

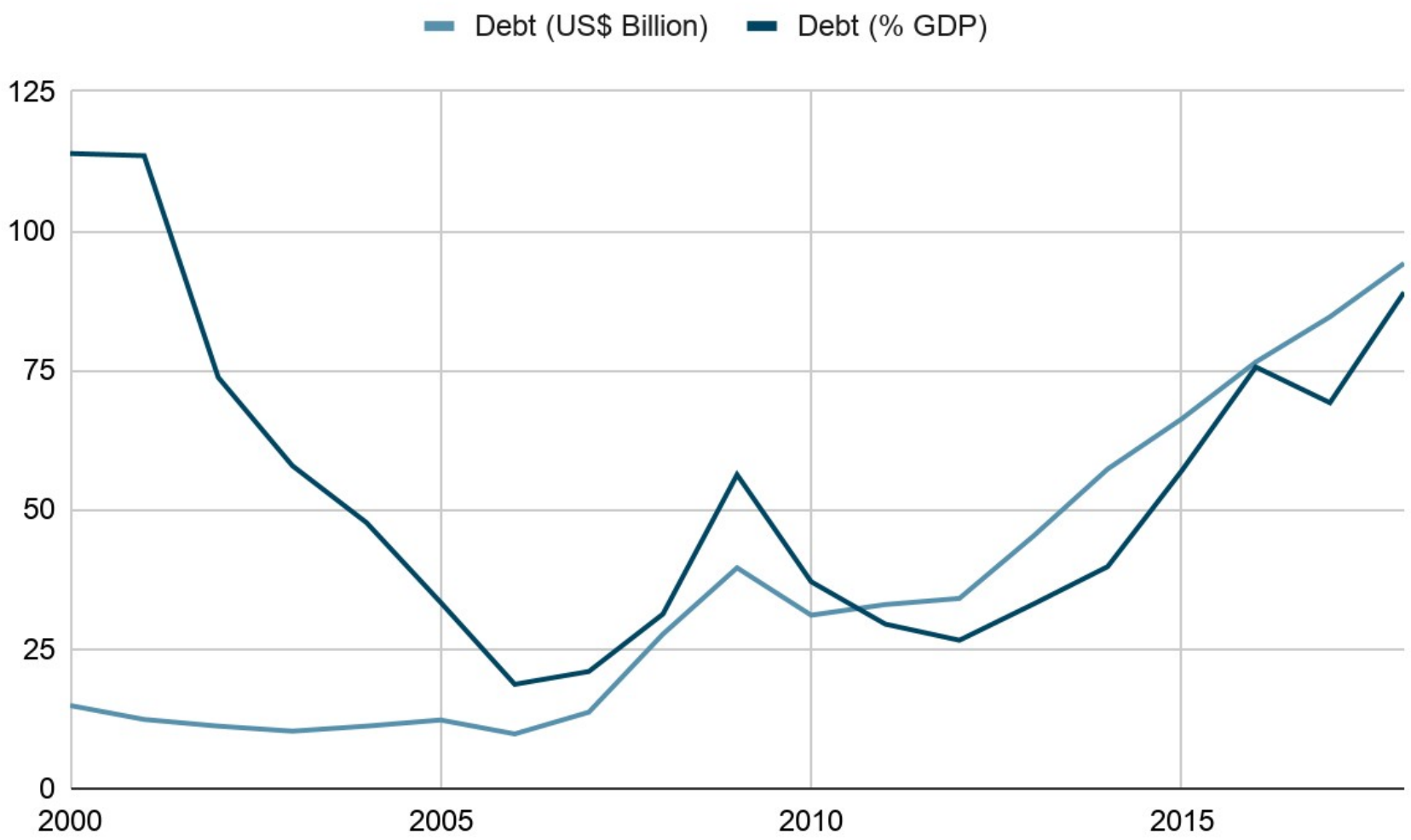
Angola´s Debt Crisis: Implications and Strategies

Âurea Mouzinho
11 November 2020

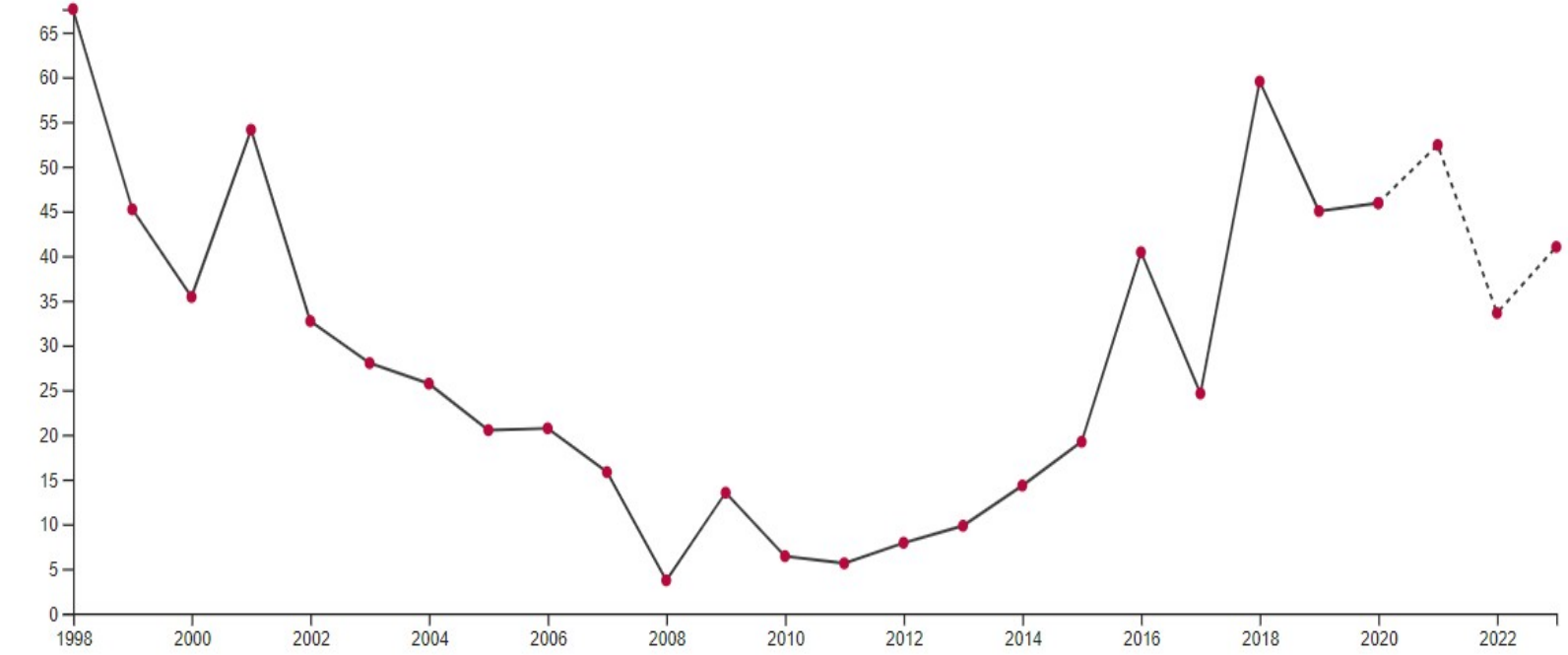
The Making of a Crisis

Debt Landscape

- Exponential rise in debt since 2013
- Rapid increase in external debt as a % of GDP and revenue
- National budget: Increased % of debt payments vv low and stable / declining % social services

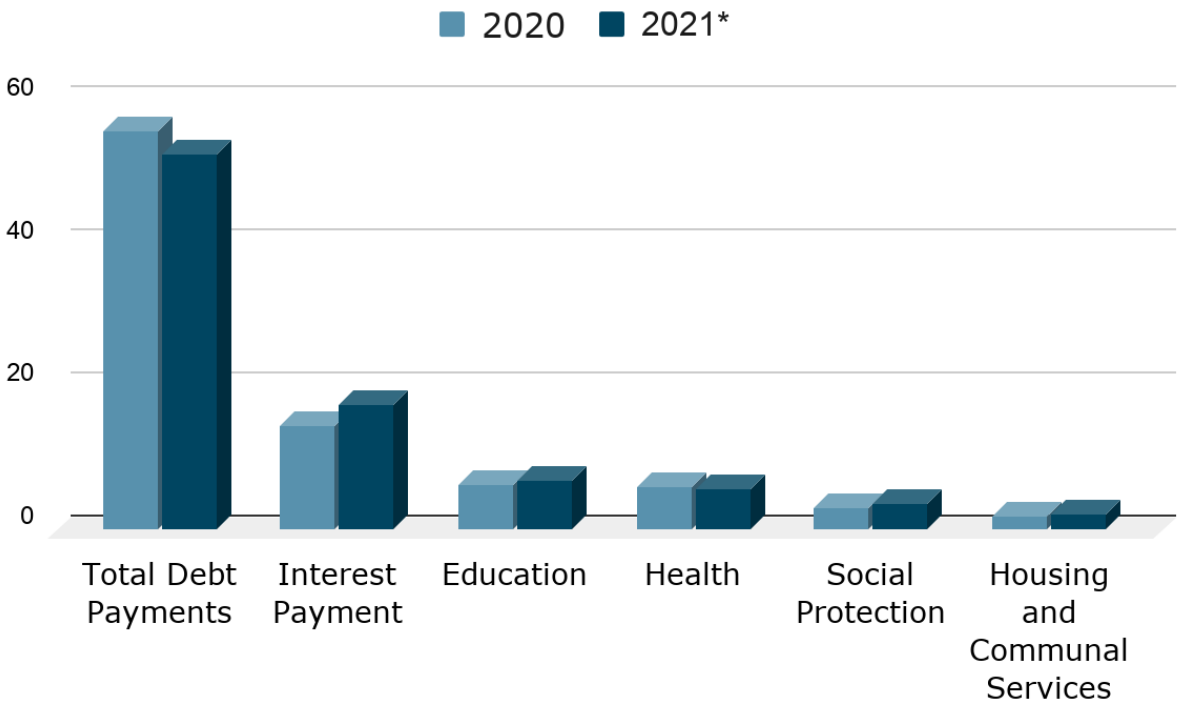

Debt (US$ Billion)
Debt (% GDP)
125
100
75
50
25
0
2000
2005
2010
2015
Data Source: Country Economy, 2020

External debt as % of revenue



Source: Jubilee Debt Campaign Data Portal

Budget Expenditure by Category



Source: MINFIN

Key Issues - Transparency & Accountability

- Executive vs Parliament checks and balances
- China loans and public guaranteed loans
- Luanda Leaks and other “scandals”
- LegitimacY of debt?



25 por cento da dívida pública registada é fraudulenta

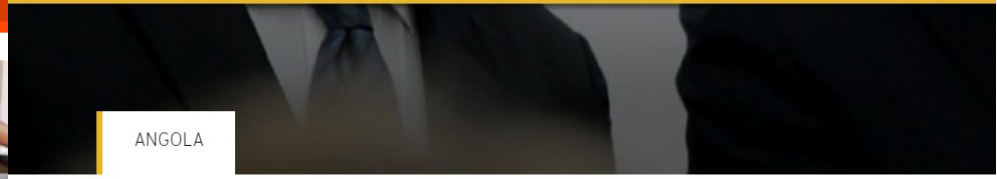
28-03-2018 | Fonte: Angop



Trezentos e noventa e um biliões e 145 milhões de kwanzas é o valor da dívida contraída e registada pelo Estado, entre 2014 e 2016, aos prestadores nacionais de serviços, segundo dados avançados pela secretária de Estado da Finanças, Vera Daves.

De acordo com a responsável, em 2017, foram assinados acordos de regularização de dívida no valor de 87 biliões e 170 milhões de kwanzas, correspondendo a uma regularização dos atrasados de 137 prestadores de serviços.

Ao falar terça-feira numa conferência de imprensa, para apresentação da estratégia de actualização da regularização dos atrasados, Vera Daves esclareceu que as dívidas abaixo de AKZ 500 milhões, cujo valor inscrito equivalia a 71 biliões e



ANGOLA

By Tancrede Chambraud Last updated: 12/10 - 16:12

Angola's President, Joao Lourenço continues to go after former president José Eduardo Dos Santos.

In an interview with the Wall Street Journal, Lourenco estimated that the country lost up to US$24 billion dollars under the former administration of president José Eduardo dos Santos.

According to the president, over half of the figure US$13.5 billion dollars, were diverted through fraudulent contracts with state oil company Sonangol, one of Angola's leading institutions.

It's Twice the country's net foreign currency reserves.

The Wall Street Journal noted that the figure revealed by João Lourenço was not independently confirmed, but is "consistent with the substantial sums" already seized last year from Isabel and Filomeno dos Santos, the former president's children.

Since José Eduardo dos Santos stepped down after 37 years as the head of state, Dos Santos' family, and particulary former Sanangol president Isabel Dos Santos, has been targeted by the anti-

Key Issues - Austerity Vs The People

- Lack of widespread social protection
- Virtually nonexistent and inefficient public services (further cut)
- Shifting of burden to the poorest and most vulnerable
    - Public wage bill cut /public hiring freezes
    - Fuel subsidies
    - VAT

Implications

Debt Crisis?

Jubilee Debt Campaign:

A debt crisis is where debt payments undermine a country's economy and/or the ability of its government to protect the basic economic and social rights of its citizens.

Debt Crisis --> Social, Political and Economic Crisis

- Unemployment, underemployment
- Poverty
- Inequality
- Social discontent → upheaval → authoritarian responses
- COVID-19
  - Aggravated social, economic and political problems
  - Convenient scapegoat (!)

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Angola: Authorities must respect youth's right to protest against high cost of living

10 November 2020, 21:30 UTC

Ahead of planned peaceful demonstrations in Angola tomorrow, organized to protest against the high cost of living and call for municipal elections, Muleya Mwananyanda, Amnesty International's Deputy Regional Director for Southern Africa said:

> "Angolan authorities must guarantee that protesters can exercise their rights to freedom of expression and peaceful assembly, which are protected by the Angolan constitution and

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novo jornal

evacuado para o hospital

Os manifestantes que hoje se concentraram nas imediações d
Cemitério da Santa Ana, em Luanda, foram forçados pela pol
uma deslocação para a zona do Palanca - zona do Shoprite -
recurso a granadas de gás lacrimogéneo e com intervenção d
forças anti-motim, como o Novo Jornal constatou no local.



Foto: António Ngola

Resolution Strategies

Resolution Strategies - Local

- Building up Angola´s debt justice movement
  - OSISA´s Economic Justice School
  - Citizen´s Platform for Public Debt (PADPC)
- Priorities:
  - Audits, audits, audits!!!
  - Citizen´s consultation
  - Parliamentary decision-making
  - Transparency

Resolution Strategies - Global North

- Coalition building with local movements
- Scrutiny of bilateral debt relations
  - Role of gvts and companies in Angola´s public debt
  - Gaps in domestic policy / bilateral deals
    - Ex. tax avoidance and evasion
- Multilateral:
  - IFIs and private lenders
  - UN

Thank you!

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