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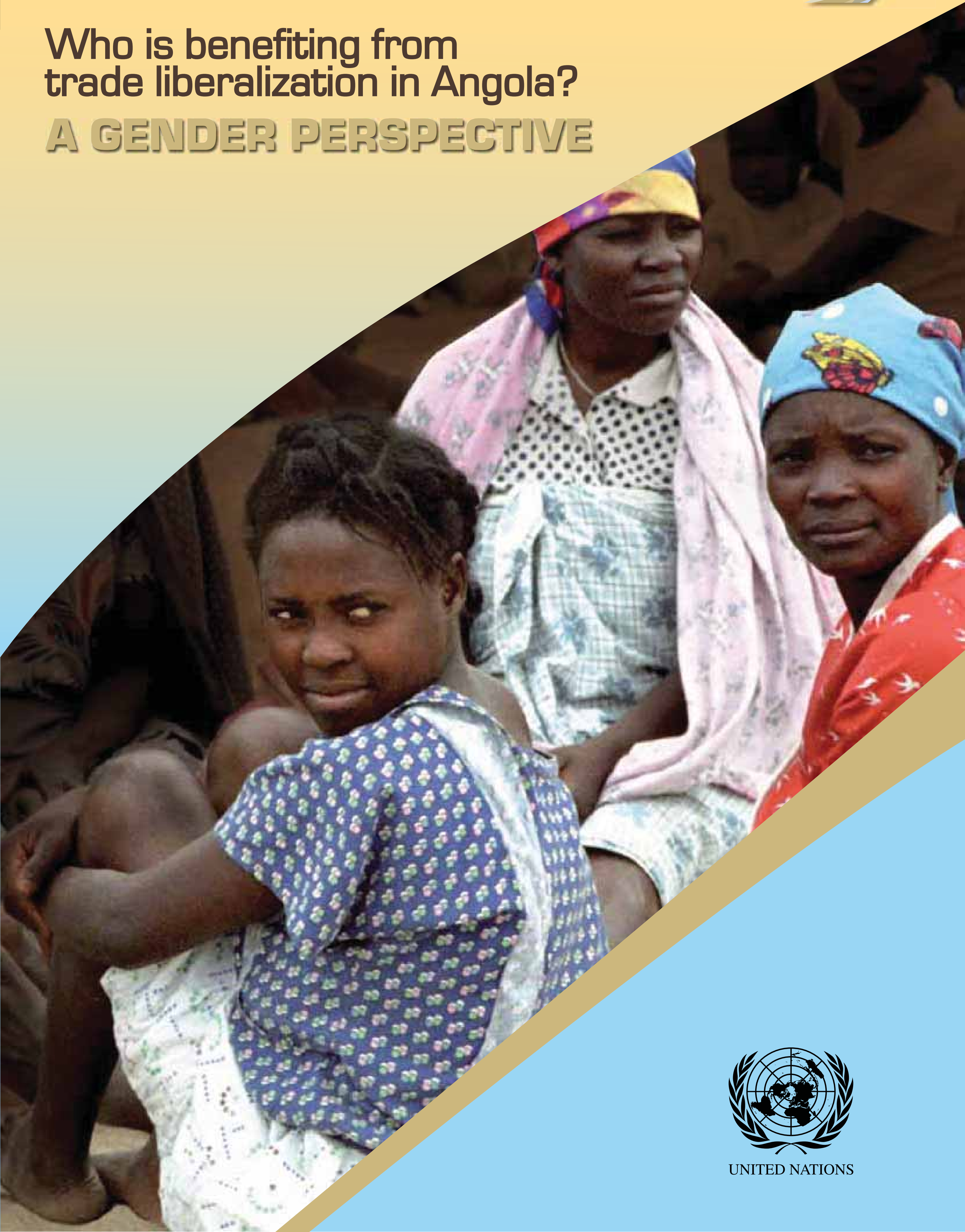
Who is benefiting from trade liberalization in Angola?

A GENDER PERSPECTIVE



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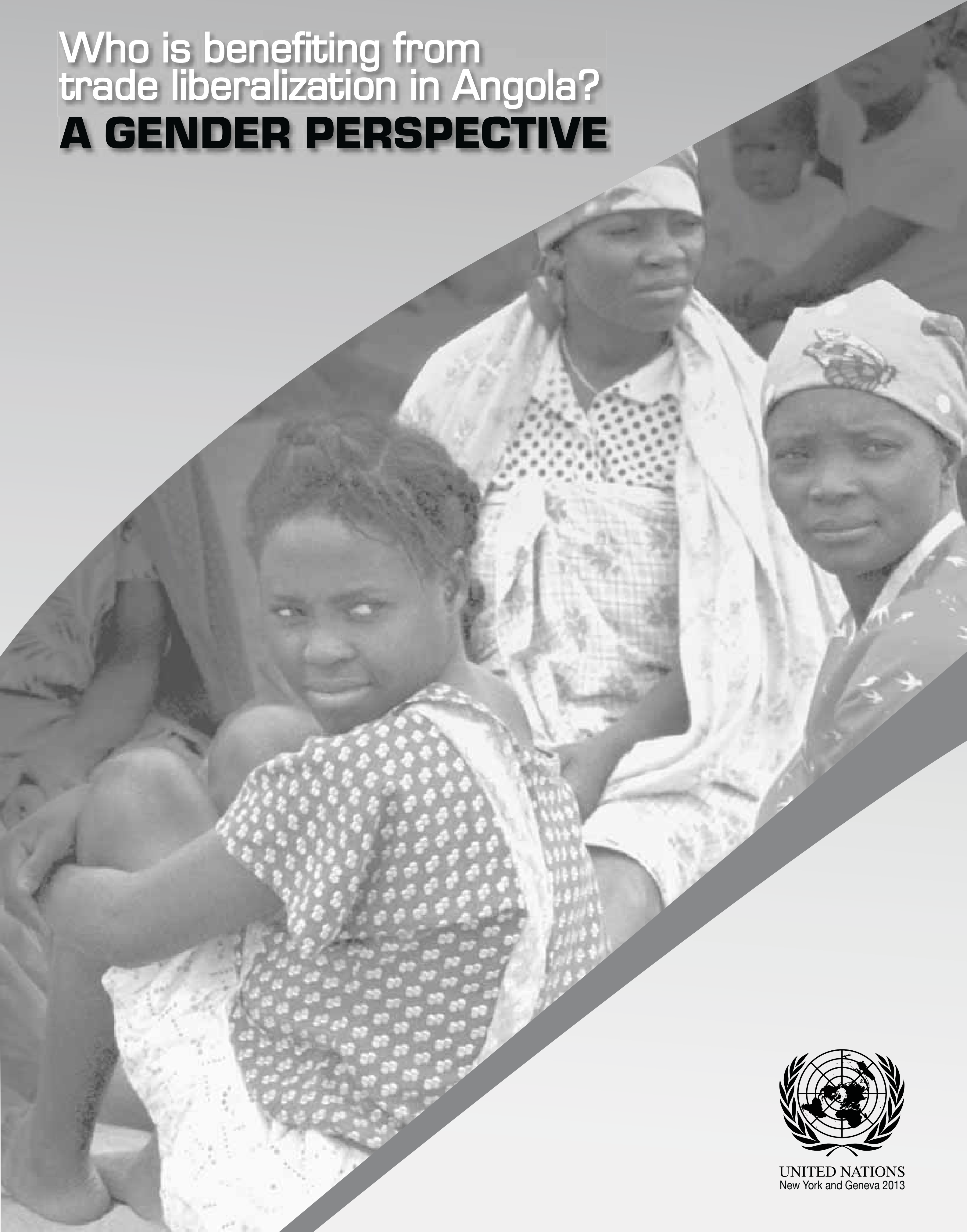

UNITED NATIONS
New York and Geneva 2013

NOTE

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This publication has not been formally edited by UNCTAD.

UNITED NATIONS PUBLICATION
UNCTAD/DITC/2013/3

ACKNOWLEDGEMENTS

This study is part of UNCTAD's activities on trade, gender and development carried out by the organization in accordance with its mandate. The Doha Mandate, resulting from the Thirteenth Ministerial Meeting of the United Nations Conference on Trade and Development (UNCTAD XIII) held in Doha, Qatar on 21–26 April 2012, provides UNCTAD with a specific mandate on gender-related issues. Paragraph 56 calls on UNCTAD to "continue its work in the area of agriculture in the context of commodities to help developing countries achieve more sustainable and strengthened agricultural production, food security and export capacity. This work should take into account the needs of small-scale farmers, and empowerment of women and youths" (subparagraph (i)). Moreover, "… UNCTAD should…reinforce its work on the links between gender equality, women's empowerment, and trade and development, without prejudice to other programmes" (subparagraph (n)). The Doha Mandate underlines the key role that gender equality and women's empowerment play in harnessing the potential for inclusive growth and development" (paragraph 51); and stresses that they are "among the goals which are essential to all countries to attain" (paragraph 8).

UNCTAD aims to contribute to the analysis of the linkages between trade policy and gender equality, and to the related international debate, by looking at specific country experiences. This study is one in a series of case studies that are being conducted by UNCTAD in six developing countries, namely Angola, Bhutan, Cape Verde, Lesotho, Rwanda and Uruguay.

This study was prepared by an UNCTAD team led by Simonetta Zarrilli, Chief of the Trade, Gender and Development Section at UNCTAD, and including Luis Abugattas Majluf, Irene Musselli, Sylvia Booth, Mariangela Linoci and Elizabeth Jane Casabianca. Insightful comments and suggestions were provided by Murray Gibbs, Rolf Traeger, Lisa Borgatti and Amelia Santos-Paulino. They are gratefully acknowledged. The overall work was coordinated by Simonetta Zarrilli.

The information in this report has been gathered from various sources, including interviews with key informants in the country. To this purpose, a fact-finding mission was carried out in Luanda, Angola, in May 2013. Special thanks go to Rolf Traeger, who took the time to interview and share the preliminary findings of the study with Government officials and national counterparts in Angola on behalf of the team.

We are especially grateful to Maria Filomena Lobão Delgado, Minister of Family Affairs and Women's Promotion; Adriano Martins, National Director of Foreign Trade, Ministry of Trade; and Januário Marra, National Director, Ministry of Hotels and Tourism. We are also grateful to Henriqueta de Carvalho, Secretary General of the Angolan Federation of Women Entrepreneurs; and to Nacro Kartoum and Luis Samacumbi of the United Nations Population Fund (UNFPA). Our gratitude is extended to Amadeu Leitao Nunes, at the Ministry of Trade, who ensured the coordination between UNCTAD and the Government of Angola.

The study was financed by the Government of Norway under the project "Enhancing capacities of the Republic of Angola to mainstream gender in trade policy". Norway's support for this specific activity and for UNCTAD's work programme on gender and development is gratefully acknowledged.

EXECUTIVE SUMMARY

The study assesses the extent to which trade liberalization in Angola has had an impact on women and attempts to determine whether trade policies and patterns of structural transformation have reinforced gender inequality or created new opportunities for women. Based on a quantitative approach, the analysis explores first whether patterns of structural transformation have generated job opportunities; and secondly, if such opportunities have matched the skill profile of the female workforce, thereby leading to the feminization of the workforce in the country and affecting the working conditions of women workers.

The Angola case study challenges the macroeconomic stance whereby structural economic issues are essentially gender-neutral. The findings of the study shed light on the relevance of gender considerations in macroeconomic analysis – particularly trade analysis – and on the potential exclusionary effects of liberalization policies. Angola is confronted with challenges that are structural and systemic in nature: oil-induced macroeconomic distortions – particularly the excessive appreciation in the real exchange rate – tend to crowd out productive activities (agriculture and light manufacturing) that could absorb the female workforce and provide women with decent incomes. Given the concentration of women in subsistence agriculture and informal activities, and in light of a higher incidence of poverty among women, gender is an entry point for Angola to address the potential exclusionary effects of liberalization policies in a broader social context.

A necessary caveat should be made at the start. The quality of data for Angola is rather poor. Official datasets are limited; and needed data are often non-existent. Hence, this study only provides preliminary exporter of coffee and staple crops such as maize, and it was almost food self-sufficient. The armed struggle led to a drastic decline in productive activities: agricultural production was seriously disrupted, and a significant proportion of the population displaced. Manufacturing activities, which accounted for 10 per cent of GDP at the time of independence, almost disappeared.

Just over 10 years after the end of conflict, Angola has made substantial progress in economic and political terms. Angola was Africa's second largest oil producer in 2010 and, with an average annual growth rate of 12 per cent, it is one of the fastest growing economies in the world. However, the extractive sectors – in particular oil and gas – have had a very limited integration into the domestic economy, and their contribution to employment generation has been minimal.

Since the early 2000s, Angola has implemented significant economic reforms aimed at achieving macroeconomic stabilization and restructuring the economy, allowing for a greater involvement of the private sector as a driver of sustainable growth and economic diversification. The structure of GDP has not changed much since the beginning of the reforms. Agriculture is growing at a rapid pace, but it still has to recover from the drastic reduction in production caused by the conflict-related distortions in rural areas. Angola has not experienced much agricultural or manufacturing export dynamism.

A defining characteristic of the Angolan economy is the predominance of the informal sector, also known as *candonga*: informal activities are a primary means of subsistence for a significant proportion of the Angolan population and are estimated to contribute