

## **Post-Conflict Transformation in Angola's Informal Economy**

### **FINAL RESEARCH PROJECT REPORT June 2009**



Presented by

**Development Workshop-Angola**

to:

**IDRC Eastern & Southern Africa Office - Nairobi**

This report is presented as received by IDRC from project recipient(s). It has not been subjected to peer review or other review processes.

This work is used with the permission of Development Workshop (DW) Angola.

© 2009, Development Workshop (DW) Angola.

## **CONTENTS**

- 1 RESEARCH PROGRAMME OVERVIEW
- 2 DW'S APPROACH
- 3 RESEARCH COMPONENTS
- 4 BUILDING CAPACITY AND DISSEMINATION OF RESULTS

# 1 RESEARCH PROGRAMME OVERVIEW

This report is a description of the research carried out by Development Workshop, funded by IDRC, between September 2007 and June 2009. The report accompanies the reports of the three components of the research. Originally the programme was approved to start in September 2007 to March 2009, but Development Workshop Angola was granted a three-month no-cost extension to the research project, so that the programme ended in June 2009.

During this 27 month period, DW has carried out its proposal to expand and build upon its experience of both sector-specific and broad baseline research to develop a *comprehensive* and *cross-sector integrated* study of the Angolan informal economy. The aims of this research programme were:

- to assess the potential that the informal sector holds, not only for sustaining basic livelihoods but also for generating new opportunities for the vast majority of poor Angolans who do not benefit substantially from the “petroleum enclave economy”;
- to identify how transformations in the informal economy are re-structuring economic opportunity, vulnerability, and social exclusion;
- to assess the impact and potential of the informal economy for reconstituting social capital and revitalizing shattered local social institutions—both essential to the reconstitution and development of local war-torn communities and national economic networks throughout Angola.

More specifically this research programme has aimed to:

- significantly increase quantitative and qualitative understandings of **important sectors** of the informal economy. The programme has pursued studies of two sub-sectors (water and housing) that are of vital importance to the rapidly growing, and largely unregulated peri-urban areas where over 50% of all Angolans currently live;
- conduct a **literature review** of all previous research and policy documents on the informal economy in Angola and a selective review of international research relevant to the three themes developed in the current programme. The review of Angolan literature was conducted by Development Workshop’s documentation centre CEDOC during the first quarterly phase of the programme. The background documentation on Angola is not extensive and DW has been involved with producing much of it. The international literature review with a focus on recent informal sector research in Africa and post-conflict situations, was conducted by an intern under the supervision of the research programme coordinator and largely drew on internet sources and the libraries of institutions of research advisors;
- carry out a **cross-sector study** that documented the strategic relationships, interactions, and inter-dependencies among different sub-sectors of the informal economy;
- foster **knowledge-based approaches** to public policy making through data organization, analysis, and dissemination activities that enhance knowledge access and utilization capacity of a broad range of public and policy-maker stakeholders; and by generating new knowledge about the mechanisms of governance that prevail in the vast peri-urban informal sector where both formal state and customary institutions are either absent or have lost legitimacy and relevance. The programme has tracked

the impact and awareness of policy issues related to the informal economy by monitoring debate in the official and independent media.

## **2 DW'S APPROACH**

As with all of its research, DW envisioned that this programme would inform the design and redesign of development projects to account for the new post-conflict realities. One example of this is DW's micro-finance programme KixiCredito developing a housing microfinance methodology and developing a plan to extend micro-lending to ambulant street traders. Another part of DW's approach is fostering practices of good governance and civil society capacity-building in Angola: this has been done by ensuring that the results of the research have been disseminated to the relevant government departments and working closely with civil society organisations such as the National Association of Ambulant Traders. DW's approach involves empowering local communities through participatory approaches and enlarging the range of stakeholders who participate in public policy-making, by working with newly formed municipal civil society forums in Luanda and engaging researchers and interns from various Angolan Universities. DW also influences policy through research dissemination for example by demonstrating research results at the National Conference for the release of the 2009 Economic Report.

DW aims to foster information-based approaches to policy-making, social advocacy, and development activities. DW's belief is that effective programs must be informed by continuous context-specific research that tracks shifting local realities and perceptions, rather than by "cookie cutter" approaches and programs. In a country where prolonged war and rapid urbanization have wrought profound socio-economic and cultural transformations and in which systematic and reliable socio-economic data is lacking, DW has been produced the basic data and focused analysis that can and should inform effective policy-making and development programming.

Rigorous action-focused research can play a particularly important role. The country's post-conflict trends are clearly unlikely to reflect pre-war baselines. Yet it is equally problematic to assume that the wartime population distribution patterns and forms of socio-economic activity and organization will remain unaltered in the face of new post-conflict opportunities and challenges. Much as DW's operational effectiveness was greatly enhanced throughout the war years by its ongoing action research, new informational baselines can inform the programmatic activities (micro-finance, basic services provision, human settlements and municipal development) of DW and others. DW studies and data have been used and integrated into baseline studies, assessments, and programming studies of numerous other development organizations including the World Bank, UNDP, UNHabitat and DFID.

### **3 RESEARCH COMPONENTS**

This programme was divided into three components.

Study 1: study of the informal peri-urban water sector

Study 2: study of the peri-urban private renting housing market in Luanda

Study 3: the cross-sector study on production and marketing

#### **Study 1: The Informal Peri-Urban Water Sector**

The objective of this study was to have a better knowledge of the existing (mainly informal) systems and institutions for supplying water, and how micro-entrepreneurs in informal water-supply are likely to evolve and react to improved formal, regular water supply systems. This is leading to advocacy for improved Government water policy and practice to bring it more into line with the needs of poor consumers (who very often fall outside of the formal distribution network).

As part of this study, previous studies of the informal water-supply system in Luanda were examined. This indicated which data would need to be collected so as to have comparisons with the studies carried out in the 1990s, and which information was missing from recent studies of the informal water-supply system in Luanda. On this basis, more detailed specifications were drawn up of the information that would need to be collected for this study and this was organised into a possible report outline. Re-analysis of existing (but underused) data sources of water access in peri-urban areas of Luanda was also carried out.

During October to December (2007), interviews and field visits were carried out to map the water system of Luanda. This involved visiting the key parts of the water system and the key institutions (local operators and international funding agencies) This mapping plotted the changes that had occurred in the water system of Luanda since research carried out by Development Workshop in 1995 and 1998 (which studied water prices and access to water supply in the framework of the city water system). These interviews and field visits also attempted to map the additions and changes that were being made in the Luanda city water system and those that are planned for the immediate future. In the 1995 and 1998 studies it was shown that many areas of the city were remote from pipelines and were served by water trucks. These areas were the inhabited by the poorest sections of the population but had the highest water prices. New pipelines are being added to the city system, funded from various sources including Chinese oil-backed loans. It is also likely that water distribution stations built by the Cubans during the 1980s (but never brought into use) will become operational and that facilities for supplying water trucks at these stations will also become operational. It was difficult to obtain in-depth information about these issues, as some of the institutions were reluctant to provide full information as probably the number of beneficiaries from these interventions in practice will be less than had been suggested in the initial announcements, and the full design of some of the projects has not been carried out. There are indications though that many areas of peri-urban Luanda will continue to rely on the informal water-supply sector (through water trucks) even after the construction of new pipelines, and that there will still be areas remote from pipelines and the new stations to fill water trucks.

This mapping of the water system had therefore provided a picture of areas that are likely to have poor water supply (and high prices) in future. The section of the final report about "Options for the future" pays particular attention to those areas that will continue to be remote from main pipelines and thus dependent on the informal sector, and where interventions should be targeted in the water system to improve access and reduce prices for the poorest consumers.

In September and October 2008, the operation of the informal water sector was looked at in more detail by observing the operation of the tanker-lorries and of the points where they fill up with water. These observations led to information about how many lorries use each filling-point every day, how much water this represents, which area they serve from each filling point, how much they pay to fill-up and how much they charge when they subsequently sell-water to those with water tanks, how many customers they serve and how much they charge.

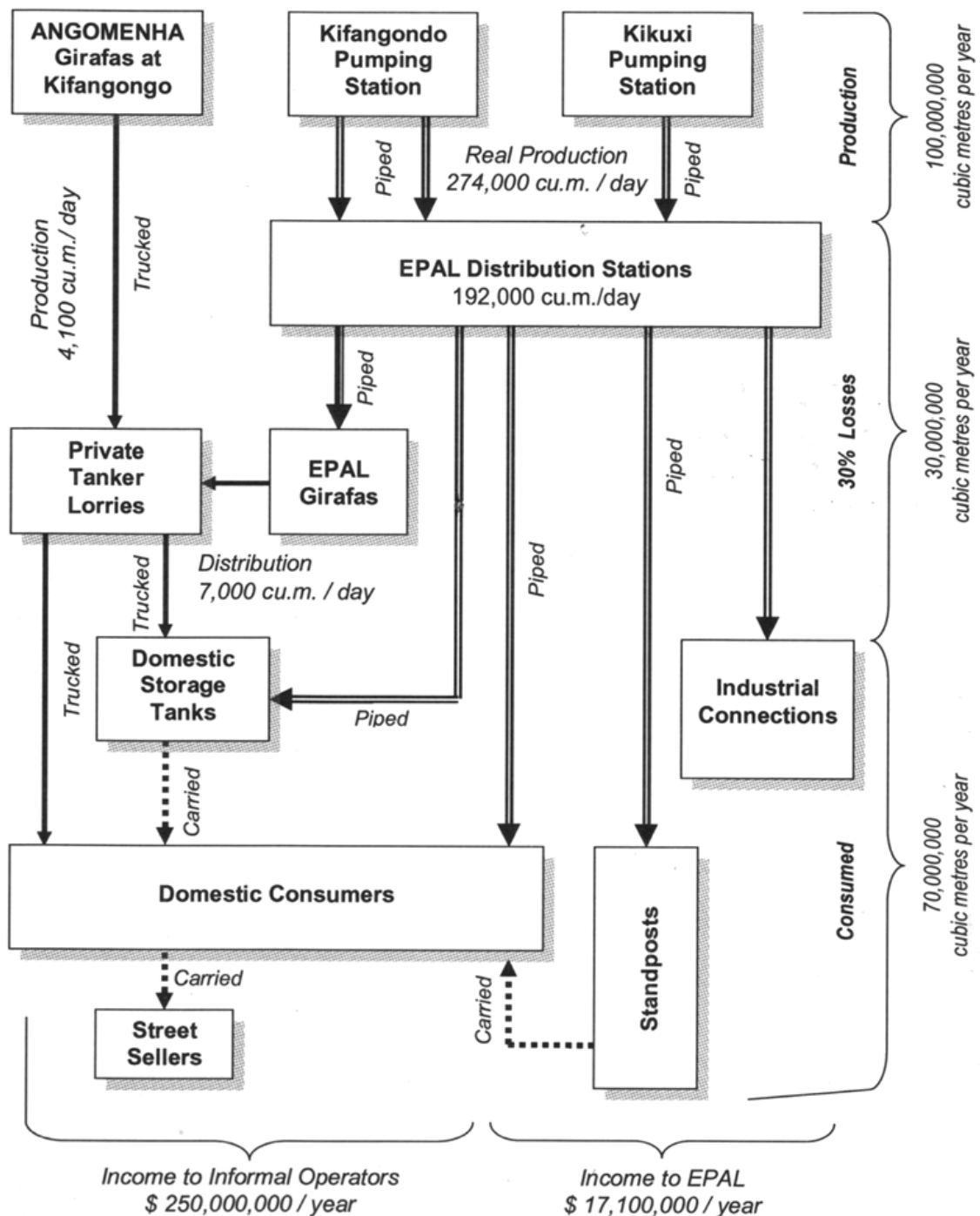
Separate questionnaire surveys were also administered to 1300 consumers, 370 operators of household water tanks, and 210 operators of tanker lorries. Information was also collected about the average price of water in each bairro of Luanda. The survey of consumers collected information about the amount of water used, the source of water, the cost of water, the size of household, the type of dwelling, the location of the household, the time taken to collect water, opinion of the fairness of the price, and adaptations made when water is expensive or water is in short supply. The survey of consumers was carried out in randomly selected areas of peri-urban Luanda. The survey of operators of household water tanks collected information about the capacity of the tank, the level of sales, the price of purchase and sale, the source of water, any relationship with the provider of water and how the income from the sale of water is used. The survey of operators of tanker lorries collected information about the size of the tanker, the level of sales, the price of purchase and sale, operating costs the source of water, the number of tankers owned and the constraints in the business.

Information was also used from other surveys of Luanda that asked questions about water. Flow charts were constructed of the supply system for water in Luanda. These were used to show how water quantity, quality and price evolve through the water systems, and which points have the least satisfactory supply. The aim was to have clearer information about which areas are benefiting and will benefit from an improved service. Information about exactly which areas were being served by new investment and the details of what kind of supply is being provided are not always obvious from official announcements about new water projects, and seeking this information can involve considerable effort.

From the various sources, it was concluded is that there is clear that there have been many changes to the water system of Luanda since the studies carried out by Development Workshop in 1995 and 1998. These changes occurred even before peace was achieved in 2002, and have accelerated since 2002. Replacement and new water mains are being installed in Luanda, with Chinese and other finance and implemented through construction companies from a number of countries. There are more places where water lorries can fill up, which appears to have reduced the price of water delivered by water tanker in certain areas of the city. The overall quantity of water supplied to the city has probably increased. However the population of Luanda, and the area covered by the city, have also increased rapidly and the expansion is most rapid in areas that in the past suffered from poor water supply and high water prices. Despite the expansion of the public water system of Luanda, it is likely that a considerable number of people in Luanda will continue to depend for water supply on water bought from their neighbour's tanks, supplied by water lorry. The proportion of the population served by the public water system may actually have fallen, as people move outwards from the city centre.

DW estimates that the informal water market has grown from about \$60 million in 1995 to an annual value of about US\$ 250 million in 2009. While the public operator EPAL has made some efforts to increase the system's sustainability, they only recovered about US\$ 17 million through consumer fees in 2008 which are calculated at a subsidised price less than 50% of the cost of production. The current research has shown that water selling is one of the most important sectors of the informal economy, providing essential services that the state and formal sector are as yet unable to deliver. Due to the fact that growth of demand has outstripped the growth of service supply the value of the informal water market has grown dramatically.

## Value Chain Model of Luanda's Water Supply System (DW 2008)



The study however shows that the price of water provided by informal operators is neither affordable nor sustainable by poor urban households who are forced to limit their consumption to what is considered below that required to maintain a minimum standard of public health. The high costs are largely due to inefficiencies of delivery by truck, hand cart and head-bucket in comparison to piped solutions. DW is using the results of the current study to advocate for more investment, equitable distribution and sustainable management of water through a fairer financial cost-recovery policy that does not only benefit the elites who are fortunate enough to already be connected to the piped network. DW is also using the evidence from the current research to advocate for inclusive regulatory policies that envision a place for micro and small scale informal sector water operators in the medium term until the public operator can provide piped water for all.

## **Study 2: Peri-urban private renting housing market in Luanda - its magnitude, characteristics and implications for poverty reduction strategies and programs**

The housing rental market study of the research programme promotes the improved understanding, in peri-urban informal settlements in Luanda, of:

- 1) why, when, what and how tenants rent housing and the advantages this can bring, as well as disadvantages of the dominant informal nature of renting (in order to assist in improving tenants' housing options)
- 2) why, when, what and how landlords rent housing and the advantages this can bring, as well as disadvantages, of the dominant informal nature of renting (In order to assist consolidation and re-investment in housing or the knock-on financial impact on other socio-economic development opportunities).

The present study was seen as the initial stage of a wider and longer term investigation of the importance of housing rental as a key mechanism for housing provision, income generation and investment and domestic savings in peri-urban areas in Angola<sup>1</sup>.

During the course of implementing this phase of the Informal Sector Research the Angolan Government launched a new initiative on the housing sector through a pronouncement by the President on World Habitat Day on 06 October 2008, that Angola will build one million houses by 2012. This ambitious and possibly unrealistic commitment highlighted the fact that Angola did not really have a well developed housing policy or a strategy on how such a promise could be delivered. An important sector of the housing economy, that being the housing rental market, was not part of the official discourse on housing, beyond the decision by the state to sell off the state rental housing stock inherited from Colonial times, at bargain-basement prices.

The current study, while planned before the Government's announcement in October 2008, has been completed at an opportune time to contribute to the Government's need to fast-track thinking on housing policy and in the light of across the board cut-backs in national budget allocations. Government is forced to seek cost-effective alternatives to their initial vision of "constructing" houses on a massive scale such as the provision of housing credit, the promotion of self-help owner-builders (auto-construção) and the stimulation of the housing rental market.

International experience has shown that the main savings mechanism for households worldwide is linked to housing investment – for both its use and exchange value. In the global South, this is probably truer for residents of peri-urban informal settlements than for residents in formal urban settings, as the former have few other formal investment and domestic savings options (much of their housing and other socio-economic activity being informal) and housing needs are typically high household priorities<sup>2</sup>.

Luanda has an estimated population of at least 6 million<sup>3</sup>, of whom perhaps 76% live in informal settlements. Assuming an average household size of 7 persons, this would give over 650,000 households in peri-urban areas. Previous data sets, which were compiled by DW, indicate that approximately one in seven peri-urban residents rent informally. This would mean that in Luanda almost 100,000 households are in this housing situation. In addition,

---

<sup>1</sup> Development Workshop Angola has received technical assistance for this component from the Centre for Environment & Human Settlements (CEHS), Edinburgh. CEHS is an academic-based research centre that has provided assistance to Development Workshop Angola in the past, especially with a research programme on urban land tenure in 2003<sup>1</sup>. CEHS also has strong research partnerships in Mozambique and Brazil that have contributed to the research methodology and literature review materials to the current study in Luanda.

<sup>2</sup> For instance: UN-HABITAT (2003) 'Rental Housing: An essential option for the urban poor in developing countries', United Nations Human Settlements Programme: Nairobi.

<sup>3</sup> Development Workshop (2009), as-yet unpublished study of Luanda urban poverty indicators using remote sensing and recent satellite imagery.



international experience suggests that as cities expand to become metropolitan areas the proportion accessing land directly for housing (whether formally or informally) diminishes and rental options often grow in significance (in parallel with densification). Therefore it can be expected that this form of housing access will grow in importance in the future in Luanda and possibly in other cities as well.

Previously existing data does not provide more exact information about the size of the informal rental housing sector. However, Development Workshop Angola is engaging with the government in its on-going Household Poverty Study, specifically through developing an 'Urban Poverty Study' as part of an initiative of the Ministry for Environment & Urbanism.<sup>4</sup> This provides the opportunity to scale up from the current scoping study to provide initial responses to questions of magnitude. Therefore this study did not aim to examine the magnitude of the informal renting housing sector but to enquire into the nature of the Angolan situation, comparing it with international experience, to understand the significance of informal rental for both landlords and tenants, and to identify key issues. It is hoped that it will be possible to subsequently use some of the wider surveys to follow-up on these key issues, either by inserting relevant questions or analysing existing questions in the light of information from this survey.

Development Workshop Angola's Documentation Centre surveyed key documents (government and media publications), looking at the wider context of policy and practice within which informal housing rental takes place. Household surveys were carried out of 122 landlords and 220 tenants. A training session for interviewers was carried out and an initial field test in the initial target area with subsequent feedback and refinement.

Three main geographic areas targeted in the survey were the following:-

- peri-urban areas more than 30 years old
- peri-urban areas between 5 and 30 years old
- peri-urban areas less than 5 years old.

Within these geographically defined areas interviewers approached households on a random basis to determine whether they are, or have been, tenants and/or are landlords, thus attempting to identify both sets of subjects as suitable for interview.<sup>5</sup> The survey instrument began with a summary of 'housing careers' of tenants, subsequently concentrating in more detail on the present, or last, tenant situation; and separately the present landlord situation. As the locational entry point to the survey might not capture sufficient landlords (who may live in more urbanised parts of the city) a snowball technique was used, starting with employees of DW, to identify and interview sufficient landlords.<sup>6</sup> The aim was to carry out 240 interviews with tenants and 80 with landlords.

The survey of landlords asked about the number of properties owned (and rented out), the characteristics of the properties (size, materials and condition), the geographical situation of the properties, the amount of rent, the conditions attached to renting (restrictions, length of notice, length of tenancy), the services provided, how the rent was fixed, how the tenants were identified and the history of being a landlord. The survey of tenants asked about the history of renting, the characteristics of the properties (size, materials and condition), the geographical situation of the properties, the amount of rent, the conditions attached to renting

---

<sup>4</sup> The formal title for this study (translated) is: System for territorial information on the implementation of the Millennium Development Goals. The study uses the framework developed by the UN-Habitat Global Observatory on human settlement issues based on Millennium Development Goals.

<sup>5</sup> While some 15% of peri-urban residents may currently rent, the proportion who have rented at some stage in their 'housing career' is likely to be much higher (maybe >60%) and structuring the survey in this fashion captured a wider target group as well as trends in rental careers.

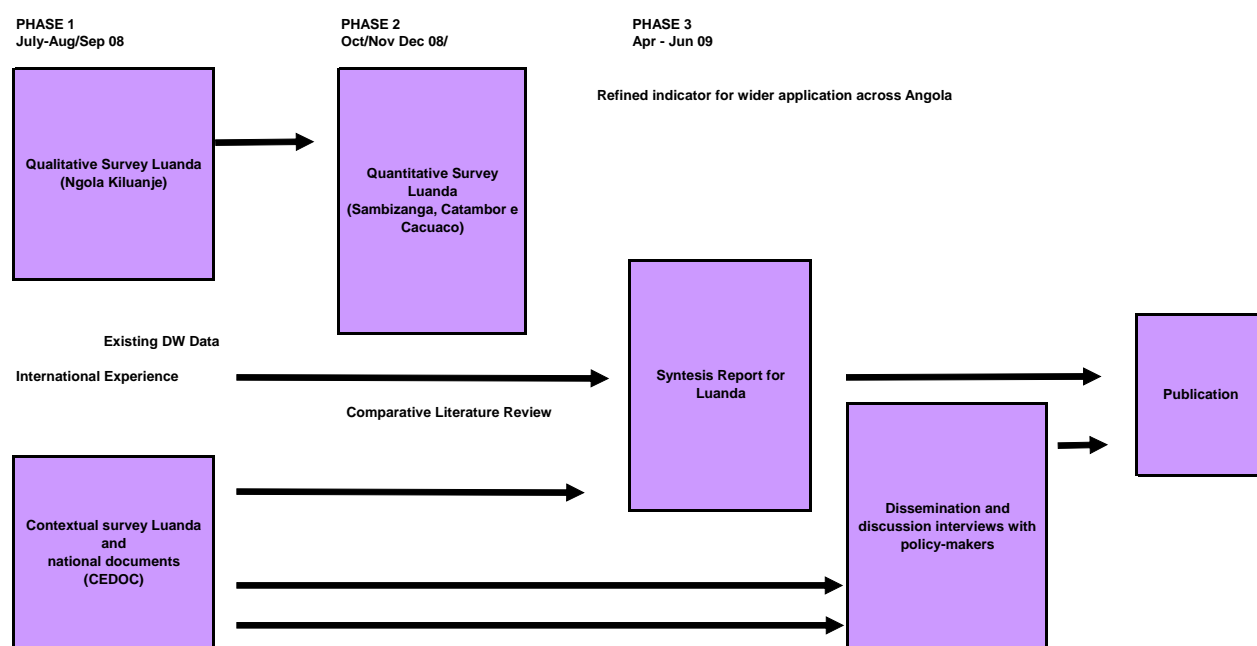
<sup>6</sup> This entry point identified landlords who have left the central formal city but also other landlords in peri-urban areas.

(restrictions, length of notice, length of tenancy), the services provided, how the rent was fixed and how the property was identified.

Fieldwork was carried out in September and October 2008. A data-base was created and analysed, with the help of CEHS, in late October 2008.

The phasing of the research is shown in the diagram below. The results have been brought together in a synthesis report which is aimed to have three main impacts:

- act as the basis for dissemination and discussion with key policy-makers in Angola concerning the importance of the sector and policy and practice recommendations of relevance
- act as the basis for reflection and linkage with micro-finance initiatives within the development sector in Angola – specifically Kixi-Casa; and
- act as the basis for international reporting through IDRC, the Angolan government’s UN-Habitat Urban Observatory submission, as well as other wider dissemination.



The study confirmed international experience and ‘brain-storming’ in Angola, the following issues are important in the informal rental housing in Angola:

- ✓ There is a relation between location of the rented accommodation and supply, so nearer the centre of the city is more expensive but may have lower quality housing.
- ✓ Social issues such as life cycle affect demand, so the creation of new younger families of existing residents and break-up of existing families plays a role in the housing market.
- ✓ Economic issues affect demand, for instance when younger people move out of a household when they have managed to economically establish themselves.
- ✓ There are also groups of people who have re-located to the peri-urban areas to rent their inner city formal sector housing.

The findings of the rental housing study have been incorporated into a policy paper that Development Workshop is producing on Angolan Housing Finance that has been prepared with the collaboration of the Ministry of Urbanism and Housing. A summary of the results were presented in the national conference for the launching of Angola’s Economic Review in June 2009.

### Study 3: Cross-sector Study on Informal Sector Production and Marketing

The objective of this study was to acquire better knowledge of the three forms of informal sector entrepreneurship:

- A Home Based Enterprises in the (Gendered) Urban Informal Economy
- B Urban Marketplace Networks in Transformation
- C Hawkers (Street Vendors) in the Angolan Informal Economy

The key research question was to discover the changes that have occurred in the sector since peace accord was signed in 2002. A review of the literature indicated that little knowledge existed on this important sector of the economy which employs more than half of Luanda's work-force. All other data published on the informal sector in the post-2002 period is based on one or two research studies carried out in the mid 1990s.

The component on Home Based Enterprises (HBEs) focused on the extent to which location is important for the success of HBEs, the effects of tenure rights on HBEs and how HBEs themselves influence the peri-urban informal property market. This area is potentially important to understanding gender specific dimensions of the informal economy and urban vulnerability as women are more likely to be involved in HBEs. This links to the public policy debate on land and tenure security in which DW has played such a leading role in Angola. This project was also important as DW works with its partner KixiCredito to design and implement micro-credit programs that target HBEs and in understanding the gender-specific vulnerabilities that can affect the capacity of particular social groups to participate in and use micro-credit.

The component on urban marketplaces focused on the strategies that marketplace users are following in response to government plans to close, relocate or rebuild marketplaces. It also examined how the implementation of these strategies is reconfiguring the urban marketplace system and urban informal economy as a whole. The component on street traders documented the extent and operations of street vending in the economy of Luanda, and then went on to examine the effect of police operations to reduce the amount of street vending in Luanda: it examined whether certain groups (such as women) are more affected by these operations and what the impact is on livelihood opportunities.

A literature review was carried out of studies carried out on the informal production and marketing economy in Luanda since Independence. This review showed that the informal economy developed in Luanda during the 1980s as a response to the growth of the city of Luanda, the crisis in the rural economy, the reliance on imports to support the urban population, an unrealistic exchange rate, gaps in the internal supply system, failures in local industry and the habit of paying salaries in kind. The literature review indicated that the following trends have a potential to affect the informal economy:-

- 1 Freer movement of people and goods within Angola
- 2 Stability of the currency (ending of hyper-inflation)
- 3 Economic growth led by the petroleum sector
- 4 Government policies that have the stated intention of "a gradual transformation of informal trade into formal sector trade" (through a "*Programa de Reestruturação do Sistema de Logística e de Distribuição de Produtos Essenciais à População/Novo Rede Comercial*" – programme to restructure the logistics and distribution system of essential goods to the population/new trading network)
- 5 Implementation of a Government policy of re-ordering the system of markets
- 6 Creation of formal employment.

The literature suggested that various economic reforms, starting in 1987, were not sufficient to put a brake on the growth of the informal economy. Hyper-inflation during the 1990s and the loss of value of formal-sector salaries and structural adjustment policies (reducing formal employment) in the 1990s in fact pushed more people into the informal economy. Most of the data that have been published on the informal economy in Luanda, and on the number of people involved, were in fact based on data collected in the middle of the 1990s when the informal economy was growing rapidly. There are indications that the number of people involved is even greater today than it was then.

A re-analysis was conducted of a data-set collected by Development Workshop in 2005 and which has been underused. This interviewed 600 respondents distributed across the three locations: homes markets and street-trading. This re-analysis used deeper cross-tabulations of variables, and was indicating that (for example) there are differences between age and sex groups in the kind of trade and the locations in which they function.

A case-study was carried out of Roque Santeiro market, which it is planned to relocate at some time in the future. This involved interviews of traders in Roque Santeiro, and of other key informants. The case-study showed that there have been changes in the geographical organisation of trade in Luanda since the 1990s: Roque Santeiro is less important as a centre of wholesaling in Luanda and users of Roque Santeiro had already made adjustments in anticipation of its removal; however there are unanswered questions about the utility of replacements markets on the very edge of the city of Luanda, and about how the most vulnerable users of Roque Santeiro (such as market cleaners and porters) will adjust.

A mapping of 4 sub-sectors of trade in Luanda: cassava, drinks, clothing and fish. This mapping was to look at the value chains in these products and the linkages between different buyers and sellers. These products involve both trade and some production and transformation (as other food products are made from cassava and there is some local production of clothing and drinks in the city). This component was carried out from September 2007 to February 2008.

This study looked at different actors involved in the chain of trading, the quantities involved, the prices and the geographical location. Further work was carried out to understand better the relationship between the different actors in the chain and how these chains are likely to be affected by likely future changes in context.

A mapping of the city of Luanda, mapping the location of markets, new markets, plans for new markets, and a geographic mapping of the 4 sub-sectors mentioned above. This was carried out in November 2007. At the same time there were qualitative and quantitative interviews to gain more in-depth information about the four sub-sectors, particularly about relations between actors and constraints in these sub-sectors (November 2007 to April 2008).

Field work was carried out also to count the number of people selling in various sites (in markets, outside markets, in the street and at home) and compared this with a previous count carried out in 2005.

This was followed by institutional interviews of officials involved in regulating trade and managing markets Luanda. The aim of these interviews was to understand better the plans for reorganising the market system and what the implications might be.

The results show that informal marketing continues to employ large numbers of people. Absolute numbers employed in the informal sector are similar to 2002 but the proportion of total employment has dropped slightly. The freer movement of people and goods within Angola, the ending of hyper-inflation and rapid economic growth led by the petroleum sector have led to a small increase in formal sector employment. This has mainly been in the

construction of infrastructure, in which the Angolan government is investing heavily. Large-scale, capital-intensive investment is being carried out by large international companies (mainly Brazilian, Portuguese and Chinese) who employ some Angolan workers but also bring their own labour from Brazil, Portugal and China. The intention is that improved infrastructure will stimulate non-oil economic activity. Poor water supply is a stated difficulty of existing businesses, so improved supply is required to stimulate non-oil economic activity. It is only in 2008 that improvements to water supply in Luanda and other major cities have begun, so this constraint is expected to continue for at least some years. Large strides have been made in improving inter-provincial roads and railways during 2008, but it is as yet too soon for this to begin to stimulate agricultural production and industrial production based on local raw materials. The informal marketing sector therefore continues to be a significant provider of employment and income-generation.

The implementation of a Government policy of re-ordering the system of markets has meanwhile been taking place. This temporarily moved sellers out of markets, while rebuilding was taking place, and also has reduced the number of places available in the long-term as some markets have closed. The effect has been to displace informal sellers from markets to other locations: people have been observed selling on road-building sites next to main roads (moving out of the way each time a machine goes past) or on railway lines (moving out of the way when a train is coming). Government policies that have the stated intention of “a gradual transformation of informal trade into formal sector trade” include regulations that, in theory would make informal businesses illegal (especially those taking place in the street or other places outside of and away from markets). There is no sign at present of it being possible for the Government to prevent informal selling taking place (taking into account the vast numbers of people involved) but the question remains whether formal sector employment will be created before this happens. Meanwhile large numbers of people continue to draw their livelihoods from informal marketing.

Quantitative data on the size of the informal economy and the actual proportion of the labour force that the informal economy employs may be available in 2010 as an output from the Household Income Study of some twenty thousand surveys that is currently being undertaken by the national Statistics Institute with support from the World Bank and UNICEF. Development Workshop has provided input on the design of the research tools for the Household Income Study and strongly advocated for data to be made available in a disaggregated form and geographically referenced. With the results of this study it will be possible to quantify further the findings that DW has been able to draw from its study of the informal sector.

## 4 BUILDING CAPACITY AND DISSEMINATION OF RESULTS

The research was led by DW's research unit CEDOC and the programme was implemented under the leadership of national researchers in each of the thematic study areas. This research programme increased the analytic capacity building and reporting skills of the DW research teams. Furthermore, it led to the creation of innovative approaches such as participatory mapping and the creation of informal human settlement typologies in Luanda using satellite images. The research also developed a participatory analysis technique which permitted an analysis of the results while considering the different points of view of different actors in the research process.

DW engaged experienced research associates and built national research team capacity through training and supervision in the field. University students and local mid-level professionals such as local teachers were trained as field researchers. Through its practical project work, DW has developed a network of base-level community workers, members and leaders who provide an in-depth access to local level knowledge.

Capacity building through training and supervised practice was a key aim of this project. Related objectives include the strengthening of qualitative and quantitative research techniques and analytic tools through the:

- identification and evaluation of existing gaps in knowledge and skills of research team members;
- identification of key personnel to benefit from enhanced research skills and knowledge management training;
- strengthening of an institutional basis for specific focussed research and training opportunities as well as for information management and monitoring activities.



Field researchers being trained for informal rental market study

The training programme included:

1. Dedicated training seminars and workshops with associated guided learning on:
  - a) qualitative research techniques;
  - b) use of rapid participatory appraisal tools;
  - c) quantitative research, sampling and statistical analysis;
  - d) building data bases, cleaning data and use of SPSS;
  - e) Geographic Information Systems and linking of data with spatial information and using GIS to layer and analyse information;
  - f) Participatory analysis;
  - g) Participatory mapping;
  - h) Participatory reporting.

2. Practical “fieldwork” within DW and with research partners and collaborating institutions;
3. Training in techniques for public presentation of findings and the linked development of DW knowledge-based information services.

The personnel that was involved in the research programme and identified within DW for skills upgrading, was drawn from the current CEDOC unit who has been involved in past land research, risk mapping and monitoring projects. Some members of the team come from DW’s development projects and have strong practical community based experience. They have a range of educational levels, but only a few members of the team have degrees above the Bachelor level. Most team members have good working knowledge of English which allows them to access a wide set of external information sources both on the Internet and in written documents.

In the later stages of the project the team held seminars and workshops during which results were examined and reports were drafted. These seminars were to identify any missing information and begin to plan dissemination of results: the discussion of results will clarify the key messages emerging from the research and the possible targets for such information. The seminars also had the critical aim to improve the capacity of Development Workshop’s Research Unit on reporting analysis (quantitative and qualitative).

Development Workshop’s current research aims to support and improve networking and advocacy with the local community and Angolan civil society organizations. One of these partners is the Association of Street Traders (Associação dos Ambulantes) that has over fifteen thousand members in Luanda alone. DW supported the Association of Street Traders to hold a national conference in April 2008 and used the opportunity to present the results of the research to-date at the conference. The Conference was well attended by provincial and national government authorities including the Governor and Vice Minister of Commerce. Research results were used to defend the principle of economic inclusion of the informal economy in urban policy planning.

The promotion of the previous Vice Governor as the new Governor of Luanda is a significant factor in the advocacy strategy of the project. The new Governor is familiar to Development Workshop. She has a background in the women’s movement in Angola and has sought out DW’s collaboration in projects related to slum area upgrading and environmental risk mitigation in recent years. She has closely followed DW’s research on the informal economy and decided to stop market closures and has promoted the development and upgrading of market facilities serving peri-urban areas of Luanda. She was also able to put a hold on some of the forced removals of informal settlements around the city. The election campaign which gained momentum in the months before voting day on the 5<sup>th</sup> of September 2008 also provided a platform for advocacy. The ruling party picked up a number of opposition party issues and out-manoeuvred the opposition on pro-poor urban policy positions. Some leaders in the ruling party actually used the electoral campaign to criticize the Provincial Government’s persecution of street traders. The current project is using these opportunities to feed the debate with research findings that in-turn influence government policy positions and plans. The project is closely tracking opinions as they are expressed in the media and also using media opportunities to disseminate research findings.

As a result of its ongoing work on the Informal Water Supply Sector in Luanda as part of this IDRC-funded research project, Development Workshop’s Research Unit was engaged by the World Bank and the Government’s National Water Directorate (Direcção Nacional de Aguas) to carry out a study of water use in 5 cities in Angola (Huambo, Kuito, Uige, Malange and Ndalatando) prior to possible improvements to the water supply in these cities. This involved 400 quantitative interviews in each city as well as qualitative interviews and key-informant interviews, and aimed to discover respondents’ willingness and ability to pay for an improved water supply. This work was complementary to the study of the Informal peri-urban Water

Sector, and has permitted the development of better relationships with the State bodies responsible for water planning and supply.

This IDRC funded research has also raised awareness by various other stakeholders of Development Workshop's research projects: For example, the Ministry of Urbanism and Housing (Ministério do Urbanismo e Habitação) has requested assistance from Development Workshop to create a monitoring system for urban indicators of the millennium development goals (population density, land tenure security, housing quality, access to potable water and sanitation).

In November 2008 Development Workshop gave a presentation on the informal sector in Angola at the National Forum of Micro-finances (Fórum Nacional de Micro-finanças) held by the Ministry of Family and the Promotion of Women (Ministério da Família e Promoção da Mulher).

Development Workshop gave a presentation on the informal sector in Angola at a workshop on "unemployment and growth of the employment sector in Angola" held by the Friedrich Helbert Foundation in November 2008.

In May 2009 Development Workshop was invited to be a part of the team of experts responsible for the creation of a housing state policy, a national territorial information system and a programme for rehabilitation of settlements in precarious locations.

Development Workshop is disseminating the research results in workshops and written form to different stakeholders in the areas researched, among them: MINUHA, INUTU, The National Institute of Housing, MINEA, DNA, EPAL, MINCOM, Management of Internal Commerce, Management of Markets and Fairs, Economic police, The Provincial Government of Luanda, partnering NGOs, The Secretary of the State of Water, The Ministry of Youth and Sports - MINJUD, The Ministry of Family and the Promotion of Women - MINFAMU, Ministry of Public Administration, Employment and Social Security - MAPESS, The Public Electric Distribution Company - EDEL, The Ministry of Commerce - MINECO, Embassies and international agencies.

Portuguese versions of the research findings are being prepared as policy influencing documents for presentation to key Government institutions, such as the Ministry of urbanism and Housing and the Provincial Government of Luanda.

Findings from the Informal Economy Research were presented in June 2009 to the National Conference for launching Angola's 2009 Economic Report. This provided a unique opportunity to present our findings on an important sector of the economy that is not captured by the normal indicators of economic growth and formal employment statistics. Our intervention created considerable debate and media interest.

The preliminary results of the research were presented at the Christian Michelson Research Institute in Bergen, Norway in June 2008. The results of the Informal Water Market component of the study were presented at the Stockholm Water Week Conference in September 2008. The preliminary results of the Rental Housing market study were presented at the International Conference on Housing Microfinance in Dar es Salaam, Tanzania in November 2008. A presentation of the results were made at the Institute for Environment and Development and the Development Planning Unit in London UK and at the University of Ottawa, Graduate School for International development in February 2009.

The research study and results were presented at different stages to IDRC in Ottawa in May 2008 and February 2009 and in Nairobi in November 2008. DW made a presentation of its urban research and advocacy work at IDRC's Conference on Environment and Urban Development in Jinja, Uganda in December 2008.



A peer-reviewed paper titled: Water Service Provision for the Peri-Urban Poor in Post-Conflict Angola is presently being prepared for publication by the International Institute for Environment and Development – London.

Research findings are being prepared for dissemination of Development Workshop's Web Site along with documentation collected in the course of the literature review.