From Rentier to Developmental Neo-Patrimonialism In Angola
Il Neo-Patrimonialismo in Angola.
Dallo stato ‘rentier’ a quello sviluppista*

Federico Battera

Abstract

Since the beginning of the 2000s, a literature suggesting that development is an achievable goal for African states has emerged. Arguments like those that consider ‘neo-patrimonialism’ as an insurmountable obstacle to development have been cast-off in case states embark to re-invest rents in a long-term strategy (Khan and Sundaram 2000; Mkandawire 2001). This paper focuses on Angola, and it tries to determine whether oil rents have been so far employed according to a developmental strategy or for short-term consumption. It further argues that short-term consumption was initially encouraged and tolerated as part of an effort after the end of the civil war (2002) to foster elite cohesion, and it was later on demoted when the government adopted a comprehensive long-term development strategic vision, in 2007. However, the financial crisis of 2007-08 and the recent drop of oil prices have badly impacted on this strategy. As a result, the government is growingly turning to Chinese aid trying to keep the mismanagement of strategic resources under control.

Dagli inizi degli anni 2000, è emersa una letteratura che guarda con più favore la possibilità di politiche di sviluppo da parte degli stati africani. Ipotesi come quella che guardava al ‘neo-patrimonialismo’ come un ostacolo insormontabile per lo sviluppo sono state ridimensionate in quei casi in cui gli Stati abbiano dimostrato capacità di reinvestire le rendite secondo strategie di lungo periodo (Khan and Sundaram 2000; Mkandawire 2001). Questo contributo si concentra sul caso angolano cercando di determinare se le rendite petrolifere siano state impiegate prevalentemente secondo strategie di sviluppo o per alimentare consumi di breve periodo. L’ipotesi è che i consumi di breve periodo siano stati effettivamente incoraggiati e tollerati dopo la fine della Guerra civile (2002), principalmente con lo scopo di rendere l’élite più coesa, ma che siano poi stati accompagnati dall’adozione di strategie di lungo periodo, a partire dal 2007. Tuttavia, la crisi finanziaria del 2007-08 e il calo dei prezzi petroliferi hanno avuto un impatto su queste strategie. Di conseguenza, il governo angolano si è visto costretto a ricorrere all’aiuto cinese e a mettere sotto più stretto controllo la cattiva gestione delle risorse strategiche.

Keywords

Neo-patrimonialism; Africa; Angola; rents; statehood; elite
Neo-patrimonialismo; Africa; Angola; rendite; statualità; élite

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Introduction

Since the end of the civil war in 2002 Angola has managed to combine a portentous economic development\(^1\) with a neo-patrimonial political system, usually considered as an obstacle to economic prosperity and social growth (Englebert 2000; Van de Walle 2001)\(^2\). Among such successful stories Angola is not alone, since in the last decade similar performances have been documented also in countries like Rwanda, Ethiopia, etc. (Vaughan and Gebremichael 2011; Booth and Golooba-Mutebi 2012). Indeed, there is now a growing trend in literature that looks to neo-patrimonialism through a more nuanced prism. Researches such that of Kelsall (2011 and 2013) and Khan and Sundaram (2000) consider the role of rents in early capitalism as more beneficial for the economy. The question here is, however, whether Angola could be included in such pattern. In other words: is Angolan neo-patrimonialism developmental? In order to answer this question we need to determine the role that rents have recently played in the Angolan pursuit of a stable statehood and economic development. It means to establish whether Angolan governments have deliberately engaged in a strategy of rents management to the benefit of social development with the aim of fostering national unity and identity (against tribalism and ethnic divisions), or whether such rents have been simply consumed by ruling elites to the detriment of ordinary people (Hodges 2004). Whether rent extraction has been centralized to the benefit of state-building or on the contrary a de-centralized consumption of rents more likely envisage in the near future a dissolution or a failure in statehood\(^3\). Similar questions have guided the work of the Africa Power and Politics Programme (APPP) which has so far produced an abundant literature that has become a reference point to similar studies. For example, Booth and Golooba-Mutebi, who worked on Rwanda (Booth and Golooba-Mutebi 2012: 381), considered that although “business–politics interactions” is one of the main feature that qualifies Rwanda as a neo-patrimonial polity, “it is important to distinguish between more and less developmental forms of neo-patrimonialism”. In their opinions, developmental patrimonialism captures and helps to illuminate some distinctive features of Rwanda’s current political economy and system which has so far resulted in political stability, long-term rent deployment and national identity.

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1 Growth rates averaging more than 15% from 2004 to 2008, making Angola one of the fastest growing countries in Sub-Saharan Africa (SSA).

2 Neo-patrimonial states are usually considered as those ruled by and through patron-clients relations and competition where there is no distinction between the public and private realms. Rents play an important role in ruling appropriation of public resources to private aims.

3 According to Callaghy (1984), as long as corruption and patrimonialism are centralized, the system cohesion is not threatened as it happens when patrimonialism is “decentralized”.
This paper moves along the same perspective. Certainly, Angola presents different features from those of Rwanda. The territorial magnitude is different. Ethnic and regional differences are quite more complex. At the same time, the experience of a long civil war and the recent need to broaden the beneficiaries of economic growth, seems to have finally compelled the Angolan ruling elite to move from rents misappropriation to a more developmental strategy. The enormous disposal of economic resources has favored such move. Nevertheless, the growth has so far caused the enormous enrichment of a powerful elite while most of the ordinary citizens has continued to lag in deep poverty. Such unbalanced development is not only the consequence of the political longevity of a state leadership and a powerful party but also depends on historical conditions. The long and uninterrupted sequence of wars which date back from independence and continued with a civil conflict which opposed the ruling party – MPLA (Movimento Popular de Libertação de Angola) – to other opposition movements, most notably the UNITA (União Nacional para a Independência Total de Angola), remarkably impacted on the current structure of territorial distribution of the population, while at the same time the party and the leadership in power highly benefitted from a state of permanent war which ended only in 2002. Such concentration of power has attracted a wide adverse literature. Skepticism about the real commitment of the current leadership to really invest in Angola’s future is widely shared by international observers and NGOs. According to them, growth is largely understood as an opportunity for a further enrichment of a small ruling elite “detached from the ruled masses” (Vidal 2002: 364). However, while we acknowledge the existence of ample inequalities in the Angolan society we also suggest that the centralization of rents and political leadership have made room for a more strategic approach on behalf of the Angolan leadership, which envisages more redistribution in the long term. Other way said, we aim to understand whether Angola still fits as a non-developmental kleptocracy or has moved towards a developmental regime according to the Kelsall et al. (2010) typology. According to this model (Kelsall et al. 2010: 11), developmental regimes are those where clientelism is centralized and organized, rents are used to finance policies, anti-corruption is partly entrenched, key public goods are provided (including venture capital) and growth is above potential.

The paper is structured in six sections. In the next one the theoretical foundation of developmental neo-patrimonialism is presented. In section number three, we will dwell on the historical trajectory of the Angolan state concentrating on the monopolistic position acquired by the party in power. Section three enlightens why the Angolan state should be considered as a neo-patrimonial system and what are the

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4 Most notably among the many, Marques de Morais. See References below.
main features of Angolan neo-patrimonialism. Although we are not denying that graft had played an important role for personal enrichment, we however believe that for Angolan MPLA hierarchy, nationalism, state-building and elite cohesion were priorities which would help to clarify why Angola has so far failed in bridging economic differences among classes and regions.

Section four deals with the used methodology. In particular, a set of indicators will give evidence to our attempt of measuring two important variables that we think are crucial to ascertain whether Angola fits or not into the pattern briefly described above:

– the material basis of Angolan statehood;
– the policies so far enacted to enlarge the benefits of Angolan development to a larger spectrum of citizens, in particular a nascent middle class, and the related outcomes which cover a range of issues such as the level of public social spending and the level of investments.

We have resumed the latter as ‘state intervention’. To a certain extent the two variables are measurable. In particular, measuring statehood is important to ascertain whether Angola meets some minimal requirements to be considered a functioning state which is crucial for planning durable and effective policies. To take some extreme form of neo-patrimonial states such as the ‘Sultanistic regimes’ as a farthest example\(^5\), these fail to meet minimal requirements for statehood since this is eroded to the benefit of personal rule and state is likely to collapse with the end of personal rule. Section five provide therefore with a brief description of the economic structure and foundation of Angola which is related to the first variable. The outcomes of the policies enacted by the government are released in section six were some of them are compared to other political systems, which as Angola lack the minimal requirements to be considered democracies, namely, Ethiopia and Rwanda.

We conclude by reasoning on the supposed dissonant marks between the Angolan development and more successful cases as Rwanda which seem to better match the features of the definition of neo-patrimonial developmental state. Since in Angola the long-term strategy is something under construction by the current government, such study should be considered just as a preliminary investigation and the results are far from being conclusive\(^6\).

\(^5\) Under ‘sultanism’, personal rule exercise its power without restraint and administration is constantly subverted by arbitrary personal decisions of the ruler (Chehabi and Linz 1998: 8). The Central African Republic under Bokassa and Libya under Qaddafi were some prominent examples. In the case of Angola we are very far from these cases.

\(^6\) It is worth to notice that Angola attracted attention also in a recently published paper by Sylvia Croese (2016). She concentrated on a single issue – housing delivery – which has been successful in
Developmental Neo-Patrimonialism in Literature

Neo-patrimonialism has gained ground and influence in African studies in the last three decades. First developed as a concept by Eisenstadt (1975), by drawing from the well-known Weberian concept of ‘patrimonialism’ used to describe new socio-political phenomenon – i.e. political cohesion among elite – in newly independent and authoritarian African countries, neo-patrimonialism further developed as a functional ‘catch-all concept’ (Erdmann and Engel 2006). Most recently, it has been adopted by neo-liberals with the aim to explain the inability to reform and modernize both the economy and politics in Africa. The role played by rents is crucial to neo-patrimonial arguments. The African state remains essentially ‘rentier’ and rents – minerals, aid, etc. – are captured by powerful elites (Chabal and Daloz 1999) which oppose reforms in order to maintain power. Dysfunctions and disorder of the ‘official state’ functionally work for the ones in power. The state is kidnapped by an ‘unofficial state’ – l’État rhizome of Bayart (1989) – made up of cohesive cliques. Neither economy nor politics escape from failure to the point that any attempt to transit to democracy is doomed to fail (Van de Walle 2001).7

The paucity of such arguments could not stand to more acute analysis. Mkandawire (2001: 299) brilliantly underlined how ‘neo-patrimonial’ states in and outside Africa had for long pursued a wide range of developmental policies. Earlier analysis established how patrimonial state could pursue effective administrative tasks (Crook 1989).8 The problem should not be about rents “per se but rents attached to a wrong strategy” (Mkandawire 2001: 301). Similarly, also Khan and Sundaram (2000) have moved according to this perspective: elimination of rents does not necessarily favor growth; on the contrary, in the early stages of capitalism, rents could be conducive for economic development and democratization, although desirable, does not necessarily mean that rent-seeking accumulation is given up with harmful effects on development (Khan 2005). Rents could be therefore ‘productive’ or ‘unproductive’ (Mkandawire 2001: 301)

attracting investments and important for rent distribution, although the two main agencies responsible for the management of construction – GRN and Sonangol – were not actually shielded from graft and personal enrichment. Her conclusions support our analysis. We avoided to concentrate on a single issue preferring to focus more on general and strategic issues.

7 It must be noted that while most of the 90s’ literature concerning neo-patrimonial regimes was devoted to Sub-Saharan Africa, most recent literature has growingly shifted to Middle East. Bach and Gazibo (2012) stretched the concept to include Putin’s Russia and Berlusconi’s Italy.

according to pro-growth long-term strategies and largely independent from regime type. Such approaches in the economic literature are further reinforced by old arguments in favor of a certain degree of authoritarianism in the early stage of development that could be found in political scientists such as Huntington (1968). More recently Przeworski and Limongi (1993) found an empirical positive relationship between some authoritarian regimes and economic growth.

The Historical Roots of Angolan Neo-Patrimonialism: From Scarce Resources to Oil Bonanza

Angolan neo-patrimonialism is marked by two main features: a long-standing party in power – the MPLA, since independence (1975) – and the political longevity of its president, Eduardo Dos Santos (since 1979). The absence of any leadership change favored the grip of the party on state institutions, the army in particular, and the command of Dos Santos on the party. After more than thirty years in power, the current president was able to survive opposition in the party\(^9\), civil war and transition from the one-party state to a multi-party system. All has contributed to strengthen him as the Man of the system. War and, at least in the early stages, also ideology have played an important role in such achievement. Independence was obtained through a liberation war and ideological opposition to Portuguese colonial rule. The war continued after independence as MPLA struggled to assert itself against internal and external powerful opponents during a period marked by an increasing ideological conflict between West and East (early 80s). Ideology – anti-colonialist and Marxist – granted to those in power the legitimization to exclude opponents both outside and inside the party. Although later on, ideology commitments were abandoned well before the first openings to multi-party politics (multi-party elections were held in 1992)\(^10\), that happened only when Dos Santos and those around him had already established a strong power structure above the country. Twenty-seven years of civil war in particular created a strong centripetal action towards Dos Santos’ rule. The persistence of ethnic cleavages and the growing ethnic overtones of the civil war paradoxically favored such result.

The split in the Angolan national liberation movements after independence (1975) had been historically explained by the ethnic background of the three organizations: the FNLA (Frente Nacional de Libertação de Angola) identified with the North-Western

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\(^9\) By 1985, Dos Santos assured his “‘absolute' control over the power apparatus” winning over on both the leftwing and rightwing in the party (Vidal 2002: 255-271).

\(^10\) Socialism was formally abandoned by the 1990 Congress. However, from 1987 onwards the transition to a market economy had already begun (Vidal 2002).
Bakongo people; the MPLA which had its basis in the Mbundu ethnic group, concentrated around Luanda; the UNITA represented the Ovimbundu, that are most of the population in the area of the central plateau.\textsuperscript{11} It is noteworthy, however, that the MPLA, rather than exclusively relying on one ethnic group, strongly identified itself also with the wider category of the urban population of Luanda, and in particular, with the less defined category of Afro-Portuguese Creoles which had administered the Colony during the period of the Portuguese Republic\textsuperscript{12} and before the advent of the Salazar regime (1926-68). According to this perspective, some authors have proposed a different account to the origin of the two main independence movements – MPLA and UNITA, once the latter supplanted the FNLA – by browsing through social class divisions that colonial rule had engendered in the Angolan society and their lasting effects. This thesis has been thoroughly developed by the French sociologist Christine Messiant (2006). The author identified two social categories as relevant to a different interpretation on the nature of Angolan nationalism and, ultimately, on its particular version of neo-patrimonialism. A class of old assimilados, represented by the Creole elite of urban centers, opposed to an emerging class of people from the central plateau, which, thanks to the Protestant missions, had developed a cultural level so as to ensure that its members claimed greater social equality with the old assimilados. The rivalry between the MPLA and UNITA owes so much to this social antagonism (Messiant 2006).

Such approach seems particularly convincing in explaining the contrast between the two main players in the Angolan civil war and the consequent bi-polarization of the civil war (Vidal 2002: 376). UNITA perceived the urban Creole class as part of the colonial power and identified itself with the indigenous peoples living in the hinterland and developed an ideological tone accordingly (Mabeko-Tali 2001)\textsuperscript{15}.

The social origin of MPLA is important to understand the roots of the current neo-patrimonial of Angolan polity, but it is not enough. In fact, as a result of the adherence of MPLA to the Communist bloc during the Cold war, the party organized itself around the principle of democratic centralism, with a Central Committee and Political Bureau that represented the peripheral sections. Such structural organiza-

\textsuperscript{11} This different ethnic array led Pélissier (1977) to define the three movements as “ethno-nationalists”.

\textsuperscript{12} The Portuguese Republic extended between 1910 and 1926 and coincided with the implementation of the policy of "colonial autonomy" within favored the Afro-Portuguese Creoles to whom in fact was delegated the administration of the colony (MacQueen 1997: 5).

\textsuperscript{15} Although UNITA after independence departed from the Maoist rhetoric, its ideological tune maintained the equation between the Creole class and colonialism. Following this pattern, the FNLA stands out because, while identifying itself with the Bakongo elite, the movement was born and fed thanks to the Angolan migrants in Belgian Congo, where this movement was also based. Since the role of FNLA has been marginal, we no longer concentrate on this movement.
tion which has shaped the MPLA up to now has also reinforced elite cohesion in a time of scarce resources\textsuperscript{14}.

Relations between the Soviet Union and the MPLA had begun in 1964 at the dawn of Angolan nationalism (Blum and Hope 2003: 250) and in 1969 the USSR provided armaments to the movement\textsuperscript{15}. During the Cold war, the Soviet Union, along with Cuba, represented the MPLA main allies. The support and aid that the MPLA government received from the USSR, played a crucial role to enable the government to pursue the war effort and to shape the country in accordance to the growing needs to centralize the country resources. In this context, it should not be forgotten that the difficulty of establishing, throughout the period of the civil war, a real control of the territory, necessarily led the MPLA Government to foster closer political-military relations with USSR, in order to consolidate the stability of the regime (Malaquias 2000). In any case, any real commitment to the socialist doctrine of MPLA was with time and practice diluted (Sommerville 1986: 174) to the point that the government was able to establish commercial and industrial relations also with the West\textsuperscript{16}.

During the whole civil war (1976–2002) the territorial control posed an important problem to MPLA leadership but at the same time favored centralization. During long phases of civil conflict, MPLA controlled only the capital and the neighboring province of Bengo while UNITA was able to manage up to the 70% of Angolan soil. This factor resulted in a hyper development of Luanda. People flew from the periphery to Luanda looking for safety. This fact caused political effects. People moving to the capital city were not, indeed, only seeking protection but also integration into the political system. That contributed to enlarge the bases of MPLA across different ethnic groups and created a solid socio-political foundation. The area under control being modest made easier for MPLA to manage and organize. If we estimate that about half of Angolan population resides in the metropolitan area of the capital for all the lasting internal conflict and currently Luanda hosts \(\frac{3}{4}\) of the total Angolan population (about 7-8 million people)\textsuperscript{17},

\textsuperscript{14} Oil was first discovered in 1955 onshore, but production stagnated up to the mid-80s to finally boom at the beginning of the 2000s after the exploitation of deep water fields went at full speed.

\textsuperscript{15} In terms of organization and of the management of the new independent state, this alignment resulted in the adoption of certain measures with the aim of nationalize much of the Angolan economy and to centralize power adopting the model of the Soviet party-State relationship (Hodges 2004: 9).

\textsuperscript{16} Reference is made to what has been called the “private diplomacy” that enabled Angola to sign commercial agreements for the exploitation of oil resources with US companies even during the period of the Cold war and for the duration of the civil war (Reno 2000: 219). Unlike other economic domains, Luanda avoided to nationalize activities of companies operating in the extractive sector (Ennes Ferreira 2005).

we can easily understand the effects of the conflict on the organization and the political foundations of the party of Eduardo Dos Santos.

Party centralization and the overlap between party organization and state structures, also allowed to enlarge the social basis of the regime as long as social groups were included. Since the social basis of the regime was far more important than any ideological allegiance, integration into MPLA was realized through kinship ties with family networks interacting among themselves through marriages and the like. These ties pervaded all the structures at the top of the state as leading offices in various political and institutional domains were progressively occupied. Such identification between state, party and its social basis had therefore a territorial impact. State authority coincided with the territory of the social groups included in the party. On this part of the Angola the regime grasp was undisputed.

The Creole social class which was at the foundation and represented the core of the original MPLA structure expanded and grew in number as progressively integrated native components within the party and their own group. As a consequence its number diluted. Migration from the periphery to the center therefore generated the expansion of the party to the point to encompass most of the ethnic groups which mingled in the urban conurbations. This enabled MPLA to stand as a substantive and non-exclusionary party, advocating itself as the builder of a nation and not as the manifestation of faction supremacy over the others and at the same time to efficaciously counter the military and ideological threat of Savimbi’s UNITA. General elections held in September 1992 confirmed the success of MPLA formula. While manipulation and widespread irregularities marked the results in areas were both MPLA (Luanda, Bengo, Malanje and Kwanza-Norte) and UNITA (Huambo, Bié, Benguela and Kuando-Kubango) were strong. Notwithstanding, MPLA was able to win over areas poorly controlled as much of the East and the South. Clearly the MPLA ability of winning the confidence of much of the minority groups outside the Creole/M’Bundu-Ovimbundo friction, made the difference. While MPLA was able to present itself as a national party trying to build an including multi-racial nation, UNITA appeared as an ethnic party to much of the electors (Bridgland 1995). Such results were rejected by the main opposition party – UNITA – as considered rigged. After the elections the civil war resumed and for long the country did not experienced multiparty elections again up to 2008 parliamentary ones which followed the end of the civil war and the military defeat of UNITA of 2002. During these elections and the following in 2012, MPLA largely benefitted of his hegemonic position in terms of resources and coverage by the media. The transformation of UNITA from rebel movement into a political party was not successful and its leadership didn’t change their image of representing only a faction of the country. UNITA continued to be largely perceived as a threat to unity and peaceful cohabitation.
political system remained in solid hands behind a façade electoral democracy which granted opposition a meager share in the National Assembly. According to the constitution, such elections confirmed also Dos Santos as President of the Republic having been previously designated by his party as head of the MPLA party list.

The historical trajectory of Angolan power has therefore favored the centralization and elite cohesion in MPLA. At the same time the strong grip of those in power over resources has developed the political and economic system towards what it is usually known as ‘neo-patrimonialism’. In the case of Angola, we can consider such modern form of patrimonialism as ‘functional’ since it does not oppose economic growth and it is a substantive departure from an endured perception of neo-patrimonialism. Having ended the conflict in 2002, Dos Santos found himself in a position to plan the reconstruction of the country as possessing an enormous economic potential based on vast mineral resources, oil in particular. In this guise, the MPLA under the supervision of the President has operated a redistribution of wealth based on priorities defined at the top of the system. This process has meant the incorporation in the established power structures of a large bureaucratic elite, already created before the end of the civil war, which had allowed individuals to maintain their own loyalty and patronage networks while being linked to a powerful leadership that provides the direction in order to control the system. Oil resources has been so far meant to foster elite cohesion and national foundation. The party is called to play an important role and patronage is intended to bridge the gap between those who are assimilated into the system and those who are out, beyond their ethnic or regionalist background (Lemarchand 1972). Corruption, which is widespread, plays a functional role within the party power structure and to the maintenance of the same. It is however tolerated up to a certain point that is until it does not affect economic development. At the same time it represents a different and unconventional method of wealth redistribution. Powerful elements within the power establishment are therefore periodically and surgically removed from assignments in order to reinforce the central authority of the leader. Sometimes some of them are asked to remit the money to the state, in private form without needs (RoA 2014).
to turn to justice. The case of former vice-president of SONANGOL, Mateus de Brito, shows how ‘decentralized’ corruption is kept under control by the executive power and possibly eased with the aim of stability.25

The Angolan constitutional system entrusts the President with enormous powers. Central power has assumed the direction of the economy, where oil is intended to foster the economic foundation of the country building it up around big enterprises in order to win the challenges provided from the international system to the African economies which are notoriously weak.24 We can observe a similar highly centralized approach towards the lowest echelons of the administrative structure, since the Presidency has also the prerogative to appoint and dismiss provincial governors, as there are no local elections.25 Consequently local administrators are not required to build up their own constituencies since they are forced to rely on the support from the top. The President in that guise maintains total control even on the more peripheral areas toward which he turned his attention during the first phase of country reconstruction between 2002 and 2012 with a huge plan of public works (roads, airports, water distribution, energy, health programs, etc.). Therefore the public directly look at the presidency as the sole responsible of implementing local policies and governors are removed and randomly appointed. This way to manage government position prevents the formation of a real alternative power that could threaten central power. This strategy has been routinely employed: party secretaries change frequently, from Lopo Fortunato Ferreira do Nascimento to João Manuel Gonçalves Lourenço, without damaging the President’s hegemony. Furthermore, policies to the benefit of the periphery engender in fact a centripetal rebound that further limits the role of local administrators as to mere implement agencies of policies defined elsewhere.

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23 Another outstanding case was that of Fernando ‘Nando’ Piedade Dos Santos, who is a cousin of the President, current President of the National assembly. In 2011, he was Vice-President of the Republic. He was forced to resign in November 2011 being suspected to have received illicit investments from Libanese firms. (http://club-k.net/index.php?option=com_content&view=article&id=9550:nando-impedido-de-entrar-nos-estados-unidos&catid=11&lang=pt).

Factionalism of today is unable to endanger political and economic position at the top. Factionalism played an important role in the MPLA up to the middle of the 80s but was definitively resolved in favor of Dos Santos well before the civil war that erupted again for ten years after 1992).


25 The first partial local election are expected for 2018.
Measuring Statehood

In the introduction, we have considered neo-patrimonial states those where rents play a crucial role in defining power relations. Furthermore, by following Mkandawire (2001) and others we have also discriminated rents between those which stimulate production against those that prompt only consumption. Productive rents, which are important to sustain a developmental state, need at least two conditions:

a) Rents accumulation must be centralized – i.e. governed by one person and/or organization (usually a political party);

b) The existence of a long-term strategy of pro-growth investments.

Centralization is needed to avoid that alternative powerful centers emerge to the point to defy government control (Callaghy 1984). Furthermore, rents must be enough to sustain growth. When growth is conspicuous, a moderate waste of resources in terms of consumption and corruption can be tolerated. The existence of a pro-growth long-term strategy implies that investments and developing programs benefits must also be allocated outside a ‘core group’, i.e. a clique, small elite, co-ethnic or co-regional factions. What we mean by allocation outside the core group is not only the redistribution to ordinary citizens but also the existence or not of regional socio-economic unbalances. During the war between UNITA and MPLA the country was divided between pro-government – much of the coastal areas – and anti-government regions – much of the interior. At that time, such divide was also perceived as ethnic.

As far as rents centralization is concerned, party dominance has favored the capture of the state and its structures – the bureaucracy, the parastatals, etc. – by the party in power. Most of the literature agree on that: party structures and those of the bureaucracy are barely defined (Gastrow 2013). Most of crucial parastatals are presided by powerful members of the party, their families or cronies (Kibble 2006; Soares de Oliveira 2007).
and 2011). A powerful network (futungo)29 has established itself above the most impor-
tant positions in economy, military and government. At the top of such system there is
SONANGOL (Sociedade Nacional de Combustíveis de Angola) and a chain of semi-public
or private firms led by powerful members of futungo30. Consequently, rents during and
after the end of the Cold war, proved to be crucial as an instrument of dominion of the
ruling elite of MPLA. Finally, with the end of the civil war in 2002, UNITA as a powerful
challenging organization has also be defeated31. Therefore, rents have now been cen-
tralized into a solid and interconnected clique around the Presidency which strictly
controls the party in power. Personal enrichment is tolerated to the point of not endan-
gering the system and factionalism is ruled out and punished.

Angola benefitted of enormous resources from oil exploitation since the end of
the civil war in 2002 and the resulting lowering of military expenses. Consumption
opportunities of the elite certainly boomed but resources were still enough to start
investment programs and to enact or maintain redistributive measures. If we follow
Skocpol (1985: 9) the ability to ‘implement official goals’ could be also a measure of
state capacity.

If we agree therefore that Angola is a ‘neo-patrimonial’ state and that rents en-
dowed those in government with enormous resources for consumption, neverthe-
less by measuring statehood we find robust arguments which distance Angola from
more controversial and weak African states. We have first considered statehood as
the outcome of two main macro-dimensions – authority and effectiveness – with the
first meant as political order and the second related to the capacity of state agencies
to provide with services the public through functioning government structures32. As
far as authority is concerned political violence is today almost completely under con-

29 From the name of the presidential compound in Luanda. According to Soares de Oliveira (2007: 606), The Futungo is a nebulus group of unelected officials and businessmen built around President Eduardo dos Santos. They became the key structure of power in the 1980s, with the relative sideling of MPLA party organs and “formal state structures”.

30 See the controversial reports of Marques de Morais (2010 and 2011). Among the private companies, “GEFI” (Sociedade de Gestão e Partecipações Financeiras) stands out as a private business of the MPLA. GEFI control directly or indirectly enterprises which operate in the bank system, construction, industry etc. Important political personalities are part of this business. It is difficult to evaluate the instrumental role that GEFI had played for development as it happened with Tri-Star in Rwanda (Booth and Golooba-Mutebi 2012). Not to mention the delicate issue of transparency. However, real economic power in Angola rests on SONANGOL.

31 We must remind that UNITA benefitted from the control of diamond rich fields during the civil war (Le Billon 2001).

32 See Bratton and Chang (2006). What for us is “authority” for the authors is “scope” and what for us is “effectiveness” for Bratton and Chang is “capacity”. We have not considered “legitimacy” as a macro-dimension since for us this is more a consequence of the other two.
trol of the central government\textsuperscript{33}. We are therefore able to operationalize our design by concentrating only on “statehood as effectiveness”. We have operationalized such by selecting two main variables: the \textit{material basis of statehood} and \textit{state intervention}. The latter is dependent from the former since the material basis of statehood is a pre-condition for a minimal state as such. The two will be the subject of the following chapters. Once measured the two variables, we are likely to establish whether Angola could be considered as potentially developmental or not. We have included also some observations on “administrative efficiency”\textsuperscript{34}, since this measure implies the existence of functioning institutions and impacts on the state capabilities, having a capable bureaucracy a reinforcing effect on growth (Evans and Rauch 1999)\textsuperscript{35}. In the final chapter we conclude with some conclusive remarks. We will see whether the new international economic context strengthens or weakens the measure so far adopted.

As far the \textit{material basis of statehood} is concerned, two indicators are used here – \textit{government revenue (excluding grants) as % of GDP, and taxes on income, profits, and capital gains as % of revenue} – which are found in the World Bank’s WDI (World Development Indicators) and/or in the database provided by the International Monetary Fund (IMF).

As for \textit{state intervention}, we have used four direct indicators: \textit{general government total expenditure}\textsuperscript{36}, \textit{level of investment} (both public and private), \textit{public spending on health/education} as the main indicator for social spending and the \textit{volume of subsidies}, which partially could be considered as a further redistributive measure. We could finally measure their possible effect by looking at some indirect indicators such as life expectancy, under-5 mortality rates, enrollment and literacy, etc. Data are found in many datasets available but we have relied on those provided by UNICEF and UNECA. As for the effects of such intervention, other data will be given, \textit{such as poverty, literacy, life expectancy, etc.}, if possible disaggregated at provincial level in order to detect territorial inequalities. Figure 1 resumes the variables and dimensions together with their direct indicators.

\begin{enumerate}
\item Even the political situation in Cabinda has been for the most resolved after negotiation with FLEC in 2006.
\item The indicators used – \textit{government effectiveness} and \textit{control of corruption} – are based on the World Bank’s WGI (World Governance Indicators).
\item Institutions and, in particular, bureaucratic apparatuses are crucial for state capacity (Skocpol 1985).
\item Such data are found in the WDI of the WB and IMF datasets.
\end{enumerate}
Figure 1 – Variables and (direct) Indicators for Statehood

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>INDICATORS</th>
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<tr>
<td>material basis of statehood</td>
<td>Government revenue (GR)</td>
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<td></td>
<td>Taxes on income, profits, and capital gains (TIP)</td>
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<td>state intervention</td>
<td>General government total expenditure (GGTE)</td>
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<td>Level of investment (LI)</td>
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<td>Public spending on health/education (PSHE)</td>
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<td>Volume of subsidies (VS)</td>
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The Economic Foundation of the Angolan State

Angola’s economy has strongly expanded after the end of the civil war (see Tab. 1). Angola remains as one of the most promising economies with robust potentialities to win poverty and inequalities. Macroeconomic indicators are reassuring. External debt is sustainable averaging 25% of nominal GDP in 2014\textsuperscript{37}; current account balances have been also positive, fluctuating between +25.6 (% of GDP) in 2006 and a +6.7 (% of GDP) in 2013, with the exception of 2009 (-10.0). In 2009, Angola requested IMF for a stand-by arrangement (SBA). As official reserves fell by one-third in the first half of 2009, in order to avoid a disruptive devaluation of the exchange rate with destabilizing social consequences, the GoA proposed a 27-month SBA aiming to alleviate immediate liquidity pressures. As for the beginning of 2012, the economic program underpinned by SBA had met the key objective of restoring macroeconomic stability. Under the program, the authorities undertook a significant fiscal adjustment, settled domestic arrears, rebuilt foreign reserves, stabilized the exchange rate, and reduced inflation (IMF 2012). Therefore the GoA managed to endure the financial crisis although the impact on growth. While the GDP had grown at double-digits between 2004 and 2008, with a peak of +22.6% in 2007\textsuperscript{38}, perspective for growth resumed steadily but widely under 10%.

\textsuperscript{37} Up from 22.1% in 2013. Domestic debt remained at 11.6% of nominal GDP (AfDB et al., 2015: 5).

\textsuperscript{38} The per capita annual income has steadily increased too from 2004 from 2480 to 5400 USD (http://databank.worldbank.org/data/views/reports/tableview.aspx.).
Table 1 – GDP growth (annual %) (2002-2016)

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<td>6.8</td>
<td>4.8</td>
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Source: WB

Notwithstanding such proved capacities as a state some economic weaknesses and unbalances remains. The first points to oil dependency. Lack of diversification in the economic production is a second main weakness. While growth in agriculture and manufacturing sectors have been robust in recent times, the economy expansion continues indeed to owe mainly to oil production and export which up to recently have benefitted largely from the rising oil prices. Oil production and export accounted about 46% of Angola’s GDP and 96% of its exports in 2012. The recent crash of crude oil price has impacted on the spending plans is alarming the government which is seeking to plug financial gaps that are emerging. Such inability of the government to diversify the economy is due to the lack of time – growth has been too recent to arrange proper instruments for diversification – and it indeed leaves the country vulnerable against external shocks as it happened with the 2007-08 world financial crisis and again most recently with the collapse of oil prices. In particular agriculture, is a standing case for the economic potentialities poorly disclosed so far given that agriculture still employs about two-third of Angolan labor force. Before independence, Angola was self-sufficient in all key food crops (except wheat) and was an exporter of cash crops, in particular coffee and sugar. The civil war and poor investments had an impact and the country has been dependent on food imports and food aid since 1990. A mere 10% of the arable land is currently under cultivation and per-acre productivity is one of the lowest in sub-Saharan Africa (IFAD 2014). Although growing, contribution of crops, livestock, forestry and fisheries to GDP is about 5.4% (WB 2013); a figure that increased about a 10-year average rate of 15%, primarily due to public investment programs. While the growth in agricultural sector may have contributed

39 Manufacturing growth in 2012 has been only about 1.3% against a growth over 10% in 2010 and 2011 (WB 2013). The manufacturing sector account for a meager 6% of GDP in 2012.

to a reduction in hunger, it is believed to have had a lesser impact on poverty reduction which remains widespread in rural areas. The obstacle to move forward is mainly due to the inability so far by the agricultural sector to supply the industry with transformable raw materials because of the low productivity, lack of infrastructure and inadequacy of the tenure system\textsuperscript{41}. Furthermore, budget allocations on agriculture had so far low.\textsuperscript{42}

Apart from oil dependence a third important weakness is that while the level of growth in the 2000s has provided important fiscal revenues enabling public expenditures to increase \textsuperscript{45}, one of the most salient features of Angola according to a recent World Bank report (2013) is the nonetheless very low level of investments, both public and private. Total investments’ rate is about 13\% of GDP (10 public and 3 private) which stands far below the normal average for SSA of 24\% (13\% for private investments alone) and the least among the African oil exporters (Staines 2013: 28). That the most important driver of investments remains the state is not a problem in se but if we consider the national budget current expenditures, which mainly means salaries and subsidies (18\%), they account still for about three-quarters of public expenditures\textsuperscript{44}, while capital expenditures, which had the potentiality to redress the many infrastructure bottlenecks and boost the non-oil sectors, account for the rest.

The same World Bank report point to a fourth “weakness” (WB 2013: ix). The key economic sectors are still made of few large firms and what are missed are the middle level ones, those between the largest and the multitude of very small ones which are part of the informal sector. Two important non-oil sectors benefitted from the economic expansion so far: the construction sector, which is tightly linked to public capability to spend, and the service sector as telecommunications and financial services, which are growingly required by big external investors\textsuperscript{45}. Such expansion in construc-

\textsuperscript{41} The rural areas has in matters of land mainly been left to govern themselves according to ‘customary’ rules. In 2004, the Parliament enacted a land law (Lei de Terras, Lei 09/04) in order to increase the agricultural producers’ security to land through the establishment of clearer titling procedures. The result has been mixed. However, the reactions by the small-holder producers has not always been against more commercialized modes of production (Jul-Larsen and Bertelsen 2011).

\textsuperscript{42} The development of agriculture sector is also affected by the demining process still in progress in large part of the country.

\textsuperscript{43} Fiscal revenues are also dependent from the oil sector (AfDB 2011: 4). In 2008, the non-oil sector represented 42\% of GDP, but contributed only to 20.5\% of fiscal revenues.

\textsuperscript{44} That includes funds directed to public enterprises, including SONANGOL, to cover losses and fuel subsidy which was estimated at about 5\% of GDP in 2012 (WB 2013: 9). Total subsidies accounted about 8.1\% of GDP in 2011.

\textsuperscript{45} Services accounted for 23.2\% of the GDP.
tions has had nevertheless a side-effect on property values and retail prices with dist-
tortive effects on the economy and perverse consequences on ordinary citizens with
entire districts of the capital city exposed to requalification and expulsions with or
without relocation (Gastrow 2013).

As the economy is expected to move from a dominant public-sector to a much
more market-oriented economy, the stark contrast between affluence and poverty
is increasingly alarming the MPLA government and could put heavy pressure on its
ability to keep under control social tensions that might arise. What has been so far
accepted by the public – a de facto single-party system – could be put under stress
as longer as disaffection from the party in government would widen and part of the
citizens would be driven to protest. As in other single-party or dominant party sys-
tems the legitimacy of governments is indeed strictly entwined to the ability of those
in governments to provide with redistributive measures, i.e. the ability to keep on
social spending. However, in order to do that, the GoA is firmly persuaded that main-
taining the command of the most crucial sectors as the banking system through big
semi-public firms such as SONANGOL and UNITEL is a middle-term measure which
will protect the economic national assets against international pressures to privat-
ize them. In order to do that, aid by the government – in the form of the “rents” – to
those firms is deemed crucial in order to provide for the lack of private capital accu-
cumulation which the country has historically exhibited. In this guise, the GoA is not
willing to accept that the international market leaves to indigenous enterprises only
the small-medium sector (SMEs). The state is therefore expected to continue to play
a crucial role in the economy.

Angola Statehood in Perspective

Putting in perspective and considering that public external debt (17% of GDP) is similar
or lower than other developmental neo-patrimonialist countries which, as Angola, did
not meet minimal requirements for being considered democracies such as Rwanda (15%)
and Ethiopia (26%), investments which were about 13% of GDP are very low if compared
to these countries (Ethiopia 26% and Rwanda 22%) (WB 2013: 11). Donors explain poor
investment level to a feeble investment management. In October 2012, the government
reacted with the establishment of a sovereign wealth fund (Fundo Soberano de Angola)
which was welcomed as a step forward in terms of expenditure planning and a require-
ment for the establishing of a long-term development strategic vision, adopted by the
Government of Angola (GoA) in 2007 – the so called “vision 2025” (Angola 2025: Um
Pais com Futuro) – together with a five-year medium-term Strategic Plan (2009-2013)
meant to operationalize it. Among the objectives of the two documents there were important guidelines to be pursued by the GoA which were important for both statehood as well as to appease donors and the international community: to assure high sustainable economic growth by enhancing industrialization through import substitution (ISI); to develop infrastructures; to promote transparency on business; to eradicate famine, poverty and illiteracy; to favor decentralization and deconcentration and to promote national cohesion. In this list democracy was also mentioned. There is no apparent contradiction between the many objectives pursued by such strategic guidelines, but at least two points must be stressed because they mean a departure from the tenants of the Washington Consensus and help to outline the strategic approach of the government. In particular, ISI strategy for development is intended ‘to protect’ local industry in its early stages while ‘decentralization’ is here intended more as ‘deconcentration’ of services provided by the public administration while maintaining the central government strong controlling the administrative structure.

In the methodological section we had identified two main variables of statehood: the material basis of statehood and state intervention. As far as the former, two indicators have been employed. In figure 2 trend analysis on government revenue (excluding grants) (GR) which was chosen as first indicator (see Fig. 1) for the material basis of statehood is represented.

The figure depicted is that of an ostensible swinging GR due to the different macro-economic trends. However, generally speaking data remains very promising if compared with those of Ethiopia and Rwanda. GR in Ethiopia barely reached 20% of GDP in the period considered, while that of Rwanda stabilized around 25% in recent times. In the case of Angola such revenues were for the most due to oil exploitation and export, while non-oil revenues ranged between 1/3 and 1/5 of the GR. So as far as the material basis of statehood is certain that thanks to mineral resources Angola is better suited for becoming developmental. The falling of oil prices will certainly lead to significant revenue shortfalls as it happens in other energy exporting nations, but the perspective of a descent of Angola into a Venezuela’s scenario – rampant inflation coupled with food shortages and a collapse of foreign investments – is likely to be excluded, given the umbrella provided by the Chinese strategic partnership.

46 In December 2012 a new strategic plan was presented covering the following five years (RdA-MPDT 2012).

47 According to a trade policy review by the WTO, Angola have increased tariff rates in order to protect its economy, on average from 7.4%, in 2005, to 10.9%, in 2015 (https://www.wto.org/english/tratop_e/tpr_e/tpr421_crc_e.htm).

48 In October 2015, Luanda announced to be going to receive a loan of about 6 USD billion from China. This loan will however likely to raise the debt from 32 to 46% of GDP (MISNA, October 16, 2015). On strategic partnership with China, see Corkin (2013).
However, statehood is not only about resources since administrative efficiency impacts on the ability of governments to spend money according to the decided strategic goals. We could measure that drawing upon two out of the six dimensions of governance indicated by the World Bank’s WGI: government effectiveness (GE) and control of corruption (CC). These more than the others capture the essence of administrative efficiency since GE refers to perception on the quality of public service, degree of its independence, credibility of the government’s commitment to policies, etc., while CC is a perception index aiming at capture “the extent to which public power is exercised for private gain” (Kaufmann et al. 2010: 4). The results are quite important. While effectiveness improved for all, more moderately in the case of Angola and Ethiopia, far better in Rwanda, as far as corruption is concerned, Angola is the only one where corruption has worsened. On the contrary, in the case of Rwanda, corruption has been efficaciously put under control to the point that the score is positive. An important result for a SSA country.

The others are: voice and accountability; political stability and absence of violence/terrorism; regulatory quality; rule of law. For major details see (Kaufmann et al. 2010: 4).

From -1.3 to -1.0 for Angola between 1996 and 2012; from -0.9 to -0.4 for Ethiopia during the same time span; from -1.2 to -0.1 for Rwanda.

From -1.0 to -1.3 for Angola between 1996 and 2012; from -1.1 to -0.6 for Ethiopia; from -0.9 (in 1998) to +0.6 for Rwanda.

Source: IMF (2015: 6)
What these numbers capture is that if Angola’s government has certainly improved the quality and the quantity of the services delivered to the public, at the same time it is struggling against corruption with few successes since corruption rather tends to spread as much as state services do expand. If we consider corruption from a more qualitative perspective\footnote{See TI report of 2010.} we find that it is not only about grand corruption but also about petty bribery (\textit{gasonas}) where bribes are demanded for accessing public services such health or education. However, whether petty corruption is able to endanger the Angolan political system and its administrative efficiency is doubtful. Normally, states where corruption is widely spread and accepted in all layers of the bureaucracy are probably weaker than those where much of the corruption is concentrated in few hands. The latter rather seems the case of Angola. According to a report of Shaxson \textit{et al.} (2008), while government cronies were allowed to enrich themselves in the course of their duties they were still expected to perform according to certain standards of efficiency in order not to be removed from their post. However, grand corruption may have also impacted on the ability of collecting taxes. Such measure is captured by the following indicator: \textit{taxes on income, profits, and capital gains} (TIP). TIP refers to taxes that “\textit{are levied on the actual or presumptive net income of individuals, on the profits of corporations and enterprises, and on capital gains, whether realized or not, on land, securities, and other assets}”\footnote{See the World Bank website for major explanations (http://data.worldbank.org/indicator/GC.TAX.YPKG.RV.ZS?page=2).}. Table 2 summarizes the data. Angola is again compared to Rwanda and Ethiopia.

Table 2 – TIP: Taxes on income, profits, and capital gains (% of Revenue) (2003-2015)

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<tr>
<td>Angola</td>
<td>41.0</td>
<td>48.4</td>
<td>56.0</td>
<td>43.2</td>
<td>39.1</td>
<td>48.7</td>
<td>54.8</td>
<td>34.1</td>
<td>27.6</td>
<td>31.9</td>
<td>29.7</td>
<td>30.7</td>
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<tr>
<td>Ethiopia</td>
<td>14.2</td>
<td>14.0</td>
<td>9.9</td>
<td>15.1</td>
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<td>10.3</td>
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Source: WB
(http://data.worldbank.org/indicator/GC.TAX.YPKG.RV.ZS?view=chart)
The data collected depict a declining capacity to collect taxes, at least after 2009. Less performing countries such as Ethiopia have been able to maintain their capacity more stable or, as in the case of Rwanda to increase it, although on a shorter time span. A reason could be certainly due to factors on which the IOs are particularly sensitive such as capital flight, regulatory loopholes (Fjeldstad and Heggstad, 2014), corruption and non-transparency in reforming taxation (CMI-CEIC 2014a; CMI-CEIC 2014b)54, however it is also certain that it was the crisis that oil economies endured in the last few years that mostly impacted on the capacity of rising taxes55. As far as taxation is concerned, yet a structural problem remains. For example, while non-oil income taxes grew strongly in 2012 according to the World Bank (WB 2013: 9) they still represent only 15% of all revenues. All these causes will certainly have an effect on the capacity of the state to spend money for development, which we have considered as part of the “state intervention” dimension.

In the methodological section we identified a number of indicators which were grouped under such dimension. Three of them are direct indicators: general government total expenditure (GGTE), level of investment (LI), public spending on health and education (PSHE) and volume of subsidies (VS). All have been measured as % of GDP apart from VS.

The figure (FIG. 3) depict a constant capacity to spend (GGTE): spanning between 35% to 42% of GDP during 2000-13 with an apex in 2008 (55.4%).

As it has previously mentioned, however, most of the amounts are current expenditures with less than one-quarter devoted to development. Notwithstanding, large amounts have allowed an enduring capacity to develop infrastructures on a huge scale investments in the last decade. Benefitting from a fiscal surplus and a low and manageable public debt burden, Angola could be in a position to further boost investment spending over the medium term (WB 2013: vii) unless the fall of oil prices will not hamper strategies for investment and diversification. This is even truer if we consider that Angola levels of investment (12.6% of GDP) are currently below the average for SSA (WB 2013: 11)56.

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54 For instance, mismanagement (i.e. “corruption”) of oil resources are well documented or matter of speculation (Marques de Morais 2011).

55 Nigeria, for instance, is facing similar problems (Africa Confidential, November 20, 2015).

56 Such level of investment was not only far below the two developmental countries – Ethiopia (26.1%) and Rwanda (22.2%) – already mentioned and which are non-mineral economies, but below other oil/mineral economies; some of them as DRC (23.8%) or Nigeria (23.5%) did not benefit from the political stability which Angola enjoyed.
State intervention is not only about general expenditures and level of investments but have also an impact on social welfare. Angola allocated to health and education 2.1 and 3.5 (as annually % of GDP) respectively, between 2007 and 2011 (Source: UNICEF). These are not enormous efforts, compared to developing countries like Rwanda \(^{57}\), if we consider that in Angola fuel price subsidies alone were 3.7% of GDP in 2014 (IMF 2015: 6). As in other oil-producer countries (WB 2005: 3), subsidies policies can be considered as the most important measure of redistribution. In Angola, fuel subsidies are part of a set of other utility price subsidies which include water, gas and electricity consumption (WB 2005). Critics argue that more than 50% of fuel subsidies go to households in the top 20% of the income distribution, since most of the recipients are people who owes a vehicle or live in a city. Notwithstanding that, poor households spend a higher share of their total budget on fuel than do the better-off households. Therefore, plans to reduce it, would severely impact on poor households, unless other offsetting measure are taken into consideration. Angola has been able to maintain an average volume of subsidies (VS) above 20% of total expenses in the last ten years, as

\(^{57}\) During the same years, Rwanda devoted to health and education, 7.8% and 4.4% of the GDP. Impacts of these efforts are provided in note 61.
it is shown in table 3. Such VS includes not only nonrepayable transfers to private and public enterprises – notably SONANGOL as the main beneficiary – but also to social assistance.


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<td>26.7</td>
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Reducing them is politically risky\(^{58}\), unless alleviated by other measures such as direct cash transfers; policy adopted by other SSA countries (IMF 2015: 17), notably among them Rwanda and Ethiopia. However, such measure requires stronger administrative capacities which at the moment Angola is lacking\(^{59}\). Currently, social assistance in Angola is provided by a number of direct social programs, which, however, have a limited coverage of poor households. While, good progresses has been recorded as a result of an increased amount of money devoted to social welfare measures, poverty remains high with reduction results below expectations\(^{60}\), and while the most outstanding result has been that Angola achieved the MDG hunger target in 2013 and it reduced under-nutrition by more than 50% over 1990-2013 (UNECA 2014), this has been achieved through food importation\(^{61}\).

\(^{58}\) In Indonesia, for example, protests motivated by an attempt to raise fuel prices in 1998 led to a series of events that culminated with the collapse of the regime presided by Suharto (Metschies 2005).

\(^{59}\) Cash transfers could include the elimination of fees for state-run schools, price ceilings on public-transport fares, etc. (IMF 2015: 17).

\(^{60}\) Calculation based on the WB’s WDI indicate a drop from 54% to 43% in poverty headcount ratio at $1.25 a day between 2000 and 2009. As elsewhere in SSA, in absolute terms the number of poor people has increased (Chen and Ravallion 2008).

\(^{61}\) As for health, life expectancy has improved from 1990 to 2012 from 41.2 to 51.5 (from 33.5 to 62.8 in Rwanda) while during the same time under-5 mortality rate dropped from 213 to 164 per 1000 live births (in Rwanda they decreased from 152 to 42). As far as education is concerned, literacy rate improved from 67% to 71% (58% to 68% in Rwanda) among adults aged 15 and over, while net enrolment rates in primary school improved significantly from 53% (79%, in Rwanda) during the civil war (1999) up to 86% in 2011 (98%, in Rwanda), through however a deterioration of gender gap (UNECA 2014: 41).
Poverty incidence is now estimated around 37%, which means that 37% of Angolans live under the poverty line (4,793 kwanzas per month). Differences between rural and urban areas remains very important, with most of the poor concentrated in rural areas. In urban areas around 1/5 of the population is poor while in rural areas 3/5 of population is in poverty. Poverty spreads also differently among regions, with more than 1/2 of poor population in the South-Centre, North-Centre and in the East, while only 8.6% of Luanda population is poor and between 1/3 and 2/5 in the South and in the North (RdA-MdP 2011: 128). Average personal incomes are very different with almost three times in Luanda compared to the East region. These income variations has an impact on the accessibility to services provided to the population. For example, the national proportion of population who has never attended school is about 20%. But this figure drops to 16% in Zaire province, which is in the North, or 9% in Luanda province, and rises to 37% in Lunda North or 42% in Kuando Kubango, both in the East. These regional unbalances point to the inheritance of the civil war and a model of development which in the recent past concentrated much of the resources in the capital city and did not spare neither former opposition stronghold such as the South-Centre nor government stronghold such as the North-Centre\textsuperscript{62}. The GoA is committed to bridge such gap through medium-long term infrastructural investments which are supposed to consolidate of some axes connected through corridors (RdA-MPDT 2012: 86-88). However, poverty is in the short term is rather receptive to external shocks and Angola is almost completely devoid of “safety nets” devoted to protect poor households during economic crisis and at the moment no solid plans for a national safety net system are in place (Monchuk 2014: 149-150).

Conclusions: Loosing the Momentum?

The Angolan case is an important contribution to the study of the development and expansion of statehood in Africa. It shows both the obstacles and the advantages in generating developmental policies in a political setting which is alternative to liberal democracy and is marked by extended centralized patrimonial practices by a long-time president and party in power. Dos Santos has perfectly survived for nearly four decades marked by a long period of civil war and instability. He has led the country from the post-independence era through the civil war up to the beginning of a por-

\textsuperscript{62} North-Centre corresponds to the Bengo, Kwanza Norte and Melanje provinces. South-Centre corresponds to Kwanza Sul, Benguela, Huambo and Bié. Ten years ago 85% of the registered doctors in the country were in Luanda (Kibble 2006: 535).
tentous infrastructural and economic development in an era marked by growing globali-
ization and interdependence.

Politically, the Angolan model is a departure from the classical mode of patrimonial polities which are usually weak. Two important factors contributed to foster a stable neo-patrimonial state based on a dominant party which rests on clan networks: democratic centralism within the party and civil war which favored such centralism. Such political system has endured thanks to two further structural factors: the disposal of vast mineral resources that has allowed a large redistribution of wealth first to an elite and subsequently to an enlarging social base, and a territorial configuration that favored the concentration of the majority of the population in and around Luanda. Both have contributed to ‘functionally’ shape the Angolan patrimonialism to the point that the system has been able to thrive in difficult times. How the achieved political stability is about to deliver its economic potentials to a wider public and beyond the elite and the middle class remains to be seen. Although improvements in social achievements, inequalities remain important. It is not only about accumulation by the elite against most of ordinary people but far more important are regional inequalities and concent-
tration of major investments which found it difficult to expand outside a core area around Luanda. Given the fact that MPLA enjoys weaker legitimacy in peripheral area a failure of integration means in perspective the risk of political instability even if no credible opposition movement is at the moment able to defy the regime.

Angola stays in the middle of the Kelsall et al. (2010: 8) model, as it has mentioned in the introduction. Between a non-developmental kleptocracy and a developmental rentier state like Rwanda. In particular, contrary to Rwanda, anti-corruption stances find it difficult to entrench into the party. However, corruption is probably the least important obstacle that if not seriously addressed could hamper the GoA commitment to expand development. It is doubtful that corruption is of such to endanger efficiency.

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63 According to an African Development Bank (AfDB 2011) middle classes have expanded in Africa in the last two decades. Angola estimate put around 13.2% of the population in the middle class "without floating class" in 2010 (AfDB 2011: 5). "Floating class" are those with a per capita consumption level of between $2-$4 per day, which is slightly above the poverty line. They are the more vulnerable in case of economic crisis, which is the actual condition of Angola after the drop of oil prices. With the "floating class, middle class in Angola is around 38.1%. The two measures are in line with the average for the entire Africa, North Africa included.

64 Angola ranks in 161st position according to the CPI2014; one of the most corrupted countries in the world as well as in Sub-Saharan Africa (SSA) (being Somalia the worst in the world – 174th – and Botswana the best in SSA in 31st position). In the absence of reliable indicators of neo-patrimonialism (Erdmann and Engel 2006: 22-24), we could employ corruption as a proxy indicator. Although different – corruption is a more circumscribable phenomenon which implies an exchange between political decision and money – corruption implies the same discretionary power of an office as neo-patrimonialism. Corruption is employed by Minxin Pei (2006) as an indicator of de-institutionalization in China.
As we have established so far, in Angola, corruption, although important and widespread, is for the most centrally controlled. Efficiency is only partially affected and it is generally improving. We can say that productive and consumption activities have walked side by side thanks to enormous resources available since 2002. The President allowed personal enrichment based on the promise of engaging in productive investment for the development of the country. Some networks performed well, others have been more controversial\(^{65}\). But contrary to Zimbabwe, which epitomizes anti-developmental patrimonialism (Dawson and Kelsall 2011), the state has not been eroded by predatory activities\(^{66}\). The current sudden fall of oil prices will determine the real extent of the Angolan neo-patrimonialism due to the need of reducing considerably the resources driven for consumption activities and focalizing the central rents mainly in productive investment.

Far more important, therefore, economic diversification remains the problem. Economic diversification needs further investments. The recent fall of oil prices will seriously affect the level of investments which, as we have already established, was lower than expectations for a country which largely benefitted of enormous resources during the 2000s. Such resources have been largely employed to overcome the economic legacies of the civil war, foster political stability and elite cohesion, but were not immediately invested according to a long term perspective. The result has been a growth that has failed to deliver development according to its potential, another important requisite for developmental patrimonialism\(^{67}\). Long-term strategies have been set out recently but they could be compromised by the fall of oil prices unless neutralized by corrective measures. This year GoA has slashed off a third of its budget because of the fall of oil revenues. One of the measure has been first the reduction of oil subsidies which has produced about a 100% of increase in fuel prices in the following seven months\(^{68}\). A measure that has seriously affected those of the “middle floating class” who are part of the social bases of MPLA. According to IMF estimates, “it will be critical to bring the public sector wage bill, as a share of GDP, more in line with the new

\(^{65}\) As is the case of the much discussed Vice-President Manuel Vicente and Gen. Manuel Hélder Vieira Dias “Kopelipa”, currently director of the National Reconstruction Office.

\(^{66}\) Dawson and Kelsall (2011: 24) mentioned “anti-urbanism” as political culture in the ZANU-PF that militates against urban-industrial development. There is nothing of this kind in the MPLA, which had been rather urban oriented.

\(^{67}\) Based on cross-country relation between the income and non-income components of the Human Development Index (HDI), Angola would be expected to have a value for the non-income component equal to 0.67, while its actual value is 0.48 (IMF 2014: 26). This is one of the largest gap in SSA.

\(^{68}\) “Amid yachts of rich elite, Angola’s poor crushed by oil price drop” (The Star Online), May 20, 2015. See also MISNA, October 6, 2015. From the first January 2016 oil subsidies has been removed at the request of IMF. Saved resources should be diverted to social spending.
revenue reality of the budget”69. Predictions for growth by the IMF will be for 4.5% in 2015 and 3.9% in 2016, well below the numbers enjoyed till recently. The same budget cut has therefore reduced the level of public investment by 45% with surely indirect effects on the public expenses devoted to strengthen the public service which were planned this year to be higher than those for defense and security70. To limit shortfall in government revenue, the GoA announced a plan to raise up to 1.5 USD billion from a bond issue. But prospects to convince investors are weak71. For this very reason, Luanda announced to be going to receive the important, already mentioned loan from China72. Without diversification and a rise of oil prices the country risks therefore to lose momentum.

If such economic adversity may have political effects is however doubtful, and although protests have recently paralyzed the Viana district of Luanda for a couple of days, the level of protest still remains very low73. A decrease of approval to MPLA by the public is difficult to translate in a strengthening of the opposition in a country so deeply weary by years of civil conflict. The MPLA should be able once more to keep under control social tensions that could arise particularly in the suburbs of overpopulated Luanda. However, the stark contrast between affluence and poverty, which is widespread and persistent, could challenge the regime in the long run. The problem of inequalities are well known at the top of the regime. It is clear that the personal wealth of several members of Angolan elite has public implications74 and it is difficult to tolerate it in the long run. However, growing dissents against the party in power should difficultly provoke a revolution or a resurgence of insurgency. Nor is certain if it will affect the problem of succession in the short run. This will rather concern the ability of the party in power to ensure its own survival. Up to now, the political arena has been

69 “IMF urges Angola to diversify its economy” (Public Finance International), August 26, 2015. Public sector wages grew by about 6% in real terms in 2012 and about 10% in 2011. Such increases had bolstered consumption.

70 “Angola budget hit by falling oil prices” (AFP), March 19, 2015. Oppositions say that the powerful military (FAA), the most important pillar of the regime and one of the major and operational army in Sub-Saharan Africa will be barely affected. Angola destined 4.9% of GDP in 2015 and 13.8% of central government expenditure in 2012 to military expenditure. Much more than education (3.5% of GDP in 2010) and health (3.8% of GDP in 2013). (Source: WDI). It is quite notorious that among the power elite members of the FAA are among the major responsible for land grab in the country.

71 "Luanda Seeks Eurobond Lifeline" (Africa Confidential), October 2015.

72 In September 2016, Dos Santos sacked the Minister of Finance, Armando Manuel, after talks with the IMF stalled over medium-term emergency funding. In June 2016, Dos Santos announced that Angola would no longer participate in long-term loan negotiations with the IMF.

73 Protests started from taxi drivers (MISNA), October 5 and 7, 2015.

74 It is well known that the President’s daughter, Isabel Dos Santos, is the richest woman of Africa.
managed within the party, first in the Central Committee and then in the Bureau where disagreements over economic priorities are partially tolerated. Such differences within the party dampens the internal tensions and finds in the Presidency a point of equilibrium. If it is true that Angola under Dos Santos has become progressively characterized by personal rule to the demise of party as the place where policies are collectively discussed, selected and governed, the MPLA has been maintained as an interface between those in and those excluded from the benefits bestowed by the system. The important VII Ordinary Congress of MPLA to be convened in August 2016 will determine the capability of the President to reform the party and open it to a younger generation in order to curb social discontent in the current economic crisis. How such a political system may survive further economic decline and the unavoidable end of Dos Santos, who is 73, remains though matter of speculation. In a similar setting, Ethiopia and its party in power – the EPRDF – has been able to survive the unexpected death of Meles Zenawi in 2012.

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75 A new statute of the party has been approved by MPLA. In the Ordinary Congress of August 2016, the 40 per cent of the new Central Committee will be composed by members who had never been part of it before and never engaged in political activities. This will push a large numbers of the old hierarchy outside the active political life and intend to a deep renewal of the human reservoir of the party.

76 In March 2016, Dos Santos has announced his intention to leave the presidency in 2018. The August 2016 Congress will decide also about his succession. The nomination of Manuel Vicente as Vice-President of Angola in September 2012 had been understood as the most probable successor of Dos Santos at the top of the political system, amid some dissatisfactions among MPLA apparatchiks (Jeune Afrique, 8 février 2012). Vicente had been previously head of SONANGOL since 1999. His involvement with the Chinese dealmaker Sam Pa, arrested in Beijing on 8 October as part of a crackdown on the Sinopec oil company which operated in Angola in partnership with the SONANGOL, has been understood by Africa Confidential (October 23, 2015) as a demise on political ambition of Vicente. According to the Portuguese weekly Jornal de Negócios, Isabel Dos Santos will play a role in the future restructuring of SONANGOL (January 21, 2016).
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About the Author

Federico Battera is Associate professor of African Political Systems at the Department of Political and Social Sciences – University of Trieste – Italy. He is the author of a series of articles and chapters on Somali, Kenyan, Zambian and North-African and Middle East politics and history. He recently published on the Journal of Asian and African Studies and on Contemporary Arab Affairs.

Federico Battera
Department of Political and Social Sciences, University of Trieste, Piazzale Europa, 1 Trieste, 34127, Italy
e-mail: FEDERICO.BATTERA@dispes.units.it