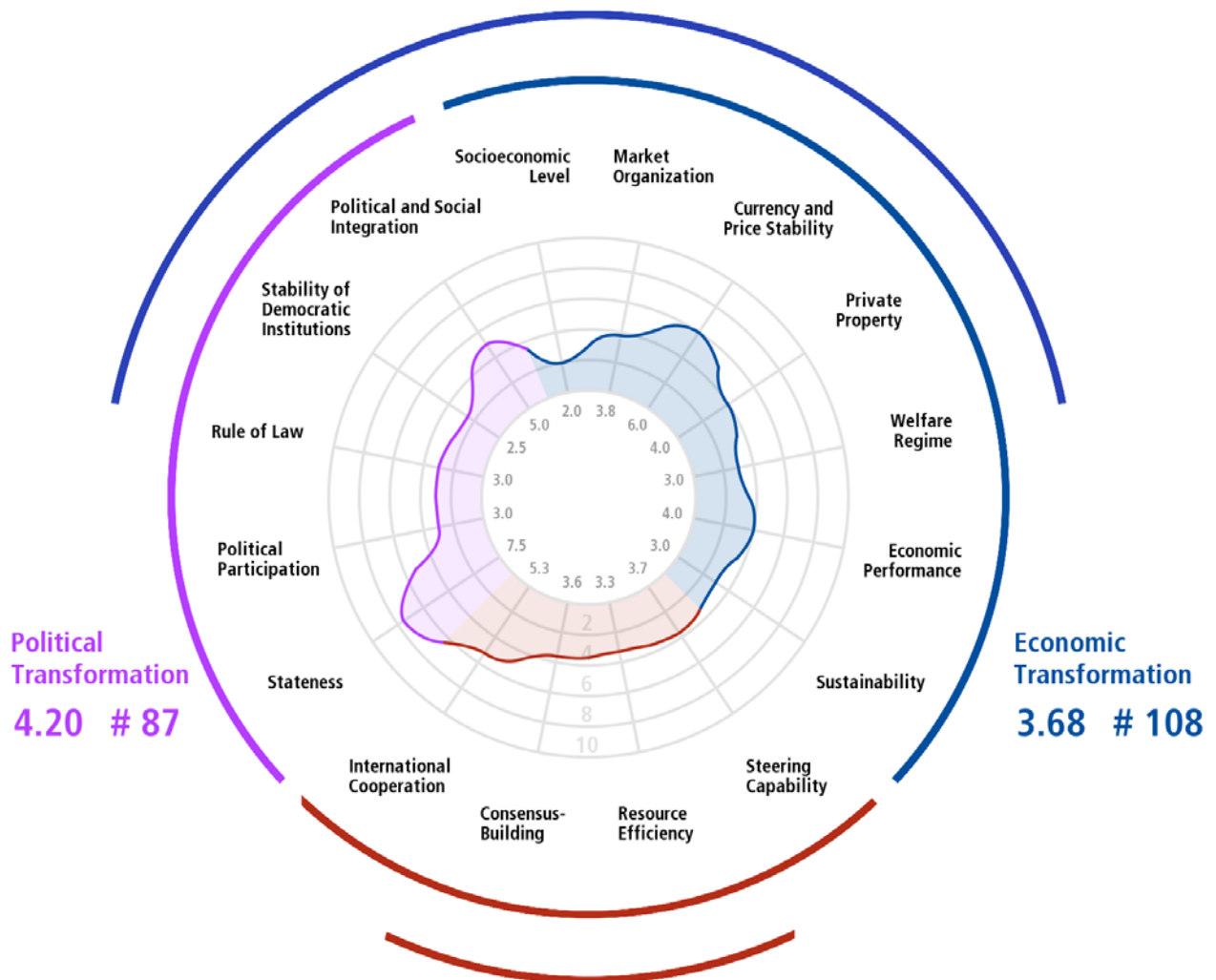


Angola

Status Index

3.94 # 105

on 1-10 scale out of 129



Political Transformation
4.20 # 87

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Governance Index

3.60 # 101

on 1-10 scale out of 129

This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2018. It covers the period from February 1, 2015 to January 31, 2017. The BTI assesses the transformation toward democracy and a market economy as well as the quality of political management in 129 countries. More on the BTI at <http://www.bti-project.org>.

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Key Indicators

Population	M	28.8	HDI	0.533	GDP p.c., PPP \$	6499
Pop. growth ¹	% p.a.	3.4	HDI rank of 188	150	Gini Index	42.7
Life expectancy	years	61.2	UN Education Index	0.518	Poverty ³	% 55.7
Urban population	%	44.8	Gender inequality ²	-	Aid per capita \$	13.6

Sources (as of October 2017): The World Bank, World Development Indicators 2017 | UNDP, Human Development Report 2016. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

Executive Summary

The past two years have been marked by a profound economic crisis, which has affected all areas of social and political life in Angola. The crisis was triggered by a sharp drop in oil prices in late 2014, with oil exports constituting the government's main source of revenue.

The dominance of the ruling MPLA (Movimento Popular de Libertação de Angola) party since the end of the war in 2002 has been premised on the oil-backed reconstruction of the country. Consequently, the current crisis is as much political as it is economic. Indeed, the crisis has revealed the hollowness of the Angolan "miracle of reconstruction." Rather than reinvesting oil revenues into diversifying the economy and countercyclical mechanisms to buffer against commodity price shocks, it has become evident that these revenues have primarily served to enrich a small, politically connected, predatory elite who remain largely unaccountable to the population, judiciary or elected political representatives. These corrupt practices have become even more glaring over the past two years, with the president's family accumulating wealth and benefits for themselves, unhindered by any legal or political obstacles.

Rather than admitting previous mistakes and implementing reforms, authorities reacted to criticism by unleashing the most violent persecution of suspected dissidents since the end of the war. This included widespread human rights violations, the judicial and violent repression of civic activism, and legal measures to effectively restrict the financial and operational autonomy of NGOs.

Internationally, the government multiplied its overtures to old and new partners in order to access new loans to compensate for the shortfall in government revenue, mortgaging Angola's future oil revenues for short-term debt servicing rather than the implementation of long-term, sustainable development plans. This has widened the gap between the few rich and the many poor, with import cuts and dollar scarcity driving consumer prices further up, adding to the hardship of ordinary citizens.

The main portent of change has been the announcement, in late 2016, that current MPLA vice president, João Lourenço, would head the party's candidates' list for the 2017 election and, following an almost certain MPLA victory, would become the next president of Angola. This heralds the long-awaited retirement of President José Eduardo dos Santos from active politics. However, given that Lourenço is a dos Santos loyalist and the dos Santos family has tightened its grip on all productive sectors of the Angolan economy, it is likely that a change in the figurehead at the top of government will make little difference to the current political and economic dispensation.

History and Characteristics of Transformation

Following a tumultuous transition to independence from Portugal in 1975, one of Angola's three armed liberation movements declared independence and, with Cuban support, succeeded in pushing back the two other existing movements. The newly independent country was thus immediately plunged into a civil war between the Marxist MPLA and the rebel National Union for the Total Liberation of Angola (UNITA) parties. Both had fought for independence, though based on different leadership and constituencies – the MPLA's early leaders came from a cosmopolitan, urban, mixed-race bourgeoisie, while UNITA tapped into the discontent of the marginalized population in the central highlands. Their differences were exacerbated in the Cold War context, when the MPLA received Soviet and Cuban backing, while UNITA was supported by the South African Apartheid regime and, indirectly, the United States and other Western powers.

During this time, the MPLA faced – and brutally repressed – internal dissidence, and wartime scarcity was compounded by the inefficiency of the planned economy and the dearth of a skilled labor force. Only the discovery of oil reserves off the coast allowed for some revenue, though it served more to transform the party nomenclatura into a tiny class of oil rentiers rather than improving general socioeconomic conditions.

By the late 1980s, a military stalemate had been reached. The MPLA's socialist regime was crippled by mismanagement and debt, and both parties were facing the drying out of their Cold War funding and were forced to negotiate a settlement. The MPLA then formally adopted a multiparty democracy and the 1991 Bicesse Accords foresaw the disarmament of the warring parties, followed by elections. The first democratic elections in 1992, however, were derailed by a return to civil war, as both parties in the conflict were unwilling to envision power-sharing and had maintained armed troops at the ready. After bloody confrontations in Luanda, the civil war started again, taking a much higher toll on civilian lives than in the first phase.

The MPLA government, now legitimized by elections, managed to co-opt parts of UNITA as “UNITA Renovada” into a “Government of National Unity and Reconciliation” (GURN). UNITA initially managed to capture strategic cities in the interior, but was depicted as the “greedy spoiler” of the peace process, and subjected to ever-stricter sanctions. Although civil society and especially

the churches actively lobbied for a negotiated end to the war, the conflict ended only when UNITA-leader Jonas Savimbi was killed by government troops in February 2002.

In March 2002, the military command of a leaderless, demoralized, famished and militarily defeated UNITA signed the “Luena Memorandum of Understanding” with the Angolan Armed Forces that ended the nearly 30 years of conflict. The memorandum, however, amounted to little more than a technical agreement on the cessation of hostilities, with President dos Santos supervising the process as if he were a neutral arbiter instead of a party to the conflict.

Since then, the MPLA government has successfully recast itself as the party of stability and peace, and embarked on an ambitious reconstruction drive financed by growing oil revenues and oil-backed credit lines. This “politics of concrete” and emphasis on stability and peace, the basis of the MPLA’s postwar claim to political dominance, has transformed the face of the country. Though the gap between rich and poor is growing and a majority of the population subsists on less than \$2 per day.

After repeated delays, the first postwar legislative elections were finally held in 2008. Though overall peaceful, the MPLA made full use of the privileges of incumbency – access to state funds, media control and electoral manipulation – and successfully painted the specter of a return to war in case of an opposition win. Having won a crushing 82% of the popular vote and thus an absolute majority in parliament, in 2010 the MPLA pushed through a constitutional change that abolished presidential elections, replacing them with the automatic nomination of the head of the list of candidates of the majority party or coalition.

This change further blurred the lines between executive and legislature, and party and government. Despite a slight decline in the MPLA’s popular vote to 71%, President dos Santos was elected in the 2012 elections. The first time he had been elected by due process in a multiparty election.

While the immediate post-election period represented the culmination of President do Santos’ grip on political and economic power in the postwar period, the oil-price crisis from late 2014 revealed the fragility of the system. The economic crisis that affected all sectors of social life is effectively also a political crisis, as it points directly at the heart of the current political dispensation. While this is a system characterized by the political dominance of a restricted circle within the dominant party, which has proven extremely resilient and adaptable to change since independence, it remains to be seen whether the pressures of the current crisis will in fact be conducive to democratic openings and a consolidation of non-partisan institutions.

In sum, Angola has made formal progress toward multiparty democracy and the development of a market economy since its transition from state socialism in 1990. In practice, however, the ruling elite has consolidated its stranglehold on political and economic power through only formally democratic institutions and market mechanisms.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

The state's monopoly on the use of force is largely secure across the national territory, as Angola has one of the largest standing armies in sub-Saharan Africa.

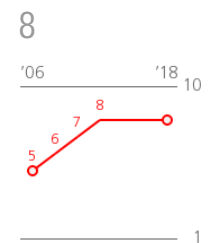
However, the state's monopoly of force is undermined by the subordination of sections of the armed forces to the private interests of a small number of influential military officers and the existence of private security companies (PSCs) that effectively act outside the law. This manifests in extrajudicial killings and the use of torture by certain police and military units, as well as by PSCs, especially in the shantytowns of Luanda and the diamond-rich Lunda provinces, which are de facto run by the mining companies as concession territories.

In addition, in the oil-rich, northern enclave province of Cabinda, a low-level secessionist movement, the Front for the Liberation of the Cabinda Enclave (Frente de Libertação do Enclave de Cabinda: FLEC) remains active. While the government's "pacification" strategy - some increases in social spending combined with the persecution of suspected FLEC sympathizers and a heavy military presence in the province - succeeded in quelling unrest over the past few years, the movement announced in February 2016 a return to the armed struggle due to the Angolan government's manifest lack of interest in any negotiations. Ambushes in February and March, though downplayed by the authorities, resulted in the death of five, 17 and 20 Angolan soldiers, according to the FLEC, mainly in the vicinity of Buco Zau and along the border with the Democratic Republic of the Congo (DRC). The death of FLEC's historic long-time leader Nzita Tiago in his Paris exile in June 2016 heralded a further resurgence of FLEC attacks. In September 2016, the FLEC claimed responsibility for killing "over 50 people" since the previous month, mainly soldiers in the Angola Armed Forces (FAA).

Most Angolans identify primarily as Angolan, in addition to potential ethno-regional identities they might claim. The case of Cabinda and the diamond-producing Lundas, where claims for greater civil rights and an end to human rights abuses are partially

Question
Score

Monopoly on the
use of force



State identity
8

couched in reference to the historic Lunda kingdom, are the exception, although largely limited in terms of adherence and influence.

Indeed, the widespread movement of populations across the national territory due to trade and forced labor during colonialism, and the civil war afterwards, has promoted the formation of an Angolan identity that supersedes ethno-regional identifications, at least in urban centers.

However, while two competing state visions were projected by the two warring parties during the civil war, the MPLA's vision of Angolanness has become hegemonic since its military victory over the UNITA and the end of the war in 2002. Accordingly, to be a real Angolan is to automatically endorse the MPLA's vision of nation and primacy over the political. Meanwhile, the former "povo da UNITA" (people of UNITA) vision has no place in this new Angola. Similarly, rural populations and the urban poor, though also part of the nation-state in principle, are in practice second-class citizens who do not enjoy the full rights and benefits of citizenship.

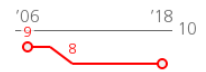
In spite of this, there is broad acceptance of the legitimacy of the nation-state per se, although not of the MPLA's attempts to conflate the concepts of state and party.

Due to its socialist and atheist past, religious dogmas have no noteworthy influence on political institutions. Still, Angola is a largely Christian country, with a majority of people adhering to either mainline Christian (e.g., Catholic or missionary protestant); newer, African-indigenous (e.g., Tokoist, Kimbanguist or Zionist); or neo-Pentecostal (e.g., the Brazilian Universal Church of the Kingdom of God, IURD) churches.

Religion thus plays an important social role. Consequently, the MPLA government has found ways to accommodate most churches, coopting some church leaders into providing overt support for the regime or curtailing church activities that might challenge the regime. The Catholic Church as well as a few Protestant denominations, which for a long time had quietly accepted the postwar status quo, have in the past few years become slightly more vocal in denouncing government failings and corruption.

Religious movements that escape the purview of the state are, however, viewed with great suspicion and subject to administrative obstacles or sporadic repression, as is the case for Angola's embryonic Muslim minority.

A case in point for this mistrust was the massacre of the Kalupeteca sect in 2015. As a millennial Adventist offshoot, Kalupeteca and his followers had been camped on a hill awaiting the end of times, and had refused to participate in the national population census. This was seen (and afterwards communicated by the authorities as such) as a threat to the unity and stability of the nation. When the police came to arrest Kalupeteca for this insubordination to state authority, confrontations ensued in which



1

No interference of religious dogmas
10



1

nine police agents and 13 civilians were killed, according to official reports. However, the army then cordoned off the hill, allegedly massacring a large number of his followers (witnesses claim up to 1,000 victims, although the authorities have blocked any inquiries). Kalupeteca himself was savagely beaten, detained for over 150 days before his trial, and eventually sentenced to 28 years in prison after a sham trial that lasted over three months.

The provision of state services and presence of administrative structures is very uneven across the national territory, and access to public services is generally complicated and costly for most of the population. This is due to the inefficiency and underfunding of public services, widespread corruption, and a lack of qualified personnel. Public administration is politicized and subservient to “higher orders.”

While infrastructures like roads, schools and hospitals have been reconstructed since the end of the war, there is a dearth of qualified teachers and medical personnel. The supply of electricity and water is in an equally dismal state, especially in informal, peri-urban neighborhoods as well as in rural areas.

Nominally, 52% of the population have access to sanitation and 49% to clean water. However, service provision is very uneven across the national territory, with some improvements in Luanda and provincial capitals, as well as in Cabinda, where the government has increased spending in order to counter demands for greater autonomy. Neighboring Zaire, which also produces a large share of Angola’s oil, is by comparison drastically under-serviced (a difference also reflected in the state budgets).

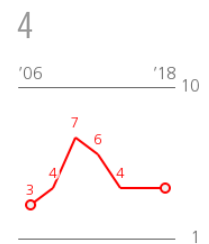
2 | Political Participation

The two postwar elections have been marred by serious irregularities, with the ruling MPLA exploiting every advantage of incumbency and repressing votes for opposition parties by all means fair and foul. This includes unequal access to public campaign financing and media exposure; voter buy-off, intimidation and disenfranchisement; and outright electoral fraud.

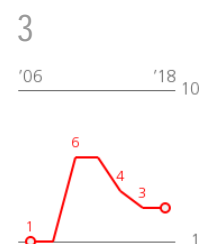
Admittedly, the MPLA would likely have won the first elections relatively easily even without resorting to such measures and probably also would have carried the second vote, albeit with only a slim majority. However, the party’s need to win a crushing majority was too pressing to let that happen.

With popular dissatisfaction increasing, the MPLA is rightly afraid of losing in certain urban districts. Thus, local elections, as stipulated by the 2010 constitution, have been postponed indefinitely, allegedly for financial and logistical reasons. Although opposition parties have become somewhat more vocal and effective since the run-up to the last elections in 2012, the next elections in August 2017 are also

Basic
administration



Free and fair
elections



already marred by unconstitutional irregularities that will ensure the MPLA keeps a tight control over the entire electoral process, starting with voter registration.

The main veto power, able to override any democratically elected political representative, is President José Eduardo dos Santos, who has held power since 1979. Elected for the first time, albeit indirectly having been nominated by the ruling party (i.e., the MPLA) in 2012, he has over the course of his rule asserted control over the party, and installed a system of parallel governance around the presidency that mirrors and de facto supersedes the competences of the cabinet of ministers. The 2010 constitution formalized this hyper-presidential system, enabling the president to appoint judges to the highest courts and province governors.

Parliament, in which the MPLA holds an absolute majority, has been reduced to a debating chamber, which usually rubberstamps presidential decrees and decisions. In fact, the Supreme Court in 2013 stated that the parliament had no authority to hold the executive accountable or summon ministers before parliament for questioning. Though, in a very small number of cases, parliament has successfully opposed a bill suggested by the executive.

However, the run-up to the 2017 elections demonstrates that dos Santos' hold over the MPLA is not absolute. Manuel Vicente, whose nomination for vice president was imposed on the party by dos Santos during the 2012 elections, would have become dos Santos's successor if dos Santos had stepped down. However, Vicente is deeply unpopular within the party and plans to set up a dynastic succession, with one of dos Santos' children becoming vice president under Vicente, were met with resistance from the party's executive bodies: the Central Committee (CC) and the Politburo (BP).

For the 2017 elections, the party leaked a candidates' list, with João Lourenço (who replaced Vicente as vice president of the MPLA party in early 2016) head of the list and presidential candidate. Though his retirement has not yet been confirmed officially by the president himself, this points to perhaps a stronger role for the party leadership in the future (although neither the CC nor the BP are democratically elected by the larger population).

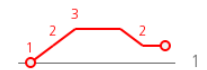
While assembly rights are enshrined in the 2010 constitution in principle, they are severely curtailed in practice for any oppositional movement by the government. This tendency has become even more pronounced over the past two years.

Beyond the Mount Sumi massacre, the most emblematic case in this regard was certainly the case of the "Angola 15+2," as they have subsequently become known. On June 20, 2015, police in Luanda arrested 13 activists who had been "caught in the act" of reading books about peaceful political action. Two more were arrested on June 22, 2015. Authorities then searched their homes and seized their personal computers and phones, and declared the detainees had been "preparing acts aimed at disrupting

Effective power to govern

2

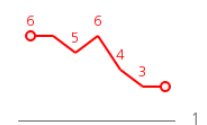
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Association / assembly rights

3

'06 '18 10



public order and security in the country.” Two more female activists were also indicted as co-conspirators, but awaited trial without detention.

The 15 detainees awaited trial for almost five months, long past the legal 90-day limit for pre-trial detention. Several were held in solitary detention at various times and were denied visits from family members or their lawyers. The trial eventually started on November 16, 2015. Faced with mounting domestic and international pressure, the Constitutional Court on December 15, 2015, allowed for the transfer of the accused to home detention to await the continuation of the trial. The trial resumed on January 11, 2016. During the trial, several of the accused were handed additional summary judgments for “disrespecting the court” having criticized the proceedings. The trial eventually concluded on March 28, 2016, with the activists receiving prison sentences of between two and eight years for “preparatory acts of rebellion and association of criminals” (organized crime).

In June 2016, the Supreme Court approved a habeas corpus petition by the defense and the condemned were provisionally set free, but under travel restrictions. In October 2016, the courts ordered an amnesty for the 17 activists, a move that was controversial since it denied them the opportunity to prove their innocence by due process in the Supreme Court. Although this was the most high-profile case, violent repression of peaceful protests occurred regularly during the period under review.

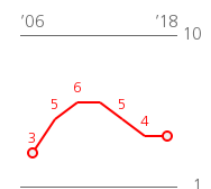
Freedom of expression, while guaranteed in principle, is severely curtailed in practice. There is only one national, state-run newspaper, which serves as a mouthpiece for state propaganda and has forced more critical journalists to resign. The few independent weeklies that circulate mainly in the capital, Luanda, have over the past few years been bought up by investors affiliated with the regime, after their sources of advertisement dried out. In late January 2016, for example, a majority of these independent weeklies could not be published, allegedly for technical reasons related to printing. However, Angolan journalists suspected that the printing press, owned by generals close to the presidency, refused to print news about the Kalupeteca trial.

Though a host of commercial radios broadcast locally along the National Radio of Angola (RNA), they are decidedly focused on light entertainment. Only two more independent stations exist in Luanda, UNITA’s Rádio Despertar and the Catholic Church’s Rádio Ecclésia. Despertar regularly receives warnings from the Ministry of Communications for “inciting unrest,” while Ecclésia’s annual applications to expand its signal beyond Luanda are always turned down.

The public television TPA and private channel Zimbo are loyal to the government and biased in their reporting, giving highly unequal airtime to government and opposition sources. Some of their entertainment content is produced by Semba Communications, a company owned and run by two of the president’s children.

Freedom of
expression

4



Journalists involved with websites or newspapers critical of the government have been subjected to legal action. During the review period, there were also repeated instances of journalists being detained, abused, censured and threatened with legal action.

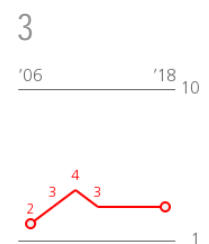
3 | Rule of Law

Though there is de jure separation of powers, the “hyper-presidentialism” of the Angolan political system has resulted in the overbearing weight of the presidency over the rest of the executive, the legislative and the judiciary. The president nominates and dismisses ministers and state secretaries, judges and provincial governors, rules largely by decree, openly flaunts legal provisions in doing so, and enjoys discretionary control over a large proportion of the state budget. De facto the Supreme Court also curtailed the rights of parliament to call in members of the executive for questioning and to account for government spending.

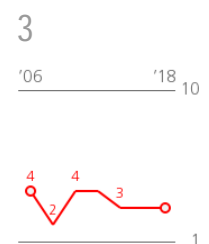
The president of the republic, also head of the ruling party, is able to exercise influence over the lists of parliamentary candidates. In this way, the president can significantly influence the composition of the National Assembly. In political court cases, the magistrates’ courts invariably rule against government opponents. However, in 2016, the Supreme Court overturned the conviction of civil rights activist José Marcos Mavungo by a provincial court, on the grounds of a lack of evidence.

The judiciary is heavily politicized and subservient to “superior orders” from the presidency. Opposition figures are regularly sentenced following fabricated or trumped-up charges, and in blatant disrespect of procedures and the law. In addition to the Kalupeteca and Angola 15+2 cases, human rights activists José Marcos Mavungo and Rafael Marques were both tried and sentenced in sham trials during the review period. Mavungo’s conviction was eventually overturned by the Supreme Court, apparently in a rare show of judicial independence. An amnesty issued to the 15+2 was apparently a political move to prevent them from taking their case to the Supreme Court, following widespread negative publicity for the regime.

Separation of powers



Independent judiciary



Due to the politicized nature of the judiciary, complaints against officeholders are usually either dismissed or simply not followed up. The rare cases in which regime members are tried are usually politically motivated and intended to quell any potential internal contestation.

Thus, while a law of public probity exists, the president himself is the worst offender. All of his children have extensive business interests, usually paid for initially by public monies.

In 2016, dos Santos first ruled by decree that a consortium including a company owned by his daughter, Isabel, would win the tender for the \$567 million rehabilitation of the Corimba Bay road in Luanda and months later appointed her as the new CEO of state oil company Sonangol. Both these violate the law of public probity. An association of 12 Angolan lawyers filed an appeal against Isabel dos Santos' appointment as the head of Sonangol with the Supreme Court. The appeal was first ignored, then the court announced in October 2016 that it had asked and received clarifications from the president, Isabel dos Santos and the attorney general of the republic regarding the appointment. The court did not reveal any of the content of these clarifications and on December 29, 2016, confirmed the appointment.

Similarly, earlier complaints against high-ranking officeholders (the attorney general, army generals, province governors or the president of the republic himself) have never been followed up and have been dismissed by the Public Prosecutor's Office.

Civil rights are codified by law but regularly and systematically violated (e.g., the cases of Kalupeteca, the 15+2, Rafael Marques and José Mavungo). These violations chiefly target political opposition to the regime and critical civic activism.

In addition to arbitrary and extralegal detention, and the denial of access to justice, such violations of fundamental rights include the degrading treatment of prisoners, police violence, torture, and extralegal killings. Extralegal killings are especially common in Cabinda, the Lunda provinces as well as in the shantytowns of Luanda.

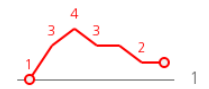
In the past years, opposition parties and civil society activists have repeatedly invoked the existing legal safeguards of civil and human rights to try and block, for example, housing demolitions or to demand the right to demonstrate. However, the impact of these appeals has been minimal so far. The provisional liberation of the "Angola 15+2," for example, was more likely in response to domestic and international pressure than because of a respect for civil rights.

Discrimination based on gender, sexual orientation, ethnicity or race is somewhat less overt. Though domestic violence remains a problem that has been insufficiently addressed by the authorities. Moreover, a draft revision of the criminal code in March 2017 that would criminalize abortion was also denounced as strongly discriminatory by civic activists. Some ethnic groups from the interior of the country are also limited in their access to full citizenship rights. LGBT rights, though not officially embraced,

Prosecution of office abuse

2

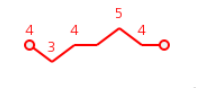
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Civil rights

4

'06 _____ '18 10



are generally tolerated. As for religious rights, in addition to the Kalupeteca case, Islam is not recognized in Angola and Muslims (both foreign and national) are often treated with suspicion. Furthermore, dozens of mosques have been demolished since the government declared mosques to be illegal building.

4 | Stability of Democratic Institutions

Today, Angola is by and large an authoritarian state that presents the formal trappings of democracy and allows for some political participation, so long as it does not threaten the stability of the regime. Thus, while democratic institutions exist, they are subject to political interference.

At the national level, elected deputies are subordinated to the decisions of the executive and have no means to hold the executive accountable. At the regional level, the president freely and directly appoints and dismisses provincial governors; these, in turn, nominate the municipal and communal administrators.

Local municipal and communal elections, as stipulated by the constitution, could potentially help improve the situation, and make democratic institutions more responsive and accountable, especially if this went hand in hand with curbing partisanship in the public service. However, local elections have so far repeatedly been postponed sine die “for technical and financial reasons.” If local elections were to be implemented, it is likely that the MPLA would use its control of the public administration to swing the results in its favor.

Moreover, fiscal centralization means little budgetary autonomy and the decisions of local administration can easily be overturned by “superior orders.” This situation is further exacerbated by the close identification between the public administration and the MPLA party structures at all levels.

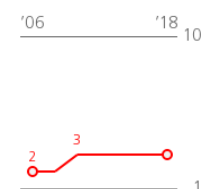
At the communal level, there are “social consultation and auscultation councils” (Conselhos de Auscultação e Consulta Social, CACS) to provide a forum for the population to express their demands, but experiences have been inconclusive so far.

The judiciary is underfunded and subject to political interference at all levels.

While some units of public administration have seen a certain amount of professionalization over the past years, a lack of transparency, excessive hierarchy, internal rivalries and arbitrariness undermine their smooth functioning; a cumbersome bureaucracy and widespread corruption further hamper their efficiency. Also, as positions are often attributed thanks to personal connections or political affiliation, this professionalization has made slow progress. Nonetheless, there have been modest improvements over the past years, with some reforms enacted (at least on paper) with regard to fiscal administration and tax reform, for example.

Performance of democratic institutions

3



Overall, all relevant actors in Angola are formally committed to democratic institutions and practices, including political parties, religious and civil society organizations, and the security forces, with the exception of the FLEC in Cabinda. The FLEC is waging a low-level armed insurgency against the Angolan state due to the government's lack of interest in negotiating a peaceful and democratic solution.

Opposition party UNITA, which during the Angolan conflict was waging war against the MPLA government, has embraced democracy (while pointing out its flaws in the context of Angola) and is very unlikely to return to armed conflict. Young protesters, loosely termed “revús” (revolutionaries), are promoting peaceful political change, within the constitutional limits.

However, the actual practices of the regime (the disregard for democratic procedures, the lack of checks and balances, and the repression of political dissent, as detailed above), show that the commitment of those in power – a limited circle of persons around President dos Santos – to democratic institutions is merely a convenient façade for a lack of democratic practice.

5 | Political and Social Integration

Angola is nominally a stable multiparty democracy. Due to the history of the civil war, the political system is strongly polarized between the ruling MPLA, which sees itself as the only legitimate political force in the country, and the opposition parties, which the MPLA views as largely illegitimate and a necessary nuisance to keep up the pretense of democracy.

Opposition parties have become more vocal and organized since the end of the war. Though only the two main opposition parties, UNITA and CASA-CE, have the resources and organizational capacities to campaign nationwide. These two opposition parties have significant numbers of supporters, especially in urban areas, where they could, if they joined forces in a free and fair electoral contest, potentially gain a decisive number of seats.

The ruling MPLA party, however, has returned to practices that resemble the times of the single-party state. With allegedly 4 million card-carrying members, the party dominates political and economic life in Angola, and has permeated public administration and coopted traditional authorities.

While the MPLA does indeed have deep and wide social roots, party membership is nowadays often a vehicle for social ascension rather than a way to promote new ideas and political demands, as the party leadership tends to enforce strict discipline. However, while the party displays a unity of purpose and stability, tensions over the succession of President dos Santos have made it evident that there are dissenting factions within the party. The “leaked” candidates’ list for the 2017 elections, for

Commitment to democratic institutions

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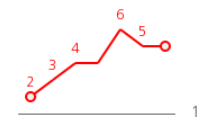
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Party system

5

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example, is widely seen as an attempt by party leaders, who are more independent of dos Santos, to prevent yet another dos Santos presidential candidacy or the possibility of a dynastic succession.

To sum up, the party system is polarized between a dominant party still largely subservient to the president (though there are reformist tendencies within the MPLA), two well-organized opposition parties capable of formulating policy alternatives and attracting protest voters (but hampered in their effectiveness by the absolute majority of the MPLA in parliament and the skewness of the electoral process), and a string of minor opposition parties with or without parliamentary representation, some of which vocally engage in public discourse but who are largely ineffective.

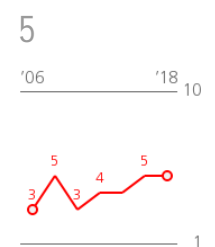
Associative life in Angola is also marked by the strong dominance of the ruling MPLA party. The party has formally associated organizations, such as the Organization of Angolan Women (Organização da Mulher Angolana, OMA), but has also nurtured and promoted the creation of “civil society associations” favorable to the regime, such as the aptly named “Spontaneous National Movement” that regularly and spontaneously comes out in support of the president.

Independent associations with explicitly political goals have been subjected to tight control, though local community development associations have been moderately successful in engaging in dialog with local authorities to improve service delivery.

Union activity, previously limited to the unitary state workers’ union under the country’s socialist regime, has become more diversified, with especially the National Teachers’ Association (SINPROF) being quite active (if only moderately successful in achieving their demands). Workers in the oil, transport (ports) and construction sectors are also unionized, though often only at company level and not sector-wide, and their impact has thus been limited.

With the exception of war veterans, who regularly protest for the payment of overdue pensions, oppositional interest groups are often only loosely organized, as is the case with motorcycle-taxi and taxi drivers, and street vendors. (One could also say the same of young protests, though young protests tend to be driven by broader social and political demands as much as by youth interest groups.) Nonetheless, all these protests have become more visible and vocal over the past three years, despite their usually swift repression by the security forces.

Interest groups



No survey data is available for Angola, though qualitative information suggests a majority of people are highly supportive of democratic norms and procedures, and value stability and peace following the civil war. However, voter abstention rates of 40% at the 2012 elections also suggest that, in addition to targeted voter disenfranchisement due likely to support for opposition groups, a growing number of people are disillusioned about the capacities of the system to deliver actual change or improvements in standards of living.

Public opinion surveys are also unavailable for this indicator. Despite popular laments about decreasing solidarity compared to the country’s socialist period in the 1980s, solidarity and levels of trust are still high, if generally limited to the most proximate family, church parishes and neighborhood networks. These networks of mutual help do very important work at the grassroots level, compensating to some extent for missing state social welfare nets. Some cultural and youth organizations active in informal neighborhoods have also emerged in recent years, attempting to organize education and leisure activities for local communities with limited means.

Any form of more formally organized associative life automatically attracts the scrutiny of the authorities and confines their activities to the “apolitical” delivery of basic services such as water, microcredits or food security. They are thus only effective to a limited degree and cannot counterbalance the dominance of the party state.

II. Economic Transformation

6 | Level of Socioeconomic Development

With a medium-to-high Gini coefficient of 42.7 and ranked 149 out of 188 countries on the 2015 UNDP Human Development Index, Angola is a fairly poor and unequal country. Though high per-capita GDP, pushed by oil revenues, is likely to make the country’s economic situation appear more prosperous than the economic realities lived by much of the country’s population.

A small, politically connected elite has enormously benefited from oil revenues and the postwar reconstruction boom. The boom years also saw the emergence of a small “urban middle class” of younger, educated people who gained access to formal employment. However, a large majority of the population suffer from exorbitant costs of living and socioeconomic exclusion.

Hardships and inequality have only been exacerbated since the drop in world oil prices in late 2014, which has led to a devaluation of the kwanza, a slashing of imports

Approval of democracy

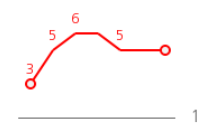
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Social capital

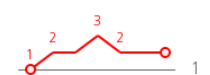
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Question Score

Socioeconomic barriers

2



and fuel subsidies, and a steep rise in consumer prices for the most basic necessities. This has affected all segments of the population, including the nascent “urban middle class.”

This structural inequality is, however, largely due to political and economic mismanagement, and not a result of specific gender or ethnic discrimination. Rather, there is a substantial part of the population (i.e., rural dwellers and the urban poor) that are useless to the regime and thus largely neglected.

Economic indicators		2013	2014	2015	2016
GDP	\$ M	124912.1	126776.9	102962.2	89633.2
GDP growth	%	6.8	4.8	3.0	0.0
Inflation (CPI)	%	8.8	7.3	10.3	34.7
Unemployment	%	6.8	6.8	6.7	6.6
Foreign direct investment	% of GDP	-5.7	1.5	9.0	4.6
Export growth	%	-	-	-	-
Import growth	%	-	-	-	-
Current account balance	\$ M	8145.1	-3747.5	-10272.8	-
Public debt	% of GDP	32.9	40.7	65.4	75.8
External debt	\$ M	25003.9	28902.8	27991.0	35364.6
Total debt service	\$ M	4935.0	6428.7	5407.5	7582.6
Net lending/borrowing	% of GDP	-4.5	-11.9	-6.9	-
Tax revenue	% of GDP	15.5	15.6	12.5	-
Government consumption	% of GDP	19.8	20.6	17.3	15.4
Public education spending	% of GDP	-	-	-	-
Public health spending	% of GDP	3.1	2.1	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	4.9	5.4	3.5	2.9

Sources (as of October 2017): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

Angola strives to present itself as an attractive destination for foreign direct investment, and has made some progress in reducing red tape for investors. However, as there is no substantial economic activity in Angola without the participation of regime figures (as “silent” shareholders or in the form of kickbacks), the playing field is uneven, and the institutional framework and legal guarantees weak. There is strong state intervention in strategic sectors, chiefly oil but also banking, construction, real estate and mining. In the smaller business sector, license procedures are arbitrary and often depend on political connections.

Over 50% of Angolans work in the informal sector, mainly petty trade and subsistence farming. Informal traders are periodically subjected to police harassment.

The predominance of politically connected oligopolies across all productive sectors has, if anything, increased over the past three years, with the president’s family and regime figures multiplying their business ventures openly, and snaffling the most lucrative concessions and tenders unhindered by any competition or legal obstacles. As these oligopolies run across sectors, the risks of price fixing, collusion and rigging of markets is very high.

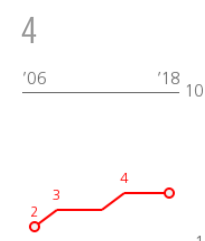
Isabel dos Santos, the president’s daughter, now runs state oil company Sonangol, but also holds majority shares in the major commercial banks that have lent money to Sonangol. She also owns the supermarkets that supplied gift food hampers to Sonangol for Christmas 2016. With interests in civil engineering, a cement factory, diamond mining, Angola’s major cellphone network provider, real estate and restaurants, there is almost no economic transaction in Angola that will not end up benefiting her economic empire. Though this is by far the most visible cartel, it is by far not the only one.

Despite an investment-friendly rhetoric and formal adherence to multilateral institutions such as the WTO, or the drafting of a new trade policy framework in cooperation with the United Nations Conference on Trade and Development (UNCTAD) in October 2014, Angola has in practice significant barriers to foreign trade in place. Import tariffs are high and customs processes lengthy and complicated, with imports usually requiring the services of “despachantes” (intermediaries) to release goods from the seaports or airports in which they are held.

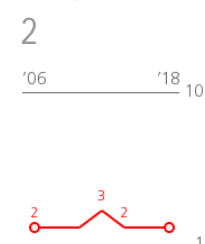
Although Angola has signed the existing Southern African Development Community (SADC) free-trade agreement, it has repeatedly delayed the implementation of the accord. The government recent announced that the accord would not be applied before 2017, citing concerns about its “weak economy” and the need to protect Angolan enterprises from South African competition.

In addition, in 2014 the Ministry of Commerce raised import tariffs for “uncompetitively priced” goods such as beverages, cement, and agricultural produce

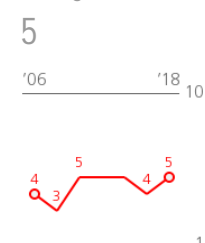
Market-based competition



Anti-monopoly policy



Liberalization of foreign trade



from 30% to 50%, allegedly to curb import dependency and stimulate national production. Such rigid import quotas and tariffs have driven up the costs of living. This has only increased following the oil-price crisis, when access to dollars necessary to pay for imports, was restricted to oil producing companies.

Angola's banking sector has been one of Africa's fastest growing over the past seven years. The country has formally adhered to international banking standards regarding the liquidity reserves of banks. However, due to the persistence of the politically connected oligopolies, there is no enforcement of oversight rules. Bad loans persist, notably to MPLA luminaries and Sonangol, and the opaque shareholder structure of Angola's five major commercial banks, all directly or indirectly controlled by Isabel dos Santos, mean that the risk of a systemic crisis in the banking sector is very high. In January 2017, several commercial banks demanded a government bailout to deal with the fallout of the oil-price crisis. At the time of writing, the risk of a banking crash remains very high.

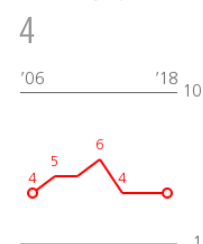
8 | Currency and Price Stability

The National Bank of Angola (BNA), though nominally independent, has limited independence in determining monetary policy. As long as oil revenues were flowing, the BNA was moderately successful in keeping the kwanza unofficially pegged to the U.S. dollar at a rate of about AOA 95 to \$1. Since the oil crisis hit in 2014, the kwanza has been rapidly depreciating, revealing the vulnerability of the currency to external shocks. Because of Angola's import dependency, the dollar shortage also meant that the gap between the official and the unofficial exchange rates has been widening steadily. From an official rate of about AOA 135 to \$1 (APA 290 to \$1 in the streets) in late 2015, the kwanza dropped further in 2016 and, with an inflation rate of 10.1%, the exchange rate peaked at AOA 165 to \$1 (AOA 500 to \$1 in the streets) at the end of 2016.

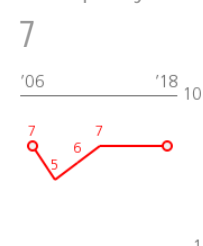
While the government has relatively successfully implemented fiscal and debt policies that promoted microeconomic stability while oil prices and revenues were high, the oil-price crisis has revealed how insufficient these institutional safeguards were.

The politicized nature of the Angolan economy and the predominance of the politically connected oligopolies mean that existing safeguards are routinely disregarded. Angola's refusal, in July 2016, to accept an IMF loan with the attached conditionalities requiring greater fiscal transparency and oversight, was deemed "irresponsible" by economic analysts, given that the debt-to-GDP ratio was forecast to hit 49.2% in Q1 2017. With about 20% of government revenues coming from foreign loans, debt servicing has become, together with defense and security, the major item of government spending, further pointing to the unsustainability of the government's fiscal and debt policies.

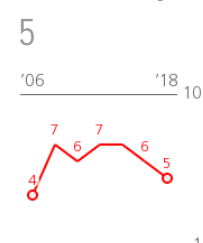
Banking system



Anti-inflation / forex policy



Macrostability



The Angolan Sovereign Wealth Fund (Fundo Soberano de Angola, FSDEA) launched in 2012 amid great fanfare with an initial capital of \$5 billion and fed by oil revenues. The fund should invest in the diversification of the Angolan economy to help counteract cyclical tendencies. However, with the direction of the fund handed over to the president's son, José Filomeno "Zénu" dos Santos, the FSDEA did little to buffer the Angolan economy against the downturn in oil prices. As the Panama Papers revealed, most payments made by the FSDEA were for consulting services provided by companies directly or indirectly linked to the Global Quantum Group, an investment holding owned by Zénu and business associates.

9 | Private Property

Since the end of state socialism, Angola has nominally embraced market capitalism, including mechanisms to safeguard private property. This includes a 2003 Voluntary Arbitration Law, which in principle allows for international arbitration.

All land legally remains the propriety of the state, with the possibility to acquire long-term leases. Nonetheless, the past ten years have seen the large-scale acquisition and fencing off of huge plots of land in the interior by army generals, province governors and public administrators despite legal provisions that protect the customary rights of people living, cultivating and herding in the area.

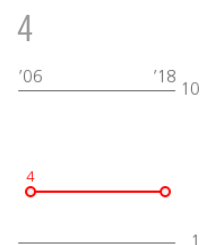
While this problem is most acute in the rural areas, forced evictions of poorer urban dwellers from informal neighborhoods in Luanda and provincial capitals continue. Residents are relocated to "social housing areas" in the periphery, but are often left stranded there without adequate housing provisions or compensation. Investigative reports in 2016 revealed the collusion of the attorney general in rezoning "rural land" for commercial (housing) purposes, as well as the expropriation of land from poor peri-urban dwellers for which they had proper titles.

While the government has repeatedly hinted at nationalization or license cancellation of certain assets in the oil, mining and banking sectors to avoid stricter oversight by U.S. and EU regulatory authorities, international commercial assets are generally less affected by these incomplete safeguards of property rights.

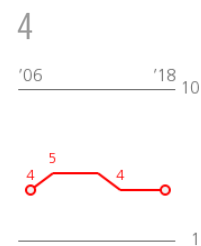
In terms of private enterprise, market principles and the rule of law prevail on paper, but these are undermined, distorted or outright violated by politically connected private economic interests.

Since the transition from state socialism to market democracy in 1992, Angola has privatized a number of state-owned enterprises, but often in highly obscure procedures without public tender or by selling off lucrative assets to regime figures. State-owned enterprises remain central to service provision (i.e., water and electricity), and the strategic oil and diamond sectors, but they routinely contract

Property rights



Private enterprise



services and supplies from companies owned by regime figures, without public tender, so that public money effectively enriches the private coffers of the regime.

Nevertheless, Angola has made some efforts to reduce red tape, and the costs and time it takes to set up a private enterprise. Yet, the country ranked 182 out of 190 countries surveyed in the World Bank's Doing Business Report 2017, which shows that these reforms were cosmetic at best.

10 | Welfare Regime

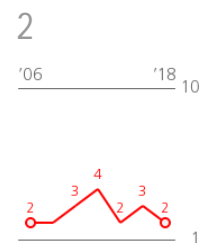
There are almost no institutionalized social safety nets in Angola. There is no public health coverage, though state functionaries or employees in the oil sector, for example, benefit from health insurance. The majority of people, however, have to pay for health services, often in advance. Public hospitals are underfunded and understaffed, and private hospitals extremely expensive.

This is because public expenditure on health care is among the continent's lowest. While the 2017 budget was introduced with claims that social expenditure had been raised – which it had, nominally, to 38.3% of government spending – health care expenditures stood at 6.15% of social expenditures, which in conjunction with the inflation rate and overall spending cuts signify a reduction in real spending of 18% over 2014.

Accordingly, the Angolan health care system is ill-equipped to provide basic services or deal with any public health crisis, as evidenced by a major yellow fever outbreak in 2016 – the first in 30 years. The high mortality which ensued was largely a result of low vaccination rates, poor sanitation, weak diagnostic capacities, and ineffective and insufficient treatment. The infant mortality rate remained the world's highest in 2015, with one in six children dying before the age of 5, and more than 30% of children showing physical signs of malnutrition like reduced body height. The infant mortality rate is one reason for the low life expectancy at birth. Life expectancy at birth is still around 52.7 years, 10 years ago it was 48.5.

Old age and unemployment benefits exist, for war veterans for example, but are often paid late and are insufficient for an individual or family to live on. Spending for social protection was also cut by 4% in the 2017 budget. Chief among those cuts was the phasing out of fuel subsidies over two steps in 2015/2016, which almost doubled petrol and diesel prices at the pump, and hit the poorest part of the population, who spend a high percentage of disposable income on commuting, hardest.

Social safety nets



In politics, public administration and the security forces, women are better represented than in some other African countries, as Angola made efforts to promote women during the time of socialism. These institutions nevertheless remain dominated by men. In social reality, women are overrepresented in the informal economy and underrepresented in post-secondary education, leading to lower literacy rates among women at the national level (60.7%, as opposed to 82% for men). Though at tertiary level anecdotal evidence shows that women are catching up and generally achieve better grades than men.

However, official data that heralds the success of Angola's literacy drive has to be viewed with some measure of skepticism, as statistics in Angola are unreliable and, especially when it comes to social indicators, heavily politicized. In 2011, the bishop of the Catholic Church in the remote Moxico province said that 80% of the population was illiterate, despite official literacy rates of over 70%.

Apart from Muslims, who are viewed with suspicion, there is no religious discrimination, and ethno-regional identities are downplayed in politics and public discourse. However, provinces are treated unequally in terms of budget allocation and spending, reflecting an overall urban-rural and coastal-hinterland divide.

The main factor for discrimination is political affiliation: while aligning with the MPLA opens doors to education, employment and entrepreneurial opportunities, openly aligning with an opposition party is very likely to lead to discrimination in the workplace.

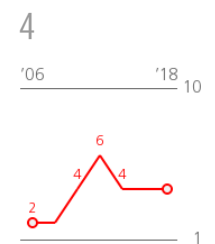
11 | Economic Performance

The oil-price crisis has revealed how vulnerable to external shocks the Angolan "miracle of reconstruction" and two-digit GDP growth of the past decade was.

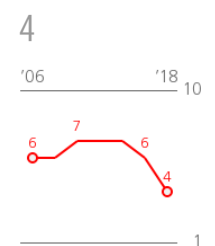
In 2015, GDP growth was adjusted by the government from the initially projected 9.7% to 6.6%, but by the end of 2015 real GDP growth for the year averaged only 3%. Inflation, which was hoped to be contained at 7%, reached 10.3%. For 2016, official growth projections had to be cut to 1.3% of GDP, while the IMF estimated 0% growth for the year. Foreign direct investment, however, picked up again in 2015, standing at 9% of GDP at the end of 2016.

Economic stagnation has led to skyrocketing consumer prices (a 41.95% year on year increase at the end of 2016), a deficit budget, the current account balance dropping to a record low of \$10.272 billion in 2015, and public debt increasing from 40.7% of GDP in 2015 to 64.2% of GDP in 2016. Official unemployment rates stood at 24%, though in practice a majority of Angolans still engage in informal commerce to make ends meet, including those in formal employment.

Equal opportunity



Output strength



12 | Sustainability

Angola is formally committed to environmental protection and has, together with multilateral organizations, made some progress in taking the appropriate measures. Nevertheless, Yale University's Environmental Performance Index ranked Angola at 160 out of 178 surveyed countries in 2014. Legislation in place to hold, for example, oil companies accountable for spills is only selectively implemented and compensation payments rarely reach their intended beneficiaries. The index also notes only minimal improvement in the provision of drinking water over the past 10 years.

Where some progress has been made is in the area of biodiversity management and the establishment of conservancies, such as the Okavango trans frontier national park. Yet, Angola's capacities to contribute to the effective management of the park's resources are feeble compared to those of neighboring countries. More anecdotally, the international NGO "Save the Elephants" accused Angola of being the world's second-largest market for illegal ivory in 2014. There were also repeated reports that "reservas fundiárias" (land reserves), which could serve as nature reserves or wildlife sanctuaries, were rezoned for lucrative commercial agriculture or property development projects.

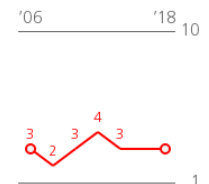
However, these seem minor, cosmetic adjustments over more pressing concerns like access to drinking water, oil spills or air pollution.

Though Angola has made some progress since the end of the war in terms of primary enrollment, the education sector is chronically underfunded. Although Angola has signed up to international standards that would see 20% of government expenditure dedicated to education, the budget allocation has dropped from 7.7% in 2016 to 6.9% in the 2017 budget. Accordingly, while primary enrollment and literacy rates have improved, the quality of education is low.

University curricula follow the Portuguese, pre-Bologna reform model, with four-year licenciaturas (undergraduate) and two-year mestrados (graduate, equivalent to MA/MSc), but only very few universities offer master's degrees, and there are no provisions whatsoever for postgraduate research. Angolans wanting to pursue studies at the doctoral level have to leave the country to do so. The expenses for R&D are, as in most other African countries, minimal and data is not available.

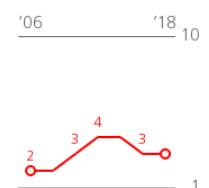
Environmental
policy

3



Education policy /
R&D

3



Governance

I. Level of Difficulty

The structural constraints on governance are fairly high, though they are largely caused by the government's own mismanagement of, for example, the Yellow Fever outbreak. These constraints have risen further over the review period because of the drop in oil revenues.

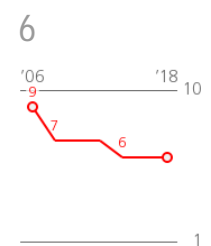
The government has embarked on an infrastructure reconstruction drive since the end of the war. The presence of new roads has markedly improved the ease of travel across the country. However, while smoother roads have reduced journey times, poor driving skills and car maintenance have increased the rate of traffic-related mortality to the world's second worst. Infrastructure provision is uneven across the country, generally becoming less adequate as one moves eastwards.

The rest of the government's infrastructure projects have only had a limited impact on the lives of the population, as electricity supplies remain irregular and insufficient, and the rebuilt hospitals and schools lack qualified staff. Moreover, the accelerated rate of urbanization has led to the growth of vast, densely populated informal neighborhoods in all urban centers, where the population lack access to water, electricity, sanitation, health care and education services.

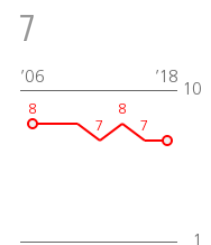
Civil society in Angola is relatively young, weak and hampered by structural constraints and obstacles deliberately put in place by the regime. There was an increase in civic activism in the 1990s, when civil society associations (mostly the churches) were very active and vocal in calling for peace and a negotiated settlement to the conflict. Since the end of the war, there has also been a growth in organizations campaigning around particular issues such as housing or land rights.

Despite this, the government increasingly curtailed the space for independent civil society activities since the first postwar elections in 2008. There was an upsurge of more independent and unorganized civil society activism in the run-up to the 2012 election, when young protesters organized anti-government demonstrations to protest against President dos Santos' clinging on to power, poor governance and inexistent services.

Structural constraints



Civil society traditions

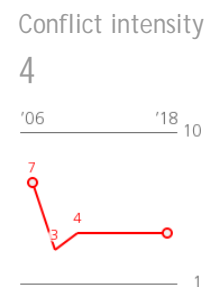


However, since 2013 security forces have reacted very swiftly and decidedly against any attempts to protest, and protest activity has been very limited in scale and reach since. A new NGO law, passed by presidential decree in 2015, further restricted the independence and impartiality of NGOs, introducing three layers of registration with different government bodies, government oversight of finance and activities, and the interdiction to develop activities “contrary to the principles upheld by the bodies of national sovereignty” (i.e., guidelines defined by the government).

Despite government repression, elements within civil society have become more active and vocal since the start of the first anti-government protests in 2011. Furthermore, some churches have taken critical positions, including the Catholic Church (Episcopal Conference of Angola and São Tomé, CEAST).

Ethnic and religious cleavages are today all but absent from the public sphere in Angola. A long civil war was brought to an end by the death of rebel leader Jonas Savimbi, the defeat of his UNITA military forces and the acceptance by the surviving UNITA leaders of a peace plan on the government’s terms. The separatist rebellion in the northern Cabinda province continues to be active, albeit at a very localized and low level, and there are sporadic incidents of violence in the diamond-producing Lunda provinces. These are, however, the only two areas where ethno-regional identities are mobilized in a local conflict; otherwise, there are no open divisions along ethnic or religious fault lines.

Nevertheless, there is a deep and growing divide between a privileged elite and the large majority of the population, with the majority of the population largely been excluded from the benefits of postwar reconstruction. This discontent has so far been limited to loosely organized groups of young protesters in Luanda and some provincial capitals, who have had limited success in mobilizing larger proportions of the population. There is, however, even among these more radical actors very little interest in tapping into pre-existing ethno-regional grievances, which would raise the specter of civil war again. Particularly in the interior, relatively recent memories of war are used by the government as a threat to quash dissent.



II. Governance Performance

14 | Steering Capability

The government claims to be setting strategic priorities but appears to be concerned primarily with maintaining power and maximizing economic benefits for the ruling elite. Its plans to diversify the economy, moving away from a dependence on oil, have been limited to statements of intent with little actual improvement achieved. With regard to socioeconomic development, short-term electoral promises prevail over long-term, sustainable policy priorities. In practice, overall social spending appears to be very low on the list of the government’s priorities, despite electoral policy proclamations to the contrary.

Due to the preponderance of the presidency over all branches of government, those institutions of public administration that could drive reforms are regularly overruled by “higher orders.” The fall in world oil prices in late 2014 and subsequent frantic scrambling by the authorities to find alternative sources for dollar revenues indicate the limits of these short-term profit maximization strategies.

Given that the declared strategic priorities of the government are the diversification of the economy and the redistribution of revenues to improve the lives of the population, it is fair to say that it has largely failed to implement any of these policies.

Where it has achieved success in a stated goal has been in improving Angola’s standing as a player on the international stage.

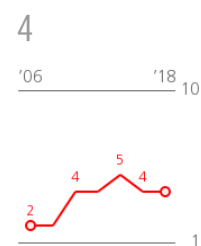
More generally, however, its successes have been in less publicized priorities, such as maintaining the status quo and public order, and the channeling of oil revenues into the construction of prestige infrastructure projects and easy access to loans for members of the elite.

This lack of success in implementing policies is also to do with the government’s manifest lack of interest in or commitment to policy learning. The current economic crisis is a case in point. Rather than heeding the lessons from the 2009/2010 debt crisis and building upon the incremental improvements in budgetary transparency and coordination stimulated by the previous crisis, history has been repeating itself, with no mechanisms put in place to buffer the budget, the currency and the national economy against oil-price volatility.

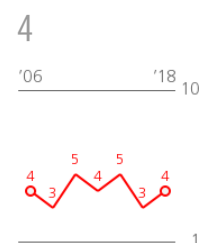
Similarly, the prioritizing of oil-backed infrastructure development in partnership with Chinese funders and construction firms regularly results in large-scale infrastructure projects that are poorly adapted to local realities and needs. External

Question
Score

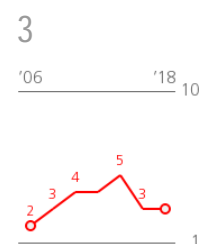
Prioritization



Implementation



Policy learning



audits of policy decisions and administrative processes are either tendered out to local branches of international consultancy firms that have close links to the ruling elite, buried or ignored.

15 | Resource Efficiency

With the current climate of crisis, inherent inefficiencies are compounded. The government budget is unbalanced and relies heavily on foreign borrowing, so that a rising share of government expenditure is spent on debt servicing.

Decentralization does not involve legal or fiscal autonomy for local communities but rather the devolution of some powers from the president to personally appointed province governors.

Public administration is blighted by subservience to real or anticipated “higher orders,” as promotion to positions of power depends on loyalty to the official party line. Some younger, educated individuals find their way into public administration. Nevertheless, frequent and politically motivated reshuffles, widespread corruption, and entrenched nepotism in the appointment process mean that appointments are rarely made on the basis of merit. The current crisis has also revealed that public entities hitherto considered as lone islands of excellence, like state oil company Sonangol, are in fact gangrened by the same ills and mismanagement.

Social spending is frequently driven by a logic of short-term political gain. Little attention is given to identifying social needs and seeking to meet them in a sustainable manner.

Coordination of policy priorities rests with President dos Santos, who remains the ultimate arbiter of all political decisions. He has intentionally fostered suspicion and an overlap of competences between different organs of the government as means to balance competing factions within the MPLA. His civilian and military cabinet in the presidency mirror and de facto supersede the competencies of portfolio ministers.

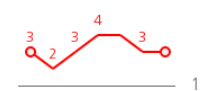
In view of dos Santos’ planned retirement from active politics, some aspects of this concentration of decision-making has gradually shifted to his daughter, Isabel dos Santos. Though not in formal politics, she now heads Sonangol, the government’s main source of revenue. She is also in charge of implementing the government’s new masterplan for the urban development of Luanda and controls indirectly or directly the country’s main commercial banks. This ensures that whoever will become dos Santos’ successor will economically depend on the dos Santos family to make the country work.

In that sense, coordination has been rather successful, albeit not in the normative sense and with a narrow focus on the promotion of elite interests.

Efficient use of assets

3

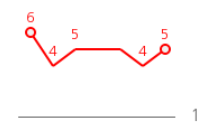
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Policy coordination

5

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Legal frameworks to combat corruption exist. These include a 2010 “law of public probity” and provisions to target money laundering in the penal code. However, despite repeated high-level declarations of a “zero tolerance” policy toward corruption, President dos Santos, his family and his close entourage remain the prime beneficiaries of widespread corruption. This tendency has become even more marked over the past three years, with the president’s family openly multiplying their private gains from publicly funded investments.

Corruption is entrenched at all levels of administration – from multimillion-dollar kickbacks in return for infrastructure tenders or oil concessions, to the regular harassment of drivers by traffic agents. Public tendering is nontransparent. In the strategic oil and diamond sectors, foreign operators face significant pressure to take on board “silent” Angolan minority joint-venture partners, exposing them to greater scrutiny following the passing of transparency laws in the United States and the European Union. Overall, there is no substantial economic activity in Angola that can be conducted without the participation of politically connected individuals.

Party financing is regulated by law, with all parties represented in parliament entitled to a fixed, equal amount of state funding. In practice, however, the MPLA relies on public monies well beyond these legal limits to fund its campaigns.

16 | Consensus-Building

All major political actors are in broad, normative agreement on the general goals of economic development and democratic transformation, though their commitment to these goals varies. The MPLA regime uses the language of democracy, welfare and market liberalization, while in practice monopolizing political and economic power. Opposition parties, on the other hand, call for greater political openness, dialog and a fairer redistribution of Angola’s wealth but, due the MPLA’s dominance, have been largely inefficient in achieving these goals. It is, however, uncertain whether greater opposition influence would in fact significantly change the existing practices.

All major actors agree on the principles of a market economy but with varying degrees of commitment to redistributive mechanisms.

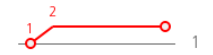
The main anti-democratic veto actor is President José Eduardo dos Santos. While the regime presents the trappings of an electoral democratic system, it is hollowed out by the practices of the regime and the current status quo is itself the major impediment to democratic reform.

While there are reformist tendencies within the MPLA, they have so far been powerless to oppose the dominance of the president over the party. The announcement in late 2016 that Vice President João Lourenço would head the MPLA’s candidates’ list for the 2017 elections hardly signifies a change in the tide

Anti-corruption policy

2

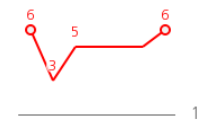
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Consensus on goals

6

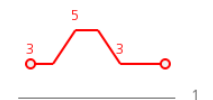
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Anti-democratic actors

3

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but rather continuity. Lourenço has proven himself to be a party loyalist and will be beholden to the economic interests of the dos Santos family.

Opposition parties and more vocal reformers like the nascent youth protest movement have no effective influence over the ruling anti-democratic actors. Apart from the remains of the separatist FLEC rebellion in Cabinda, there are no non-state anti-democratic actors.

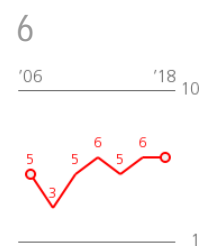
Since the end of the civil war, the ethno-regional question has been largely absent from Angolan formal politics. With the exception of local separatist (Cabinda) and autonomist (Lundas) movements, all parties evoke national unity. UNITA partially waged civil war on a platform of Ovimbundu nationalism and ethnic/racial Africanness, but has no chance to mobilize support since they lost the war militarily. The MPLA has a checkered history when it comes to the racial and ethno-regional cleavages produced by 500 years of globalized trade and colonialism, and thus from the outset proclaimed a “color-blind” ideology of “one people, one nation.” Although internal cleavages are generally glossed over or taboo in political debate, the government is not beyond exploiting latent suspicion of foreigners for its own purposes, as evidenced in the sometimes virulent anti-Islam opinions professed by some exponents of the regime.

The political leadership obstructs civil society participation at all stages of the political process. The 2012 electoral victory of the MPLA was interpreted as a plebiscite on the continued rule of President dos Santos, and any meaningful dialog with oppositional forces both within and outside parliament that might help mitigate mounting social tensions has been shelved. Popular criticism is either ignored or has been cannibalized by the regime for its own purposes, such as the promise, in the run-up to the 2012 elections, to promote a fairer redistribution of Angola’s riches.

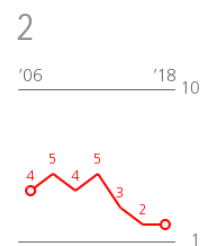
In isolated cases, civil society has been able to contribute to policy design and agenda setting, for example the often-cited reform of the land law in 2002, which was drafted with civil society input. However, such consultations have been mainly cosmetic, and civil society participation has overall been increasingly restricted to apolitical service delivery since the end of the war. It remains to be seen whether civic activism in 2017 against the adoption of a revised criminal code, which would make abortion a punishable offense, will result in an amendment. Activism for a fairer organization of the elections, however, has been unsuccessful.

Although some mechanisms for citizen consultation at the local level exist, their success has been limited; any real input that would oppose the government’s policies – or at least suggest alternatives – is generally unwelcome and either ignored or actively repressed.

Cleavage /
conflict
management

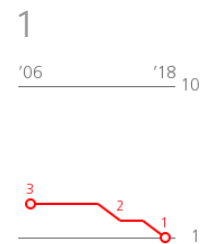


Civil society
participation



Since the end of the war, there has been no substantial reconciliation process in Angola. The government's armed forces won the war and dictated the political terms for the peace, followed by a general amnesty for the perpetrators of war crimes. In this way, the MPLA was able to reinvent itself as the party of peace and stability with UNITA blamed for the war, and associated destruction and suffering perpetrated by both parties.

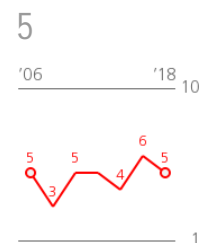
Reconciliation



17 | International Cooperation

Because of its oil reserves, Angola has been courted by many different foreign partners since the end of the war, and has used that leverage to skillfully play off these competing interests against each other for its own benefit. Apart from an IMF standby credit in 2009, the government has so far been able to avoid soliciting funding from multilateral lenders, which would have entailed greater scrutiny of public finances. Development agencies are welcome in areas where they compensate the government's own shortcomings (health care, education, food security) but development programs more explicitly concerned with fostering political reform have been curtailed.

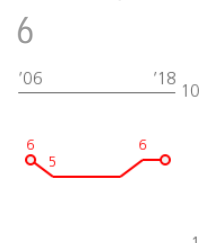
Effective use of support



Given the government's focus on physical infrastructures in terms of its development policies, technical and financial support from China has been key to achieving these goals. Investment from Cuba, Vietnam and Brazil in the sectors of education, health care, security and defense, and infrastructure has been welcomed and developed. However, the current oil-price crisis has put many of these projects and cooperative efforts on indefinite hold, with the government taking up multiple loans from commercial or Chinese lenders to compensate for immediate revenue shortfalls. These short-term expediciencies currently supersede and render irrelevant any medium- to long-term development plans.

Since 2002, the Angolan government has been successful in improving its international standing, positioning Angola as a key power-broker in southern and central Africa. This process culminated with the election, in 2015, of Angola to the U.N. Security Council for a two-year term.

Credibility



However, since revenues dropped, the government has found it increasingly difficult to meet its contractual financial obligations, resulting in payment delays to construction firms and suppliers, for example. Sonangol, the state-owned oil company, apparently has substantial outstanding debts. It remains to be seen how far the current crisis will undermine Angola's credibility and reliability on the international stage.

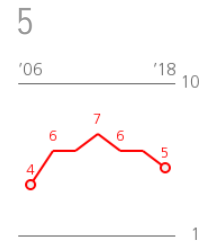
Angola is a member of various regional bodies such as the Southern African Development Community (SADC), the Economic Community of Central African States (ECCAS), the International Conference for the Great Lakes Region (ICGLR), the Community of Portuguese-Speaking Countries (CPLP), the African Union (AU), and the Gulf of Guinea Council (GGC), as well as the WTO and OPEC.

However, as the examples of SADC, CPLP and ICGLR show, Angola strives primarily for influence and the safeguard of its own interests rather than for constructive cooperation, and is weary to accept the rules set by these international and regional bodies. Especially its commitment to SADC remains lukewarm. While it has adhered to the SADC free-trade zone on paper, it keeps pushing back the implementation of the agreement due to concerns over South African economic competition.

Cooperation in security matters has been more active, as Angola strives for hegemony in the sub-region and is willing to assert its position by displays of force if necessary. Recurring military incursions into the Democratic Republic of the Congo (DRC) and Republic of Congo – allegedly in pursuit of FLEC rebels – are a way of putting its neighbors in their place.

The relations with DRC, strained over the mutual expulsion of “illegal immigrants” over the past four years, has somewhat improved following the signing of an agreement for joint oil explorations in the disputed waters off the mouth of the Congo River. Relations with Zambia have also improved over the past years, with cooperation agreements in the areas of fuel supply and the planned rail link from the Zambian Copperbelt to the rehabilitated Angolan rail network.

Regional cooperation



Strategic Outlook

The main challenge the country is facing is the economic crisis triggered by the fall in oil prices. At present, the government seems unwilling or unable to address this challenge head-on, opting for politics of scapegoating and short-term palliative measures instead. Uncertainty also surrounds the presidential succession and how much power President dos Santos will retain behind the scenes.

To achieve a successful transformation amid this crisis, the ruling MPLA should seize the opportunity presented by the nomination of João Lourenço to open up a political dialog, and gradually introduce transparency and anti-corruption reforms. Notably, João Lourenço enjoys the trust of the dos Santos family, but also the respect of the party hierarchy and armed forces, as well as a relatively untarnished public reputation. A peaceful transition of power might necessitate some form of immunity from prosecution for allies and family of dos Santos, but it also requires a serious commitment to a thorough reform program.

Reducing wasteful spending, inefficiency and widespread corruption within state-controlled value chains would allow the government to make good on promises of diversifying the economy. It is crucial that the government moves away from a dependence on oil revenues and reinvest revenue in the social sector to mitigate growing social tensions.

Opposition parties should also seize the opportunity presented by the upcoming elections to form a broad alliance. The formation of an opposition alliance could reduce the number of opposition candidates per voting district (ideally agreeing on one candidate), which would avoid splitting the opposition vote. While no compromises should be sought in terms of the organization and monitoring of the vote, a more conciliatory and constructive attitude toward policy substance might help strengthen reformist tendencies within the MPLA.

International actors should keep up pressure on the government regarding issues of transparency, respect for human rights and due legal process, and the correct conduct of elections. The international community should again try to engage in a constructive dialog with younger, more reformist tendencies within the MPLA (sanctions and conditionalities are likely to be counterproductive).

Finally, civil society activists need to continue to pressure the government, which has already helped change the terms of the political debate in Angola, by formulating bold visions and claims on the country's polity, inspiring greater popular political participation, and encouraging both the ruling and opposition parties to adopt more courageous positions and improve their accountability to the wider public.