

Original Paper

doi [10.15826/recon.2022.8.3.017](https://doi.org/10.15826/recon.2022.8.3.017)

UDC 339.5, 339.9

JEL F13, F51, F55



Angola's economy under sanctions: problems and solutions

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Peoples' Friendship University of Russia (RUDN), Moscow, Russia, ✉ lazanyuk-iv@rudn.ru**ABSTRACT**

Relevance. Africa is the continent most targeted by sanctions. African states were made subject to sanctions by the United Nations and various regional organizations such as the African Union, Economic Community of West African States, and the European Union. There is, however, still a lack of understanding of these sanctions' intended and unintended effects in the African context, which is the research gap this study seeks to address.

Research objective. This paper analyzes the role and mechanisms of the sanctions imposed by Western countries (especially the USA) against Angola and other African states to achieve certain geopolitical goals.

Data and methods. This study relies on the comprehensive and recently updated dataset of the Global Sanctions Data Base (GSDB). The GSDB lists over 1,101 sanction cases by country and international organization. Sanctions are classified according to the three parameters: their type, objective and degree of success. The methodological framework of this study comprises the historical-logical, statistical, comparative, and analytical methods.

Results. We analyzed the dynamic of the macro-economic indicators targeted by the sanctions against Angola and its political elite in 1995–2021 and found that the effects of these sanctions were not very profound. The UN sanctions, however, had a statistically and economically significant effect on the country's economic growth as they led to a considerable exports shrinkage and decline in GDP. The latter effect was possible because Angola's economy is heavily reliant on oil exports. As the imports curbed, since 1995 Angola's trade structure has undergone some significant changes: the share of the imports from China grew by 12% between 1995 and 2019 while the share of France decreased by 8.2%, Portugal, by 9.6%, and the USA, by 10.8%

Conclusions. Analysis of the GSDB data has led us to the following conclusions: first, sanctions are becoming an increasingly popular tool of international relations; second, European countries are the most frequent users of sanctions and African countries are their most frequent targets; third, sanctions are becoming increasingly diverse; and, finally, the share of trade sanctions is decreasing while the share of financial and travel sanctions is growing. At the current stage, the effect of the sanctions is weak in comparison with the declared goals although they have a negative impact on the living standards in the target countries.

KEYWORDS

Africa, economy, economic sanctions, sanctions policy, effectiveness of sanctions, Angola, Global Sanctions Data Base

ACKNOWLEDGEMENTS

This paper has been supported by the RUDN University Strategic Academic Leadership Program.

FOR CITATIONLazanyuk, I.V., & Mambu Diu, D. (2022). Angola's economy under sanctions: problems and solutions. *R-economy*, 8(3), 208–218. doi: 10.15826/recon.2022.8.3.017

Экономика Анголы в условиях санкций: проблемы и решения

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Российский университет дружбы народов, Москва, Россия; ✉ lazanyuk-iv@rudn.ru**АННОТАЦИЯ**

Актуальность. Африка является континентом, который чаще всего подвергается санкционному давлению. Африканские государства представляют собой точку слияния санкционной практики ООН и различных региональных организаций, таких как Африканский союз, Экономическое сообщество западноафриканских государств и Европейский союз. Преследуемые цели часто различаются, но их объединяет то, что они нацелены на африканские государства.

КЛЮЧЕВЫЕ СЛОВА

Африка, экономика, экономические санкции, санкционная политика, эффективность санкций, Ангола, глобальная база данных о санкциях

Цель исследования. Цель данной работы проанализировать роль и механизмы использования таргетированных санкций западных стран против Анголы и ряда африканских государств в интересах достижения геополитических задач стран Запада и США.

Данные и методы. Данное исследование основано на основе обширного и обновленного набора данных из Глобальной базы данных о санкциях. В данной базе собраны сведения о более чем 1101 санкциях по странам и международным организациям. Санкции, представленные в данных базах классифицированы по трем параметрам: по видам, по политическим целям, по степени результативности. Для достижения результатов исследования в работе использовались историко-логический, статистический, сравнительно-типологический и аналитический методы.

Результаты. Проведенный анализ экономической динамики ряда макроэкономических показателей Анголы, попавших под санкционное давление показал, что эффективность санкций, введенных против Анголы, и целевых санкций, ориентированных на различные рода политических элит, невысока. Санкции ООН оказывают статистически и экономически значимое влияние на экономический рост государства-мишени. В Анголе под влиянием санкций значительно сократился экспорт и это привело к сокращению ВВП, так как экономика Анголы базируется исключительно на экспорте нефти. Также на фоне сокращения импорта, начиная с 1995 г. произошли структурные изменения географических партнёров Анголы. Доля импорта из Китая выросла с 1995 г. на 12%, в то время как доли всех остальных сократилась, доля Франции – 8,2%, Португалии на 9,6%, США – 10,8%.

Выводы. Анализ санкций, применяемых к африканским государствам, согласно данным глобальной базы данных по санкциям (GSDB) позволил выделить несколько важных фактов: санкции со временем применяются все чаще; европейские страны являются наиболее частыми пользователями, а африканские страны – наиболее частыми целями; санкции становятся все более разнообразными, при этом доля торговых санкций снижается, а доля финансовых или туристических санкций увеличивается. Современный этап санкций характеризуется низкой эффективностью по отношению к декларируемым целям, однако оказывает негативное влияние на качество и уровень жизни граждан, страны, которых подвергаются санкционному влиянию.

БЛАГОДАРНОСТИ

Работа выполнена при поддержке Программы стратегического академического лидерства РУДН.

ДЛЯ ЦИТИРОВАНИЯ

Lazanyuk, I.V., & Mambu Diu, D. (2022). Angola's economy under sanctions: problems and solutions. *R-economy*, 8(3), 208–218. doi: 10.15826/recon.2022.8.3.017

制裁下的安哥拉经济：问题与解决方案

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摘要

现实性：非洲是最常受到制裁压力的大陆。非洲国家是联合国制裁实施和各种区域组织的结合点，如非洲联盟、西非国家经济共同体和欧盟。他们的制裁目标往往不同，但它们的共同点都是都针对非洲国家。

研究目标：本工作旨在分析西方国家对安哥拉及一些非洲国家实施定向制裁以实现西方国家和美国的地缘政治目标的作用和机制。

数据与方法：本研究基于来自全球制裁数据库的一组广泛且最近更新的数据。这个数据库包含了超过1101个国家和国际组织的制裁信息。这些数据库中提供的制裁根据三个参数进行分类：按类型、按政治目标、按有效性程度。为了获得研究结果，文章使用了历史逻辑法、统计法、比较类型法和分析法。

研究结果：对遭受制裁压力的安哥拉多项宏观经济指标的动态分析表明，对安哥拉实施制裁和针对各类政治精英的定向制裁成效不高。联合国的制裁对目标国的经济增长有统计学和经济上的重大影响。因为安哥拉的经济完全基于石油出口，在制裁的影响下，出口大幅下降，这导致了国内生产总值的下降。此外，在进口减少的背景下，从1995年开始，安哥拉的地理伙伴发生了结构性的变化。自1995年以来，来自中国的进口份额增加了12%。而所有其他国家的份额均有下降，法国 – 8.2%，葡萄牙 – 9.6%，美国 – 10.8%。

关键词

非洲，经济学，经济制裁，制裁政策，制裁的有效性，安哥拉，全球制裁数据库

致谢

本文得到了 RUDN 大學戰略學術領導計劃的支持。

结论：根据全球制裁数据库（GSDB）对非洲国家的制裁分析揭示了几个重要事实：随着时间的推移，制裁的实施越来越多；欧洲国家是最频繁的実施者，非洲国家是最频繁的目标；制裁正变得更加多样化，贸易制裁的份额减少，金融或旅游制裁的份额增加。制裁现阶段的特点是相对于所谓的目标，实际效率低下，但它对受制裁国家公民的生活质量和水平产生了负面影响。

供引用

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Introduction

After colonialism in Africa collapsed, the majority of African states had to choose an economic model and ways of integrating into the world economy. In the last 60 years, some African states have demonstrated considerable socio-economic growth (Davidson, 2020). The average growth rate of GDP in Benin, Ghana, Côte d'Ivoire, Tanzania, Rwanda, and Ethiopia exceeds 3%. Following the 1.6% drop in 2020, in 2021 GDP rose by 6.9%. It is predicted that average growth in Africa will slow down by 4.1% in 2022 and 2023. The majority of African economies, however, are heavily dependent on the exports of raw materials and agricultural products¹. Countries of the African continent have a significant demographic potential. A major barrier to their development is the problem of high unemployment among people of different education levels. Unemployment has a negative influence on public sentiment². African states are going through crises inherent to the evolution of their systems of political control. To a certain extent the problems they face also stem from the desire of the international community and Western countries in particular to retain their influence over their former colonies. To curb the risk of political instability spreading from Africa to other countries of the world, the United Nations and Western states are using a variety of strategies and tools, including sanctions, although their efficacy, in our view, is debatable. African economies are often extremely vulnerable to exogenous shocks as the institutions in these countries are still immature and the literacy rates are low. All of the above makes it difficult for these countries to withstand the effects of sanctions imposed by the UN or various regional organizations, including the EU.

¹ African Economic Outlook, 2022. <https://www.afdb.org/en/documents/african-economic-outlook-2022> (Accessed: 14.07.2022)

² World Employment and Social Outlook: Trends 2022. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_834081.pdf (Accessed: 14.07.2022)

The aim of this study is to conduct a comprehensive analysis of the actual mechanisms of Western countries' sanctions against Angola and other African states in 1995–2021 and to evaluate the outcomes of these sanctions and their efficacy. The key questions this study focuses on are as follows: how effective were the sanctions imposed on Angola? Which macro-economic indicators proved to be the most sensitive in the cases of Angola and other African countries?

Theoretical framework

Although sanctions have a long history dating back to ancient Greece, it was not until the 20th century, especially after World War II, that economic sanctions became more common and turned into a popular tool of coercive diplomacy. In the USA and other Western countries there is growing consensus that economic sanctions are powerful tools to handle major foreign policy crises (Peksen, 2019).

Despite sanctions' popularity as a foreign policy tool, there is still a perceived lack of understanding of their intended and unintended socio-economic effects, which calls for further research in this area (Felbermayretal, 2020). Sanction mechanisms may be different but their effectiveness depends primarily on the strength of their impact on elite interests in the target countries (Fituni, 2019; Zakharov, 2021). There is a vast body of literature dealing with sanctions' effect or lack thereof (Dashti-Gibson et al., 1997; Davis et al., 2003; Hart, 2000, Grigoryan, 2019). There is substantial research evidence of the negative effects of economic sanctions on almost all types of economic activity: it was found, for instance, that the economic sanctions imposed by the UN and USA affected GDP growth in the target countries (Neuenkirch, 2015; Neuenkirch & Neumeier, 2015; Nureev & Busygin, 2017); their gross national product (GNP) (Drezner, 2000; Gharehgozli, 2017); the key economic variables (government consumption, imports, investment, income) (Dizaji and van Bergeijk, 2013); and the banking sector (Bolgorian, M., & Mayeli, A.,

2019). Sanctions affect international financial flows (Besedes, Goldbach, & Nitsch, 2017) and may instigate currency crises (Dreger, Kholodilin, Ulbright, & Fidrmuc, 2016; Peksen & Byunghwan, 2015).

In some countries, sanctions may result in a decline in civil liberties, measured by the Freedom House civil liberties index (Adam, 2019). A similar conclusion was made by Peksen and Drury (2009, 2010), who used the same index and found that sanctions have an adverse impact on the level of democratic freedoms: in the long-term, their effect is equivalent to a one-point drop in the index. Peksen (2009) and Wood (2008) found similar effects using the Human Freedom Index and Political Terror Scale as dependent variables. Sanctions-induced economic disruptions and problems in target economies distort the normal incentive structure, which leads to an increase of the shadow sector (Early & Peksen, 2019).

The differential impact of the global economic system on global banking relationships depends on the type of sanctions. The consequences of global sanctions become more severe for countries with higher information asymmetries, captured by a high level of world uncertainty, an occurrence of crisis and shocks or by a weak institutional system (Ha et al., 2021, Sharova, 2019). Moreover, there is a significant growth in the number of sanctions aimed at changing the policy of the target countries and countering terrorism (Kassaye Nigusie & Ivkina, 2020).

Despite the vigorous debate revolving around the effectiveness of sanctions, there is still a perceived shortage of works about their impact on African countries. We have not found any papers reporting research on the sanctions against Angola. This fact is surprising since Africa is the continent most targeted by sanctions imposed by the UN and various regional organizations such as the African Union, Economic Community of West African States, and the European Union. The goals of the sanctions may be different but one thing that they have in common is that all of them are targeted at African states. According to the Global Sanctions Database, while the UN continues to use sanctions to end hostilities, regional organizations have cited unconstitutional changes to government as the principal reason to sanction African states (Charron, 2015).

The UN Security Council (UNSC) and regional organizations have been using sanctions as means of crisis management and control in Afri-

ca. Sanctions against African states may also be viewed as a way for the former colonial powers to control their former colonies after the end of the traditional colonial order. In other words, sanctions are part of the mechanism through which former colonial hierarchies are maintained in the modern globalized post-colonial world (Fituni, 2020).

Methodology and data

To analyze the actual mechanisms of Western countries' sanctions against Angola and other African countries, to evaluate the effectiveness of these sanctions, we used the data from the Global Sanctions Database (GSDB) for 2020 and 2021. The GSDB contains data on more than 1,101 economic sanctions by country and international organization for the period between 1950 and 2019. The latest version of the database covers 381 previously unregistered sanction cases, including 75 cases from the period of 2016–2019.

The GSDB classifies sanctions according to the three parameters: sanction type (for example, trade sanctions, financial sanctions, travel restrictions, etc.); sanction objectives; and sanction success. The second parameter can be used to divide sanctions into separate categories, for example, policy change, regime destabilization, war prevention, human rights, etc. The amount of data in the GSDB makes it suitable for a comprehensive analysis of the use of sanctions in the world in general and in Africa and Angola in particular. An important characteristic of the GSDB is its special focus on trade sanctions, which means that these data reflect the impact of sanctions on various spheres, including financial flows, tourism, etc. Moreover, a more nuanced analysis of the GSDB data on the influence exerted by different types of sanctions can reveal the relationships between different sanction policies and the most effective types of sanctions with the maximum effect on target economies. The methodological framework of this study comprises the historical-logical, statistical, comparative, and analytical methods.

Results and discussion

The GSDB encompasses unilateral, bilateral, and multilateral sanction cases over the period of 1950–2016 classified according to the three parameters: sanction type, objective and degree of success. An important advantage of the GSDB is that it comprises virtually all the cases of sanctions which, according to the organizations that im-

posed them, have proven to be effective. The sanctions in question include arms embargo, travel, trade, financial and military sanctions. Sanctions imposed for political purposes may be aimed at policy change, regime destabilization, prevention of conflicts, prevention of human rights abuse, support of democratic institutions, countering terrorism, and so on. Depending on the sanctions' success, we may distinguish between those that had partial success, full success, those that were settled through negotiations, and those that failed to achieve the intended outcomes.

Analysis of the sanction data has led us to the following observations: sanctions tend to be used more frequently; European countries are the most frequent users of sanctions while African states are their most frequent targets; sanctions tend to become more and more diverse; the share of trade sanctions is declining and the share of financial and travel sanctions is growing (Fig. 1). The main objectives of sanctions are increasingly related to democracy and human rights protection. Trade sanctions tend to have a negative but heterogeneous impact on trade, which is particularly pronounced in the case of complete bilateral sanctions followed by complete export sanctions (Felbermayr, 2021). The global supply and demand chains and global bank connections act as a constraint for the system of sanctions (Le, 2022).

Although Angola is not the most sanctioned country in Africa, its history of sanctions imposed by the UN and USA is quite impressive. The sanction episode in Angola lasted from 1986 to 2003.

The sanctions against Angola were adopted in an attempt to curb the armed conflict, to prevent human rights violations, and to destabilize the political regime.

The United Nations Security Council (UNSC) imposed sanctions on Angola three times in an attempt to end hostilities. Their sanctions had three iterations: initially, it was the arms embargo (1993–2002) which was not very effective and was followed in 1997 by travel bans, which also failed to bring the intended result. In 1998, financial restrictions were added. They were lifted in 2002 in the light of the continuing peace process.

The US sanctions against Angola were aimed at destabilizing the regime, fighting human rights violations, supporting democratic institutions, and countering terrorism. The sanctions were imposed twice: the first stage lasted from 1986 to 1992; the second stage, from 1993 to 2003. The main restrictions were imposed on arms exports and financial services, the latter being associated primarily with currency restrictions. It should be noted that these sanctions had but a partial success and not all of the intended goals were achieved.

In December 2015, the Bank of America discontinued the supply of U.S. dollar banknotes to Angolan banks over concerns about money laundering and terrorist financing. The effect of this measure on the country's economy is also worthy of interest. Oil has always been Angola's major source of foreign currency funds. This potential started to decline in the first half of 2014, especially in June, due to the drop in oil prices (Fig. 2).

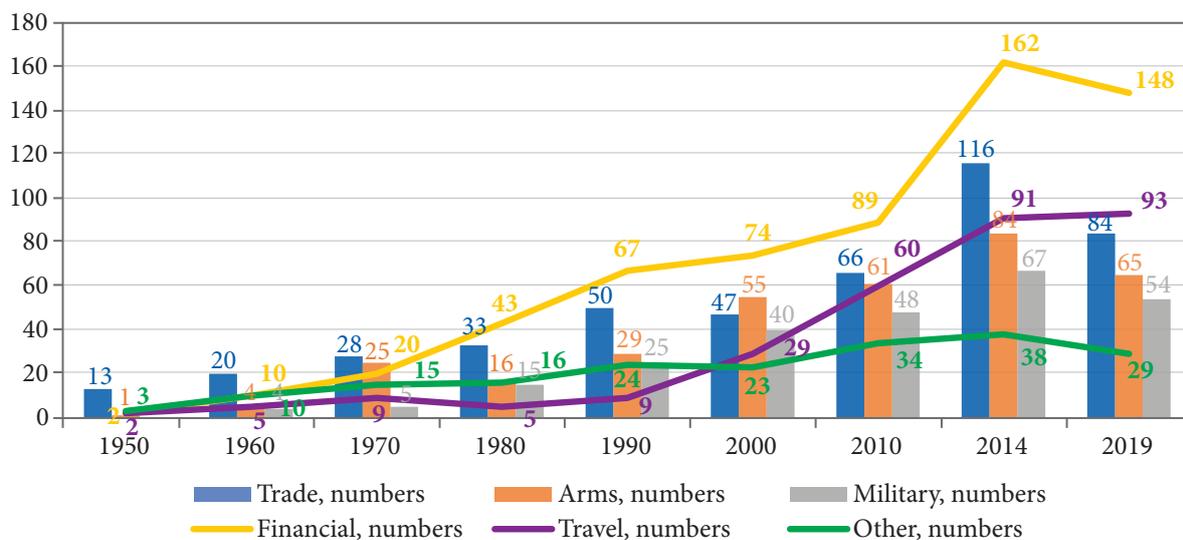


Figure 1. Types of sanctions imposed on African states in 1950–2019

Source: The Global Sanctions Database. Retrieved from https://ideas.repec.org/p/ris/drxlwp/2021_010.html (Accessed: 14.07.2022)

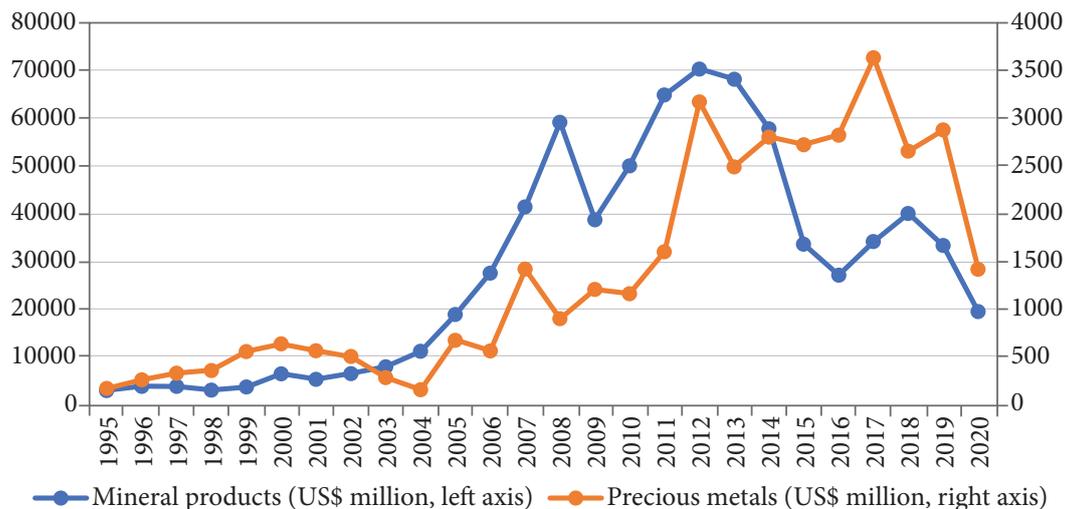


Figure 2. Key exports of Angola

Source: The Observatory of Economic Complexity. Retrieved from <https://oec.world/en/profile/country/ago> (Accessed: 14.07.2022)

Despite the country's increasing macro-economic stability and successful structural reforms, the Angolan economy is still heavily dependent on oil prices as oil exports account for 93% of all the exports. The oil sector, which makes up one third of Angola's GDP, shrank during the COVID-19 pandemic due to the falling oil prices³. In 2020, real GDP fell by more than 5%, which made 2020 the fifth consecutive year of recession.

In 2021, the Angolan economy showed some signs of recovery, its GDP rising by 0.2%, which signified the end of the long recession cycle. As the restrictions associated with the pandemic were lifted and the somewhat belated effects of the macro-economic reforms started to take shape, the oil industry also started to recover. These improvements compensated for the new slump in the oil sector which occurred despite higher oil prices.

The country enjoys fairly favourable prospects for 2022, especially in the light of the rising oil prices and increased oil production. Since the transition from an oil-dependent economy to a more diversified model is a lengthy process, in the near future the oil sector will continue playing a crucial role in Angola's economic development. The government's ongoing efforts to enhance economic diversification are targeted at developing non-oil sectors.

³ Official web-site of Instituto Nacional de Estatística de Angola, Overview of Angola's Economy. Summary statistics. URL: <https://www.ine.gov.ao/inicio/estatisticas> (Accessed: 14.07.2022)

As for the influence of the sanctions on Angola's economy, it should be noted that since the beginning of the first stage of sanctions in 2002, the national economy has started to recover somewhat and the imports have been growing noticeably (Fig. 3).

As Figure 3 illustrates, the sanctions affected not only the country's exports but also its imports. After the sanctions were lifted in 2022, the imports of vehicles rose 6 times, and the imports of metals, 3 times. What made the Angolan economy so sensitive to various sanctions was the significant role of imports, including food imports. Sanction pressure has also led to certain structural changes regarding Angola's trade partners (Fig. 4).

As Figure 4 illustrates, the share of Angola's main partners in the imports has been falling while the scale of economic cooperation between Angola and China has been growing. Interestingly, the share of imports from China in 1995 was only 1.3% while the imports from France was 23.1%; Portugal, 20.6%; and the USA, 15.3%. After the sanctions were lifted, the shares of the trade partners changed significantly (see Table 1).

As Table 1 shows, the share of China grew in 2019 and reached 16.7% while the shares of all the other partners shrank: the share of Portugal became 11%; the USA, 4.5; and France, 14.9⁴.

⁴ Calculated by the authors by using the data from The Observatory of Economic Complexity Retrieved from <https://oec.world/en/profile/country/ago> (Accessed: 14.07.2022)

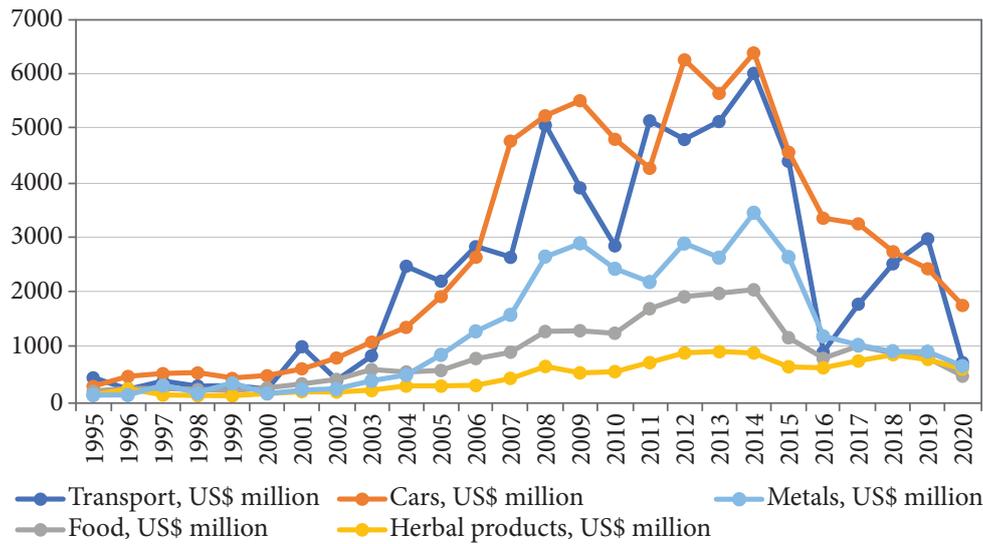


Figure 3. Key imports to Angola

Source: The Observatory of Economic Complexity. Retrieved from <https://oec.world/en/profile/country/ago> (Accessed: 14.07.2022)

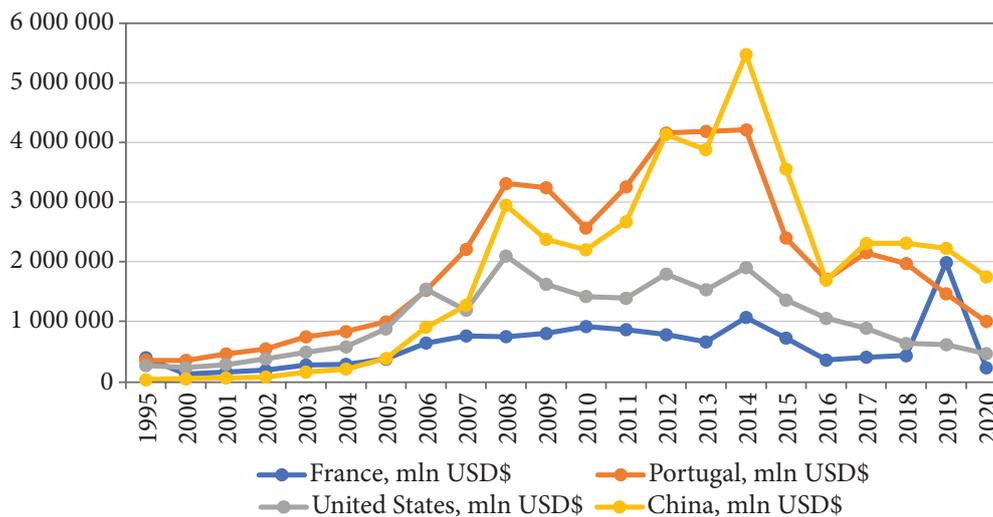


Figure 4. Imports from Angola's key geographic partners

Source: The Observatory of Economic Complexity. Retrieved from <https://oec.world/en/profile/country/ago> (Accessed: 14.07.2022)

Table 1
Angola's key import partners and their shares in imports, %

Country	1995	2002	2019
France	23.1	6.1	14.9
Portugal	20.6	18.4	11.0
USA	15.3	12.6	4.5
China	1.3	2.1	16.7

Source: calculated by the authors by using the data from The Observatory of Economic Complexity. Retrieved from <https://oec.world/en/profile/country/ago> (Accessed: 14.07.2022)

The 2020–2021 pandemic in Angola, like in other countries of the world, proved to be detrimental to trade relationships, which is why for our analysis we have chosen the year 2019 as more representative. The ties between Angola and China strengthened during the sanction period as China provided support for Angola during the civil war and contributed to its post-war reconstruction. China is interested in energy sources, in the production of the mining industry, and in diamond reserves. As local experts observe, however, China's activities in Angola may also have negative implications due to the latter's growing

dependence on oil exports as the Chinese workforce drive out local producers. Africa in general and Angola in particular hold much promise for Chinese goods and maximizing the potential of this market is one of the priorities of China's foreign policy in Africa.

The USA put pressure on Angola over concerns about lax regulation leading to money laundering and terrorism financing. The U.S. Federal Reserve suspended the sale of dollars to banks based in Angola and in December 2015 the Bank of America for the last time closed its US dollar auction. In 2015, 17.4 billion US dollars were sold on the foreign exchange market, which since then has become the largest amount of foreign currency sold to Angola. In the following year 2016, the central bank sold 832 million US dollars in an irregular sequence⁵. These measures led to a major disruption of its banking system.

The decision of the U.S. Central Bank exacerbated the economic and financial crisis in Angola as the latter was struggling with foreign currency shortages. At least three banks have margin US-dollar transactions through their offices abroad or via accounts in foreign banks – Banco Angolano de Investimentos (BAI), Banco de Desenvolvimento de Angola (BDA), and Standard Bank Angola (SBA). Meanwhile, Luanda, the capital of Angola, has a thriving black market for foreign currency and illegal currency transactions.

The country's oil industry has generated most of the profit in US dollars through oil crude exports. In the face of dollar drought, the Central Bank had to rehearse a plan to save correspondent banks acting as intermediaries in the sale of dollars to Angola. The key reforms conducted in the country since 2017 included anti-corruption and anti-money laundering laws, fiscal policy reforms, and the Privatization Act. Financial regulation was strengthened by the adoption of the New Financial Institutions General Regime Law in May 2021, which gives more powers to the National Bank of Angola to settle disputes and introduces more stringent corporate management requirements. Moreover, in 2021 the National Assembly of Angola approved a constitutional amendment conferring independence on the central bank. Certain steps were taken to improve the business climate by a one-stop-shop service for financial institutions, businesses, and potential investors.

⁵ Angola24horas. <https://angola24horas.com/politica/item/24157-angola-e-eua-trabalham-para-o-levantamento-da-suspensao-da-venda-de-divisas> (Accessed: 14.07.2022)

The National Bank of Angola (BNA) goes to great lengths to maintain the flexibility of the currency exchange rate, allowing more and more companies to sell foreign currency directly to commercial banks. As a result, as of February 2022, the year-on-year increase in the currency exchange rate was 23%. The inflation is still high, however: in February 2022 it rose to 27.3% in comparison with 24.9% in the previous year, which can be explained by the impact of the import restrictions, the lockdown during the COVID-19 pandemic as well as the rise in the global prices for raw materials. In general, the macro-economic reforms in Angola are already bringing about certain positive effects as the non-oil economic activities were expanding both before and after the COVID-19 pandemic. This trend is illustrated by the 41%-growth in non-oil exports in 2021⁶.

Angola has managed to maintain political stability since the end of the civil war in 2002. The Constitution of 2010 adopted the presidential-parliamentary system where the president is the leader of the party with the most seats in parliament. At the moment the Parliament is discussing a proposal for revision of the Constitution. Meanwhile the application of the electoral legislation is suspended⁷. Since March 2022, the Angolan government and Joe Biden's administration have been searching for ways to revoke the decision to halt dollar supply to Angola and to ensure fair and free elections in August 2022. The national government is striving to enhance the diversification of the national economy to stimulate economic growth, which is especially necessary in view of the fact that the country is heavily dependent on the exports of crude oil and petroleum products. *Plano Nacional de Desenvolvimento 2013–2017* (PND) – the National Development Plan – specifies the main strategic goals of Angola's industrialization and priority sectors such as food production, clothing and footwear industry, wood processing, wooden furniture manufacturing, pulp and paper industry, chemical and pharmaceutical industry, construction materials production, metallurgical industry, metal product

⁶ Calculated by the authors by using the data from The Observatory of Economic Complexity. Retrieved from <https://oec.world/en/profile/country/ago> (Accessed: 14.07.2022)

⁷ Angola24horas. <https://angola24horas.com/politica/item/24157-angola-e-eua-trabalham-para-o-levantamento-da-suspensao-da-venda-de-divisas> (Accessed: 14.07.2022)

Angola24horas. <https://angola24horas.com/politica/item/24106-eua-e-angola-discutem-reformas-economicas-e-iniciativas-anticorruptao> (Accessed: 14.07.2022)

manufacturing, manufacture of machine tools, vehicles, and as well as scrap and metal recycling. The Plan also includes measures to support small and medium-sized industrial enterprises to create more favourable conditions for the development of production chains. One of the Plan's parts – *Programa de Fomento da Pequena Indústria Rural* (PROFIR) or Program to Foster Small Agro-Industry – is aimed at stimulating more diversified production, which in the long run should bring some improvements in the overall economic situation.

Regarding the political and historical context of African countries' development and based on the available statistical data, we can distinguish three stages of the sanction policy in relation to these states: the Cold War period, the post-socialist period, and the contemporary period. During the Cold War, at the first stage of the sanctions, their effectiveness was low, which made their adoption rather pointless. At the second stage, Western countries exerted large-scale pressure on African countries in an attempt to promote democracy and support democratic institutions. At their current stage, the effect of the sanctions is weak in comparison with the declared goals although they have a negative impact on the living standards in the target countries.

Conclusion

Our analysis of the empirical data has shown that the economic sanctions imposed by the UN and USA affect the economies of the target countries. The UN sanctions have a statistically significant influence on the economic growth of the target state. In the given period, the impact of the sanctions on Angola led to a significant drop

in exports, which caused a decline in GDP. Since Angola's economy largely relies on oil exports, the structural reforms have so far failed to provide macro-economic stability. We found that, since 1995, there have been some significant structural changes of Angola's geographical partners. The share of the imports from China grew by 12% in the period between 1995 and 2019 while the share of France, fell by 8.2%, Portugal, by 9.6% and the USA, by 10.8%⁸. The relationship between Angola and China during the period of sanctions strengthened significantly.

Analysis of the data from the Global Sanctions Database (GSDB) has led us to the following conclusions: first, sanctions are becoming an increasingly popular tool of international relations; second, European countries are the most frequent users of sanctions while African countries are their most frequent targets; third, sanctions are becoming increasingly diverse; and, finally, the share of trade sanctions is decreasing while the share of financial and travel sanctions is growing. Africa is the continent most targeted by sanctions from the UN and regional organizations. While the UN continues to use sanctions to discourage military aggression, regional organizations cite unconstitutional change of government as the main reason for imposing sanctions on African states.

The UN sanctions against African states are usually of prolonged nature and are repeatedly revised in the course of their duration. Our study has shown the growing popularity of sanctions despite the fact that they do not always produce the desired change.

⁸ Calculated by the authors by using the data from The Observatory of Economic Complexity. Retrieved from <https://oec.world/en/profile/country/ago> (Accessed: 14.07.2022)

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ARTICLE INFO: received June 22, 2022; accepted August 23, 2022

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ИНФОРМАЦИЯ О СТАТЬЕ: дата поступления 22 июня 2022 г.; дата принятия к печати 23 августа 2022 г.

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