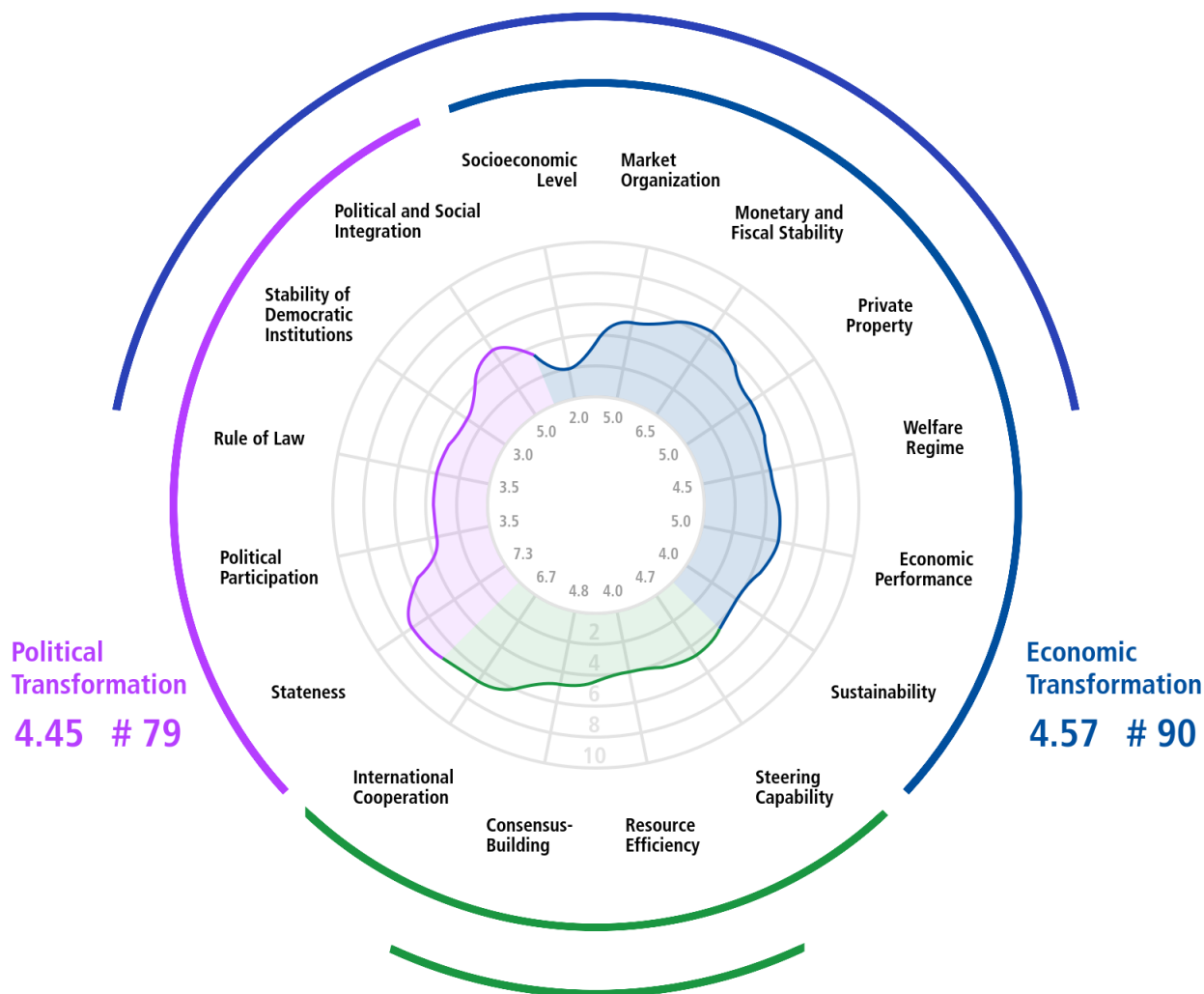


# Angola

## Status Index

**4.51 # 90**

on 1-10 scale out of 137



## Governance Index

**4.60 # 73**

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2024**. It covers the period from February 1, 2021 to January 31, 2023. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

Please cite as follows: Bertelsmann Stiftung, BTI 2024 Country Report – Angola. Gütersloh: Bertelsmann Stiftung, 2024.

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**Key Indicators**

Population	M	<b>35.6</b>	HDI	<b>0.586</b>	GDP p.c., PPP \$	<b>6974</b>
Pop. growth <sup>1</sup>	% p.a.	<b>3.1</b>	HDI rank of 189	<b>148</b>	Gini Index	<b>51.3</b>
Life expectancy	years	<b>61.6</b>	UN Education Index	<b>0.519</b>	Poverty <sup>3</sup>	% <b>52.9</b>
Urban population	%	<b>68.1</b>	Gender inequality <sup>2</sup>	<b>0.537</b>	Aid per capita \$	<b>6.7</b>

Sources (as of December 2023): The World Bank, World Development Indicators | UNDP, Human Development Report 2021-22. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

## Executive Summary

The review period in Angola was characterized by a deterioration of the political and social environment, and there was no significant economic recovery despite a rebound in oil prices.

The lead-up to the 2022 general elections saw parliamentary politics heavily focused on preparations for the upcoming elections. The ruling Popular Movement for the Liberation of Angola (MPLA) took measures to secure another electoral victory, including retroactively invalidating the major opposition party's last congress on dubious grounds, as ruled by the Constitutional Court in late 2021. In response, the opposition formed the United Patriotic Front, an ad hoc electoral coalition of various opposition parties and forces, aiming to challenge the ruling party.

Although the August 2022 elections were relatively peaceful and well-organized, they resulted in the MPLA retaining power, albeit with a reduced majority of 51% of the vote. This outcome was questioned by the main opposition party, the National Union for the Total Liberation of Angola (UNITA), which claimed a narrow victory based on unofficial parallel counting. Formal complaints to the Constitutional Court were dismissed, given the partisan nature of judicial appointments. In summary, the re-election of Lourenço and a clear MPLA parliamentary majority in the controversial August 2022 elections solidified the ruling party's influence in Angolan politics and the economy. However, it also further eroded trust in democratic institutions and political leadership among the population, despite a stronger-than-ever opposition presence.

The killing of peaceful protesters in Cafunfo, Lunda-Norte, by the police in January 2021 set a precedent for increased repression of protests, although citizen opposition continued to grow. Media freedom faced threats, with the government implementing measures to restrict independent ownership and broadcasting of news, leading to increased self-censorship among journalists.

The national economy remained sluggish toward the end of the pandemic, but the rebound in oil prices in 2022 injected much-needed cash into the government's coffers. However, this economic recovery did not translate into improved living conditions or reduced costs of living for most Angolans. Instead, the government used the extra funds to accelerate the repayment of its foreign debt. As a result, the 2022 growth rate stood at 2.6%, primarily driven by the recovery in oil production. Meanwhile, growth in non-oil sectors of the economy stagnated.

## History and Characteristics of Transformation

Following a tumultuous transition to independence from Portugal in 1975, the MPLA, one of Angola's three armed liberation movements, declared independence and, with Cuban support, secured the capital city. Immediately afterward, a civil war erupted between the MPLA and UNITA. Both groups had initially fought for independence and endorsed variations of socialism, but they had different constituencies and leadership. The MPLA had leaders from a cosmopolitan, urban, mixed-race bourgeoisie, while UNITA appealed to marginalized elites in the central highlands. During the Cold War, their political differences deepened as the MPLA received support from the Soviet Union and Cuba, while UNITA received backing from the South African apartheid regime, the United States and Western powers. The third liberation movement, the National Front for the Liberation of Angola (FNLA), was defeated post-independence and ceased to exist as an armed group.

Throughout the civil war, the MPLA harshly suppressed internal dissent, and the planned economy's inefficiency, coupled with a lack of skilled labor, exacerbated wartime hardships. After the brutal war ended, the first democratic elections in 1992 were derailed by a return to conflict. Both parties were unwilling to accept a power-sharing agreement and maintained armed forces. Following violent clashes in Luanda, civil war resumed, resulting in more civilian casualties than in the initial phase.

In February 2002, UNITA leader Jonas Savimbi was killed by government troops, and in March 2002, the leaderless, demoralized, and famished UNITA military command signed the Luena Memorandum of Understanding with the Angolan Armed Forces, ending nearly 30 years of conflict. However, the memorandum mainly served as a technical agreement for the cessation of hostilities, with President dos Santos overseeing the process as if he were a neutral party rather than a conflict participant.

In the first decade after the war, the MPLA government rebranded itself as the party of stability and peace, launching an extensive reconstruction effort funded by growing oil revenues and oil-backed credit lines. This transformed the country's landscape, but income inequality continued to rise, with the majority of the population living on less than \$2 per day. In 2008, the first postwar legislative elections were held, and the MPLA leveraged its incumbency privileges, including access to state funds, media control, opposition intimidation and electoral manipulation. They also used the specter of renewed conflict if the opposition were to win. Winning 82% of the popular

vote, the MPLA pushed through a constitutional change in 2010, eliminating presidential elections and replacing them with a system where the head of the majority party or coalition's candidate list automatically became president.

This change blurred the lines between the executive and legislative branches and between the party and government. In the 2012 elections, despite a decline in MPLA's popular vote to 71%, President dos Santos was re-elected. This "parliamentary-presidential" system allowed him to consolidate power, leading to further monopolization of economic assets by dos Santos' children in the post-2012 period. Dissatisfaction grew among the population and within the ruling party, exacerbated by a severe economic crisis in 2015, triggered by a drop in global oil prices in late 2014. Many attributed the crisis to dos Santos' economic mismanagement and the frenzied asset-grabbing he had enabled.

Dos Santos, dealing with health issues, hand-picked João Lourenço as the MPLA's candidate in the 2017 elections while remaining the party leader. This led many to believe that dos Santos would continue to control the country behind the scenes. However, in the first two years of his presidency, Lourenço surprised by taking actions against the dos Santos family's interests, temporarily defusing some pressing issues.

Nonetheless, the MPLA's dominance persists, and Angola's political economy remains reliant on oil revenues and under the influence of politically connected private interests. Despite introducing IMF-backed austerity measures, Lourenço made limited progress during his first term (2017 – 2022) in addressing the deep economic crisis, leaving a majority of the population facing bleak economic prospects, which has fueled growing discontent with the potential to spark confrontations.

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

In general, the Angolan government maintains firm control over most of the country's territory, with two notable exceptions:

In the northern exclave province of Cabinda, the separatist Liberation Front for the Cabinda Enclave (Frente de Libertação do Enclave de Cabinda, FLEC) continues to wage a low-level guerrilla insurgency against the Angolan state. Their primary targets are government army units located in remote parts of the province. In February 2022, the Minister of Interior, Eugénio Laborinho, acknowledged concerns about the security situation along the border with the Republic of Congo. However, in April, the provincial governor stated that the situation was “stable and calm.” Despite calls for renewed dialogue from FLEC, various civil society organizations and opposition politicians, the government of Angola (GoA) did not respond to these requests.

In the diamond-producing eastern provinces of Lunda Norte and Lunda Sul, the Movement for the Lunda-Tchokwe Protectorate advocates for greater autonomy. The government views this movement with suspicion and has responded with violent repression. In January 2021, a protest in front of a police station in Cafunfo, Lunda Norte, was met with lethal force by the police, resulting in numerous protester fatalities and the imprisonment of activists.

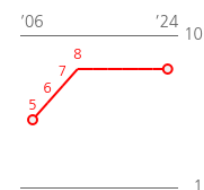
While the majority of Angolans identify with and accept the legitimacy of the nation-state, there are certain exceptions, such as the two separatist/autonomist movements mentioned earlier. However, it's important to note that not all citizens can enjoy full citizenship rights equally. Factors like lower socioeconomic status and political affiliation with the opposition can negatively impact access to essential documents, such as identity papers.

Furthermore, citizenship rights are restricted for specific marginalized rural populations. For instance, the San community in southern Angola and undocumented Kikongo speakers in the north and northeast face the threat of violent expulsion on suspicion of being “illegal immigrants” from the Democratic Republic of the Congo (DRC).

Question  
Score

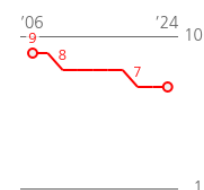
Monopoly on the  
use of force

8



State identity

7



Since the era of the socialist single-party regime from 1975 to 1991, Angola has functioned as a secular state. Religious bodies have had minimal influence on political decisions. In fact, due to the dominant presence of the MPLA government, certain Christian denominations have aligned themselves with the ruling party and consistently expressed their support for it, particularly during the four postwar elections.

However, in the late 1990s and early 2000s, as well as since the 2012 elections, some church leaders, including bishops of the Episcopal Conference of Angola and São Tomé (Conferência Episcopal de Angola e São Tomé, CEAST), the leading Catholic Church authority, have started to articulate somewhat more assertive positions against the government. They have criticized issues such as political intolerance, poverty, and a lack of care and solidarity.

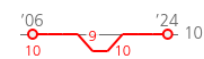
Despite long-standing plans to implement administrative and political decentralization in Angola, the country remains highly centralized. Although local elections are constitutionally mandated by the 2010 constitution, they have not been conducted thus far. The government has cited logistical and financial constraints, and more recently, the pandemic, as reasons for postponing these elections. However, many Angolans and opposition parties suspect these explanations serve as convenient excuses, as local elections could potentially diminish the MPLA's influence at the local level. The main obstacle here is not the availability of resources but rather the lack of political will to transfer power to the local level. Consequently, local administrations have limited autonomy, few responsibilities and minimal capacity to meet the population's needs.

In particular, administrative structures at the district, municipal, village and neighborhood levels often extend the reach of the ruling MPLA party. Administrators frequently double as the leaders of local MPLA committees. Traditional authorities have also, with a few exceptions, been incorporated into the state's administrative framework. They serve as intermediaries between the administration and the local population and provide local-level jurisdiction.

In many parts of the country, citizens lack access to basic public services, including health care, education and civil registry services. As of 2020 (the latest available data), only 57% of the population had access to basic water, 52% to sanitation, and 47% to electricity. The urban-rural divide plays a significant role in these disparities, with southern regions being particularly affected. Droughts in Cunene and Namibe provinces have periodically resulted in famine, with warnings of hunger-related deaths in February 2022. The government announced infrastructure projects worth \$5.7 million in late 2019 to address structural weaknesses in Cunene. However, there have been ongoing concerns that the population was not involved in planning these measures, and allegations of embezzlement of a substantial portion of the budget have been raised. Thus, the pandemic has not significantly improved or made worse the already inconsistent provision of services.

No interference of religious dogmas

10



1

Basic administration

4



1

## 2 | Political Participation

In the 2022 elections, which marked Angola's fourth election cycle, the ruling MPLA's share of the vote decreased once again, falling to 51%. This decline is notable when compared to their previous election results: 82% in 2008, 71% in 2012, and 61% in 2017. The official results, announced by the National Electoral Commission, which is nominally independent, were challenged by two unofficial parallel counts. These alternative counts indicated that the major opposition party UNITA had a 51% lead over the MPLA's 44.5%. However, all opposition challenges to the results were dismissed by the judiciary, leading to the new parliament being sworn in based on the official figures. Despite the dubious official results, UNITA managed to secure a significant victory in the capital city, Luanda, where one-third of the population resides, winning by a wide margin of 63%.

On the day of the election, the voting process was generally peaceful and well-organized across the country, with a fast and straightforward voting experience for most citizens. However, some complaints emerged, including reports of polling stations opening late and opposition representatives not being granted access to voter rolls. Additionally, in certain polling stations, law enforcement personnel stood closer than the legally mandated 100 meters, and some stations refused to publicly display their results at the end of the day.

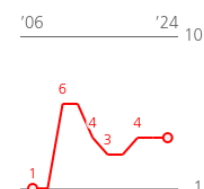
More critically, beyond these irregularities on election day, the MPLA took advantage of its incumbent status to influence the election outcome in its favor. This included manipulating the composition of courts and the electoral commission, using state resources for campaigning, and controlling media coverage in state-affiliated outlets, resulting in unequal airtime and biased reporting. Administrative obstacles were also implemented to hinder the registration and legalization of new political parties. While voter registration procedures have become faster and more efficient, individuals lacking proper identity documents, particularly in rural areas, have faced challenges in getting registered. Opposition parties continued to raise concerns about the presence of deceased individuals (pro-government) on the electoral rolls.

The transition from former President dos Santos to President Lourenço has significantly reduced the influence of an unelected elite (i.e., the dos Santos family and its allies) in undermining the authority of elected political representatives.

However, despite the removal of this elite from their previous unchallenged position of power, the fundamental power structures have not undergone substantial changes. President Lourenço was elected as the head of the MPLA's candidate list in both the imperfect 2017 and 2022 elections, making him a formally democratically elected political representative with significant executive authority to govern.

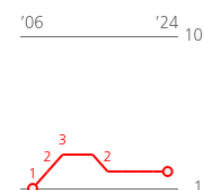
Free and fair elections

4



Effective power to govern

2





As the president appoints ministers and provincial governors directly, Lourenço remains the ultimate decision-maker in all political matters. In contrast, the National Assembly (parliament) is subservient to the executive branch. House rules provide limited time for opposition representatives to express their views, and the MPLA, due to its majority, has little incentive to engage in meaningful dialogue with the opposition beyond symbolic gestures. Furthermore, even within the MPLA, there is limited room for policy innovation, with parliament members largely echoing the directives issued by the president.

Association and assembly rights are regularly subject to interference and government restrictions. Citizens and associations that criticize the government face several barriers to exercising these rights. While the period immediately following the election of President Lourenço in 2017 saw a slightly more relaxed political climate, the government once again restricted these liberties from 2019 on.

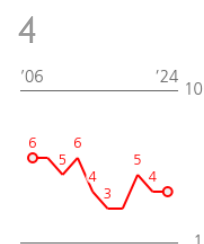
Despite initial appearances of progress, Lourenço's measures proved ineffective in alleviating the deep economic crisis and improving citizens' lives. Consequently, public discontent with the government grew, especially as Lourenço faced an electoral challenge in 2022. This led to increased restrictions on protests. Additionally, the COVID-19 pandemic provided the government with a convenient excuse to limit association and assembly rights for most of the period from 2020 to 2022.

Following Lourenço's election in 2017, there were initial improvements in press freedom, which were quite notable within the Angolan context. However, a degree of self-censorship is still apparent in the content produced by most major media outlets, many of which are either state-controlled or owned by individuals affiliated with the regime. Media laws and libel regulations are relatively broad, providing the government with tools to control and curtail press freedom as it deems necessary. Journalists who report critically on the government, especially regarding corruption and human rights abuses, often face legal action, harassment and even physical violence.

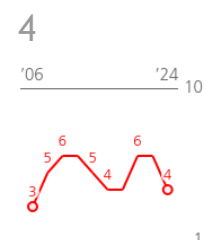
Although complete shutdowns or the destruction of entire print issues of independent weekly publications are no longer common, these independent outlets continue to have a limited reach, primarily in Luanda. Furthermore, as part of Lourenço's anti-corruption efforts, several private news organizations have been confiscated and brought under state control, raising concerns among Angolan journalists about the diversity and freedom of the media landscape.

In the lead-up to the 2022 elections, media freedom faced further restrictions, including the state's seizure of the cable television provider ZAP in April, citing alleged "illegalities" in its operations. In November 2022, José Honório, a journalist for the state press agency Angop, was physically assaulted and choked by the police in Benguela when he sought to prevent police officers from using violence against female street vendors.

Association /  
assembly rights



Freedom of  
expression



### 3 | Rule of Law

The executive branch wields significant influence over both the parliament and the judiciary, even though there is a formal separation of powers. The National Assembly, consisting of 220 members, is heavily controlled by the ruling party, which maintains strict party discipline among its members. Opposition objections and walkouts have proven ineffective in their efforts to hold the executive branch accountable. Furthermore, judges are appointed by the president based on their political loyalty and often face political interference, particularly in the Supreme and Constitutional Courts.

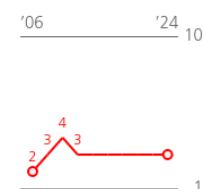
While Angola has institutions such as the Supreme Court, Constitutional Court, Attorney General and Ombudsman of Justice, the appointment of judges and magistrates is predominantly based on political loyalty, making them susceptible to political influence. Investigations are frequently initiated or terminated based on “higher instructions” often directives from the president. In 2023, Judge Joel Leonardo, the president of the Supreme Court, faced an investigation due to suspicions of involvement in extortion, embezzlement and corruption. Despite growing calls for his resignation, he retained his position. Furthermore, Judge Leonardo approved a new regulation granting additional subsidies to Supreme Court judges, providing them with loaded supermarket cards worth the equivalent of \$1,200 per month, more than ten times the minimum wage. This raised concerns about the judiciary’s impartiality and fueled speculation that the Supreme Court was preparing the groundwork for President Lourenço’s potential bid for a currently unconstitutional third term.

A similar situation occurred in 2021 when the Constitutional Court, following a baseless complaint by an alleged party member, retroactively invalidated the main opposition party UNITA’s previous congress. This congress, held in 2019, had elected a new and increasingly popular party leader, Adalberto Costa Júnior (ACJ). The court’s decision effectively tied up UNITA in time-consuming legal disputes in the lead-up to the elections.

Conversely, complaints lodged by the opposition and civil society activists are routinely dismissed or go unaddressed. This includes challenges to the election results in 2017 and 2022, objections to the 2020 COVID-related restrictions, as well as corruption and land-grabbing allegations against high-ranking officials. Prosecutions against politically connected individuals typically occur only in cases involving settling political scores. These instances highlight significant deficiencies in the functioning of the judiciary in handling critical cases.

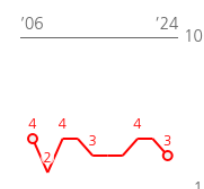
Separation of powers

3



Independent judiciary

3



Since assuming office in late 2017, President Lourenço has placed a strong emphasis on combating corruption. The prosecution of certain high-profile individuals with ties to former President dos Santos, most notably his daughter Isabel and son José Filomeno, initially received widespread praise both domestically and internationally. However, during the period under review, it became evident that this anti-corruption effort was selective in nature. While those under investigation had been significant beneficiaries of corruption during the previous administration, President Lourenço's own family and associates concurrently gained increased economic prominence.

Despite some initial improvements at the beginning of President Lourenço's first term, the human rights situation in Angola remains deeply concerning. While civil rights are protected by law, fundamental rights such as the right to life, liberty and physical integrity are frequently violated, particularly for marginalized groups and government critics.

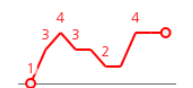
Instances of arbitrary arrests, torture and extrajudicial killings by state security forces, though not widespread, continue to occur despite existing legal safeguards. This is especially prevalent in Cabinda, where civil society activists and suspected supporters of the separatist FLEC movement, along with their family members, face arbitrary house searches, unlawful detention and torture. In the diamond-producing regions of Lunda Norte and Lunda Sul, the local population is subjected to human rights abuses by the military, police, and private security forces, including torture and extrajudicial killings. In urban areas such as Luanda and provincial capitals, female street vendors are routinely pursued and physically assaulted by the police, often experiencing sexual harassment. Their merchandise is frequently confiscated or destroyed. Additionally, "marginals," which refers to unemployed youth suspected of being gang members, are regularly killed by the police in summary executions.

While Angola's legal framework protects religious freedom and the rights of individuals based on sexual orientation and identity, fringe Christian movements and the small Angolan Muslim community face systematic repression. This includes the demolition of "unauthorized" places of worship and instances of police violence. The country's first and only LGBTQ+ association, Associação Íris Angola (named after "rainbow" in Portuguese), was only legalized in 2018, following years of bureaucratic and legal obstacles since its establishment in 2013. According to the association, violence and discrimination against LGBT individuals remain pervasive in Angola. However, in January 2019, a new penal code abolished a colonial-era provision related to "vices against nature" that had effectively banned homosexual practices and introduced a new law criminalizing discrimination based on sexual orientation. Nonetheless, the same penal code also introduced a provision penalizing "insults against the state, its symbols, and its organs," effectively criminalizing any criticism of the president.

#### Prosecution of office abuse

4

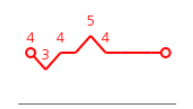
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#### Civil rights

4

'06 \_\_\_\_\_ '24 10



#### 4 | Stability of Democratic Institutions

Despite the successful transition of power from dos Santos to Lourenço, democratic institutions in Angola still primarily serve as a facade of democracy that are subject to political interference and control by the ruling party.

Both the parliament and the judiciary are heavily influenced by the executive branch. Provincial governors, who are directly appointed by the president, exercise significant authority within their provinces, often resembling small fiefdoms. Municipal administrations, despite isolated efforts to improve local residents' lives, lack substantial budgetary and political autonomy.

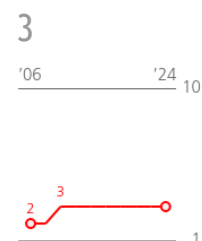
While certain aspects of public administration, such as the Customs and Revenue Service, have undergone some degree of professionalization in recent years, their smooth functioning is frequently undermined by a lack of transparency, excessive hierarchy, internal rivalries and regulatory inconsistencies. Additionally, the allocation of administrative positions is often based on personal connections or political affiliations, impeding the progress of professionalization.

Since the transition to multiparty democracy in 1990, both the MPLA government and opposition parties have officially recognized democratic institutions as legitimate. Various entities, such as the military, churches, and civic associations, including those critical of the government, have adhered to democratic principles. However, the ruling MPLA's commitment to democratic principles primarily serves the purpose of maintaining its grip on power.

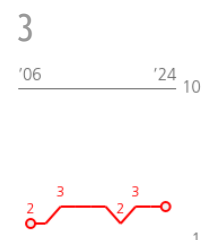
In practice, the MPLA often subverts democratic norms, especially in areas related to campaigning, electoral processes, the rule of law, media freedom and civic rights, despite publicly endorsing democracy as a fundamental value and common good. Opposition parties consistently raise concerns about the fairness of this system. They specifically highlight issues like the highly centralized nature of the constitution, the manipulation of the judiciary, and electoral mechanisms such as the composition of the National Electoral Commission.

Opposition parties regularly question the fairness of this system. They point in particular to the "hyper-presidential" nature of the constitution, the stacking of courts and electoral mechanisms such as the composition of the National Electoral Commission. Nevertheless, despite their grievances about a system they perceive as rigged, opposition parties and civil society activists choose to engage with parliamentary politics and legal avenues, with some exceptions in the cases of Cabinda and the Lunda autonomy movements.

Performance of democratic institutions



Commitment to democratic institutions



## 5 | Political and Social Integration

Angola formally operates as a multiparty democracy, but in practice, it functions as a dominant-party regime with significant authoritarian characteristics. The MPLA and UNITA, rooted in the country's historical anti-colonial liberation struggle, are the two major political parties. The MPLA, boasting over 4 million registered members, includes some individuals who joined for convenience, often to facilitate their business interests. However, even among long-standing MPLA members, there is a growing sense of dissatisfaction. For younger voters, loyalty to the party based on wartime associations and family connections has become less significant.

Due to the legacy of the civil war and the era of state socialism, the MPLA maintains a strong presence in institutions and politics. Its former wartime adversary, UNITA, has evolved into an increasingly vocal and capable main opposition party, although it faces challenges due to its limited access to executive power and state resources.

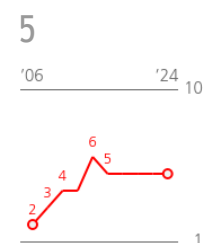
A notable development in Angolan politics was the establishment of a “United Patriotic Front” for the 2022 elections, wherein several opposition parties formed an ad hoc coalition to challenge the MPLA's dominance. While this coalition ultimately did not succeed in achieving a change in power, it marked the first time that key opposition leaders came together under one banner, providing a credible alternative for those dissatisfied with the MPLA's long-standing rule. CASA-CE, which secured third place in the 2017 election, lost all its parliamentary seats in 2022. This outcome was apparently influenced by the removal of CASA-CE's founder, Abel Chivukuvuku, who established a new political movement called PRA-JA and joined the united opposition front in 2022.

Since the formal transition to multiparty democracy in 1991, numerous smaller political parties have emerged, but they have achieved limited success in challenging the MPLA-UNITA duopoly that continues to dominate the political landscape.

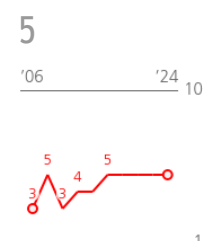
Associational life in Angola can be divided into two main categories: independent associations and those affiliated with the ruling MPLA, including historically linked organizations like the Organization of Angolan Women (Organização da Mulher Angolana, OMA). Since the 1990s, the government has also played a role in creating or promoting civil society organizations, some with ironic names like the “Spontaneous National Movement.” These so-called organized civil society entities primarily serve to express support for the government and to present a favorable image of the president and the ruling party.

However, certain nonpartisan community associations at the local level have achieved success in engaging in dialogue with local authorities to enhance service delivery. In recent years, some of these associations have become critical of the government, particularly regarding housing and other human rights issues. Nevertheless, individuals who openly criticize the government often face harassment, imprisonment or violence.

Party system



Interest groups



Angola’s largest labor union, the National Union of Angolan Workers (União Nacional dos Trabalhadores Angolanos, UNTA), was the only permitted union during the socialist era and has maintained structural ties to the MPLA. Independent unions have gradually become more outspoken, particularly in the education and transportation sectors. However, in the crucial oil sector, labor unions are relatively weak, and attempts at strikes are frequently quelled by the Rapid Intervention Police.

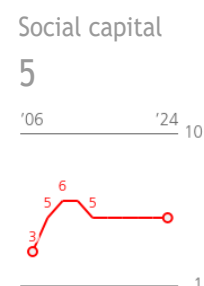
Loosely organized interest groups, including youth activists, street vendors, and women’s rights advocates, have demonstrated their potential to mobilize for protests. However, public support for such movements is limited due to fear of potential reprisals.

Official data on support for democracy is not available, but in 2022, the ninth continent-wide Afrobarometer survey was conducted, and for the second time, Angola was included in the survey. These surveys in 2019 and 2022 provide the first publicly available results in Angola, revealing a medium-to-high level of acceptance of democratic norms and procedures, alongside widespread dissatisfaction with government performance. During the survey period, 53% of respondents expressed high levels of trust in religious leaders, compared to 36% for the courts and 29% for the president. Leading up to the 2022 elections, only 21% of respondents indicated trust in the National Electoral Commission, while 66% stated they had little or no trust in it.

Data regarding social capital, collected through public opinion surveys, is not available. However, discussions about declining solidarity, particularly when compared to the period of socialism and the hardships of the 1980s, are common. In practice, though, solidarity and social trust remain strong but are often confined to close family circles, church communities and neighborhood networks.

These networks play a crucial role at the grassroots level by filling the gaps left by the absence of state social welfare programs. Any form of more organized associational life, however, draws the attention of authorities and is often limited to delivering basic services like water, microcredits or food security in a non-political manner.

At the local level, these associations have been relatively effective in compensating for the perceived neglect by the state that many citizens feel. Nevertheless, open and vocal criticism of the government remains rare and carries significant risks. Some exceptions to this trend in recent years include associations advocating for land and housing rights, particularly in the southern regions of the country.



## II. Economic Transformation

### 6 | Level of Socioeconomic Development

Despite a decade-long oil boom, Angola remains a deeply unequal and poor society, ranking at 148th out of 191 countries in the 2021 HDI index. The socioeconomic indicators reflect the problematic situation: the poverty rate for 2018 was 52.9 and the Gini coefficient stood at 51.3. Angola is still an unequal and poor African country. The post-2014 economic downturn (following a drop in crude oil prices on world markets) plunged the country into a protracted economic crisis from which it has yet to emerge. Apart from a small, politically connected economic elite, a large majority of citizens are struggling with high costs of living, rampant inflation and unemployment, and unequal access to food and basic services (electricity and water). This includes not only the poor, who form the vast majority, but also the small urban middle class that got used to a better standard of living post-2002, only to have their expectations lowered after 2014.

Austerity measures introduced by the Lourenço government following the 2018 signing of an Extended Fund Facility with the IMF have not yet resulted in significant improvements of the macroeconomic outlook, let alone eased the hardship for ordinary citizens.

While Angola has nominally promoted women in the public sphere (and into political positions), gender inequality remains an issue, especially in the labor market, where women are often the main breadwinners of families engaged in the informal subsistence economy.

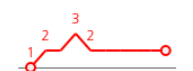
Economic indicators		2019	2020	2021	2022
GDP	\$ M	69309.1	50241.4	65685.4	<b>106713.6</b>
GDP growth	%	-0.7	-5.6	1.2	<b>3.0</b>
Inflation (CPI)	%	17.1	22.3	25.8	-
Unemployment	%	9.5	10.4	10.4	<b>10.2</b>

Question  
Score

Socioeconomic  
barriers

2

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Economic indicators		2019	2020	2021	2022
Foreign direct investment	% of GDP	-5.9	-3.7	-6.6	<b>-6.2</b>
Export growth	%	-17.4	-6.2	-10.7	<b>0.7</b>
Import growth	%	-25.0	-19.6	-18.3	<b>13.8</b>
Current account balance	\$ M	5137.4	871.9	8399.5	<b>11762.9</b>
Public debt	% of GDP	113.6	138.9	86.8	<b>66.7</b>
External debt	\$ M	64776.0	67529.2	67277.1	-
Total debt service	\$ M	11891.2	8533.5	11348.2	-
Net lending/borrowing	% of GDP	1.5	-	-	-
Tax revenue	% of GDP	10.1	-	-	-
Government consumption	% of GDP	8.6	9.3	8.1	-
Public education spending	% of GDP	2.1	2.7	2.3	<b>2.3</b>
Public health spending	% of GDP	1.1	1.2	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.7	1.7	1.3	<b>1.3</b>

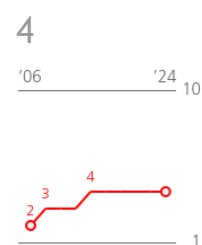
Sources (as of December 2023): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

## 7 | Organization of the Market and Competition

Angola aims to position itself as an attractive destination for FDI and has made significant strides in removing barriers to entry for new market participants. These efforts include the establishment of streamlined processes, such as single-window solutions, to facilitate business setup and customs duty declarations. However, Angola's appeal as an investment destination is heavily reliant on government oil revenues and foreign exchange availability.

The country's currency, the kwanza, remains susceptible to fluctuations in oil prices. The sharp decline in crude oil prices in 2014 and the subsequent reduction in the supply of U.S. dollars to the Angolan economy have led to measures such as restrictions and taxes on foreign transfers and controls on currency convertibility.

Market organization





President Lourenço has taken steps to dismantle some of the oligopolies associated with former President dos Santos. However, new ventures linked to President Lourenço have gained prominence in their place.

Certain critical industries, including the strategic oil and gas sector and shipping, have restrictions on foreign ownership, limiting foreign participation to a maximum of 49%.

Data from 2021, sourced from the National Institute of Statistics and the International Labour Organization (ILO), indicate that more than 80% of the population is engaged in the informal sector, which affects women and young people in particular.

In 2018, Angola approved its first competition law, which led to the establishment of the Competition Regulatory Authority (ARC). This new competition law defines the abuse of dominant market positions and economic dependency relationships as harmful to competition and outlines sanctions for such violations.

This framework for competition policy provides a legal foundation for effectively safeguarding competition. President Lourenço has initiated measures to reduce the influence of politically connected oligopolies in profitable sectors of the Angolan economy. Notably, the business empire of the former president's daughter, Isabel dos Santos, has been a specific target of these measures.

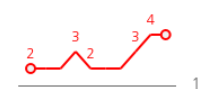
Since its inception, the ARC has initiated investigations into companies operating in the oil and food & beverage sectors. It has also notified the public about planned mergers and consolidations, allowing a window for possible objections. However, during the survey period, the ARC approved the acquisition of Banco BCI, an Angolan bank, by the Carrinho Group, a holding company rumored to have close ties to President Lourenço.

In this context, the efforts to lower barriers for foreign investors have also reduced the pressure to involve silent Angolan minority shareholders in foreign firms, a practice that had contributed to the formation of these oligopolies in the past. While some reforms, such as increased oversight of the central bank and the establishment of a new steering commission for the oil sector, have had positive effects, there are indications that the old networks of beneficiaries have simply been replaced by new ones associated with President Lourenço

#### Competition policy

4

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As mentioned earlier, the regulations governing private foreign investment underwent liberalization in 2018. This eliminated the previous requirement of having at least 35% of shares held by Angolan partners and dropped the minimum initial investment of 50 million kwanza (approximately \$160,000). Additionally, the 2018 import code reduced or eliminated import duties on various basic foodstuffs, as well as machinery used in construction and agriculture.

However, currency controls and strict limitations on the export of profits continue to make business ventures in Angola a high-risk endeavor. Import regulations tend to change quickly and arbitrarily, often driven by political expediency rather than a thorough analysis of domestic production capacities, leading to regular import bottlenecks. Furthermore, despite the existence of a legal framework to promote exports from Angola (with certain limitations on protected timber), there is relatively little domestic production beyond oil, diamonds and beer that could be exported.

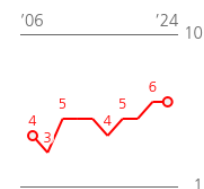
Nevertheless, in November 2020, Angola became the 30th country to ratify the African Continental Free Trade Area (AfCFTA). In January 2022, it announced plans to gradually phase out import duties for goods originating from other AfCFTA member countries. In 2019, after a decade of delay, Angola finally submitted an offer to join the Southern African Development Community (SADC) Free Trade Area (FTA), which paved the way for ongoing negotiations to access the EU-SADC Economic Partnership Agreement. Overall, Angola is selectively well-integrated into global markets, particularly in the oil sector, and is making some progress toward integrating other sectors as well.

Angola's banking system has experienced remarkable growth, expanding from just nine commercial banks in 2003 to 26 by 2019. This growth positioned it as Africa's third-largest banking sector, following South Africa and Nigeria. However, this rapid expansion was primarily driven by oil revenue, and credit was often extended liberally to politically connected individuals and companies, with inadequate oversight and regulatory frameworks in place. In all commercial banks, the majority of shares are held by state-owned entities, such as the state oil company Sonangol, along with significant stakes held by individuals connected to the regime. This arrangement has led to substantial systemic risks.

During the oil boom years, most commercial banks in Angola extended generous credit to regime-connected figures, resulting in the accumulation of significant bad debt on their balance sheets, despite their formal adherence to international liquidity reserve standards. A notable example of this was Banco Espírito Santo Angola, which experienced financial difficulties and ultimately collapsed in 2014. The regulatory framework was notably weak, particularly during the final years of President dos Santos' tenure, as the National Bank of Angola (BNA) effectively served as a source of funding for his family's business ventures.

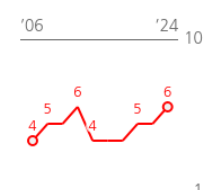
#### Liberalization of foreign trade

6



#### Banking system

6



However, following a reshuffle after President Lourenço's election and the indictment of the former head of the BNA, efforts have been made to reassure investors and strengthen regulations. These steps toward stabilizing the banking system appear to have yielded some positive results. In 2021, the capital-to-assets ratio stood at 10%, down from 14% in 2018, and the share of non-performing loans decreased from 25% in 2017 to 15% in 2021.

## 8 | Monetary and fiscal stability

The National Bank of Angola (BNA) was historically dependent on and subordinate to directives from the executive branch. However, in June 2021, a minor constitutional reform was approved to strengthen the independence of the BNA. This reform enshrined its main mandates as combating inflation and preserving monetary stability.

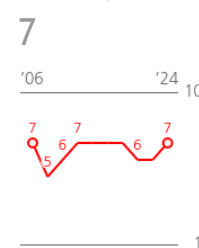
Over the past decade, the BNA has implemented currency controls and “de-dollarization” measures aimed at stabilizing the kwanza. However, the kwanza remains highly susceptible to oil price shocks. In the wake of the 2014 drop in oil prices and the subsequent reduction in foreign exchange revenues, the BNA abandoned its unofficial dollar peg, allowing the kwanza to devalue. The ongoing economic crisis, exacerbated by the pandemic, led to an increase in inflation from 17% in 2019 to 26% in 2021. Nevertheless, due to higher oil prices, the kwanza's exchange rate showed a slight recovery from its peak in late 2021.

Since the end of the war in 2002, Angola has implemented significant macroeconomic reforms aimed at opening up and stabilizing the economy. However, the shortcomings of these measures were exposed during the 2014 oil price crisis, which forced the country to acquire new loans from bilateral and commercial lenders.

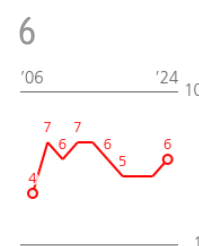
In 2018, the government successfully negotiated a credit arrangement with the IMF under the Extended Fund Facility. Subsequent reviews led to the rescheduling of some external debt repayments, with a few being suspended during the pandemic. By 2021, Angola's external debt had reached \$44.78 billion, equivalent to about 60% of its GDP. Debt servicing costs decreased slightly due to higher oil prices and an appreciating kwanza, as well as a repayment moratorium with China, the country's largest creditor.

As of late 2021, Angola had a current account balance of \$8.3 billion, and its public debt amounted to 86.4% of GDP. A fiscal surplus of approximately 2% was forecast for 2022.

### Monetary stability



### Fiscal stability



## 9 | Private Property

Since the end of state socialism, Angola has formally adopted market capitalism, including measures to protect private property. These measures include the 2003 Voluntary Arbitration Law, which theoretically allows for international arbitration, and the establishment of arbitration centers in 2006. In 2019, a new private investment law was introduced, with updates made in 2021. This law provides foreign investors with standard protections against expropriation. Additionally, Angola has bilateral investment treaties in place with several countries, including Portugal, Brazil, Spain, Türkiye, Italy, Germany, Russia, Cape Verde and the United Arab Emirates.

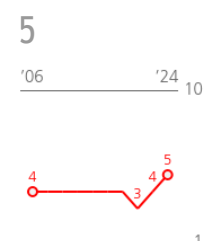
It's important to note that all land in Angola is considered state property, but individuals and businesses can obtain long-term leases. However, in the years following the end of the civil war in 2002, there were instances of large-scale land acquisition and enclosure in rural areas by military officials, provincial governors and public administrators. This occurred despite legal provisions meant to protect the customary land rights of local communities engaged in agriculture and herding. The issue is most pronounced in rural areas, but there have also been cases of forced evictions of impoverished urban residents from informal settlements in cities like Luanda and provincial capitals. These residents are often relocated to social housing on the outskirts of cities, but they frequently face inadequate housing and compensation.

While the government has occasionally threatened to nationalize or revoke licenses for assets in the oil, mining and banking sectors to avoid stricter oversight by U.S. and EU regulatory authorities, it has rarely followed through on these threats. As a result, while individual citizens and domestic companies in Angola may experience insecure property rights, international commercial assets are generally less affected by these issues.

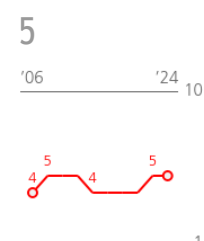
The Angolan government has a clear market-oriented approach, and private companies are actively involved in all sectors of the economy, with private enterprise being encouraged. However, it's worth noting that these policies often primarily benefit elite interests. Since the shift from state socialism to a market-based democracy in 1992, Angola has undertaken privatization efforts involving various state-owned enterprises. Unfortunately, these processes have sometimes lacked transparency, involving procedures without public tender or selling valuable assets to individuals connected to the regime at prices below market value.

In several sectors, state-owned enterprises continue to play a central role, particularly in service provision, such as water and electricity, as well as in the strategically important oil and diamond sectors. As part of an agreement with the IMF in 2018, the government announced its intention to further privatize or partially privatize 195

Property rights



Private enterprise



state-owned enterprises. To facilitate this, the Ministry of Finance established an online bidding portal. Despite some delays related to the COVID-19 pandemic, as of January 2022, 73 state-owned enterprises had already undergone privatization, and the government plans to continue this process, which may include entities like the state oil company Sonangol and the national airline, TAAG.

## 10 | Welfare Regime

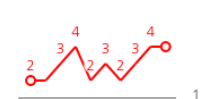
Social safety nets in Angola are quite rudimentary, covering only a limited range of risks for a small number of beneficiaries. For instance, military veterans receive pensions, but these payments are often insufficient for their needs and are not consistently provided to all eligible beneficiaries.

When it comes to health care, Angola’s expenditure in this area remains significantly low when compared to other countries. The 2023 budget allocates only 6.3% of government spending to health care. While the government did announce an additional \$40 million in health care spending in 2020 to address the COVID-19 pandemic, public hospitals, despite being theoretically free, suffer from underfunding and a shortage of staff. In many cases, patients are required to provide basic medical supplies like clean water, sterile dressings, injection needles and gloves themselves. It’s not uncommon for hospital staff to request bribes in exchange for medical attention.

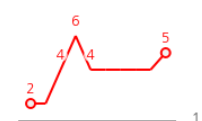
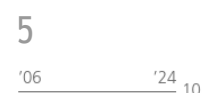
To partially fill this gap, certain charitable organizations and local associations occasionally distribute basic food baskets. Some larger companies also offer in-kind benefits to their employees, such as insurance, food and housing. However, due to the reduced availability of foreign exchange since 2015, many of these benefits have been scaled back. Additionally, formal sector employment opportunities are limited, and the number of such jobs has decreased since 2015. Private health insurance and pension funds/retirement benefits are primarily accessible to individuals with stable employment in the private sector or, to a lesser extent, in the public sector.

Women in Angola have a relatively higher representation in politics, public administration and the security forces compared to many other African countries. This progress can be traced back to efforts made to actively promote gender equality during the socialist era. However, in practical terms, women are still overrepresented in the informal economy and under-represented in post-primary education. This educational disparity has led to lower literacy rates among adults, with a literacy rate of 62% for women in contrast to 82% for men in 2021. Nonetheless, there is a narrowing gap in literacy rates among individuals under 25, with rates at 80% for females and 85% for males.

Social safety nets



Equal opportunity



Following the 2022 elections, the percentage of female members of parliament increased. This was a positive development, as the percentage of female members of parliament had dropped to a low of 26% (59 members of parliament) after the 2017 elections. The 2022 elections saw 83 out of 220 members of parliament being women, accounting for 37.7% of the total, which is significantly higher than the world average of 23%.

Angola has legal provisions in place to promote gender equality and protect against discrimination based on sexual orientation, identity or religious beliefs. However, issues like domestic violence persist. The law does not specify legal sanctions for domestic violence, and the police often hesitate to register complaints. They may attempt to convince victims not to press charges but rather to resolve the issues through discussion. In cases where charges are filed, the law mandates a family reconciliation, and the police may require this as a prerequisite for further investigation and prosecution.

Muslim citizens, although a minority, regularly face discrimination, and there is also a significant problem concerning the lack of identity documents among a large portion of the population, particularly in rural and border areas. Undocumented individuals, whether Angolans or considered “illegal immigrants,” can sometimes be subjected to the same police actions and discrimination.

## 11 | Economic Performance

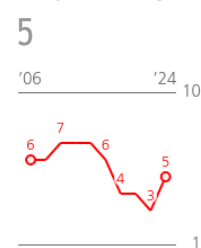
Due to a slight rebound in crude oil prices on the world market, the Angolan economy showed some signs of improvement during the period under review. In terms of macroeconomic indicators, there was moderate GDP growth of 1.1% in 2021, following four years of negative growth. Additionally, GDP per capita PPP increased from \$6,362 to \$6,491, although inflation remained high at 25.75%. The first quarter of 2022 saw year-on-year growth of 2.6%, primarily driven by the recovery in oil production, but there was also growth observed in non-oil sectors of the economy.

This economic recovery should be considered in the context of an economy that had been experiencing sustained decline even before the shock of the pandemic. Between 2016 and 2020, GDP had fallen by just over 10%.

The recovery highlights the continued imbalance and heavy reliance on oil in Angola’s economy. Despite long-standing government promises to diversify the economy away from oil, the sector still constitutes approximately half of GDP, contributes to over 70% of state revenue, and accounts for more than 90% of exports.

World Bank forecasts suggest an average growth rate of around 3% in the coming years, with the non-oil sector expected to grow at a faster pace than the oil sector. However, it is unlikely that GDP growth will keep pace with the anticipated population increase.

Output strength



## 12 | Sustainability

On paper, Angola has taken steps to enhance its environmental protection efforts, implementing a series of measures and legislative tools aimed at improving the government's management of environmental issues. The country has also entered into various agreements, including those with neighboring Namibia, addressing the joint management of cross-border national parks and shared fishing grounds. Additionally, Angola has been chosen to provide training for environmental inspectors from the entire Southern African Development Community at the Missombo Polytechnic Institute in Kuando Kubango province.

In April 2020, President Lourenço appointed biologist and environmental activist Adjany Costa as Minister for Culture, Tourism and the Environment, making her the youngest-ever minister in Angola at the age of 29. However, in October 2020, she was removed from the ministerial position and instead appointed as a presidential adviser.

In terms of international rankings, the Yale Environmental Performance Index ranked Angola at 151 out of 180 surveyed countries in 2022. This ranking noted some improvements compared to the previous 2020 report, primarily due to advancements in water protection and treatment. However, the regulatory environment for environmental protection in Angola still remains relatively weak. The recurring cycles of drought in the south of the country have also not been adequately addressed by the government, with a 2022 academic study indicating that local populations' knowledge and opinions were not adequately considered. Urban waste disposal, along with associated public health concerns, continues to be a persistent problem.

Despite Angola's heavy reliance on petroleum exports for foreign revenue, approximately half of its domestic energy requirements are met by renewable sources, particularly hydropower. CO<sub>2</sub> and greenhouse gas emissions had declined starting in 2015, likely due to the economic downturn. However, emissions began to rise again from 2018 onwards.

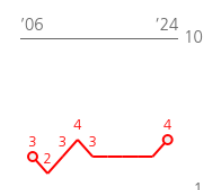
Angola has made significant strides in expanding access to education since the end of the war. However, in the past five years, its score on the U.N. Education Index has plateaued at 0.519.

Historically, government expenditure on education was extremely low, hovering around 2% of GDP. Nevertheless, there has been a notable increase in education funding in the 2022 and 2023 budgets, with allocations of 6.64% and 7.46% of GDP, respectively.

Despite these funding improvements, public schools continue to face challenges of high demand and inadequate staffing. The shortage of qualified teachers is particularly acute, with many primary school educators having only completed secondary education. This issue is even more pronounced in rural areas, where access to primary education remains sporadic.

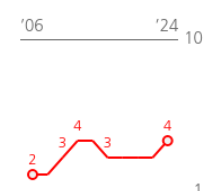
### Environmental policy

4



### Education policy / R&D

4



Additionally, there is an insufficient number of available slots in the country's six public universities. As a result, there has been a proliferation of private post-secondary institutions that offer relatively expensive degree programs to Angola's eager young learners. Many of these private universities have collaboration agreements with or are subsidiaries of Portuguese higher education institutions, providing some quality control. However, they are legally limited to offering programs in three departments, which limits the variety of courses they can provide.

Angola's university curricula adhere to the pre-Bologna reform Portuguese model, with four-year licenciaturas (undergraduate) and two-year mestrados (graduate, equivalent to MA/MSc). However, not all universities offer master's degrees, and there are no provisions for postgraduate research.

Furthermore, there is a lack of a comprehensive research and development (R&D) policy. Aspiring Angolan doctoral candidates must seek opportunities abroad, as there is minimal to no public research funding available for researchers at Angolan universities.



## Governance

### I. Level of Difficulty

The government placed a strong emphasis on infrastructure construction and rehabilitation during the economic boom years. This effort led to the restoration of primary and secondary roads, railways, schools, and health centers across the country. However, while the improved transportation network has facilitated the movement of people and goods, schools and health facilities continue to suffer from a shortage of qualified staff. Furthermore, the economic downturn that followed the post-2014 period led to the suspension of most construction and maintenance projects. Even before this, irregular maintenance had been an issue due to corruption, and many main overland roads deteriorated back to their previous condition.

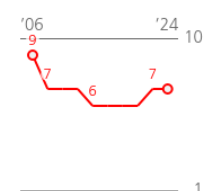
Similarly, despite promises to enhance services, economic activities are hindered by an unreliable electricity supply, and only half of the population has access to clean drinking water. The process of rapid urbanization has given rise to large, densely populated informal settlements in urban areas where residents lack access to basic necessities such as water, electricity, sanitation, health care and education.

Angola faces additional challenges stemming from widespread poverty and a shortage of skilled workers. The Catholic University's Center for Scientific Study (CEIC) estimated in its 2022 report that 49.4% of the population lives below the poverty line of \$1.25 per day, marking a notable increase from the 2019 report (41.7%). CEIC predicts that this trend will likely persist until at least 2025. The southern provinces also grapple with recurring droughts, a challenge that the government has inadequately addressed.

While the impact of the pandemic has exacerbated these constraints, it should be noted that these issues were deeply ingrained in the country's structure before 2020. Consequently, the effects of COVID-19 have not been as pronounced as they might have been in a less constrained environment. Additionally, COVID-related deaths are eclipsed by fatalities from other diseases such as malaria (estimated at 17,000 in 2020, or 3% of worldwide malaria deaths), HIV/AIDS (with at least 16,000 annual deaths), and tuberculosis, which remain the major health challenges.

Structural  
constraints

7



Civil society action in Angola faces significant structural constraints and deliberate regime-imposed obstacles. The 1990s witnessed a surge in civic activism, with civil society associations, primarily churches, playing an active and vocal role in advocating for peace and a negotiated resolution to the conflict. However, the government has increasingly restricted the space for independent civil society activities since the lead-up to the first postwar elections in 2008.

The government has promoted the growth of “organized civil society,” which includes associations active in “non-political” areas responsible for delivering services such as education, health, water and sanitation on behalf of the government. Simultaneously, it has nurtured or established “dependent” civil society organizations that allocate funds to improve the regime’s image.

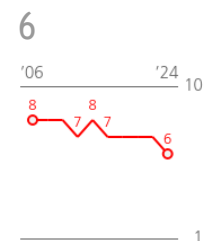
Since 2011, there has been a gradual increase in independent and unorganized union and civil society activism. Youth protesters organized anti-government demonstrations in 2011 to protest President dos Santos’ grip on power, poor governance and the absence of essential services. However, protest activities have generally remained limited in terms of scale and reach, as security forces tend to respond swiftly and firmly to any protest attempts. While there was a brief period of relative openness following Lourenço’s election in 2017, popular dissatisfaction with Lourenço’s management of the economic crisis has been growing since 2019, resulting in a tougher stance against civic protests. The hopes of opposition activists were dashed after the 2022 elections, which secured Lourenço a second term, but the elections also showcased the increased mobilization potential of civil society and opposition parties.

Churches, including the Catholic Church, which appeared largely supportive of the government until the 2017 elections, have adopted more critical and independent positions, openly criticizing the government. Similarly, established independent NGOs like Action for Rural Development and Environment (ADRA), Omunga and SOS Habitat have been active in rural and peri-urban areas, successfully challenging the government on specific issues such as rural livelihoods and housing.

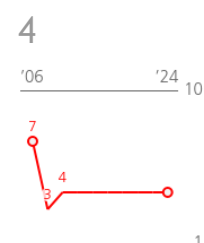
The MPLA’s overwhelming control over political and economic affairs severely limits the space for dissenting voices to emerge. Despite the potential for class conflict and social unrest driven by the increasing frustration of marginalized urban youth, Angola currently experiences very few open conflicts. While mounting frustration due to the ongoing economic crisis and lack of opportunities is palpable, it has not escalated into violence, with grievances finding expression mainly through peaceful, albeit regularly suppressed, protests.

The separatist rebellion in the northern Cabinda province remains active, albeit at a localized and low level, and sporadic incidents of violence occur in the diamond-producing Lunda provinces. These regions are also the only ones where ethnoregional identities play a role in local conflicts. Otherwise, there are no open divisions along ethnic or religious fault lines.

#### Civil society traditions



#### Conflict intensity



## II. Governance Performance

### 14 | Steering Capability

The dominance of the presidency over all branches of government frequently leads to the overruling of administrative institutions that could drive reforms, often in response to “higher orders.” Historically, strategic prioritization has primarily revolved around maintaining power and maximizing economic benefits for the ruling elite, in which the government has been relatively successful. However, there seems to be little institutional capacity or inclination to harness and organize domestic or foreign expertise and base policy decisions on assessments or evidence.

Consequently, policy objectives such as economic diversification away from oil, which has been part of the government’s rhetoric for over a decade, have not materialized due to a lack of follow-through beyond grand pronouncements.

The current president, João Lourenço, has initiated some reforms aimed at improving Angola’s international image, attracting foreign investment and stabilizing the economy. These reforms include restructuring the governance of the oil sector, granting increased regulatory powers to the National Bank of Angola to oversee the banking sector, and launching a high-profile, albeit selective, anti-corruption campaign. In these efforts, we can discern evidence of strategic priorities aligning with IMF requirements.

During the period under review, some successful prioritization can be observed, such as increased social spending in the 2022 and 2023 budgets, higher foreign debt repayment following a rise in oil prices, and securing another MPLA victory in the 2022 elections.

Due to Angola’s top-heavy policy-formulation process, the implementation of policies has been inconsistent. Policies that align with priorities related to regime stability, internal and external security, and positioning Angola as an attractive destination for foreign investment have been relatively swiftly executed.

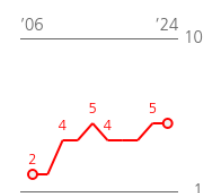
However, other policy objectives not directly linked to these priorities, such as improving the delivery of basic services to the population, creating jobs, providing social housing (frequently included in the MPLA’s electoral promises and rhetoric), and diversifying the economy away from oil, have only seen partial implementation.

Efforts to enhance order and organization, like Operation Rescue launched in 2018, and initiatives aimed at regularizing informal street vending, have been executed in a sporadic and uneven manner. Despite authorities heralding Operation Rescue as a success, street vendors’ associations have reported police harassment, violence, and extortion and have noted that the promised permits were unavailable from municipal administrations.

Question  
Score

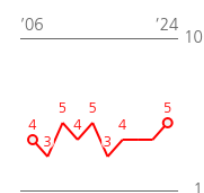
Prioritization

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Implementation

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The repeated postponement of local elections, initially attributed to financial and logistical challenges and subsequently to the COVID-19 outbreak and more recent logistical issues, is viewed by many Angolans, particularly opposition parties, as a deliberate political strategy by the regime rather than a result of genuine constraints.

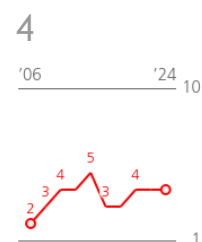
The impact of the oil price drop in late 2014, which took Angola by surprise, reveals a lack of policy learning from a previous oil price decrease in 2008/2009. During the earlier episode, the government had sought an IMF standby credit and initiated some incremental improvements in budget transparency and spending coordination. However, these reforms were abandoned as soon as oil prices rebounded.

Development projects in Angola often seem to be driven by grand political intentions and wishful thinking rather than being based on specific empirical needs. There appears to be limited interest in conducting studies or considering existing research findings to shape and adjust policies. For instance, ambitious plans to revitalize cross-border rail cargo routes for exporting minerals from the Democratic Republic of Congo (DRC) and Zambia through the Angolan port of Lobito largely failed to materialize due to the lack of rehabilitation on the DRC side.

In contrast, COVID-19 measures, while perceived as relatively drastic by citizens, were swiftly and comprehensively implemented during the initial phase of the pandemic in 2020. While these measures seemingly resulted in comparatively low infection and mortality rates, the absence of robust health data makes it difficult to determine the extent to which these outcomes can be attributed to policy intervention.

Regarding macroeconomic policies, since 2018, the government has closely adhered to orthodox policy recommendations from multilateral lenders. While showing some responsiveness to external pressures, there has been limited ambition or capacity to devise more innovative solutions.

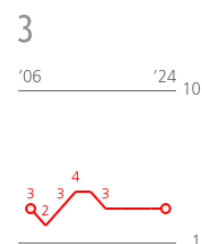
Policy learning



### 15 | Resource Efficiency

The postwar political economy has been primarily characterized by excessive and wasteful spending, contributing to deeply rooted grand corruption. Even in the aftermath of the economic downturn, resources continue to be allocated in an inefficient manner. A notable example is the planned ‘surface metro’ or tram network for Luanda. The government has been announcing the start of construction work since at least 2020, yet as of the current writing, not a single meter of rail has been laid. The current form of the metro project is intended to be a public-private partnership (PPP) with Siemens, with a total cost of \$3 billion. This cost has drawn unfavorable comparisons from some Angolan commentators, who contrast it with the planned expansion of metro lines in Lisbon, which comes at a much lower cost of \$250 million. Additionally, the government announced that seven young Angolans were undergoing training in Germany for the maintenance and repair of tram vehicles.

Efficient use of assets



Likewise, the new airport, which has been under construction outside Luanda for over 13 years at an estimated cost of \$5 billion, has faced criticism for being overly large for Angola's needs and lacking adequate transportation connections with the city.

In late 2021, agronomist Fernando Pacheco of the NGO ADRA provided a scathing commentary, likening government planning to the purchase of 500 tractors for war veterans without ensuring the necessary infrastructure and resources to make them useful. These missing elements include arable land, fuel availability, spare parts, trained mechanics, sales channels and conflict resolution mechanisms to address potential envy within communities.

These challenges are exacerbated by the strong centralization and hierarchization of public administration and government, which stifles initiative and hampers autonomous decision-making at the provincial and municipal levels.

Policy formulation and coordination ultimately rest with the president. During dos Santos' presidency, intentional overlaps of competencies and competition between the presidency, the dossier ministries and ad hoc commissions established by the president were cultivated.

However, since assuming office in 2017, João Lourenço has taken steps to broaden and enhance the coordination process. For instance, the Commission for the Reform of the Oil Sector, established early in his tenure, brought together representatives from major oil companies, the state oil company Sonangol and the Ministries of Petroleum and Finance. This move was widely praised as a significant step toward improving oversight of the strategic oil sector, as it removed regulatory influence from Sonangol and established a new regulatory authority. Additionally, as part of the agreement with the IMF to reduce public spending, the number of ministries was reduced from 28 to 21.

Nevertheless, the hierarchical nature of decision-making continues to present challenges for policy coordination. The dismissal and appointment of provincial governors, particularly for the capital city, Luanda, exemplify this issue. Former officeholders were held responsible for service failures and inconsistent urban planning, while specialized commissions tasked with urban planning and waste collection have limited autonomy to enact reforms. Municipal and district administrations have little independence and frequently see their decisions overridden by higher authorities.

Policy  
coordination

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Since assuming office, President Lourenço has taken decisive and high-profile actions against grand corruption, particularly targeting the children of former President dos Santos and their allies in the public administration. These investigations have led to trials, convictions, and the confiscation and nationalization of economic assets. However, some Angolans are concerned that these actions may have merely replaced old networks of beneficiaries with new ones. Nevertheless, Lourenço's anti-corruption efforts have succeeded in instilling confidence among foreign investors and multilateral donors.

Under Lourenço's leadership, Attorney General Hélder Pitta-Grós has made significant progress in initiating investigations into individuals from the dos Santos government. Several of these high-profile cases have resulted in asset seizures and convictions. For example, in August 2020, José Filomeno "Zénú" dos Santos, the former head of Angola's Sovereign Wealth Fund and son of the ex-president, was sentenced to five years in prison for fraud and influence-peddling by the Angolan Supreme Court. In November 2022, an international arrest warrant was issued for Isabel dos Santos, also known as "Africa's richest woman," on charges of embezzlement, qualified fraud, illegal participation in business, criminal association, influence peddling and money-laundering. Additionally, the expiration of former Vice President Manuel Vicente's political immunity allowed for an investigation into his dealings with the China Investment Fund.

However, during Lourenço's tenure, certain companies have gained significant economic prominence across various sectors nationwide. This has led to speculation that the president or his family may have hidden ownership interests in these groups, despite Lourenço's denial of benefiting from favorable state contracts in a January 2022 interview with the newspaper *Expansão*. Public procurement processes often lack transparency, and the ruling MPLA party has access to state funds that other political parties do not. In addition to grand corruption, petty corruption remains widespread, particularly in interactions with public administration and law enforcement, although citizens have recently started reporting cases of attempted bribery.

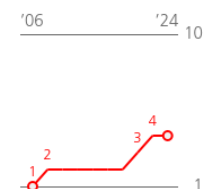
## 16 | Consensus-Building

There is broad consensus among all stakeholders regarding democracy as the preferred system of government, and the consolidation of democracy is seen as a common, long-term objective. However, within this democratic framework, the ruling party firmly believes in its perpetual and unchallenged rule. While it permits some degree of political opposition and dissent, it has a well-established history of suppressing anything that could pose a threat to its continued dominance.

This is equally true for the principle of market economy, which enjoys consensus among all stakeholders, although there may be differing opinions on the extent of wealth redistribution that the state should pursue. However, as previously mentioned, the market economy is inherently biased in favor of a relatively small, politically

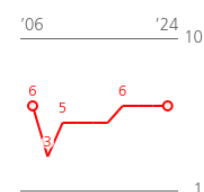
### Anti-corruption policy

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### Consensus on goals

6



connected elite. While President Lourenço has initiated initial measures to dismantle the oligopolies that were established under his predecessor, it remains uncertain whether this will lead to a real expansion of market opportunities for Angolans from various political backgrounds or merely a substitution of one group of beneficiaries with another.

President Lourenço initially presented himself as a reformist and reached out to opposition parties and civil society activists, which was especially noticeable at the beginning of his first term. However, during the review period, there was a discernible return to a more confrontational approach toward critics of the regime. Protesters faced violence, and opposition parties encountered administrative and financial obstacles, particularly in the lead-up to the 2022 elections.

The MPLA has a long-standing practice of co-opting or persuading potential opponents, including figures within the military command and civil society activists (although the latter tend to be anti-regime rather than anti-democratic). In practice, the MPLA leadership remains the most formidable obstacle to true democratic progress.

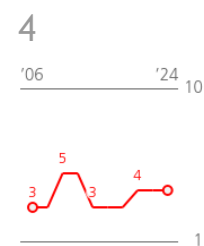
There are nonstate actors, such as the separatist FLEC in Cabinda and the autonomist Movement for the Lunda-Chokwe Protectorate, that the government labels as anti-democratic because they seek independence or greater autonomy from the Angolan state, sometimes through violent means. However, the government's own democratic credentials remain in question. These movements are primarily kept in check through military force.

The main cleavage in Angola is social, pitting a significant portion of the population, who continue to live in poverty, against a small, affluent elite (somewhat buffered by a limited urban middle class). This divide also reflects a notable disparity between urban and rural areas. While there was growing tension during the later years of dos Santos's rule due to this inequality, some of it has been alleviated to an extent by the election of João Lourenço. He initially adopted a reformist stance and addressed some of the most pressing demands of the parliamentary and civic opposition.

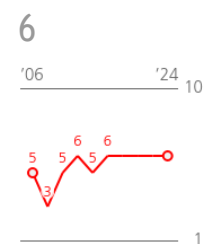
Ethnic and regional divisions have largely been absent from formal Angolan politics since the end of the civil war. Both the MPLA and UNITA take great care not to exploit these divisions to avoid any potential conflicts. Apart from local separatist movements in Cabinda and autonomist movements in the Lundas, all political parties emphasize national unity. However, the minor opposition Social Renovation Party (PRS) advocates for a more federal model with greater provincial autonomy.

Although internal disparities are typically downplayed or considered taboo in political discourse, the government has, on occasion, manipulated latent suspicions of foreigners to serve its own interests. This is evident in the sometimes vehemently anti-Islamic views expressed by certain regime proponents.

Anti-democratic actors



Cleavage / conflict management



The government occasionally engages with civil society actors and opposition parties, but it typically only considers those interests that align with its own policies. At the local level, there are consultation mechanisms like social consultation and coordination councils (CACs), but their effectiveness in influencing local policymaking has been questioned by academic and NGO research.

While President Lourenço has made some notable gestures suggesting a departure from past practices, it remains to be seen whether these consultations lead to substantial changes. Generally, policymaking in Angola is still primarily a top-down process directed by the presidency. For example, during the survey period, the partial constitutional revision of 2021 was orchestrated by the presidency. In January 2023, the Ministry of Territorial Administration announced it had completed public consultations and received positive feedback from the population regarding the proposed division of two existing provinces to create four new ones. However, various civil society organizations stated that they had not been consulted or even asked for their input.

A significant reconciliation process is noticeably absent from the public discourse in Angola. The government actively promotes a dominant narrative that portrays the civil war as a tragic event that affected the entire Angolan population, resulting in widespread destruction of infrastructure and the loss of lives. To avoid acknowledging its role as one of the conflicting parties in the war, the government has reduced reconciliation to the material aspect of reconstructing the damaged infrastructure.

However, the government also reminds UNITA of its historical role as a rebel movement during the civil war whenever the opposition criticizes the postwar status quo. Any criticism of the government is branded as an attempt to destabilize the country and hinder postwar economic recovery.

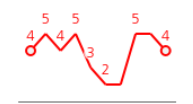
Despite this, there were some positive signs of reconciliation starting in 2019. President Lourenço allowed for the reburial of the remains of Jonas Savimbi, the former leader of UNITA who was killed by government troops in 2002, effectively ending the war. Prior to this, Savimbi's remains had been kept in a secret location. Additionally, the bodies of other prominent UNITA figures who had died in South Africa during the war were also repatriated for reburial.

Apart from the civil war, one of the major divisive events in Angola's recent history was the popular uprising on May 27, 1977, which may have been an attempted coup. This was followed by violent reprisals by the government against suspected coup plotters and their families, some of whom were members of the MPLA. For many decades, the official stance regarding these events was one of denial and lingering fear, making May 27 a taboo topic for an entire generation. However, in a significant departure from previous practice, President Lourenço publicly apologized in May 2021 for the government's role in the 1977 repression. He acknowledged that the

#### Public consultation

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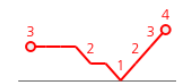
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#### Reconciliation

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government's response had been "disproportionate," asked for forgiveness from the families of the victims on behalf of the state and permitted the exhumation and return of the remains of victims to their families. During this reconciliation gesture, he also encouraged other actors who participated in political conflicts, citing a number of UNITA killings and attacks during the civil war, to follow suit and seek reconciliation.

## 17 | International Cooperation

Angola has a checkered track record when engaging with multilateral assistance. When the civil war ended in 2002, it coincided with the beginning of a new commodity supercycle, providing the government with significant revenue from oil exports. This allowed Angola to undertake an ambitious reconstruction effort without needing assistance from international financial institutions. As a result, the government could avoid the political conditions typically associated with loans from these institutions.

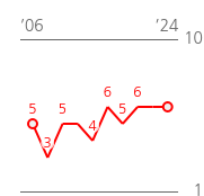
However, there was a shift from this approach when Angola sought an IMF standby credit in 2009 due to a drop in global oil prices. This marked a departure from the previous model, but once oil prices rebounded, the impetus to improve financial transparency waned. Negotiations with the IMF in 2015 were abandoned when then-President José Eduardo dos Santos stated that the country did not require IMF assistance and instead negotiated new loans from China.

President João Lourenço's government initiated fresh negotiations with the IMF, leading to the signing of the Extended Fund Facility (EFF) agreement in August 2018. This \$3.7 billion program includes IMF technical support to broaden the taxpayer base, reduce wasteful spending and enhance fiscal transparency. It was part of the government's macroeconomic stabilization program launched in January 2018. Subsequent annual reviews of the program have been successful, resulting in further disbursements under the agreement. Additionally, Lourenço has achieved some success in renegotiating debt repayment schedules with bilateral lenders, particularly China, over the past four years.

Angola's economic credibility faced significant challenges in the last three years of dos Santos's presidency. These challenges were primarily due to contract and corruption risks, as well as the overall poor performance of the Angolan economy. One of President João Lourenço's key political priorities upon taking office was to improve Angola's international image, and this effort has been relatively successful. It is attributed to the reforms initiated by his government, including a vigorous crackdown on corruption from the previous administration and the successful negotiation of assistance from the IMF. Additionally, higher oil prices have contributed to this success by attracting international investors back to Angola.

Effective use of support

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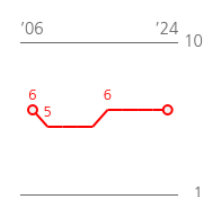


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Credibility

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In the realm of international politics, the dos Santos government managed to position Angola as a regional powerbroker, with President dos Santos playing the role of an elder statesman working on peaceful conflict resolutions in the subregion. While Angola's record in brokering peace has been inconsistent, the country was nonetheless elected to the U.N. Security Council for a two-year term (2015 – 2017). President Lourenço has continued this role and had some successes, such as sending troops to Lesotho in 2018 to help resolve a political crisis and making public statements for regional peace at various summits. However, Angola's contribution to the SADC mission in Mozambique was limited to 20 troops and one transport plane.

In 2022, President Lourenço was awarded the title of “Champion of Peace and Reconciliation in Africa” at an African Union Summit for his commitment to solving political-military crises in Lesotho and the Great Lakes Region over the previous four years. Angola has also committed to the African Continental Free Trade Area, announcing the gradual phase-out of import duties for goods from other member countries in January.

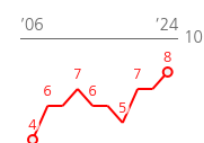
Angola regularly participates in the United Nations' Universal Periodic Review (UPR) of its human rights record and successfully completed the 2020 UPR in Geneva. The country is a signatory to various international agreements and arbitration mechanisms, although most of these have not been tested. President Lourenço continues to build on these efforts while prioritizing substantial regional cooperation more than his predecessor.

Angola is a member of several regional and international organizations, including 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). It is also a member of the World Trade Organization (WTO) and the Organization of the Petroleum Exporting Countries (OPEC).

One of the most notable departures in Angola's foreign policy under President João Lourenço has been its engagement with SADC. Previously, Angola's involvement in regional bodies was somewhat self-serving and lukewarm. However, one of Lourenço's early foreign policy decisions was to sign an agreement with South Africa for visa-free travel, a significant step toward regional integration. In 2020, Angola applied to join the SADC free trade area, signaling its commitment to greater regional cooperation. Additionally, ongoing discussions with Namibia about joint management of national parks and fishing grounds, as well as the decision to share its satellite infrastructure with fellow SADC member states in January 2020, further demonstrate Angola's dedication to regional collaboration.

Regional cooperation

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Angola has a history of successful bilateral cooperation with various partners, particularly during the boom years. Western multinationals played a crucial role in developing local expertise in the oil sector, with the governments of European countries and the United States often prioritizing business interests over political considerations during this period. While some European countries and the United States have supported non-oil development projects, such as agribusiness and agritech training facilities, these efforts have remained secondary to the focus on oil-related activities.

During the Cold War, Angola had established collaboration on security and intelligence matters with the Eastern Bloc, and in recent years, this cooperation has expanded to include Israel. Chinese oil-backed credits played a vital role in realizing postwar infrastructure development. Under President Lourenço, cooperation with South Africa also intensified and improved. Angola has successfully collaborated with countries like Cuba, Russia, Vietnam and Brazil in various sectors, including education, health, security and defense, and infrastructure. However, some of these programs were halted following the oil price crash.

## Strategic Outlook

The MPLA's continued dominance over political, administrative and state security institutions remains a significant barrier to genuine democratization, and the ruling party appears ill-equipped to address the country's most pressing economic challenges. Since 2015, Angola has been mired in a deep recession, from which it has not yet emerged.

Austerity measures negotiated with the IMF in exchange for new loans have been met with approval from lenders and investors but have exacerbated hardships for ordinary Angolans. These measures, which include the phasing out of fuel subsidies, the introduction of VAT and individual income taxes, have disproportionately affected the poorest segments of the population. Despite the rhetoric of diversifying the economy away from oil, progress in this regard has been minimal. While the oil price crisis should incentivize increased investment in agriculture, domestic industry, education and health care, the government continues to allocate a significant portion of its budget to debt servicing and defense.

The postponement of local elections due to the pandemic has dealt another blow to the advancement of democracy in Angola. These local elections, which were provided for by the 2010 constitution but never held, represent a crucial step toward decentralizing power and providing opposition parties with opportunities to govern at the local level. The outcome of the 2022 general elections, which saw the MPLA return to power amidst opposition contestation, is likely to further erode public trust in democratic institutions and elected leaders.

To facilitate genuine progress, Angola should engage in constructive dialogue with both parliamentary and extra-parliamentary opposition forces, open up the National Electoral Commission and the judiciary (which has historically been dominated by the MPLA), and conduct local elections that enable meaningful decentralization, including some degree of budget autonomy.

Rather than blindly adhering to macroeconomic orthodoxy and imposing austerity measures, the government should reconsider its spending priorities to improve the well-being of the population and make substantial investments in transforming Angola's oil-dependent, elite-dominated economy.

In summary, while Angola has made formal progress toward multiparty democracy and a market economy since the transition from socialism in the 1980s, there is a risk that the ruling elite may seek to consolidate its grip on political and economic power through what are essentially superficial democratic institutions and mechanisms.