

A HISTORICAL PERSPECTIVE OF ENTREPRENEURSHIP IN ANGOLA

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Abstract

This article makes a historical analysis of entrepreneurship in Angola, starting from the historical evolution of the entrepreneurship concept to focus on the evolution of this phenomenon in Angola, over four different historical periods. Resorting to bibliographic sources of reference authors and their extensive analysis, it was possible to obtain a historical perspective of entrepreneurship in Angola. The paper critically examines its evolution in the country and provides a reflection on possible future development scenarios.

Keywords

Entrepreneurship, Angola, Africa, History

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Renato Pereira¹

Introduction

The historical perspective of entrepreneurship in Angola is strongly conditioned by the combination of at least two historical circumstances: (i) a colonial period of about five centuries marked by a preponderance of a monarchical regime; (ii) a post-colonial period characterised by a long civil war that only ended in 2002 (Schubert, 2015).

On the other hand, entrepreneurship itself dates back to the industrial era, focusing on Northern Europe, where private initiative had a bigger impact.

Angola is originally the result of the colonial economic model, followed by the upsurge of this economic model with the rise of the Salazar's *Estado Novo*, and, finally, by the socialist oriented economic model implemented after the country's independence on 11 November 1975, which lasted until the fall of the Soviet Union in 1991. Subject to a "one party" period, it only truly found its space very recently (Ovadia, 2018).

In Angola, and across generations, one senses the quest for a historical meaning that helps to find solutions to get out of the current financial blockade that the country is experiencing.

Never before, as now, since a lasting peace was finally achieved, the historic future has worried Angolans so much. The sharp change in the perception of the country's real economic capacities, and the clear reversal in the living standards' evolution trend, has thrown society as a whole, but also the political and ruling class, in particular, into a situation of anguish.

Thus, History begins to be increasingly used as a kind of oracle about the uncertain future of a country that has already experienced great challenges in several phases of its historical process.

In addition, orality as a fundamental historical source in Africa (e.g. Henige, 2005; Cooper, 2005) is fully confirmed by the above and by the dialogue that was subsequently established.

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It is therefore important to write about the history of African peoples, territories and countries. All contributions to the clarification of the historical meaning of current African societies are very important for the sustainability of collective solutions that they will have to find at this moment in their historical process.

The objectives of this research are to offer a historical perspective on the path of entrepreneurship in Angola, without forgetting its geographical character and the historical framework of entrepreneurship itself, as a concept, as an economic reality and as a theoretical object.

1. Historical context of entrepreneurship

1.1. The concept of entrepreneurship

According to Haahti (1989), quoted by Zinga (2007), the term entrepreneurship first appeared in the Universal Dictionary of Commerce, published in Paris in 1723 by Jacques de Brunslons Savary.

The same source says that the term was already current in the French vocabulary of the 12th century, associated with the idea of "carrying out an activity" and that in the 15th century its meaning already had a legal connotation, meaning "someone who hires".

Zinga (2007) and Quiongodi (2013), citing several sources, refer to the existence of a convergence in the idea that the first theoretician of entrepreneurship, also French, was the economist Richard Cantillon (1680? -1734).

Cantillon defends, in a posthumous work dated 1755, that the "entrepreneur" is a full-fledged economic agent, as "capitalists" and "workers" are, launching a debate on the different roles of "entrepreneurs" and "businessmen", a discussion that lasts until today.

At this stage, the concept was already associated with those who take risks and the economic analysis advanced by Cantillon reveals that in those days in France there was already an unexpectedly sophisticated capitalism.

Quiongodi (2013), also quoting several authors, points out that it was Cantillon's initial (or even initiatory) economic analysis that inspired Knight's (1921) work on uncertainty and risk, a fundamental theoretical object for the development of Finance in the 1929 post-depression period.

The second key author of entrepreneurship was Jean-Baptiste Say (1767-1832), himself, like Cantillon, considered out of the group of classical economists who started publishing from the last quarter of the 18th century onwards.

According to Zinga (2007), citing Praag (1999), this author specified the role of the entrepreneur as the manager of the initiatives (in principle, companies) he creates.

The next (classical) economist to contribute to the theoretical establishment of entrepreneurship was Alfred Marshall (1842-1924). His most relevant contribution, also highlighted by Zinga (2007) and Quiangodi (2013), was to define the entrepreneur as someone who identifies business opportunities, a theoretical object of central importance in the theoretical tradition of entrepreneurship.

The next author with high historical weight in entrepreneurship was Austrian economist Joseph Schumpeter (1883-1950), whose core contribution was attributing to the



entrepreneur the fundamental task (for the economy) of “creative destruction” of markets through innovation. In addition to breaking with the microeconomic tradition of his predecessors, this theorist linked entrepreneurship to economic development for the first time, making himself an indispensable source of several sub-disciplines of economic science. In his view, economic rationality is not based on the search for balance but on a permanent process of discovery, assimilation of information and rupture of the *status quo*, which requires exceptional characteristics from the entrepreneur (Schumpeter, 1911).

Another highly relevant contribution was that of American economist Frank Knight (1885-1972), who contributed to the theoretical development of entrepreneurship by distinguishing between risk - random event with known probability - and uncertainty - random event with unknown probability - and by establishing the relationship between the entrepreneur and the generation of economic benefits by the company - the economic agent who turns uncertainty into risk through judgment, with profit being the remuneration for the risk taken (Knight, 1921).

In the second half of the twentieth century, there was a remarkable development in entrepreneurship as a scientific discipline, as a result of the proliferation of scientific publications and the very development of Management Sciences, which quickly adopted entrepreneurship, although only attributing it a definitive status in the 21st century.

Going back to the 2nd half of the 20th century, it is important to mention Peter Drucker (1909-2005), one of the great management theorists who decisively related management to innovation, and the latter to entrepreneurship (Drucker, 1985). Drucker's works, like those of other lesser-known authors highlighted by Sarkar (2014), alongside the phenomenon of the so-called emerging economies, among which several African countries find themselves, brought entrepreneurship definitely to the fore and to full disciplinary status in its own right.

1.2. Theoretical evolution

Entrepreneurship is a theoretical object that permits different approaches. It has come across different perspectives and even ontologies originating from various quarters, the most significant being Economics, Finance, Management and Psychology (e.g. Sarkar, 2014).

Its theoretical evolution is associated with the historical evolution referred to in the previous point, namely its origin at the beginning of the industrial era in France and later adoption by several economists and management theorists.

Therefore, its genesis is "to undertake", to carry out any undertaking, "to do things". In current language, “make it happen”. This basic ontology remains constant, despite all the developments, until today (e.g. Sarkar, 2014).

Baumol (1990) points out that the most theoretical economists of the 18th and 19th centuries were not substantially interested about it. For most authors of this period, "entrepreneur" and "businessman" were one and the same, that is, the owner of the company economic agent, regardless of the nature of the founding momentum.

In other words, economic science “stayed at the company's door”, and was not really interested in its organizational dimension. Hence the development of organizational



sciences as early as the 20th century and the subsequent appearance of management sciences, with symbolic birth in 1911, when companies started to have a significant (social, economic and financial) dimension.

The second fundamental theoretical dimension of entrepreneurship is risk and uncertainty, discussed above regarding Frank Knight. By the early 1920s, there were already clear signs of an increasing prevalence of speculation in the North American financial markets, which would favour the outbreak of the 1929 great depression.

However, learning to manage uncertainty, without aiming to eliminate risk, is a fundamental attitude of economic agents, just as the serious global financial crisis of 2008 has shown.

The third important theoretical element is the orientation towards the identification of (market) opportunities, also called "opportunity entrepreneurship", in contrast to the "survival entrepreneurship", predominant in developing economies, as most African countries are.

Schumpeter's works, in the first half of the 20th century, were decisive for establishing a causal link between entrepreneurship and economic development, an analysis that continued throughout the 20th century, together with the understanding of the importance of innovation for the entrepreneurial process.

2. Entrepreneurship in Angola

2.1. Context of African entrepreneurship

According to Porter et al. (2002), the overwhelming majority of developing countries are in the factor-driven economies category, that is, economies based on natural resources, whether they are hydrocarbons with high market value or simply arable land.

In these economies, there is essentially "survival" entrepreneurship, since the (technological) resource base available to entrepreneurs is not sufficient to generate business opportunities.

Due to these circumstances, and contextual, political and cultural factors whose analysis will be carried out subsequently, the so-called "informal economy" has been generalized in Africa since the mid-twentieth century. There is a preponderance of single-person microenterprises that never formalize their existence or economic activity (Ellis & Fauré, 1995). "The practicing economist present on the ground is struck by the creativity, by the initiative of people in the urban setting, and by the emergence of new organizations and an entrepreneurial spirit that escape accounting records", in the words of Hugon (2004, p.115).

The information that the origin of the African informal economy occurs when many of these countries were colonies is addressed explicitly by several authors (e.g. Lopes, 2007) and was also transmitted to us orally by several "older" people who still survive on this activity in Luanda, Bissau and Maputo.

The lack of an efficient labour market, poverty, lack of basic education and elementary professional training, among other aspects, made evident through simple empirical observation, certainly lie at the origin and explain the huge development of this form of economic organization and entrepreneurship.



As would be expected, the independence of African countries did not reverse this trend, it only contained it, in some cases and for some time, until reality spoke louder.

However, since the 19th century there has also been a formal business base in Africa, distinct from mere traditional mercantilism, much of it nomadic or quasi-nomadic and originating in the Maghreb or the Sahara territories. However, this entrepreneurship did not have an evolution similar to the one that occurred in Europe, the United States or even Asia during the 20th century, since the colonial historical legacy was based on the exploration of raw materials and not on the development of a true industrial capitalism based on investment. In an attempt to make up for lost time, and under the influence of an ancestral centralist political and economic tradition and doctrines of Marxist or similar inspiration, many African governments tried to accelerate this process by creating large public companies. This hampered the establishment of an indigenous or even foreign entrepreneurship, as they created an anathema about them that still persists today in many countries of the continent (Spring & McDade, 1998).

Finally, the situation of economic and political fragility in which many of African countries find themselves, some of them immersed in endless, conventional civil wars - power struggle between internal - or less conventional - forces generated by the different forms of Islamic jihadism - gave rise to the origin of a kind of "war entrepreneurship" (Hugon, 2006).

2.2. Angolan colonial context in the 19th century

According to Henriques (1996), "the emergence of embryonic forms of 'traditional' African entrepreneurs can be found in the last quarter of the 19th century, as a result of a double situation: the European commercial proposals and the existence of African dynamic and flexible commercial structures capable of responding to challenges from abroad".

For his part, Fonseca-Statter (2008) states that in Africa "when trying to reflect on the nature and origin of companies as eventual drivers of the development process, we are forced to consider an approach that necessarily takes into account the concrete historical perspective of the creation of these companies, as well as their relationship with the regulatory role of the State".

Analysing these sources, one notes the absence of the use of the term "entrepreneurship" to characterize business activity, as the authors chose the "business company" formula. Other authors confirm the same conclusion (e.g. Reis, 1996).

Thus, and for the purposes of this paper, we will consider "business companies" as a unit of analysis synonymous with "entrepreneur", whose more specific scope was analysed earlier.

Returning to the question of 19th century Angolan entrepreneurship, it is part of an evolution of the European view of Africa, resulting from a historical event of major importance and impact: the (gradual) end of the export of slaves and their progressive replacement by the so-called "legitimate trade".

It is also important to note that the inter-African commercial transactions, pre-existing the arrival of Europeans and involving political leaders and traders, remained throughout



the colonial period and (surprisingly) without any intervention from the Europeans. Furthermore, they sought to impose their new rules on Europeans!

Carvalho (1984), quoted by Henriques (1996, p.56), states that at the end of the 19th century, African commercial circuits based on the slave trade still prevailed in the northeast of Angola, totally outside Portuguese control. This important historical fact for understanding the genesis of the entrepreneurial initiative in Angola, centred on trade, is also highlighted by Birmingham (2015).

Henriques (1996, p.57) stresses another aspect of enormous relevance for the purposes of this paper: Africa's saturation in relation to European (and Asian) goods and the consequent search for new "productions to produce goods which, accepted by Europeans, enable restoring African technical and commercial autonomy".

This fact undoubtedly impacts the entrepreneurial activity and represents an entrepreneurial attitude in the full sense of the term. Indeed, the development of legitimate trade allows the emergence of small African traders acting autonomously.

Historical analysis also makes it possible to relate this entrepreneurial activity to innovation, one of the most fundamental theoretical causal relationships from an epistemological point of view.

In Angola in the second half of the 19th century, the development of entrepreneurship led to the introduction of "new circulation techniques and diversified investment capacities, opening up new areas for the exploration of natural resources and markets [...]. It allows/requires inventing commercial practices more adequate to demand and response, stimulates production, encourages technical innovation, organizes new forms of work, introduces wages, trivializes credit, generates profits, creates capital, and permits new investments" (Henriques, 1996, p.59).

The impact of entrepreneurship on social transformations is strengthened by several authors quoted by Henriques (1996, p.61). "Business-type initiatives cannot fail to clash with political leadership, just as they are forced to remove the burden of family structures. We are not yet faced with the modern nuclear family, but we are already faced with the need to reduce family intervention, the only way to have space for business affirmation" (Henriques, 1996, p.62).

The aforementioned development of legitimate trade had yet another fundamental consequence for the development of entrepreneurship: the generalized access of all to the creation and pursuit of business, a central element of the same entrepreneurship, by favouring competition and, consequently, increasing the efficiency of markets.

Henriques (1996, p.61) refers to a (first?) case of a successful Angolan entrepreneur, Narciso António Paschoal, who by 1880 was already rich due to an impressive entrepreneurial activity. This case is effectively an emblematic case because it is a figure that already denotes all the characteristics associated with current entrepreneurs in 21st century literature.

Another interesting case is that of the mestizo Lourenço Bezerra who, in the second half of the 19th century, carried out intense entrepreneurial activity in Angola. Among other businesses and initiatives, "the tobacco plantations he runs are proof of the entrepreneurial spirit and modernizing practices of this African trader" (Henriques, 1996, p.61).



Therefore, there are no doubts about the emergence of entrepreneurship in Angola during the second half of the 19th century, nor about the modern character of entrepreneurs of that time. "These men who run commercial 'companies', organize the different factors of production [...] inventing solutions and productions in order to respond to external demands, are the first examples of African businessmen [...] and they highlight the dynamism, flexibility, will and capacity for modernization of African societies" (Henriques, 1996, pp.64-65).

2.3. Pre-independence Angolan entrepreneurship

The historical period covered in this section applies, roughly, to the first three quarters of the 20th century.

This period begins with the regicide of D. Carlos I and of the heir to the throne of Portugal, on 1 February 1908, and the subsequent implantation of the Republic on 5 October 1910. It was followed by the historic period of the First Republic, which ended with a coup d'état on 28 May 1926.

These political transformations in mainland Portugal had a profound impact on the political orientation and administration of the "overseas provinces", substantially reducing the autonomy that the Portuguese colonies historically had enjoyed.

A discussion on fascist doctrine for colonial management, with emphasis on the new approach to racism that included a series of public exhibitions and monuments aimed at building an official memory of the history of this overseas province (Ball, 2018), the reorganization of the territory, forced relocation of native populations (Coghe, 2017; Cruz, 2019), forced labour, collective punishment and deportations (Keese, 2015; Neto, 2019), does not fit within the scope of this work. It is only necessary to point out that there was an interruption in the development of the entrepreneurship that had taken place since the middle of the previous century, with strong consequences on the possibility of capital accumulation by the African peoples.

Together, these factors favoured the development of "pan-Africanism" in Portuguese colonies, the antithesis found for the upsurge of Portuguese imperialism in Angola and in other Portuguese territories in Africa.

Pan-Africanism is "probably the most inclusive political movement of its time. It was a kind of nationalism uniting all those who thought that Africa should regain control of its own land by allying itself with the descendants of African slaves from the New World who were still the object of racial exclusion there" (Hart, 2007, p.95).

During this period, the institution of the "informal economy" was seen as a (new) way of pursuing entrepreneurship, no longer an opportunity entrepreneurship, but essentially a survival entrepreneurship, the result of economic and social exclusion and of worsening social inequalities.

It is a phenomenon that began to take shape with the urban revolution that occurred in Africa in the historical dynamics of the 20th century and that peaked in the transition from social democracy to neo-liberalism in the post-colonial period (Hart, 2007, p.97).

Grassi (1998) infers that "as the informal market is the predominant economic reality in many countries in sub-Saharan Africa, [...], it is in this space that, probably, although not exclusively, one has to look for the emerging African entrepreneur".



Lopes (2007, p.40) explicitly confirms the existence of an informal pre-independence economy in the city of Luanda. These "informal activities performed a strictly subsidiary function of the formal sector of the economy, dominant, structuring and endowed with the indispensable control and regulation mechanisms. The informal economy of Luanda was restricted to traditional handicraft activities, the provision of services - namely domestic services -, street commerce, door-to-door commerce, markets in slum areas, and activities related to the construction of housing for indigenous populations in its periphery".

Although there are (naturally) no official statistics that allow the phenomenon to be sized with absolute precision, the same source, citing data from 1995, states that "the informal economy of Luanda exclusively ensured the subsistence of 42% of families, representing 56% of the economically active population (population with 10 years of age or older) in the Angolan capital" (Lopes, 2007, p.39).

Several other studies, cited in the same work, allow us to estimate that the informal economy represented around 50% of the Angolan non-oil sector in this period, with a tendency to stabilize around this percentage, despite several increases and decreases to date.

Outside the informal economy, Rodrigues (2008), using data collected by Rela (1992), points out that in 1955, three quarters of the 1,810 companies registered in Angola were linked to agricultural production and semi-artisanal activities, such as mills, bakeries and joineries. There were no more than 12 industrial companies, almost all located in Luanda.

The same source states that "after the second world war, the increase in the importance of the port of Luanda - which started to compete with the largest one to date, Lobito - associated with the increase in commercial activity, made Luanda an attractive place for the implantation of industry" (Rodrigues, 2008, p.194). According to this work, by 1962 the number of companies operating in Angola had risen to 2,057 (13.64%) and the number of industrial companies to 19 (58.33%).

In the period between 1962 and 1973, on the eve of independence, "Angola's industrial production grew at a very high rate - around 15% per year - and in 1973, industrial production was linked to the light industry, concentrating on food (27.4%), beverages (11.3%), textiles (12.4%), chemical industry (11.7%) and the metal-mechanical sector (6.4%) (Rodrigues, 2008, p.190).

Using data from Ferreira (1999), Rodrigues (2008, pp.190-191) states that when independence took place, there were 3,846 companies in Angola's manufacturing industry. However, external dependence was around 50%, mainly for semi-finished products and raw materials.

What is not clear, in this analysis, is the weight of entrepreneurship in all this business activity, due to the industrial and agricultural constraints in the Portuguese empire. In fact, in this historical period, the business community of the time had little in common with the one described in the previous historical period.

Another relevant economic element of this period is the widespread use of child labour in Angola, which grew since the total ban on illegitimate trade and came to support the development of large extractive activities, namely the diamond sector (Cleveland, 2010).



2.4. Development of entrepreneurship in the post-colonial period

Lopes (2007, pp.37-38) refers that, until that date, one could speak of five distinct phases in the historical process of Angola's economy: (i) the transition period to the centralized economy (1975-1977), characterized by nationalizations and creation of state monopolies; (ii) the period of economic centralization and administrative regulation of the economic system (1977-1987); (iii) the embryonic period of the transition to the market economy (1987-1992), characterized by the progressive liberalization of the economy; (iv) the period of conditioned continuity (1992-2002), limited by the war effort; and (v) the period of macroeconomic stabilization in the context of peace, which has run since 2002.

Looking at this path, it seems clear that one can only speak again of (true) entrepreneurship in Angola after 2002 and, even so, adjusted by the economic informalization phenomenon.

The external economic dependence conditions that were already visible at the end of the colonial period conditioned the country's economic trajectory in the post-independence phase. "[...] The socio-cultural aspects were the determining factors for the stagnation of productive activities in Angola: the poor qualification of the workforce, the 'external' character of investment and industrial development [...] the lack of 'industrial culture', factors which, together with economic centralization - and the subsequent incapacity for economic management - and the war that started after independence, created the industrial scenario that existed until the beginning of the 1990s" (Rodrigues, 2008, p. 191).

There is also the interference of a fundamental (external) geopolitical element that had a decisive impact on the economic policy options and the degree of economic liberalization. It was the cold war, which was exported to Angola at an unprecedented level on the African continent (Sá, 2019).

From the same data, we can see that a decade after independence, the number of companies in operation had decreased from 4,000 to just 280, as a result of the Marxist-Leninist economic orientation implemented in the country and a large-scale migratory movement of people who fled the civil war (e.g. Schenck, 2016). It is possible to notice other factors with significant impact on the reduction of entrepreneurial activity until 1990: "difficulty in obtaining raw materials and energy, [and] degradation of existing equipment" (Rodrigues, 2008, p. 193). This was as consequence of the armed conflict and the adopted economic model.

The civil war in Angola and its devastating effects on the country's fragile economy accelerated the end of Marxism and the transition to a more open and liberal economic system in the period 1987-1992 (Pryor, 2005).

Still regarding the 1990s, it is important to mention Reis' study (1996), which provides some information on, among other aspects, entrepreneurial motivations and the characterization of the Portuguese Speaking African Countries' entrepreneurial base, including Angola.

The data collected between 1991 and 1994 allows us to conclude that the main entrepreneurial motivations in Angola, were: "to provide security for the wife and children", "to contribute to the well-being of family members" and "to continue learning". Regarding values and culture, it was possible to conclude that Angolan businessmen



agreed that “the change in social status is within everyone's reach”. Looking at the results as a whole, it seems that there was a certain ambivalence in the entrepreneurial logic, between survival, well-being and social ascension.

Entrepreneurial activity evolved significantly in Luanda: in 1997 there were 611 registered industrial companies and in the following year the number rose to 637, according to data from the National Statistics Institute of Angola, cited by Rodrigues (2008, p. 203).

As of 2002, the situation has changed. Thanks to a new form of business registration, REMPE, there are 10,609 companies registered in Luanda, of which 1,042 in the manufacturing industry.

The same source also informs that, between 2003 and 2004, there was a huge growth in the production of frozen fish, dried fish and common salt, with a decrease only in the production of artisanal fish (Rodrigues, 2008, p. 209).

Fonseca-Statter (2008, pp.52-61) refers to the situation in the years 2004-2005, trying to specifically characterize opportunity entrepreneurship in Angola (and in Mozambique too).

In particular, the following conclusions are highlighted: predominance of entrepreneurs from the public sector; prevalence of “Creole” entrepreneurs; entrepreneurs’ discomfort regarding the lack of efficiency of the public administration; high level of unemployment and small size markets.

At the same time, the same businessmen had the explicit objective to diversify and expand, suffering, consequently, from insufficient own funds and dependence on access to sources of other capital such as banking and venture capital, as well as the lack of qualified workforce.

The same source notes in Angola an environment “of almost euphoria and ambition, albeit mitigated by feelings of frustration in the face of difficulties”, leading to a model of “self-centred national reconstruction (of the type “there is everything here”)”.

Anjos (2009) notes that, according to the World Bank's “Doing Business 2008” report, Angola has an entrepreneurial performance below the average of oil-producing countries and Portuguese-speaking countries, being 167th out of the 178 countries studied.

As the main barriers to entrepreneurship, the length to set up a company and the difficulties in complying with the various administrative requirements stand out. The impact of corruption, supported by data from the International Monetary Fund, is also mentioned, considered one of the most important barriers to the development of entrepreneurship.

Ekungu (2016) notes that entrepreneurship is so central to the economic development of African countries that the United Nations itself, through UNIDO, started to work with these countries in the sense of entrepreneurship being introduced in the secondary education curriculum. In the case of Angola, such work started to be done in 2004, with a formal recognition of its importance in June 2007 with the approval of the national programme “Business Education in Secondary Education in Angola”, carried out in the 2011 academic year through the publication of Order No. 214-A/10 of the Ministry of Education on 5 November 2010.



2.5. Entrepreneurship in the contemporary period

The period 2002-2013 is undoubtedly the period of greatest expansion of entrepreneurship in the country, due to continuous economic growth and an environment of near social euphoria. However, it is also a period of appropriation and even confiscation of the country's main assets by the political elite, creating "state entrepreneurship" (Ovadia, 2018).

In mid-2014, a sharp and persistent drop in the price of oil in international markets began, causing a deep financial crisis in Angola and opening the door to a "continuity" political transition through the announcement of President José Eduardo dos Santos, in March 2016, that he would not re-apply for a new term in 2018, ending 39 years of office.

The worsening of the financial crisis peaked at the end of 2015. Between November and December of that year, all banks that sold physical US dollars (in notes) to Angola, except one, had this authorization revoked by the American Federal Reserve. At the same time, Angola was prevented from issuing sovereign debt securities in American currency, throwing the country into a currency and severe liquidity crisis.

This crisis had, among many others, two important consequences with a negative impact on the evolution of entrepreneurship in Angola: first, an increase in China's importance in the country's economy and political decisions and, secondly, a banking crisis of a dimension yet to be known.

With regard to Sino-Angolan relations, they date back to the period of the struggle for national independence, with China providing financial support to UNITA until 1970 and then focusing its support on the MPLA from 1972 onwards (Garret, 1976). After the explosion of Chinese economic growth as a result of its accession to the World Trade Organization, China's energy needs grew exponentially and Angola's importance for meeting those needs became especially relevant. In 2007, China overtook the USA as the main importer of Angolan oil and, in 2008, Angola represented 18.2% of total Chinese oil imports, reaching 204 million tons in 2009 (Burgos & Hear, 2012). Between 2016 and 2018, China became the main financier of the Angolan economy, exchanging products and services directly for oil, without circulating liquidity for Angola's economy. This exchange, whose concrete terms were never disclosed, rendered many of the existing and potential Angolan entrepreneurial initiatives unfeasible as Chinese goods and services are supplied and provided directly by Chinese companies using an overwhelming majority of labour and raw materials brought directly from China.

Regarding the banking system, it developed during the phase of accelerated economic growth (2002-2013) in a logic of financing the aforementioned "State entrepreneurship", while the oligarchic consolidation of the ruling MPLA elite lasted (Ferreira & Oliveira, 2018), which pushed Angola to the category of kleptocracy as the "Luanda Leaks" scandal reported in January 2020, revealing the contribution of the branches of three Angolan banks in Portugal in various international money laundering operations under investigation by several European authorities. With the financial crisis that started in 2014, many of these banks, heavily indebted in dollars in the international market to be able to finance numerous large-scale real estate projects, are in illiquidity and no longer able to finance national and local entrepreneurship, even at two-digit interest rates. And even those entrepreneurs who had already acquired some financial capacity due to the consolidation of their domestic commercial operation during the previous period, are



prevented from acquiring raw materials in the international market due to lack of access to foreign currency, resulting in the collapse of most of these initiatives.

Conclusion and reflection on the future

This work aimed to provide a historical perspective on the path of entrepreneurship in Angola, valuing its geographical dimension and the historical framework of entrepreneurship itself, as a concept, as an economic reality, and as a theoretical object.

It is only an exploratory study due to the relative scarcity of sources of information on a topic that is, perhaps, too specific.

Despite these limitations, it was still possible to draw some interesting conclusions. Firstly, it is noted that the "entrepreneurship" concept was born outside the theoretical mainstream, even by 18th century standards, and, to a large extent, was always much more a concept of "practical" than "academic" nature, until practically the 21st century.

The context of African entrepreneurship is currently one of survival entrepreneurship, given the vicissitudes of the historical process that prevented this continent, with few exceptions, from accessing scientific and technological infrastructures that properly support it.

It was also possible to identify, using several sources, that this entrepreneurship is closely linked - in about 50%, based on different estimates made in Angola in particular - to the so-called "informal economy", a historical process of economic disruption resulting from the urban revolution that occurred in Africa during the 20th century.

On the development of entrepreneurship in Angola, specifically, it was possible to locate the genesis of this phenomenon in the last quarter of the 19th century, in the context established in that country after the end of slave exports and the flourishing of legitimate trade.

It was possible to identify an individual entrepreneur with special historical interest, as he was certainly one of the first successful African entrepreneurs, from the business point of view, in Angola. He was Narciso António Paschoal and was active in 1880. He was surely not a stereotype, but his story proves the possibilities that were open to Angolan entrepreneurs in that period.

The analysis of Angolan entrepreneurship in the period between the end of the 19th century and 11 November 1975, the date of the country's independence, is hampered by the difficulty in accessing information sources.

However, it was possible to conclude that the political transformations that took place in mainland Portugal at the turn of the century, culminating in the coup d'état of 28 May 1926, led to the (almost) dismantling of the African entrepreneurial base in Angola, and even that of Portuguese economy origin was strongly limited by industrial and agricultural conditioning.

Angola's independence did not improve the country's business context, given the instability in which it is submerged as a result of the civil war that followed and the political option of alignment with the communist bloc led by the Soviet Union.

Until 1992, one cannot talk of a setback in entrepreneurial activity only because of the huge increase in the informal economy. From that year onwards, in the post-fall of the



Berlin Wall context and in the rubble of the first peace process, there was a reversal of that trend.

Another conclusion of this work is that we can only truly talk about entrepreneurship in Angola from 2002 onwards. However, the historical period that may have ended in 2014, presents the fight against corruption as a central challenge, as has been claimed by important international organizations such as the World Bank and the International Monetary Fund.

Based on the emphasis given by these bodies to the development of entrepreneurship, the relevance of its influence on economic development is also proven.

Also worth mentioning is the programme to introduce entrepreneurship education in the secondary education system in Angola, which started in 2011 and will certainly make a positive contribution in the context of the new Angolan historical dynamics, following the recent change of president.

Regarding the contemporary period, it should be noted that the financial crisis that started in mid-2014 has had extremely negative consequences on Angolan entrepreneurship. The reasons include the "invasion" of Chinese companies in all sectors of the country's economy, generating unfair competition in relation to local entrepreneurs, the collapse of liquidity in the banking system, which is no longer able to leverage existing or emerging entrepreneurial activity, and the extreme difficulty in accessing foreign exchange for the import of raw materials and fundamental services for the companies.

Finally, a brief reflection on scenarios for the future development of entrepreneurship in Angola. Undoubtedly, in the short term all the factors that have contributed negatively to the current situation will become even worse due to the pandemic crisis generated by Covid-19 in mid-March 2020. In the medium and long term, entrepreneurship is expected to increase in importance and weight in the generation of national wealth since, on the one hand, there are no alternatives to the country's economic diversification strategy, and, on the other, the conditions for foreign direct investment will not be attractive in a predictable context of greater market efficiency and less political intervention in the economy. In this scenario, and considering that the country's financial recovery will take place in an effective although gradual way, Angola may count, among other elements that have already been important in the recent past, such as the ambition and optimism of its entrepreneurs, on the creative capacity of its human resources (De Clercq & Pereira, 2019), on its privileged coastal location and low ethnic heterogeneity (Decker, Estrin & Mickiewicz, 2020), which may mitigate the country's lack of qualifications and scientific and technological capacity.

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